U. S. Congress.

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE SEVENTY-SECOND CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 75—PART 13

JUNE 24, 1932, TO JULY 7, 1932

(Pages 13811 to 14836)

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1932

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE
SEVENTY-SECOND CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 75—PART 13

JUNE 24, 1932, TO JULY 7, 1932
(Pages 12511 to 13856)

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1932

Deposited by the
United States of America
10-20-1932

Congressional Record

SEVENTY-SECOND CONGRESS, FIRST SESSION

SENATE

FRIDAY, JUNE 24, 1932

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., LL. D., offered the following prayer:

Be merciful unto us, O God, be merciful unto us, for our soul trusteth in Thee, and under the shadow of Thy wings shall be our refuge until this tyranny be overpast. Deal tenderly with our land, the branch of Thy planting, the work of Thy hands; and though the eye of sinful man Thy glory may not see, grant unto us, Thy children, the abundance of Thy pardon as we humbly confess our sins unto Thee. In particular we beseech Thee to bless the Members of the Congress. Give them wisdom to discern and courage to do whatever is needful in these days, wherein the souls of men are sorely tried, that sorrow and suffering, want and distress being relieved in our midst, Thy people may again find peace and joy in serving Thee with a quiet mind. We ask it in the name and for the sake of Him who is ever our Exemplar and Redeemer, Jesus Christ, our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Tuesday, Wednesday, and Thursday, June 21, 22, and 23, 1932, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Ashurst	Copeland	Jones	Robinson, Ind.
Austin	Costigan	Kean	Sheppard
Bankhead	Couzens	Kendrick	Shipstead
Barbour	Dale	King	Shortridge
Barkley	Davis	La Follette	Smoot
Bingham	Fess	Logan	Steiwer
Black	Fletcher	McGill	Stephens
Blaine	Frazier	McKellar	Thomas, Idaho
Borah	George	McNary	Thomas, Okla.
Bratton	Goldsborough	Metcalf	Townsend
Brookhart	Gore	Moses	Trammell
Broussard	Hale	Norbeck	Vandenberg
Bulow	Hastings	Norris	Wagner
Byrnes	Hatfield	Nye	Walcott
Capper	Hawes	Oddie	Walsh, Mass.
Caraway	Hayden	Patterson	Walsh, Mont.
Carey	Hebert	Pittman	Watson
Connally	Howell	Reed	White
Coolidge	Johnson	Robinson, Ark.	

The PRESIDENT pro tempore. Seventy-five Senators having answered to their names, a quorum is present.

REPORTS OF COMMITTEES

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 4049) for the relief of John H. Day, reported it without amendment and submitted a report (No. 902) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which was referred the bill (H. R. 2161) for the relief of Nelson E. Frissell, reported it with an amendment and submitted a report (No. 903) thereon.

He also, from the same committee, to which was referred the bill (H. R. 4885) for the relief of Kenneth G. Gould, reported it without amendment and submitted a report (No. 904) thereon.

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (S. 465) for the relief of William H. Holmes, reported it with amendments and submitted a report (No. 905) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

H. R. 3414. An act for the relief of Ellen N. Nolan (Rept. No. 906);

H. R. 3604. An act for the relief of Same Giacalone and Same Ingrande (Rept. No. 907); and

H. R. 3811. An act for the relief of Lela B. Smith (Rept. No. 908).

Mr. HOWELL also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1738. An act for the relief of Catterina Pollino (Rept. No. 909);

S. 4327. An act for the relief of Lizzie Pittman (Rept. No. 910);

H. R. 756. An act for the relief of R. L. Wilson (Rept. No. 911);

H. R. 3693. An act for the relief of William Knourek (Rept. No. 912); and

H. R. 3812. An act for the relief of the estate of Harry W. Ward, deceased (Rept. No. 913).

Mr. STEIWER, from the Committee on Claims, to which was referred the bill (S. 2571) authorizing adjustment of the claim of the Pennsylvania Railroad Co., reported it without amendment and submitted a report (No. 914) thereon.

He also, from the same committee, to which was referred the bill (S. 2863) for the relief of Karim Joseph Mery, reported it with an amendment and submitted a report (No. 915) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2349) for the relief of the First Camden National Bank & Trust Co., of Camden, N. J., reported it without amendment and submitted a report (No. 919) thereon.

Mr. BARBOUR, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 8980. An act to provide for the sale of a portion of the site of the post-office and customhouse building in Newark, N. J., to the city of Newark for use as a public street (Rept. No. 916); and

H. R. 8981. An act to provide for the sale of an easement for a railway right of way over the post-office and customhouse site at Newark, N. J. (Rept. No. 917).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2774) to amend an act to increase the efficiency of the Veterinary Corps of the Regular Army, approved June 28, 1930, reported it with an amendment and submitted a report (No. 918) thereon.

Mr. REED, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 179) authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Tisheng Yen, a citizen of China, reported it without amendment and submitted a report (No. 920) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4068. An act to authorize the award of a decoration for distinguished service to Harry H. Horton, formerly private, first class, Medical Detachment, One hundred and forty-eighth Field Artillery, American Expeditionary Forces, in the World War (Rept. No. 921); and

S. 4597. An act to restore to their former retired status in the Regular Army of the United States persons who resigned such status to accept the benefits of the act of May 24, 1928 (45 Stat. 735), and for other purposes (Rept. No. 922).

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 2283) for the relief of Otto Christian, reported it without amendment and submitted a report (No. 923) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 1860) for the relief of Leonard Theodore Boice, reported it without amendment and submitted a report (No. 924) thereon.

RELIEF OF PERSONS IN BALTIMORE AND HARFORD COUNTIES, MD.

Mr. HOWELL, from the Committee on Claims, reported a resolution (S. Res. 250), as follows:

Resolved, That the bill (S. 4415) entitled "A bill for the relief of certain persons formerly having interests in Baltimore and Harford Counties, Md.," now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and the representations of the Government made in connection therewith and report to the Senate in accordance therewith.

EXECUTIVE REPORTS OF COMMITTEES

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. HEBERT, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Walter C. Price to be postmaster at Huntington, W. Va., in place of C. R. Varnum.

Mr. REED, from the Committee on Military Affairs, reported favorably sundry nominations of officers in the Regular Army.

Mr. HALE, from the Committee on Naval Affairs, reported favorably sundry nominations of officers in the Navy.

Mr. NORBECK, from the Committee on Banking and Currency, reported favorably the nomination of Gardner Cowles, sr., of Iowa, to be a member of the board of directors of the Reconstruction Finance Corporation for the unexpired portion of the term of two years from January 22, 1932, vice Charles G. Dawes, resigned.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BORAH:

A bill (S. 4930) for the relief of Avery G. Constant; to the Committee on Claims.

By Mr. HOWELL:

A bill (S. 4931) granting an increase of pension to Sarah M. Williams; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 4932) to repeal section 2 of Public, No. 242, Sixty-fourth Congress, being an act making appropriations for the support of the Army, and approved August 29, 1916, and relating to the establishing of a council of national defense; to the Committee on Military Affairs.

By Mr. METCALF (by request):

A bill (S. 4933) to encourage and promote education; to the Committee on Education and Labor.

RESTRICTION ON EMPLOYMENT OF ALIENS

Mr. ASHURST introduced a joint resolution (S. J. Res. 184) proposing an amendment to the Constitution of the United States, which was read twice by its title.

Mr. ASHURST. Mr. President, I ask unanimous consent to address the Senate for two minutes upon the joint resolution.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Arizona will proceed.

Mr. ASHURST. Mr. President, the joint resolution reads as follows:

Nothing contained in Article XIV of the amendments to this Constitution shall interfere with the rights of the States to restrict the employment of aliens within their respective boundaries.

In 1914 the State of Arizona adopted a measure, the operative parts of which read as follows:

Any company, corporation, partnership, association, or individual who is or may hereafter become an employer of more than five workers at any one time in the State of Arizona, regardless of kind or class of work or sex of workers, shall employ not less than 80 per cent qualified electors or native-born citizens of the United States or some subdivision thereof.

This measure adopted by Arizona was, by the Supreme Court of the United States, in the case of Truax *v.* Raich (239 U. S. 33, et seq.), declared to be in conflict with the fourteenth amendment to the Constitution, and therefore invalid.

I do not, of course, expect action on the joint resolution at this session of Congress, but I ask the country, and especially the Senate, to study the same so that during the next session we may consider the resolution.

The PRESIDENT pro tempore. The joint resolution will be referred to the Committee on the Judiciary.

AMENDMENT TO CONSTITUTION—ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. COOLIDGE. Mr. President, I desire to introduce a joint resolution providing for an amendment to the Constitution of the United States. The proposed amendment provides for the election of the President and the Vice President of the United States by direct vote of the people.

I am sure that under the present system of electing the President and the Vice President, many of our people do not realize for whom they are voting. That there is a strong sentiment against the present party machinery is evidenced, in my opinion, by the lack of interest shown by the voters who fail to exercise their right of franchise on election day.

I appreciate the importance of the proposed change which is provided for in this joint resolution. Under the present system a voter has no choice in the selection of the candidate for Vice President; that is, if he should vote for the Democratic candidate for President his vote is counted for the Democratic candidate for Vice President.

This generation is taking a greater interest in candidates and political questions than ever before. Under the present system the voters have very little to say as to whom their candidates will be for these offices. If the election of President and Vice President were by direct vote of the people, greater independence would be enjoyed by the voter.

Mr. President, I intended to introduce this joint resolution earlier than this, but I did not have it prepared. I intended to send it to the platform committee of the Republican National Convention, and also to the platform committee of the Democratic National Convention, and have them consider it and possibly incorporate it in the platforms of those conventions.

This joint resolution is being introduced with an earnest desire on my part that it receive favorable consideration from the Congress.

The joint resolution (S. J. Res. 185) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President, was read twice by its title and referred to the Committee on the Judiciary.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL

Mr. KING submitted an amendment intended to be proposed by him to House bill 12443, the second deficiency ap-

propriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 4, after line 25, insert the following new paragraph:

"International economic conference: For payment of expenses of delegates from the United States to any conference called by any foreign nation during the fiscal year ending June 30, 1933, for the purpose of considering economic and world monetary questions, including restoring silver to a proper monetary status."

REMOVAL OF BOSTON & MAINE RAILROAD EMPLOYEES

Mr. WAGNER submitted the following resolution (S. Res. 251), which was referred to the Committee on Interstate Commerce:

Resolved, That the Interstate Commerce Commission be, and it is hereby, requested to investigate the circumstances surrounding an order issued by the Boston & Maine Railroad, which became effective on November 16, 1931, and which resulted in the removal of the switching, clerical, roundhouse, and other railroad employees from Rotterdam Junction, N. Y., to Mechanicville, N. Y., and the practical abandonment of the community of Rotterdam Junction, and that a report of the investigation, including an estimate of the losses suffered by the railroad employees and a determination of the effect of the order upon the general welfare of the community of Rotterdam Junction be submitted to the Senate on December 5, 1932.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COLLIER, Mr. CRISP, Mr. RAINEY, Mr. TREADWAY, and Mr. BACHARACH were appointed managers on the part of the House at the conference.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on June 23, 1932, the President approved and signed the following acts:

S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia; and

S. 4614. An act to amend section 14 of an act entitled "An act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249).

"CONGRESS AND THE COUNTRY"

Mr. ODDIE. Mr. President, I ask permission to have published in the RECORD an interesting and instructive radio address made by Senator CAPPER on June 22, 1932, over the National Broadcasting System.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends in the radio audience, before you and I start this little talkfest about Congress and the country, perhaps I should tell you a little about myself, so you may understand the background against which my impressions of things as they happen to be to-day are etched.

I am a native of Kansas. I started in business as a printer; still carry my union card. I became a newspaper reporter; then owner, editor, and publisher of newspapers and farm papers.

Economically, my background is strictly agricultural. Kansas is an agricultural State. After two terms as Governor of Kansas I was elected to the United States Senate in 1918. In the years that have followed I have been associated with the farm group in legislation pertaining to agriculture; have been chairman of the Committee on the District of Columbia, member of the Committee on Agriculture, member of the Committee on Foreign Relations.

I come of Quaker stock, and do not believe in war. Politically, I always have been a Republican; am now a Republican; expect to continue to be a Republican. I am a dry and believe in national prohibition.

Perhaps this background may explain some of the views which I hold. There are some who believe such views require explanation.

With the additional explanation that I am not much of a hand at speech making but am very fond of talking things over with other folks, I expect to get away from referring to myself during the few minutes that you and I are to spend together discussing the present session of Congress. If you don't mind, there will be no speech. We will just talk things over, as if we were sitting on the front porch this warm evening—probably in our shirt-sleeves—trying to figure what all this trouble is about. We may not get anywhere, but we can get some ideas off our chest.

If the average citizen were asked point-blank what Congress has done in the last seven months he would probably say, "Nothing, except cause more grief." And he would be perfectly sincere in that statement.

He might add the pious wish that Congress would adjourn and go home and allow the country to right itself. And he would be perfectly sincere in that statement also. I know lots of folks feel that way about it. And you and I can not blame them. When we look at the fix the country is in, and figure out there is no excuse for its being in that fix, the first thing to be done is to place the blame. And as Congress is popularly supposed to run the country—under the direction of the President and the newspapers and with the guidance of the Supreme Court—what is more natural than to blame Congress?

Personally I do not believe Congress is entirely to blame for the world depression. But, then, neither do I believe that President Hoover brought on the world depression. As a matter of fact, my friends, no one person, no set of persons, brought on the world depression intentionally.

But something did cause the world depression. If we just knew for sure what it was, perhaps we could do something about it; certainly we would try—and we are trying. Right now the thing is as bad as the weather, about which, I believe, Mark Twain once commented that everyone talked about the weather but no one ever did anything about it.

However, as a matter of fact, men do not cause weather conditions; there is little doubt but that this depression is man made. And I do believe something can be done about it; some things have been done. A lot of things will have to be done when we get out of this one to prevent our tumbling into another one in the near future.

Now, just look at the United States, at its people, its natural resources, its wealth, the material progress it has made—and then look "where we are at," to use an inelegant but perfectly intelligible expression.

Let us start out with a few basic facts before we get down to brass tacks in discussing the relation of Congress to the country. Then take a look at our system—or lack of system, in the economic sense—and then search for some causes of our troubles. Seems to me that is the first thing to do in trying to remedy a bad situation. Figure out the situation, look for the causes, then search for a solution.

We think of the United States as a pretty big place. And it is. We think there are a lot of people in the United States. And there are—some 120,000,000 of us.

But, after all, only 6 per cent of the population of this world is in the United States. Only 6 persons out of 100; only 1 of every 16 in the world live in these United States of America.

But let us see what this 6 per cent of the world's population were doing—what they had—the year before the panic of 1929 started.

This 6 per cent of the world's population consume 15 per cent of the wheat consumed in the entire world, 23 per cent—nearly one-fourth—of all the sugar consumed in the world.

We drink 51 per cent—more than one-half—of the coffee drunk in the world, use 26 per cent of the cotton, 72 per cent of the silk, 17 per cent of the wool, 66 per cent of the rubber, 43 per cent of the pig iron, 36 per cent of the lead, 35 per cent of the zinc, 46 per cent of the tin, 39 per cent of the coal, 61 per cent of the petroleum, 25 per cent of the water power, 40 per cent of the electrical energy.

We—we 6 per cent of the population of the world—own three-fourths of the autos in the world; we use 60 per cent of all the telephones; we send 25 per cent of the telegrams; we mail 35 per cent of the pieces of mail delivered all over the world; we handle 33 per cent of the freight tonnage.

To-day there are in the United States enough foodstuffs in storage to last us about one year; there is enough clothing to last us a year; we apparently have inexhaustible sources of heat and light and power.

But in the face of these facts, with all this wealth, with all these commodities, with all these things—

We have surplus foodstuffs; we have breadlines in most of our big cities.

We have plenty of work to be done; we have 10,000,000 unemployed.

We have plenty of gold, and the business of the country facing bankruptcy, the people facing insolvency, want, ruin; the Government worrying about balancing its Budget.

Why this condition?

That, my friends, is what the people can not understand; and when Congress met last December the people naturally turned to Congress for relief.

But this country had some liabilities, so to speak, that tended to offset the assets, the favorable factors we have been talking about.

You remember we had a World War some 15 years ago. Between 1914 and 1919 the civilized people of the world shot away billions and billions of dollars worth of property, of accumulated capital. That capital, that wealth, was just completely destroyed.

We did our share of the destruction, considering the short space of time we actually were engaged in the war.

In addition we expended, including loans, some $26,000,000,000, very few of which have come back to us. That fact alone, it would seem, meant we had to make up by savings out of earnings in the years following the war.

But apparently we did not recognize this as a fact; we are dodging the realization to-day; still expecting and hoping to get some of those billions back.

Some other things had happened to us as direct and indirect results of the war. We had got what we fondly and proudly termed the "investment habit." As a matter of fact it was more of a speculation habit, a gambling habit. We believed, and there were plenty of salesmen to help us believe, that wealth would come to us from investing in scraps of paper instead of through production and saving. We evolved a strange economic theory, the theory of mortgaging the future and spending future earnings to-day—and we called it the new economic era.

We fondly believed and proudly bragged that in effect we had discovered how to eat our cake and have it, too—by borrowing. Of course, we did not call it borrowing. We capitalized the future; corporations capitalized possible prospective earnings 10, 20, 30 years ahead and issued beautiful certificates based on those capitalizations of future prospective earnings.

We, the people of the United States, issued our own notes—capitalizing our own future earnings, borrowing on the strength of future prospects—and traded the credits we received at the bank for these pretty certificates. In all we must have traded some $70,000,000,000 of I O U's for $70,000,000,000 worth of beautiful certificates.

In other words, we had inflation, speculation, a mad frenzy of gambling in securities. We pyramided, and pyramided, and pyramided, and made paper profits the like of which never were seen nor imagined before. And to cap the climax, on the strength of trading our I O U's for I O U certificates, we bought on the installment plan, still further pledging our credit, extending our borrowings.

The break threatened to come in 1920. We postponed at that time reaping the whirlwind from the winds we had sown, by deflating agriculture. We deflated agriculture some thirty-two billions of dollars, thereby forcing the farmers of the country to mortgage their farms, their futures, to retain their land and their purchasing power. And the money lenders of the country lent credit to the farmers, taking promises to repay cash for that credit, just as they lent the rest of us credit, upon promises to repay in cash, for our speculations in securities.

We bought everything, and bought on time. We bought autos, and radios, and clothing, and necessities, and luxuries, rainbows, and blue sky—principally we bought securities.

We traded promises to pay for credit, for still more credit. But we promised to pay in cash, where we got credit only in return for our promises to pay in cash.

At the time we borrowed that credit it was as good as cash. We were rich. We felt liberal. We increased our taxes, we issued bonds for public buildings, we granted bonuses, we wanted a schoolhouse on every section of land, auditoriums in every town, new courthouses, new buildings for departments and bureaus in Washington; new bureaus and commissions.

We bought and bought and bought and bought—on credit obtained by promising to repay in cash in the future.

Why not? The new economic era had arrived. We had the Federal reserve system, which furnished credit facilities and guaranteed they were sound. And the money lenders, led by the international bankers hawking foreign securities on every street corner, encouraged us to borrow and spend, borrow and spend, borrow and spend.

We doubled our tax burden in a decade. We tripled our total indebtedness.

But we had a good time while it lasted.

Then the bubble burst, and its iridescent colorings faded into blue sky.

But before the financial bubble burst something else also had happened. Something we can not afford to ignore. Something which adds to our present troubles, but promises also a way out if it is intelligently used instead of abused.

I refer to mass production by machinery. During and following the war we carried on our marvelous development of the machine—in industry, in transportation, in agriculture, in mining, in all lines of production and distribution. We developed the machine to the point where in 7 months we can just about produce everything we can consume in 12 months.

Mass production came, and with it the replacement of man power by machine power.

Unless hours of labor were shortened to offset this increased machine production, there was bound to be unemployment for all workers seven months out of the year, or else unemployment for millions of workers all the time.

The bubble burst in October, 1929; we heard about it, but refused to believe it until along about November, 1931.

By that time we had seven millions of unemployed. We had accumulated debts amounting to $150,000,000,000. We had run up an annual tax bill of $13,000,000,000. Our annual interest bill was around $7,000,000,000.

And that $70,000,000,000 of "pyramided security wealth"—borrowed from the future to buy the pretty certificates—that had just disappeared. It was part of the bubble.

But the $70,000,000,000 we had promised to pay in return for the $70,000,000,000 of credit paid for the pyramided securities still remained on the books. We owed the $70,000,000,000, and held the sack of securities.

When Congress met in December that really was the situation the country faced.

What the country wanted Congress to do was to restore the $70,000,000,000 of vanished credit; it wanted Congress to reduce the annual tax burden of $13,000,000,000; it wanted Congress to insure jobs for the then seven millions of unemployed; it wanted Congress to bring back the "prosperity" of those days when we borrowed and spent, borrowed and spent, borrowed and spent.

Well, Congress just could not do that job. It is going to take time, and work, and scrimping, and intelligent leadership, to bring back the prosperity of before the war. I hope none of us live to see again the false prosperity of the postwar days.

As the people see it, Congress has failed on this job the country wanted done. I am not surprised that Congress is criticized. A good part of its record does not have my own approval. But if we are going to be fair about it we must admit Congress has done some things to alleviate the situation, to help tide through the emergency.

The country insisted upon tax reductions, and justly so. A national income of $50,000,000,000 can not pay the $13,000,000,000 in taxes that it could when the national income—on the inflated credit basis—was $90,000,000,000.

Of the country's $13,000,000,000 of tax burden, the Federal Government's share was well over $4,000,000,000. The present session of Congress has reduced running expenses somewhere between five hundred and seven hundred million dollars out of seventeen hundred millions of running expenses aside from fixed charges.

State and local governments are on the way toward tax reductions of 25 per cent. In another year the total tax burden should be down to $10,000,000,000 a year. It will have to be slashed some more. All Government pay rolls are going to have to take cuts; most of them have done so. I am glad to say we have reduced the salaries of Senators and Congressmen 10 per cent. The reduction should have been at least twice that much.

The National Budget must be balanced. Higher taxes are necessary to do that, but along with them curtailment of expenditures also must come. We have got to eliminate boards and bureaus and commissions. Nonessentials must be discarded. Other activities must be curtailed. An emergency exists. It must be met. I am myself voting for drastic reduction in appropriations. My vote has been cast against appropriations aggregating something like $9,000,000,000. It is hard to do it, but I think the public interest demands it.

The Federal salary reductions for next year will average 9 per cent, through the adoption of the furlough plan. The furlough plan will, I hope, lead to the national 5-day week. Development of machinery, in my judgment, will require the whole country to go to the 5-day week in industry—perhaps to a 7-hour day. Otherwise we will have millions of unemployed with us, even after we have recovered from this deflation following the inflation.

And in passing I want to state that this country will emerge from this depression. We have too much real wealth, too much intelligence, too much real strength in resources and in national character not to recover from this serious economic illness. But we also will have to learn and profit from this sad experience if the recovery is to be permanent.

Right here I am glad to commend President Hoover for sending word to Geneva that the United States favors a one-third cut in world armaments. This move to reduce the crushing burden of taxation caused by war will meet with world-wide approval. Let me add I was immensely pleased with the renomination of President Hoover and Vice President Curtis. Mr. Hoover has had the most difficult job that ever fell to a President. He has made a great President. No one could have handled it better. He will be reelected by a splendid majority. I am particularly proud of the record made by my fellow Kansan, Charles Curtis.

But, getting back to Congress, tax reduction was not the only emergency relief problem faced by Congress.

Neither I nor anyone else can maintain that this session of Congress attacked the cause of our troubles; Congress merely tried to take care of some phases of the existing emergency. Besides tax reduction, extension of credit was absolutely necessary.

This necessary credit extension was accomplished through the Reconstruction Finance Corporation, for which Congress appropriated $500,000,000, plus authority to borrow on bond issues another $1,500,000,000.

The R. F. C., as it is generally known, saved the banking system of the country from collapse; if the banking structure had collapsed, we would be a hundredfold worse off than we are; you may not want to admit that, but I believe it to be true.

The R. F. C. extended credit also to the railroads, to the insurance companies indirectly.

The R. F. C. lent $75,000,000 to farmer and farm cooperatives. The railroads so far have borrowed $150,000,000. Four thousand banks have obtained nearly $500,000,000, some of it already repaid. Seventy per cent of the banking loans, I am informed, have gone to banks in towns of 5,000 or less population.

In addition to economies in government, to extending credit through the R. F. C., Congress has extended $125,000,000 of credit to the farm land banks; has whacked off large percentages from the regular appropriations bills; and this week is struggling with the problem of direct relief for those in distress. How large that figure will amount to I can not say. It will run into the hundreds of millions; but it will not include—and by all means it should not include—the "pork barrel" public-works program advocated by Speaker GARNER. I believe that is a safe statement to make.

I am glad to commend this Congress for having defeated all proposals to modify or repeal the eighteenth amendment. Both

political parties will declare in their platforms for resubmission of this question to the people. I predict that the eighteenth amendment will again be approved by the people.

Congress performed two courageous actions, for which it is receiving little credit from the country at the present time.

First. It passed a billion dollar tax bill—the tax bill that nobody wanted—to balance the Budget. I do not like the tax bill myself, but it was probably the best that could be done.

Second. It refused to pass the bill authorizing payment of twenty-four hundred million dollars to the veterans, to make immediate cash payment of the bonus due in 1945.

I want to pay my personal tribute to the veterans who marched to Washington urging the cash payment of the bonus. I admire their courage, their forbearance, their manly conduct of that mistaken campaign. As a friend of the veterans, I now would urge them to return home. They will do more harm than good in the long run by remaining. And it is just plainly impossible, at the present time, for Congress to yield to their wishes. To do so would endanger the financial fabric of the country, already strained to the breaking point.

The next Congress, in my judgment, should attack the fundamentals of the problem.

The real issue before the country is food for the hungry, jobs for the unemployed, and better prices for the farmer. Frankly, I am greatly disappointed in the record of this Congress so far as relief for the farmer is concerned. I regret to say there is little prospect of a constructive program coming out of this Congress for improving the condition of agriculture. The plan proposed by the three national farm organizations should have been accepted by Congress. The banks and the railroads got more attention than the farmers.

The next Congress should do what this one has failed to do—recognize the necessity of restoring the purchasing power of agriculture. Wheat is selling to-day in Kansas at the ruinously low price of 25 cents a bushel. Until farm prices rise, prosperity can not and will not return. Congress and the country would do well to recognize this basic fact.

Also the next Congress should tackle the problem of our monetary system; make our money a medium of exchange, not a commodity to be dealt in and speculated on in the money markets. In other words, it should stabilize the purchasing power of the dollar.

To-day the dollar is worth from 30 to 45 per cent more than three years ago. This means that the farmer who borrowed $1,000 when wheat was $1 a bushel, now has to sell not 1,000 bushels of wheat to pay it back, but more than 3,000 bushels.

There also is a national menace in the control of the Nation's business through great combinations of wealth, international bankers, pyramided mergers, interlocking directorates, great holding companies, and other devices that are used by the Wall Street gamblers for exploitation of the public through the stock markets—with the effects we see in the existing depression.

Let me say in conclusion that the hundreds of letters I receive every day from farmers, business men, and all classes of people from all parts of the country, tell me the people want Congress to finish its work as quickly as possible and go home. Let me give you the good news, then, that there is every prospect that Congress will adjourn by the latter part of the coming week.

"GEORGE WASHINGTON AMONG HIS BOOKS"

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an address broadcast from station WEAF by George Seibel, of Pittsburgh, entitled "George Washington Among His Books," which I believe deserves to be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

My friends—and I count every lover of liberty as a friend of mine—it looks as if America had suddenly discovered George Washington. We had nearly forgotten him. But all at once his picture appears everywhere, and he is being approved by people who had barely remembered his name. It seems he was born just 200 years ago, and since he has been conveniently dead for a long time it is quite safe to praise him as our patron saint, though we have departed far from his words and his ways.

A very amusing commentary upon this great American hearsay I heard in an Italian railway train while traveling from Venice to Verona. There was an Italian army officer in my compartment, and we got into conversation. I spoke very rudimentary Italian; he spoke no English or German, but very rudimentary French; so with the rudiments of these two languages we managed to understand each other. He wanted to know about prohibition—and I told him what I knew about it. Then he was very insistent upon finding out how the American people had come to adopt prohibition, and I tried to tell him that. After much laborious explanation on my part, he nodded his head and said in rudimentary French: "I think I understand. It is because ze General Washington is dead a very long time."

To the world Washington remains the great champion of liberty. Schiller, the famous German poet of liberty, had a picture of Washington hanging in the room where he died, in his home at Weimar. But to me Washington is not only the friend of liberty but also the example of calm courage and common sense.

In the past we revered him as a kind of patriotic myth. We still tell the story of the cherry tree and the hatchet, though it's no more true than the story of Little Red Riding Hood. We tell the story of his kneeling in the snow at Valley Forge to pray, but that, too, is a pious fable invented by Parson Weems.

It has never made much difference to me that Washington swore. I'm sure he always swore at the right people and about things that were wrong. And if he worked on the Sabbath day, I'm sure he always did something that needed to be done. And if he sometimes cast a glance at a pretty girl, who would wish that the general of the colonial armies had been blind?

The historian McMaster has told us that "George Washington is an unknown man." The words are true no longer. We know Washington right well, and we admire him none the less. He had in him something of the character of Don Quixote, with a book of which he was familiar, but his clear vision kept him from tilting at windmills. He also read Pilgrim's Progress, and so he was never afraid of Giant Despair. He read Homer, and so he never sulked in his tent. He may even have read Goethe, for there is a picture from Werthers Leiden on the wall of his bedroom at Mount Vernon.

Let us take a look at the books in Washington's library to judge what sort of man he was. You can tell a man by the books he reads. There's a passage in the second epistle of Paul to Timothy that has always intrigued me: "The cloak that I left at Troas, with Carpus, when thou comest, bring with thee, and the books, but especially the parchments." If we could know what Paul was reading, but we do know what Washington was reading.

When he died there were 863 volumes in his library, a large collection for those days. The largest library in the Colonies, that of William Byrd, had only 4,000 volumes. And when William Jennings Bryan died a few years ago, his library was appraised at less than $50.

Washington was fond of travel books. On his shelves were not only Cook's Voyages, but 20 volumes in French of an Histoire Générale des Voyages.

He was not the hard-fisted and prosaic farmer some imagine. On his shelves were many volumes of the Annals of Agriculture, but also the volumes of the Sentimental Magazine.

He was fond of history, and among his books was Edward Gibbon's great Decline and Fall of the Roman Empire. He was interested in revolutions, it seems, and Gifford's French Revolution proves it.

He knew the fate of a republic rested upon the intelligence of the citizens, and so he read Kames on Education. He may have known the mean things Samuel Johnson said about the American patriots, but he used the Doctor's Dictionary just the same.

He read the letters of Voltaire, the wittiest and wisest Frenchman that ever lived. He must have imbibed Voltaire's passion for tolerance and Voltaire's hatred of hypocrisy. Voltaire was the real father of the French Revolution, as Thomas Paine was of the American Revolution. I believe that Paine, the first man who ever used the phrase, "The United States of America," converted Washington to the necessity of independence by his flaming tract, Common Sense.

Afterwards this same man, Paine, writing by firelight on a drumhead at Valley Forge, wrote the Crisis to inspire the faltering patriots with courage and hope.

Later still, believing that "where liberty is not, there is my country," Paine went to Paris and wrote his Rights of Man to defend the French Revolution. He dedicated that work to his friend Washington, and sent him 50 copies, and Washington wrote him a letter of thanks. I have sometimes wondered what became of those 50 copies of the Rights of Man. I sometimes wonder what has become of the rights of man anyhow.

At the close of the war Washington wrote a letter to a friend in New York to send him some books. First in the list was a work by Voltaire, Charles XII of Sweden. There was Locke on the Human Understanding, and Goldsmith's Natural History. There were lives of Gustavus Adolphus and Peter the Great, Louis XV and Marshal Turenne; historical volumes by William Robertson, then a highly esteemed historian; and accounts of the revolutions in Rome and Portugal. Yes; he liked revolutions, like Jefferson. And Washington added:

"If there is a good bookseller's shop in the city, I would thank you for sending me a catalogue of the books and their prices, that I may choose such as I want."

He even read poetry, and there's a letter he wrote to a lady poetess who sent him a volume in which he himself appeared. He wishes the hero of her poetical talents were more deserving of her lays. And he thinks "the easy, simple, and beautiful strain with which the dialogue is supported does great justice to your genius." Mrs. Stockton, who wrote that pastoral poem, would not have shared the opinion of Thomas Carlyle that Washington was only "a Cromwell with the juice squeezed out."

In fact, among the many things that have come out about Washington we have some verses he himself wrote in his youth. Cromwell in Ireland did no worse.

But Washington was always a patron of literature. When Royall Tyler wrote the first American comedy, the Contrast, and it was published in 1790, the name of Washington heads the list of subscribers. He read Shakespeare and often quotes him in his letters. His own copy of Shakespeare is in the Folger Library at Washington, and not very far away in the same show case is the copy which belonged to George the Third. He was a great friend of the theater—always went when he had an opportunity—one well-known picture of Washington shows Thomas Wignell, the actor-manager, lighting him to his box in the playhouse.

When he wanted to give pleasure to his friend, Baron von Steuben, he sent him a ticket to the theater. The organizing genius of Baron von Steuben was needed to win the War of Independence, just like the pen of Thomas Paine. I am going to read the opening sentences of Paine's Crisis, because they are a wonderful mirror reflecting the heroic figure of Washington the liberator:

"These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman. Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheap, we esteem too lightly; 'tis dearness only that gives every thing its value. Heaven knows how to put a proper price upon its goods; and it would be strange indeed if so celestial an article as freedom should not be highly rated."

The ringing words of Thomas Paine show how the men of that day wrote—straight from the shoulder—a style we also find in Washington's 10,000 letters. Hypocrisy was not yet the first principle of politics. Men were not afraid to speak their honest thoughts and lose a few votes. They were not yet afraid to laugh at humbugs—and Washington could laugh as heartily as any man, though there is a legend that he never smiled during the entire course of the war.

Washington's own literary style had the lucid vigor of Paine's. You could not misunderstand what he meant. Of course, he has been criticized—and I recall one especially edifying instance of such criticism.

It was during the Great War. I had been asked to prepare resolutions to be adopted at a convention. Wishing to be sure my resolutions would be 100 per cent American, I compiled them from the writings of Washington, Jefferson, Madison, and Lincoln. When the resolutions were published, a patriotic critic tore them to pieces. He held up one piece and said the writer of such ungrammatical nonsense didn't even know English. I was squelched—because that particular piece had been written by George Washington—and I knew I couldn't do as well. But the researches of one student have recently shown that Washington spoke some Pennsylvania Dutch, which may account for his solecisms.

Washington's literary style, and his humor, and his knowledge of human nature all become apparent in a letter he wrote about Martha's daughter-in-law, when she was thinking of marriage. "I never did," he wrote, "nor do I believe I ever shall, give advice to a woman who is setting out on a matrimonial voyage; first, because I never could advise one to marry without her own consent; and, secondly, because I know it is to no purpose to advise her to refrain when she has obtained it."

What matter if he had a red nose and wore No. 13 boots and had badly fitting false teeth; what matter if all the other things are true which "debunking" historians have collected since Lodge gave them the signal? He was a man that men and women could trust, the sort of man our Nation needs to-day. He had the calm courage which is the rarest attribute of greatness. He was not the never-told-a-lie little Lord Fauntleroy that has been painted for us by Sparks and Weems and even John Marshall, who wrote five volumes about Washington and mentioned him only once in the first 400 pages.

We have met many fictitious Washingtons—in the pages of Cooper's Spy, in Thackeray's Virginians, in Weir Mitchell's Hugh Wynne, in Gertrude Atherton's Conqueror, in Paul Leicester Ford's Janice Meredith, and the human Washington is better than any. Who would not like to see him put upon the stage just as he was? Which reminds me that Washington is the hero of the shortest play ever written in America.

It has three acts. Act 1 is the camp. Enter a soldier to some officers. Says the soldier, "We ain't got no flag. Ain't it fierce?" The officers reply, "It sure is fierce!"

Act 2 is Washington's tent. Enter the same officers. Says one officer, "General, we ain't got no flag. Ain't it fierce?" And Washington replies, "It sure is fierce!"

Act 3 is in Betsey Ross's house. Enter General Washington. Says the General, "Betsey, we ain't go no flag. Ain't it fierce?" Betsey replies, "Yes; George, it sure is fierce! Here, hold the baby, and I'll make you a flag right away."

This Washington is truer than the milksop of Weems. And the true Washington after 200 years is just beginning to be known and loved.

RADIO ADDRESS BY ISADORE APFEL

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Mr. Isadore Apfel, grand master of the Independent Order of Brith Abraham.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I consider it an honor to address this large, unseen radio audience, and desire to express my appreciation to the sponsors of the American Hebrew and Jewish Tribune for affording me this privilege. The American Hebrew and Jewish Tribune is a publication of which we may all be proud for the favorable influence it exerts in disseminating information and in molding public opinion.

The Jews gave evidence of their willingness to care for their needy, their sick, and distressed in America as early as the days of Governor Stuyvesant, when they were permitted to remain in New Amsterdam, now New York, upon their agreement that the poor amongst them shall not become a burden to the community but be supported by their own people.

The history of Jewish philanthropy in America indicates conclusively how well the Jews have discharged the obligations assumed by them.

It is my purpose in this brief address to point out the influence of Jewish fraternal organizations as an important factor in America in the reduction of community dependency as well as their active cooperation in all truly American activities.

Jewish fraternal organizations in America began to flourish early in the nineteenth century.

They were founded in all instances by a handful of men who migrated from foreign lands to escape from tyranny, oppression, and religious persecution, and settled in this great land of liberty and freedom, enthusiastically accepting the ideals, customs, and laws of our country. Here in America they conceived the noble ideals and purposes for the formation of such organizations.

They were men whose alma mater was the school of experience and the university of life. They were deprived of the benefits of an education either at school or college. They were not possessed of wealth in gold but were rich in noble ideals, purposes, and principles. In their hearts there was overflowing the milk of human kindness as well as a deep-rooted feeling of affection not alone for their coreligionists but for all humanity.

Originally their primary purposes and objects were, that should a member become ill, he would have the benefit of the best medical care and attention and a visit from his fellow members to cheer and comfort him. In case of financial distress a member would receive aid, so that he would not become a public charge upon the community. In the event of death, his widow, children, or parents would receive the benefit of an endowment, thereby giving his dependents sustenance to tide them over, and provision was made for his burial and interment in a Jewish cemetery. The members would also participate in all family functions of joy and happiness. But there was uppermost in their minds the idea of meeting and cooperating with each other for the discussion and solution of their problems as well as to foster Jewish and American ideals.

As time went on they enlarged the scope and sphere of their activities. Mindful of their sisters and brothers who, through misfortune or otherwise, were denied the opportunity of coming to America, they resolved to give relief and assistance to their coreligionists abroad.

And so these small groups of pioneers traveled from hamlet to hamlet, and organized one lodge after another under a grand lodge system, throughout the United States, establishing in one instance over 500 lodges in one single organization operating from Maine to California. They made these fraternal organizations spiritual, patriotic, educational, and humanitarian institutions.

SPIRITUAL

In their rituals are contained the great moral teachings of Holy Writ; to love God with all thy heart, to love thy neighbor as thyself, to be just, merciful, and righteous in their daily acts and conduct and in all their relations with their fellow men.

PATRIOTIC

They exercised a powerful influence, especially during the days of the East European mass immigration period, when Americanization was the supreme aim of Jewish leadership in order to bring the newcomers into harmony with American ideals and institutions, that they might become imbued with the spirit of loyalty and patriotism to their country, which has been manifested by their splendid response to every call for patriotic duty to our Republic.

EDUCATIONAL

Most of these members who were immigrants never enjoyed a school education, but acquired an education in the lodge room through debates, discussions, and the interchange of thoughts and ideas, thereby acquiring knowledge, vision, and wisdom. Many learned their first lessons in English at the lodge meeting. Others acquired their knowledge of parliamentary procedure and decorum at their meetings. Many of our best known public men and speakers have begun their careers modestly in filling an office in their lodge. In fact, a good many Jews learned of American Jewish activities and took an active interest therein through their affiliation with Jewish fraternal orders.

They contributed to the establishment of schools for the education of the youth, so that through study of Jewish literature and Jewish history their children would become imbued with the spirit of Jewish consciousness. A Jewish consciousness makes one not alone a good Jew, but a good American.

They have actively supported the movement resulting in the teaching of Hebrew in New York City high schools.

SERVICE TO HUMANITY

These organizations have paid out millions of dollars to widows and orphans, parents, sisters, and brothers; millions to the sick and the distressed. They have helped in the support and maintenance of homes for the aged, orphan asylums, sanitariums for incurables, hospitals, and all other charitable and philanthropic institutions, many of which admit persons of all creeds and religions.

These fraternal organizations have become affiliated with other agencies such as the American Jewish Congress, the American Jewish Committee, and the joint distribution committee, for the relief of the distressed Jews in other lands. They have contributed

to the establishment of the Jewish homeland in Palestine, which has been established through the mandate of the League of Nations. This mandate and the Balfour declaration were approved by the Congress of the United States. They have assisted in the work of the Hadassah to enable it to maintain hospitals and other health institutions in Palestine.

These organizations increased in numerical strength up to the beginning of the great World War through an influx of members who were immigrants. Now, in the main, the new members are native-born American sons, daughters, and grandchildren of members.

Everlasting praise and gratitude is due to the founders of these organizations who built them upon a solid and lasting foundation, upon which a superstructure must be built as an inspiration to generations yet unborn to perpetuate their noble ideals.

In the United States celebrations have been and will be held from time to time until next Thanksgiving Day to commemorate the two-hundredth anniversary of the birth of George Washington. Jewish fraternal organizations in America are participating in these celebrations to pay homage and tribute to his life and character, and to rededicate themselves to his ideals and to the principles of the Constitution of the United States, which insures to every individual the inalienable right to life, liberty, and the pursuit of happiness.

It is well at this time to revive the spirit of George Washington, so much needed in our universities that are, in European fashion, making efforts to exclude students on account of their race or religion.

The Washington spirit is needed to set aright those who believe and preach that only persons of a certain religion and native-born Americans are the true Americans.

It is in the spirit of Washington that Senator Lodge stated:

"What is it to be an American? Surely, it does not consist in the number of generations merely which separate the individual from his forefathers, who first settled here. There are people to-day whose families have been here for 250 years and who are as utterly un-American as it is possible to be, while there are others whose fathers were immigrants, who are as intensely American as anyone can desire or imagine."

As grand master of the Independent Order Brith Abraham, the largest national Jewish fraternal organization in the world, I shall exert my utmost efforts to obtain its fullest support and cooperation to secure equal rights and opportunities for all, that each man or woman shall be judged on the basis of merit, ability, and American loyalty, and not according to race, creed, or color.

I am confident that all Jewish fraternal organizations will extend themselves to the fullest degree to bring about a better understanding between all peoples, to the end that America shall be what its founders intended it to be, a land of liberty and freedom, with justice for all.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, Dr. Jacob Gould Schurman, president of the first Philippine Commission, president of Cornell University, certainly knows the Philippine situation.

His statements in the early days of his appointment and his recent statement this year are worthy of careful consideration by students of this subject.

I ask unanimous consent that his statement, with my interpolations in addition, may be inserted in the body of the RECORD and lie on the table as part of the Philippine discussion.

There being no objection, the matter referred to was ordered to lie on the table and be printed in the RECORD, as follows:

Mr. President, one great American who had a large and important share in the beginnings of American government in the Philippines and who can speak with authority, therefore, about President McKinley's intentions respecting the Filipino people is fortunately still among us. I refer to Dr. Jacob Gould Schurman, scholar and diplomat, who was president of the first Philippine Commission, appointed by President McKinley early in 1899. Doctor Schurman was head of Cornell University when President McKinley selected him for the presidency of the commission. His success in that rôle was subsequently recognized and rewarded by his appointment as minister to China and still later as ambassador to Germany.

Doctor Schurman's acquaintance and sympathy with President McKinley's policies with reference to the Philippines were manifest in all his official attitude and actions while he served as head of the commission. He believed that the Filipino people should have independence just as soon as they were prepared for it, and his experiences with them prompted him to believe that they would quickly demonstrate their fitness. The sequel has vindicated Doctor Schurman's judgment. The Filipino people have made almost unbelievable progress in the last 30 years and have indeed reached the point at which they can learn no more about the right use of independence until they shall come to possess it.

It is significant that Doctor Schurman should be among the most earnest and eloquent advocates of independent nationhood for the Philippines. Only recently he said in a public address in California that the United States should hasten to fulfill its promises to the Filipinos. He has visited the Philippines since the days of the commission and was familiar with conditions there while he represented the United States in China. His interest in the people of the islands has inspired him to follow their career under American tutelage and he is for all these reasons a good witness regarding Mr. McKinley's purposes, the desires of the people themselves, and their preparedness for undertaking the responsibilities of independence.

Three years after his appointment as president of the first Philippine commission Doctor Schurman delivered an address at Cornell University, to which he had returned. In this address, which was repeated two weeks later—that is, on January 20, 1902—at Boston, Doctor Schurman explained why he discussed the commission and its labors.

"I have other than personal reasons for reciting these details," he said. "They show, in the first place, that President McKinley's motive in compelling Spain to cede to the United States her sovereignty over the Philippine Islands was the humanitarian object of liberating the Filipinos from misgovernment and oppression * * *."

That address is of the utmost pertinence to any present view or policy concerning the Philippines. He had intimate knowledge of President McKinley's hopes and wishes and plans on the subject of the Filipino people's destiny. He had also the benefit of contacts with the Filipino leaders of that day, and of information regarding their aspirations. He could testify, and did testify, authoritatively as to what Mr. McKinley promised and contemplated and as to what the Filipino people expected in the matter of ultimate independence for the islands.

With the approval of Mr. McKinley, we are told in this address of Doctor Schurman, Filipino leaders were assured "that American sovereignty was only another name for the liberty of Filipinos." The commission recommended in its report to President McKinley that, "From the very outset * * * it will be safe and desirable * * * to extend to the Filipinos larger liberties of self-government than Jefferson approved of for the inhabitants of Louisiana" at the time of its acquisition in 1803. All this the commission favored, Doctor Schurman tells us in that address 30 years ago, because "it is to the interest of the Filipinos to have opportunity for a full and independent development of their own individual capacities, their own racial characteristics, and their own civilization." To what end? Doctor Schurman lets us know: "Their own organic life being thus recognized as self-contained and inviolable, when it reaches a degree of maturity qualifying them for independence, a new republic may rise in Asia without any shock to the United States of America."

Senators will remember that when the Jones law went into effect in the Philippines and the public service was being Filipinized there was a good deal of criticism of that policy. There were even hints that it was a dangerous innovation which might lead to contempt and breach of American authority. It was too soon, these critics declared, for that sort of transfer of the functions of the insular government from Americans to Filipinos. As a matter of fact, it was a very tardy compliance with the recommendations which Doctor Schurman and his associates in the first commission had made to President McKinley 16 years before the Jones law was conceived. Doctor Schurman records that "it was clear to us"—members of the commission—"that nearly all the offices in the Philippines ought to be filled by Filipinos themselves." Even that was not the limit of the Filipinization the commission advocated. I quote Doctor Schurman further:

"And it was the opinion of the commission that no American should be appointed to any office in the Philippines for which a reasonably qualified Filipino could, by any possibility, be secured."

This attitude of the commission indicates that even then—32 years ago and when the Philippines had been only 12 months under American control and government—the Filipinos were both competent and trustworthy as public officials.

This address of Doctor Schurman's sheds so needful a light on certain phases of the early relations of the United States with the Philippine people and so forcefully meets the current objections to the grant of independence that I desire to quote at length from it:

"It seems to me that the highest act open to constructive statesmanship in America to-day is to conceive and formulate a wise Philippine policy—a policy which shall be true to the principles of our Republic, accordant with the facts of the situation, definitive and permanent in its character, fitted to shape and color all legislation requisite for its own gradual realization."

Doctor Schurman recounts some of the considerations that should be kept in mind in the process of formulating a Philippine policy:

"I take as a starting point the motives and objects with which we went into the Philippines. * * * Our purpose was not selfish, it was humanitarian; it was not the vanity of self-aggrandizement, it was not the greed of power and dominion; no, no; not these; but altruism caring for the happiness of others, philanthrophy relieving the Filipinos of oppression and conferring on them the blessings of liberty. This was the supreme consideration with President McKinley. It was this that touched the vein of sentiment in the American hearts that so overwhelmingly supported him."

Numerous groups urged annexation and retention of the Philippines, Doctor Schurman reminds us. Some of these groups were actuated by benevolence toward the Filipinos. Others were eager only for material advantage.

"Yet it was not these forces singly or in combination that carried the day," Doctor Schurman says. "It was the humanitarian object of liberating the Filipinos from Spanish tyranny and bestowing upon them the boon of freedom that decided the Presi-

dent and the people of the United States to compel Spain to cede to us her sovereignty over the Philippines.

"Fortunate, indeed, that no lower motive prevailed. Any other object than the humanitarian one of carrying the gift of freedom to the Filipinos would have ended in vast and bitter disappointment, or, perhaps, even in poignant remorse. Did we need the Philippines to make our power felt in Asia? No; for we can exert the most potent national influence in all quarters of the world without owning adjacent territory, as our recent experiences in Peking and Panama have demonstrated to the satisfaction of the most incredulous. And had we gone into the Philippines for commercial gain, when, think you, would our traders' profits have amounted to the hundreds of millions of dollars which the archipelago has already cost us? And what shall I say of the thousands of brave and generous young Americans who have lost their lives in the Philippines? No prospect of profit however assured, no wealth or advantage however colossal, could ever atone for the precious American lifeblood swallowed up by the hungry soil of Luzon and the Visayas. For such a sacrifice there is only one justification. It is the discharge of duty, service in a righteous cause. If our presence in the Philippines be not justified in its purpose and intent, then our soldiers' blood is on our hands; aye, and all the blood, in that case innocent, of the Filipinos we have fought, the misery we have caused their families, and the devastation we have wrought in their homes.

"This awful responsibility we can not escape either before our own consciences or at the bar of history unless we have done what we have done in the Philippines for the sake of redeeming the Filipinos from foreign oppression, saving them from domestic anarchy, and leading them into the ways of self-government and freedom—a blessing at once unmeasured and immeasurable. But I assert that to confer this blessing was the final cause of our acceptance from Spain of sovereignty over the Philippines. Nothing has happened since to alter our purpose. Indeed, all subsequent occurrences have gone to confirm the wisdom and transcendent nobility of this end and to exhibit the folly and delusion of any other end. Self-seeking ends of every sort are excluded by American policy and stultified by actual conditions in the Philippines. We are in the Philippines for the sake of the Filipinos * * *."

What did President McKinley mean by his statement that it was the duty and intention of the United States to train the Filipinos "in the science of self-government"? Did he vision the end of this training to be the addition of the Philippines to the American Union, or their continuance as a colony, or their ultimate establishment as an independent nation? Many persons affect to believe that he intended nothing more than to prepare the Filipinos for "self-government" under the American flag—the sort of self-government that any State of the Union enjoys.

Doctor Schurman had many opportunities to know Mr. McKinley's mind in the matter. They conferred on the subject and Doctor Schurman received the President's explicit instructions as to the course of action the first Philippine Commission was to take. So Doctor Schurman is a safe interpreter of President McKinley. Let us hear what he holds to be the destiny of the Philippines:

"The watchword of progress, the key to the future of the political development of the archipelago is neither colonialism nor federalism, but nationalism. The destiny of the Philippine Islands is not to be a State or Territory in the United States of America, but a daughter republic of ours—a new birth of liberty on the other side of the Pacific, which shall animate and energize those lovely islands of the tropical seas, and rearing its head aloft, stand as a monument of progress and a beacon of hope to all the oppressed and benighted millions of the Asiatic Continent."

Even then Doctor Schurman saw that the American people would not be willing to integrate the Philippines into the Union.

"I say you will never consent to make the Philippine Islands an integral part and organic part of the United States of America," he told his audiences at Ithaca and Boston in 1902.

Nothing has happened since to impeach that judgment. In fact, there is more opposition to the incorporation of the Philippines into the Federal Union now than there was 30 years ago. Our present social and political problems are so many arguments against the creation of new ones or the aggravation of those we face. But let Doctor Schurman continue:

"Very well; what then?"—if not admission to the family of States, Doctor Schurman inquired.

"A colony, a dependency?" He considers that proposal and declares:

"For a time this status may suffice; as a permanent arrangement it is impossible. For you propose to dower the Filipinos with an ever-increasing measure of liberty; but liberty grows by what it feeds on and moves rapidly to its goal, which is independence."

Note Doctor Schurman's next statement: "Then, too, the Filipinos have condensed the experience of centuries into these last half dozen years. They have dreamed of liberty; they have fought for liberty; they have seen in the east the star of independence. These are facts as potent as any other—and deeper than most—in the life of nations."

If the Filipinos as early as 1902 had condensed the experience of centuries into half a dozen years, how much have they crowded into the three decades that have since elapsed? They have been in practically complete charge of their various governments—municipal, provincial, central. They make their laws, interpret and apply their laws. They manage their fiscal business. They have political parties and elections. They have even a small training in the conduct of foreign affairs, for their peculiar relationship to the United States necessitates a kind of diplomatic negotiation. In a sentence, the Filipinos have more practical experience in government than some of the independent states in Latin America, including Cuba, and the more recent sovereignties in Europe had before we welcomed them into the circle of independent nations.

The utterances in one striking passage of Doctor Schurman's speech of 1902 have been so completely corroborated by subsequent events that when we read it we are almost persuaded that it is not a forecast but a retrospect. I give his words:

"Here, then, is the criterion for determining the course of politics among the Filipinos. All of them, I repeat, desire independence eventually. But the process of political enfranchisement may be immediate, or at least very rapid, or it may be gradual, progressive, and of long duration. Each course will undoubtedly have its advocates; but as all Filipinos favor eventual independence, the majority, it may be predicted with safety, will embrace the policy which leads most quickly and surely to that goal. Timid men, interested men, conservative men, old men, without renouncing the goal of independence, will in the meantime prefer to endure the ills of dependence on the United States rather than to fly to the unknown ills of independence. These Filipinos will constitute the opportunist party. And opposed to them will stand the great majority of Filipinos who will agitate for immediate independence, and they will be entitled to call themselves the nationalist party. Such is the coming political alignment of Filipinos in Luzon and the Visayas, as I foresee it. All of them in favor of an independent and sovereign Philippine republic as the final consummation of their ideals and aspirations; but in the meanwhile a small but influential opportunist party content with temporary dependence on the United States and a numerous nationalist party clamoring for immediate independence. I shall be greatly disappointed if within the next decade these tropical islands do not prove a most fruitful nursery and forcing house of vital politics.

"If, as I believe, the people of the United States stand ready to grant independence to the Filipinos when they may safely be intrusted with the use of it, and if, as I further believe, the great majority of Filipinos will agitate to procure it immediately, the only issue that can arise between them will be with reference to the time for the establishment of the Philippine republic, which both parties agree is some day to be set up."

We all of us are familiar with those Americans who believe that the Filipinos will never be fit for independence until they have ceased thinking and acting like orientals. These Americans would run the Filipinos through some magic mold and refashion them so that they should become occidentals; if not physically, then, at least, mentally and psychologically. In short, these people hold that the more the Filipinos surrender of their racial identity and special type of civilization the more fully they will merit independence. Doctor Schurman's commentary on this school of Americans is worth hearing:

"Those Americans, patriotic but unversed in history, who desire to re-create the Filipinos in their own similitude, will always be able to demonstrate that that oriental clay is still without shape and seemliness in the American potter's hand, and that for a perfect product, a vessel of honor and glory, the American wheel must be kept going for years, or, perhaps, for generations, or possibly even for centuries. The Filipinos are to develop along their own racial lines, not along ours; and it is colossal conceit and impudence to disparage them because they are different from ourselves. Capacity for independent self-government does not necessarily mean capacity like ours to administer a commonwealth like ours, but merely capacity of some sort to maintain peace and order, to uphold law, and to fulfill international obligations. It may be a matter of only a short time when the Christian Filipinos of Luzon and the Visayas will be as well qualified to discharge these functions as Mexico, Peru, Argentina, or Venezuela. And when they are so qualified the American Government has no further duty or business in the Archipelago. Any decent kind of government of Filipinos by Filipinos is better than the best possible government of Filipinos by Americans."

I said before that the sequel has shown how wide and deep was Doctor Schurman's knowledge of conditions in the Philippines and how accurate were his predictions respecting the events to follow the year 1902. He was right when he told us then that the Filipinos desired independence. He was correct in his view that they would demonstrate their ability as well as their wish to govern themselves if and when the opportunity came to them—as it long since has come. He was within the mark when he foretold that the Filipino's longing for independence would not be satisfied but would be intensified by the enlargement of their autonomy. On the last point he said:

"As it is the policy of the United States to give the Filipinos liberty after the fashion of the really free nations, or an ever-increasing measure of home rule, which can not but eventuate in independence, so, however clearly or however obscurely they may recognize the need in the meantime of American protection and tutelage, the ultimate goal and final aspiration of the Filipinos themselves is an independent and sovereign Philippine republic."

It is now 16 years since the Jones Act became operative. We know that it has afforded us a fine test and measure of the Filipino people's capacity to assume the responsibilities and difficulties of complete self-government. They have done all that we required of them in the Jones law—and more. They have learned all that it is possible to acquire about independence short of

possessing and enjoying it. We can teach no more by mere precept. They must get the remainder of the lesson by practice.

The concluding words of Doctor Schurman's address in 1902 may, with proper allowances for the lapse of time and the increase of experience, be my concluding remarks in 1932:

"If it appears probable, as recent experience seems to indicate, that the Christian Filipinos of Luzon and the Visayas might, at no distant day, govern themselves as well as the average Central or South American Republic, then, in the name of American liberty and democracy, in the name of the political aspirations and ideals of the Filipinos, and in the name of justice and humanity, let the Philippine Republic be established. As President McKinley said to me three years ago, we went into the Philippines solely with the humanitarian object of conferring the blessings of liberty on the Filipinos. In its highest potency, liberty and independence are one and inseparable."

SESSION OF CONGRESS—ATTITUDE OF RAILWAY LABOR EXECUTIVES

Mr. LA FOLLETTE. Mr. President, the Railway Labor Executives' Association met in Cleveland on June 22 and adopted a resolution and a statement explaining its position. The resolution reads:

Resolved, That this association takes the position that the public welfare demands that Congress remain in session, and adopts the following statement of its reasons, directing this to be transmitted to all Members of Congress and given to the press.

I ask unanimous consent that the statement following the resolution and the list of officers of the Railway Labor Executives' Association may be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. HEBERT in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT IN RESOLUTION ADOPTED BY RAILWAY LABOR EXECUTIVES' ASSOCIATION JUNE 22, 1932

There is ample evidence of a bipartisan conspiracy to compel Congress to adjourn and abandon its constitutional duties, which will pave the way for a virtual dictatorship of international bankers and big business, now being planned. It would be a betrayal of the workers of America everywhere, on our poverty-ridden farms and in our bankrupt cities, for Congress to run away in one of the greatest crises, in the depths of the worst depression of our history. Adequate measures to relieve destitution, to increase employment, and to safeguard the future have not been enacted and can not be developed to meet the grave emergencies of the next few months unless Congress stays on the job.

Halfway programs distorted by hasty and selfish amendments are now being rushed through long sessions of bewildered and wary men working under the spell of megaphones constantly bawling: "Go home! Go home!" Misguided persons who clamor for adjournment because they are told that thereby business conditions will be improved are being led astray by those who, taking advantage of the distress of the American people, are bent on undermining their powers of self-government.

When the far-reaching nature of the depression became clear the leaders of organized labor and many others demanded that Congress be called in special session. But big business and the bankers were opposed; and Congress was not called. Congress finally met, and for months it has been driven persistently into enacting legislation primarily for the protection and aid of the most powerful special interests of industry and finance.

Now, when Congress is finally undertaking to do something directly for the common man, a clamor for Congress to adjourn arises from all those favored groups who have got the legislation they want. These domineering groups, having grabbed all possible public aid for their private power, now seek to drive Congress out of Washington for the plain reason that their plans to ride into greater private power on the wave of this depression can not succeed so long as the elected representatives of the people stay at work wielding the public power which the voters have intrusted to them.

The prevailing propaganda against Congress is atrociously unfair. No group of men in the entire country have worked harder than our United States Senators and Representatives, struggling under the torturing pressure of thousands of conflicting demands from literally millions of people. If they themselves now insisted on a short recess to recover from intolerable fatigue, to restore their waning energies, it might be unfair to complain. But it is forces outside Congress that are demanding that Congress adjourn for five months in the midst of a legislative jam over measures vital to the masses of the people, involving billions of dollars and all our hopes of economic recovery. This is simply a demand that Congress betray its trust.

On this question every Senator and Representative should hold himself a free man, responsible alone to his constituents and to the entire Nation for his vote. A vote to adjourn is a vote to abandon a post of duty on a battlefield where the fate of the Nation may be determined. A vote to adjourn should be regarded as a resignation from public office. We predict that the American people will not forget such votes. If they are left to grapple, unaided by Congress, with the desperate problems of the next few months they will remember in November who ran away in the critical hours of our battle against poverty and to save self-government.

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
By D. B. ROBERTSON, *Chairman*.

Brotherhood of Locomotive Engineers, A. Johnston, grand chief engineer.

Brotherhood of Locomotive Firemen and Enginemen, D. B. Robertson, president.

Order Railway Conductors of America, S. N. Berry, president.

Brotherhood of Railroad Trainmen, A. F. Whitney, president.

Switchmen's Union of North America, T. C. Cashen, president.

Order of Railroad Telegraphers, E. J. Manion, president.

American Train Dispatchers' Association, J. G. Luhrsen, president.

International Association of Machinists, A. O. Wharton, president.

International Brotherhood of Boilermakers, Iron Ship Builders, and Helpers of America, J. A. Franklin, president.

International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, Roy Horn, president.

Sheet Metal Workers' International Association, J. J. Hynes, president.

International Brotherhood of Electrical Workers, C. J. McGlogan, vice president.

Brotherhood of Railway Carmen of America, Martin F. Ryan, president.

International Brotherhood of Firemen and Oilers, John P. McNamara, president.

Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, G. M. Harrison, president.

Brotherhood of Maintenance of Way Employees, P. H. Fljozdal, president.

Brotherhood of Railroad Signalmen of America, D. W. Helt, president.

Order of Sleeping Car Conductors, M. S. Warfield, president.

National Organization Masters, Mates, and Pilots of America, Capt. Fred C. Boyer, president.

National Marine Engineers' Beneficial Association, Charles M. Sheplar, president.

International Longshoremen's Association, Joseph P. Ryan, president.

Railway Employees' Department, American Federation of Labor, B. M. Jewell, president.

RATE OF INTEREST ON ADJUSTED-COMPENSATION CERTIFICATES

Mr. NORRIS. Mr. President, I desire to move to discharge the Committee on Finance from the further consideration of the bill (S. 4569) relating to loans to veterans on their adjusted-service certificates. The bill was introduced by me and referred to that committee on May 4. The only thing sought to be accomplished by the bill is to reduce the rate of interest on World War adjusted-compensation certificates. It seems to me that under existing law the Government is making a profit on those certificates and on money loaned to the veterans.

Mr. WALSH of Massachusetts. What is the rate of interest proposed?

Mr. NORRIS. Three per cent.

Mr. WALSH of Massachusetts. Instead of 4½ per cent, as at this time?

Mr. NORRIS. I think in some instances it is 5 per cent. I have forgotten exactly what the rate now is.

Mr. President, I want to say that in submitting this motion that I am not seeking to convey the idea that the Finance Committee has not done its duty, but, as everybody knows, together with a great many other committees of the Senate, that committee has had more than it could possibly attend to in the consideration of bills of national importance. The only purpose of the bill is the one I have mentioned. Under the rules my motion will have to go over for a day.

The PRESIDENT pro tempore. The motion will be entered.

THE CALENDAR

The PRESIDENT pro tempore. Morning business is closed, and, under the unanimous-consent agreement entered into yesterday, the calendar is now in order. The Chair desires to ask, Is it the intention of the Senator from Oregon that the calling of the calendar shall begin at the point which was reached when it was last under consideration?

Mr. McNARY. I was just going to ask unanimous consent that we commence the call of the calendar where we concluded when it was last under consideration. I think it is Order of Business 621.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon?

Mr. BORAH. What is the request?

The PRESIDENT pro tempore. The Senator from Oregon asks unanimous consent that the calling of the calendar under the unanimous-consent agreement entered into yesterday shall begin with Calendar No. 621.

Mr. ROBINSON of Arkansas. Mr. President, I desire to ask the Senator from Oregon why he selects Calendar No. 621? I also desire to say before the Senator replies to my inquiry that the early part of the calendar has been called a great many times; the bills that are left there now have been passed over from time to time, but I do not understand why the Senator selects the particular Calendar No. 621.

Mr. McNARY. The Senator from Arkansas has, I think, already answered the question. I selected Order of Business 621 because that was where we concluded the consideration of the calendar on two former occasions.

Inasmuch as we commenced at Order of Business 104 on two former occasions and each time stopped at Order of Business 621, and having gone over the list twice, I thought it would be well to commence at the point where we previously concluded.

Mr. ROBINSON of Arkansas. Very well, I have no objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon?

Mr. BROOKHART. Under the unanimous-consent agreement would it be in order to ask to take up Order of Business 613?

The PRESIDENT pro tempore. It would not be in order.

NORTH CAROLINA SENATORIAL CONTEST

Mr. SHORTRIDGE. Mr. President, beginning at Order of Business 621, of course, leaves out Order of Business 605?

Mr. ROBINSON of Arkansas. It certainly does.

Mr. SHORTRIDGE. That seems to be a logical conclusion. I wish to say that I think the Senate should dispose of that resolution. It is a resolution to hear and determine the contest of George M. Pritchard *v.* Josiah W. Bailey for a seat in the Senate from the State of North Carolina. I submit that we should dispose of that resolution before we adjourn, and hence, for the moment——

The PRESIDENT pro tempore. That may not be done at this stage of the consideration of the calendar, however.

Mr. ROBINSON of Arkansas. Mr. President, I desire to give notice to the Senator from California that I think the record discloses that this is a trivial contest and that the Senate ought not to expend public money in the prosecution of it. I believe that the state of the record fully justifies that declaration; and it is my intention, if the Senate proceeds to the consideration of the resolution involving the Pritchard-Bailey contest for a seat in this body, to submit as a substitute for the resolution of the committee of the Senator from California a resolution dismissing the contest. I give the Senate that notice and that information now.

Mr. SHORTRIDGE. Mr. President, without expressing any opinion as to the merits of the contest, let me say that the Committee on Privileges and Elections took the position that the pleadings were sufficient to justify going forward and inquiring into the facts as alleged in the amended contest papers. I repeat, I express no opinion as to the facts; we do not know them other than as they are expressed in the verified amended contest petition and pleadings. At a proper time, if it shall be in order, I shall move to proceed to the consideration of this resolution. I take note, of course, of the entirely respectful and, I know, earnest objection of the Senator from Arkansas [Mr. ROBINSON].

BILLS AND RESOLUTIONS PASSED OVER

The PRESIDENT pro tempore. Is there objection to the request for unanimous consent preferred by the Senator from Oregon [Mr. McNARY]? The Chair hears none, and the clerk will begin calling the calendar at Order of Business 621.

The bill (S. 2687) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. Being the unfinished business, the bill will be passed over.

The resolution (S. Res. 174) for an investigation of campaign expenditures of presidential, vice presidential, and senatorial candidates in 1932 was announced as next in order.

Mr. ROBINSON of Arkansas. I think that resolution has been passed.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (H. R. 2704) for the relief of Charles Lamkin was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 99) to amend section 8 of the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913, was announced as next in order.

Mr. ROBINSON of Arkansas. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4291) to amend section 5219 of the Revised Statutes, as amended, was announced as next in order.

Mr. McNARY. At the request of the Senator from Indiana, I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

TRAVELING EXPENSES OF UNITED STATES DISTRICT ATTORNEYS

The bill (S. 931) to amend a part of section 1 of the act of May 27, 1908, chapter 200, as amended (U. S. C., title 28, sec. 592), was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I was under the impression that that bill had passed.

Mr. NORRIS. No; it has not been passed.

Mr. ROBINSON of Arkansas. Very well.

Mr. KING. Mr. President, reserving the right to object, I think there should be a brief explanation of the purposes of the bill. My understanding is, although I may be in error, that the present law provides that the accounting of traveling expenses and per diem in lieu of subsistence, and so forth, is now adequately provided for.

Mr. NORRIS. This is a bill prepared by the Attorney General. It was referred to a subcommittee, of which the Senator from Colorado [Mr. WATERMAN] was chairman. He has made a report which I think explains the bill very fully. I have no objection whatever to it. As I remember, the Senate has once before passed a similar bill.

Mr. HEBERT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. NORRIS. I yield.

Mr. HEBERT. My recollection is that when this bill came before the Judiciary Committee the explanation was made that it was intended to obviate the necessity of having the expense accounts of district attorneys approved by the district judges, who are in no way familiar with them. It is a mere formality, and the Attorney General recommended that the existing law should be amended so that the expense accounts of district attorneys and their assistants should be approved under oath by the district attorneys themselves. Such accounts are always subject to review anyway.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the paragraph of section 1 of the act of May 27, 1908, chapter 200, at the bottom of page 375 of volume 35 of the Statutes at Large, as amended (U. S. C., title 28, sec. 592), be, and the same is hereby, amended to read as follows:

"The necessary traveling expenses and a per diem in lieu of subsistence, as provided by the subsistence expense act of 1926 (U. S. C., title 5, ch. 16), shall be allowed United States attorneys and assistant United States attorneys while absent from their respective official residences on official business. The expense accounts of United States attorneys, when verified on oath before an officer authorized to administer oaths, and the expense accounts of assistant United States attorneys when so verified on oath and approved by the United States attorney, may be paid by the marshal, who shall include them in his accounts with the United States."

SEC. 2. All laws and parts of laws in conflict herewith are hereby repealed.

BILL PASSED OVER

The bill (S. 940) to provide against misuse of official badges, identification cards, and other insignia designed for the use of public officers, was announced as next in order.

Mr. REED. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WIENER BANK VEREIN

The bill (S. 3375) for the relief of Wiener Bank Verein, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the sum of $30,208.67 is hereby authorized to be appropriated for payment to the Wiener Bank Verein or its attorney in fact in the United States, representing interest at 4¾ per cent on certain cable transfers which the embassy at Constantinople undertook to make by cable communications to the Secretary of State on January 13, 1917, and on February 25, 1917, payment of which was deferred, as set forth in Senate document No. 18, Seventy-second Congress, first session: *Provided*, That no payment hereunder shall be made by the Secretary of the Treasury except at the direction of the Secretary of State: *Provided further*, That full authority is hereby vested in the Secretary of State to determine, in his discretion, whether payment in whole or in part should be made, withheld, or deferred.

RESOLUTION AND BILLS PASSED OVER

The resolution (S. Res. 186) favoring an expression on Mother's Day of our love and reverence for motherhood was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 436) to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2473) to provide for increasing the permissible alcoholic content of beer, ale, or porter to 3⅔ per cent by weight, and to provide means by which all such beer, ale, or porter shall be made of products of American farms was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

CLAIMS OF SEMINOLE NATION

The bill (S. 4340) authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians was announced as next in order.

Mr. SMOOT. Mr. President, on the last call of the calendar when this bill was reached I objected to its consideration. I wish to call the attention of the Senator from Oklahoma [Mr. THOMAS] to the amendment that is found on page 2, beginning in line 7 and going through line 12. If that amendment shall be disagreed to, I will have no objection to the remainder of the bill.

The PRESIDENT pro tempore. The amendments reported by the committee will be stated.

The first amendment was, in section 1, page 2, line 2, after the name "Oklahoma," it is proposed to insert the words "or any clouds thereon, to wit:."

The amendment was agreed to.

The next amendment was, in section 1, page 2, line 7, after the word "less," to insert "the southwest quarter and the south half northwest quarter section 5, and the east half southeast quarter section 6, township 8 north, range 6 east, containing 320 acres, more or less: and/or with respect to any interest in or claim to any other property in Seminole County, Okla."

So as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the District Court of the United States for the Eastern District of Oklahoma, notwithstanding the lapse of time or statutes of limitation, to hear and determine any suits heretofore or hereafter instituted by the Seminole Nation or Tribe of Indians, or on their behalf, or by any committee selected by the Seminole Indian Protective Association to represent such Indians, with respect to the title to the following-described lands in Seminole County, Okla., or any clouds thereon, to wit: The south half northeast quarter and the southeast quarter, section 7; the south 15 78/100 acres of lot 3, and lots 6 and 7, section 8, all in township 7 north, range 8 east, Indian meridian, containing 320 acres, more or less; the southwest quarter and the south half northwest quarter section 5, and the east half southeast quarter section 6, township 8 north, range 6 east, containing 320 acres, more or less; and/or with respect to any interest in or claim to any other property in Seminole County, Okla.

SEC. 2. The District Court of the United States for the Eastern District of Oklahoma shall have full authority, by proper orders and process, to bring in and make a party to the proceedings any person deemed by it necessary or proper to the final determination of the matter in controversy. The judgment or decree of such court shall be subject to review in accordance with the law governing like cases.

Mr. THOMAS of Oklahoma. Mr. President, I understood the Senator from Utah to state that he would not object to the bill if that amendment were disagreed to.

Mr. SMOOT. That is correct.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

The amendment was rejected.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THEFTS FROM RAILROAD CARS IN INTERSTATE COMMERCE

The bill (S. 4095) to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," by extending its provisions to provide for the punishment of stealing from passenger or Pullman cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the stolen articles, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I think there should be an explanation of this bill. It appears to be an important measure. I do not object to its consideration.

Mr. ROBINSON of Indiana. Mr. President, if the Senate will bear with me, I should like very briefly to read from the report of the committee on this bill as follows:

This bill proposes to amend the so-called Carlin Act (U. S. C., title 18, secs. 409–411) so as to punish the stealing or unlawful taking of property in the custody of passengers on interstate trains. Numerous thefts have occurred at night from a Pullman berth, the property being stolen while the passenger was sleeping. The thief can not be prosecuted under the Carlin Act, because the property is taken from the possession or custody of the passenger and not from the carrier. Because of the fact that the train has, between the time when the passenger retired and the time when the theft was discovered, traveled through two or more States, it is impossible to determine in which State the offense was committed. There is a diversity of opinion in the United States as to whether one who commits larceny in one State and removes the goods into another State can be tried for larceny in such other State. (16 C. J. 167; 36 C. J. 809.) Consequently, if the thief is caught with the goods it is impossible to

prosecute him in those States which follow the English common-law doctrine that England will not prosecute a thief who brings his booty into England from a foreign state.

The passage of this bill would obviate that defect in the present law.

Mr. ROBINSON of Arkansas. Where would the jurisdiction lie in the Federal courts in such cases?

Mr. ROBINSON of Indiana. The venue could be established anywhere the train happened to be; it would not make any difference as to that.

Mr. ROBINSON of Arkansas. Very well; I have no objection.

Mr. BLAINE. Mr. President, I notice that on page 3 the bill provides where the unlawful taking is by any "fraudulent device, scheme, game, or otherwise," the person who engages in any such scheme or game is guilty of a violation of this measure. That would mean that if anyone should engage in quite an innocent game of cards for 10 cents a game, he would be subjected to the severe penalties provided by the bill.

Mr. ROBINSON of Indiana. Mr. President, the Senator from Wisconsin will remember that that subject was discussed in the committee at length; and I understood the Senator from Wisconsin then to say that he would not object to the bill on the floor, though of course he has a perfect right to do so if he desires. The discussion at that time had to do with card sharps, the desire being to protect passengers and the traveling public from that sort of people on the various trains. This is an amendment that was put into the bill in the committee. If there is any objection to it, I think there is so much good in the bill outside of this amendment that I should be perfectly willing to have that part stricken out, if the Senator would object to the bill as a whole because of it.

Mr. BLAINE. Mr. President, I have not any special objection, but when people are traveling across the continent on a railroad train, taking four or five days, it becomes somewhat monotonous, and they may engage in the pastime of playing bridge, and if they play bridge and in order to make the game a little more vivacious put up 25 or 10 cents, or what is it—one-tenth of 1 cent?—a point, they would be guilty of a felony.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield.

Mr. ROBINSON of Arkansas. I wonder if the Senator from Wisconsin is sure of that interpretation, and, if the interpretation is correct, whether it was the intention of the committee to penalize one for participating in a comparatively innocent game of cards. This would seem to be directed against fraudulent schemes or games.

Mr. ROBINSON of Indiana. That is the language, of course.

Mr. ROBINSON of Arkansas. If the language is sufficient to limit it to that class of wrong, I think it ought to remain in the bill. We all know that there are groups of gangsters, crooks, who travel on ships and on interstate railway trains, and who decoy innocent and unsuspecting passengers into what are represented at first as innocent games of amusement, but which are in fact fraudulent schemes and games for the purpose of robbing passengers. I think that ought to be penalized, and penalized quite severely.

The word "fraudulent" applies to "device, scheme, game," and I think "fraudulent" is descriptive of all those terms. If it is not, it ought to be. A mere game ought not to be penalized with imprisonment in the penitentiary, but a fraudulent game may very well be so penalized.

Mr. BORAH, Mr. SHORTRIDGE, and other Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Indiana continues to hold the floor. Does he yield; and to whom?

Mr. ROBINSON of Indiana. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, certainly if the words "or otherwise" were taken out, it would be.

Mr. ROBINSON of Arkansas. Yes; I think the words "or otherwise" ought to come out. I shall move that amendment if the opportunity arises, unless the Senator from Idaho wishes to do so.

Mr. ROBINSON of Indiana. I am perfectly willing to have the words "or otherwise" stricken out. I think that would take care of the Senator's objection.

Mr. BLAINE. Mr. President, if the Senator will yield, in connection with what the Senator from Arkansas said, there are certain scheming, designing persons who use certain devices and schemes. That language would cover that type of offenders; but a fraudulent game may be an entirely different proposition. Any game that involves a wager, of course, is characterized as an offense.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator permit me?

Mr. ROBINSON of Indiana. I yield.

Mr. ROBINSON of Arkansas. I do not believe that declaration is correct either in law or in fact. I do not think the statement can be sustained that a wager entered into in a game of cards constitutes the game of cards fraudulent. The term "fraud" applies to the method in which the game is sought to be won, and not to the mere fact that a wager, a bet, is made.

Mr. SHORTRIDGE. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield to the Senator from California.

Mr. SHORTRIDGE. I merely want to call the Senator's attention to the preceding words:

Whoever shall steal or shall unlawfully take by any fraudulent device, scheme, game, or otherwise—

And so forth. Those words in italics, commented on, can not be detached from the context of the sentence.

Mr. BRATTON. Mr. President, let the bill go over.

The PRESIDENT pro tempore. The bill will go over.

Mr. SHORTRIDGE. I hope the Senator will not object to it.

Mr. ROBINSON of Indiana. The Senator says he has no objection to its going through.

Mr. ROBINSON of Arkansas. Mr. President, may I suggest to the Senator from New Mexico that it occurs to me that this bill ought to be passed. The differences regarding it are about to be reconciled. I move to strike out the words "or otherwise."

Mr. BRATTON. Mr. President, I favor the bill, but I am unwilling to have a good part of the morning hour devoted to it. If it can be passed without further delay, I will withdraw the objection.

The PRESIDENT pro tempore. Will the Senator from Arkansas withhold his amendment until that portion of the bill is reached? There are a number of committee amendments.

Mr. ROBINSON of Arkansas. Very well.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, on page 2, line 1, after "February 13," to strike out "1913 (ch. 50)" and insert "1913, as amended," so as to read:

Be it enacted, etc., That the act of February 13, 1913, as amended, entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same" be amended to read as follows:

The amendment was agreed to.

The next amendment was, on page 3, line 10, after the word "take," to insert "by any fraudulent device, scheme, game, or otherwise"; in line 12, after the word "any," to strike out "passenger car or Pullman car" and insert "passenger car, sleeping car, or dining car"; in line 14, after the word "such," to strike out "passenger car or Pullman car"

and insert "passenger car, sleeping car, or dining car"; and in line 22, after the word "or," to strike out "chatels" and insert "chattels," so as to read:

Whoever shall unlawfully break the seal of any railroad car containing interstate or foreign shipments of freight or express, or shall enter any such car with intent in either case to commit larceny therein; or whoever shall steal or unlawfully take, carry away, or conceal, or by fraud or deception obtain from any railroad car, station house, platform, depot, wagon, automobile, truck, or other vehicles, or from any steamboat, vessel, or wharf, with intent to convert to his own use any goods or chattels moving as or which are a part of or which constitute an interstate or foreign shipment of freight or express, or shall buy or receive or have in his possession any such goods or chattels, knowing the same to have been stolen; or whoever shall steal or shall unlawfully take, carry away, or by fraud or deception obtain with intent to convert to his own use any baggage which shall have come into the possession of any common carrier for transportation from one State or Territory or the District of Columbia to another State or Territory or the District of Columbia or to a foreign country, or from a foreign country to any State or Territory or the District of Columbia, or shall break into, steal, take, carry away, or conceal any of the contents of such baggage, or shall buy, receive, or have in his possession any such baggage or any article therefrom of whatever nature, knowing the same to have been stolen, or whoever shall steal or shall unlawfully take by any fraudulent device, scheme, game, or otherwise from any passenger car, sleeping car, or dining car, or from any passenger or from the possession of any passenger while on or in such passenger car, sleeping car, or dining car, when such car is a part of a train moving from one State or Territory or the District of Columbia to another State or Territory or the District of Columbia or to a foreign country, or from a foreign country to any State or Territory or the District of Columbia, any money, baggage, goods, or chattels, or who shall buy, receive, or have in his possession any such money, baggage, goods, or chattels, knowing the same to have been stolen, shall in each case be fined not more than $5,000 or imprisoned not more than 10 years, or both, and prosecutions therefor may be instituted in any district wherein the crime shall have been committed or in which the defendant may have taken or been in possession of the said money, baggage, goods, or chattels. The carrying or transporting of any such money, freight, express, baggage, goods, or chattels from one State or Territory or the District of Columbia into another State or Territory or the District of Columbia, knowing the same to have been stolen, shall constitute a separate offense and subject the offender to the penalties above described for unlawful taking, and prosecutions therefor may be instituted in any district into which such freight, express, baggage, goods, or chattels shall have been removed or into which they shall have been brought by such offender. The words "station house," "platform," "depot," "wagon," "automobile," "truck," or "other vehicle," as used in this section, shall include any station house, platform, depot, wagon, automobile, truck, or other vehicle of any person, firm, association, or corporation having in his or its custody therein or thereon any freight, express, goods, chattels, shipments, or baggage moving as or which are a part of or which constitute an interstate or foreign shipment.

Mr. ROBINSON of Arkansas. Mr. President, in the part of the committee amendment on line 11, page 3, I move to strike out the words "or otherwise."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 5, line 2, after the word "or," to strike out the word "acts," followed by a quotation mark, and to insert:

acts.

"To establish the interstate or foreign commerce character of any shipment in any prosecution under this act the waybill of such shipment shall be prima facie evidence of the place from which and to which such shipment was made."

So as to read:

Nothing herein shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof; and a judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution hereunder for the same act or acts.

To establish the interstate or foreign commerce character of any shipment in any prosecution under this act the waybill of such shipment shall be prima facie evidence of the place from which and to which such shipment was made.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend an act entitled 'An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same,' approved February 13, 1913, as amended (U. S. C., title 18, secs. 409–411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken."

RESOLUTION PASSED OVER

The resolution (S. Res. 206) opposing reductions in appropriations for the Postal and Customs Services that would seriously disrupt such services was announced as next in order.

Mr. BRATTON. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

EMPLOYMENT OF FARMERS IN INDIAN SERVICE

The bill (H. R. 10161) amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I will withhold my objection to this bill pending an explanation by the Senator from North Dakota. May I say in advance that a number of persons who are interested in the Indians, as well as a number of Indians representing two or three different tribes, have spoken to me on this subject. They object to this bill, claiming that these so-called experts who are foisted upon them, as they claim, by the department are less competent than the representatives that they had to teach them agriculture.

Mr. FRAZIER. Mr. President, the Interior Department and the Bureau of Indian Affairs are very anxious to have this act repealed, which provides that anyone employed as a farmer in excess of $50 per month must get the approval of some one from the State agricultural college or from others. They want to put these appointments under strict civil-service examination, so that anyone desiring to qualify as a farmer in the Indian Service will have to take a regular examination as prescribed by the Civil Service Commission under the direction of the Interior Department. They believe that it will give a better class of farmers, and that they will have to have certain educational qualifications and training in agriculture before they can get these appointments. The theory is all right. I can not tell how it is going to work out, but I believe it will work out all right.

Mr. KING. Let me say to the Senator that a number of Indians have spoken to me and have stated that some of these so-called experts who have come with college degrees have proven wholly inefficient; and they prefer a commonsense farmer who knows something about ditches and irrigating and farming and the climatic conditions of the West than to have some of these so-called experts from some of these so-called colleges. I think the plan of the department is wholly erroneous, but I shall yield to the judgment of the Senator.

Mr. FRAZIER. The bill is one which the department wants and has advocated and which, the department claims, raises the standard of the appointees and will give better service. I should like to see it tried out.

Mr. KING. I will follow, though very reluctantly, the Senator from North Dakota.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions in the act of May 25, 1918 (40 Stat. L. 565), which requires "that hereafter no money shall be expended for the employment of any farmer or expert farmer at a salary of or in excess of $50 per month, unless he shall first have procured and filed with the Commissioner of Indian Affairs a certificate of competency showing that he is a farmer of actual experience and qualified to instruct others in the art of practical agriculture, such certificate to be certified and issued to him by the president or dean of the State agricultural college of the State

in which his services are to be rendered, or by the president or dean of the State agricultural college of an adjoining State," be, and the same is hereby, repealed.

BILLS PASSED OVER

The bill (S. 368) for the relief of Joliet National Bank and H. William, John J., Edward F., and Ellen C. Sharpe was announced as next in order.

Mr. SMOOT and Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4258) authorizing adjustment of the claim of the Franklin Surety Co. was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4270) for the relief of Commander Francis James Cleary, United States Navy, was announced as next in order.

Mr. KING. Mr. President, I have been asked by a dear friend not to object to this bill; but on examining the report I find that the Secretary of the Navy reports against it, so I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

SETTLEMENT OF CLAIMS AGAINST THE UNITED STATES

The bill (S. 4567) to provide for the settlement of claims against the United States on account of property damage, personal injury, or death, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I do not intend to object to the consideration of this bill. It has been brought forward at least once before and there has been some discussion of it. I should like to ask the Senator from Nebraska [Mr. HOWELL] why the jurisdiction is fixed at $50,000, in line 8, and whether it is not regarded as rather a large amount to place all sums below that in the decision of the department?

Mr. HOWELL. Mr. President, the limitation of $50,000 applies only to property claims; and after the investigation and report are made the recommendation has to come to Congress if it is more than $1,000. The bill simply allows the Comptroller General to consider, investigate, and pass upon a property-damage claim up to $50,000, but he has no right to pay it. It must come to Congress.

Mr. ROBINSON of Arkansas. It is still to be referred to Congress? Very well. That is an answer to the question I asked.

Mr. BRATTON. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. HOWELL. Mr. President, I did not note who objected to the consideration of the bill at this time, but I will ask that the Senator withhold his objection.

Mr. BRATTON. Mr. President, the bill is one to which I have given some thought; and while I am perfectly willing to withhold the objection in order that the Senator may submit any observations, I am quite certain that at the conclusion I should still feel impelled to insist upon the objection. The bill is one that I can not approve; but I am willing to withhold the objection if the Senator desires to make a statement.

Mr. HOWELL. If the Senator will withhold his objection for a moment——

Mr. BRATTON. With pleasure.

Mr. HOWELL. I desire to call the attention of the Senator to the situation that exists with reference to bills referred to the Claims Committee.

The committee now has in the neighborhood of 1,100 bills before it. At the last session we made a record in reporting bills by the Claims Committee, and the total was 292. However, there were about 1,600 bills before the end of the session before that committee. Under present conditions this is what happens: There are 10 major departments of the Government. There are 66 subdepartments and independent-office establishments, and, under the law now, there are 76 courts authorized to pass upon property-damage claims up to a thousand dollars. There is no general policy adopted by the various departments. Each is a court by itself.

This bill provides that all such claims shall be reported upon by the various departments and independent-office establishments to the Comptroller General. The Comptroller General is then to investigate, is to afford hearings, and allow the presentation of affidavits respecting claims. Then he is allowed to pass upon a property-damage claim not in excess of a thousand dollars, and it may be paid. In other words, it provides for one common court in the place of 76 courts.

As to personal-injury cases, the various departments have no authority to pay in such cases, even up to a thousand dollars, but it is proposed in this bill that claims of that amount, instead of coming to the Committee on Claims—and I call attention to the fact that no bill goes through here, however small in amount, that does not cost the Government in the neighborhood of $120—such claims not in excess of a thousand dollars would be investigated by the department or independent-office establishment wherein it arose, the report would be made to the Comptroller General, and the Comptroller General then would be able to secure the necessary evidence and to hear any objections or anything in favor of the claims. Then, if the claimant is not satisfied, he can go to the Court of Claims afterwards, but he can settle up to a thousand dollars. However, any personal-injury claim that is in excess of a thousand dollars and not more than $7,500, the Comptroller General can pass upon, obtain all the evidence, and settle the claim, but it must be referred back to Congress if it is in an amount more than a thousand dollars, and less than $7,500.

I want to state to the Senate that the way evidence in connection with claims is presented to the Committee on Claims, upon which the Claims Committee must act, it is not of a character which would be received in any court.

Mr. ROBINSON of Arkansas. I do not object to the consideration of the Senator's bill.

Mr. HOWELL. So I hope the Senator from New Mexico will not object to the consideration of the bill.

Mr. BRATTON. Mr. President, with great reluctance, I feel obliged to object.

The PRESIDING OFFICER (Mr. FESS in the chair). The bill will be passed over.

OTOE AND MISSOURIA TRIBES OF INDIANS

The bill (S. 4578) conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouria Tribes of Indians to compensation on a basis of guardian and ward was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

THOMAS W. H. BALL

The bill (S. 2620) to correct the military record of Thomas W. H. Ball was announced as next in order.

Mr. KING. Let that go over.

Mr. SHEPPARD. Mr. President, will the Senator withhold his objection a moment?

Mr. KING. Certainly.

Mr. SHEPPARD. Mr. President, the commanding officer who presided at the court-martial which tried this man afterwards exonerated him from all blame of intentional evil doing.

Mr. ROBINSON of Arkansas. How did he exonerate him?

Mr. SHEPPARD. He said that the man had been arrested under an improper conception of what he had done.

Mr. SMOOT. Why did the man plead guilty, then?

Mr. SHEPPARD. He was smarting under a sense of injustice, broke his arrest when he should not have done so, came to the commanding officer's tent, and was guilty of disrespectful language. That was the gravamen of the case. The commanding officer afterwards said he did not blame the man for what he had done.

Mr. KING. Mr. President, I notice that he was convicted of drunkenness.

Mr. SHEPPARD. That was a prior conviction. He served time for that, and this was a subsequent offense.

Mr. KING. He was guilty of two offenses, then.

Mr. SHEPPARD. Not of the same character.

Mr. SHORTRIDGE. The Secretary of War approves the bill.

Mr. KING. I withdraw the objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers or their dependents Thomas W. H. Ball, who served as a private of Company B, Fourth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of said organization on the 14th day of July, 1900: *Provided*, That no bounty, pension, pay, or other emoluments shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Thomas W. H. Ball."

EXEMPTIONS OF HUSBANDS OF AMERICAN CITIZENS

The Senate proceeded to consider the bill (H. R. 10600) to exempt from the quota husbands of American citizens.

Mr. REED. Mr. President, this is a bill intended to admit, outside of the quota, the husbands of American women. I objected to it when it was last brought up because it would permit to come in anybody who could find an American woman to marry him, in the future, without regard to our quota law. That is, a sailor who was in port for a couple of days might find a woman who would marry him for a $5 bill, and we could not stop his permanent entry, although he might be undesirable in a good many ways. At the same time, it is a fact that there are many meritorious cases, cases of distress, of ladies who have been married in the past and who are unable to bring their husbands into this country, although there is no question of their ability to support themselves when they get here. To take care of those cases of distress, I propose the amendment, which I send to the desk.

Mr. KING. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. KING. May I say that the number is not so great as some anticipated?

Mr. REED. The number, I am told, is a couple of hundred.

Mr. KING. It is 146, as far as can be ascertained.

The PRESIDING OFFICER. The Chair is informed that the bill had been brought to the point of being read the third time, so it will be necessary to reconsider the order for a third reading.

Mr. KING. I ask unanimous consent that the order be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment submitted by the Senator from Pennsylvania will be stated.

The CHIEF CLERK. On page 1, line 8, the Senator from Pennsylvania proposes to strike out the period and to insert the words "and prior to July 1, 1932," and on page 2, line 3, to strike out the punctuation marks and to insert the words "or who are the wives or husbands of citizens of the United States by marriage occurring on or after July 1, 1932," so as to make the bill read:

Be it enacted, etc., That subdivision (a) of section 4 of the immigration act of 1924, as amended, is amended to read as follows:

"(a) An immigrant who is the unmarried child under 21 years of age or the wife or the husband of a citizen of the United States: *Provided*, That the marriage shall have occurred prior to issuance of visa and prior to July 1, 1932."

SEC. 2. Clause (A) of paragraph (1) of subdivision (a) of section 6 of the immigration act of 1924, as amended, is amended to read as follows:

"(A) Quota immigrants who are the fathers or the mothers of citizens of the United States who are 21 years of age or over or who are the wives or husbands of citizens of the United States by marriage occurring on or after July 1, 1932."

Mr. REED. Mr. President, the second amendment puts them in the preference class, but leaves them within the quota if the marriage occurred after the first of next month.

I should also explain to the Senate that the effect of this amendment will be to tighten up the immigration law against wives who are married in the future. It puts wives and husbands on exactly the same basis. If the marriage occurs after the first of next month, all they get is the preference in the quota; they can no longer come in nonquota. I think it is entirely fair that wives and husbands should be treated exactly alike.

Mr. KING. Then this bill amends existing law, and places the situation of the spouse in a little worse condition than it is under existing law.

Mr. REED. No, Mr. President. If the marriage occurred prior to the 1st of July, it allows them to come in without regard to the quota. If it occurs after the first of next month, then both wives and husbands are put upon a parity, they are given a preference within the quota and their coming is charged against the quota.

Mr. COPELAND. Mr. President, it seems to me that these amendments are very proper. They really add to the value of the bill.

Mr. REED. I thank the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILL PASSED OVER

The bill (S. 4262) to provide for the establishment and development of American air-transport services overseas, to encourage construction in the United States by American capital of American airships and other aircraft for use in foreign commerce, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

FINANCIAL RESPONSIBILITY OF AUTOMOBILE DRIVERS

The bill (S. 3053) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, was announced as next in order.

Mr. BLAINE. Let that go over.

Mr. KEAN. Mr. President, I hope the Senator will withhold his objection for a moment. This bill seems to me to be a very important measure. Almost every day when we take up the newspapers we see where children and other people are killed in the District of Columbia as a result of accidents involving automobiles, and it appears to me that for the protection of the citizens of the District of Columbia the bill should be passed.

Mr. BLAINE. Mr. President, a great many of the provisions of the bill ought to receive considerable and serious attention, and it is very obvious that we have not the time to give that consideration this morning. I ask that the bill may go over.

Mr. KEAN. Mr. President, the bill has the approval of the Committee on the District of Columbia, and the approval of all the public officials of the District.

Mr. LA FOLLETTE. Regular order.

The PRESIDENT pro tempore. The bill will go over.

DEPORTATION OF ALIEN SEAMEN

The bill (S. 7) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. BINGHAM. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

CLOSING OF STREETS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes, which had been reported from the Committee on the District of Columbia, with amendments.

Mr. AUSTIN. Mr. President, if passed, this bill will save the District of Columbia right away approximately $3,000,000, if action is taken under the authority intended to be vested in the commissioners by the bill.

There is at the present time no general statute enabling the Commissioners of the District to close up useless streets in the District. Every time a street needs to be closed on account of carrying out any scheme or plan of development or maintenance here, a special act of the Congress of the United States seems to be necessary, though it be only a small, inconsequential area. This bill is designed to give the commissioners the authority to do that, and it can be done in the absence of Congress and the progress of development forwarded.

Mr. FESS. Mr. President, will there be any authority given the commissioners to open new streets under this bill?

Mr. AUSTIN. No; the authority to open new streets is already vested in the commissioners under another general statute.

Mr. FESS. I remember there was a desire to put a street through the Walter Reed Hospital grounds. Could the commissioners do that without the authority of Congress?

Mr. AUSTIN. That depends on whether the Walter Reed grounds have already been taken by the power of eminent domain. If it is private property, of course, private property may be taken for public use upon awarding suitable damages.

Mr. BINGHAM. May I say to the Senator in that regard that the Walter Reed Hospital being Government property, the land could not be taken without the permission of Congress?

Mr. AUSTIN. I thank the Senator from Connecticut.

The first amendment of the committee was, on page 3, line 8, to strike out the words "that the said closing of a street, road, highway, or alley, or a part thereof, shall have the approval of the National Capital Park and Planning Commission," and to insert in lieu thereof the words "That the proposed closing of any street, road, highway, or alley, or any parts thereof, as provided for in this act, shall be referred to the National Capital Park and Planning Commission for its recommendation"; on page 6, line 14, to strike out the words "looking to" and insert in lieu thereof the word "for"; on line 16, to strike out the word "to" and to insert in lieu thereof the word "for," so as to make the bill read:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to close any street, road, highway, or alley, or any part of any street, road, highway, or alley, in the District of Columbia when, in the judgment of said commissioners, such street, road, highway, or alley, or such part of a street, road, highway, or alley, has been rendered useless or unnecessary, the title to the land embraced within the public space so closed to revert to the owners of the abutting property subject to such compensation therefor in money, land, or structures as the Commissioners of the District of Columbia, in their judgment, may find just and equitable, in view of all the circumstances of the case affecting near-by property of abutters and/or nonabutters: *Provided*, That if the title to such land be in the United States the property shall not revert to the owners of the abutting property but may be disposed of by the said commissioners to the best advantage of the locality and the properties therein and thereby affected, which properties thenceforth shall become assessable on the books of the tax assessor of the District of Columbia in all respects as other private property in the District; or also said property be sold as provided in section 1608–a of the Code of Law for the District of Columbia, unless the use of such land is requested by some other department, bureau, or commission of the Government of the United States for purposes not otherwise inconsistent with the proper development of the District of Columbia: *Provided further*, That the said closing by said commissioners is made expedient or advisable by reason of change in the highway plan or by reason of provision for access or better access to the abutting or near-by property and the convenience of the public by other street, road, highway, or alley facilities, or by reason of the acquisition by the District of Columbia or by the United States of America for school, park, playground, or other public purposes, of all the property abutting on the street, road, highway, or alley, or part of a street, road, highway, or alley, proposed to be closed or for other public reasons: *And provided further*, That the proposed closing of any street, road, highway, or alley, or any parts thereof, as provided for in this act, shall be referred to the National Capital Park and Planning Commission for its recommendation.

SEC. 2. That whenever a street, road, highway, or alley, or a part of a street, road, highway, or alley, is proposed to be closed under the provisions of this act, the Commissioners of the District of Columbia shall cause public notice of intention to be given by advertisement for not less than 14 consecutive days, exclusive of Sundays and holidays, in a daily newspaper of general circulation printed and published in the District of Columbia, to the effect that a public hearing will be held at a time and place stated in the notice for the hearing of objections, if any, to such closing. The said commissioners shall, not later than 14 days in advance of such hearing, serve notice of such hearing, in writing, by registered mail, on each owner of property abutting the street, road, highway, or alley, or part thereof, proposed to be closed, or if the owner can not be located the advertisement provided for above shall be deemed sufficient legal notice. At such hearing a map showing the proposed closing shall be exhibited, and the property owners or their representatives, and any other persons interested, shall be given an opportunity to be heard.

SEC. 3. After such public hearing the said commissioners, if they are satisfied that the proposed closing will be in the public interest, and that such closing will not be detrimental to the rights of the owners of the property abutting on the street, road, highway, or alley, or part of a street, road, highway, or alley, proposed to be closed, nor cause unreasonable inconvenience to or adverse effect upon the owner or owners of any property abutting on streets connected therewith, nor unreasonably infringe the rights of the public to use such street, road, highway, or alley, shall cause to be prepared a plat or plats showing the street, road, highway, or alley, or part thereof, proposed to be closed and the area to be apportioned to each owner of property abutting thereon: *Provided*, That if the approval of the proposed closing by the said commissioners shall be conditioned upon the dedication of any other areas for street, highway, or alley purposes, and/or the retention by the District of Columbia of specified rights of way for any public purpose, and/or any other reservations deemed expedient or advisable by said commissioners, such plat or plats shall also show the parcels of land so dedicated, and/or the reserved rights of way, and/or such additional area affected by said closing, with alternative openings occasioned thereby, and/or by certificate thereon any such reservations deemed expedient or advisable by the said Commissioners of the District of Columbia.

SEC. 4. If, after such hearing, the commissioners are of the opinion that any street, road, highway, or alley, or part thereof, should be closed, they shall prepare an order closing the same and shall cause public notice of such order to be given by advertisement for 14 consecutive days, exclusive of Sundays and legal holidays, in at least two daily newspapers of general circulation printed and published in the District of Columbia, and shall serve a copy of such order on each property owner abutting the street, road, highway, or alley, or part thereof, proposed to be closed by such order, and copy of such order shall be served on the owners in person or by registered mail delivered at the last known residence of such owners, or if the owner can not be located the advertisement provided for above shall be deemed sufficient legal notice; or if he be a nonresident of the District of Columbia, by sending a copy thereof by registered mail to his last known place of address: *Provided*, That if no objection in writing be made to the commissioners by any party interested within 30 days after the service of such order, then the said order shall immediately become effective; and the said order and plat or plats as provided for herein shall be ordered by the Commissioners of the District of Columbia recorded in the office of the surveyor of the District of Columbia.

SEC. 5. When any such objection shall be filed with the commissioners as provided in the foregoing section, then the Commissioners of the District of Columbia shall institute a proceeding in rem in the Supreme Court of the District of Columbia for the closing of such street, road, highway, or alley, or part thereof, and its abandonment for street, highway, or alley purposes, and for the ascertainment of damages and the assessment of benefits resulting from such closing and abandonment. Such proceeding shall be conducted in like manner as proceedings for the condemnation of land for streets, under the provisions of chapter 15, subchapter 1, of the Code of Law for the District of Columbia, and such closing and abandonment shall be effective when the damages and benefits shall have been so ascertained and the verdict confirmed.

SEC. 6. Any damages awarded in any proceedings under section 5 of this act, together with the costs of the proceedings, shall be payable from the indefinite annual appropriation for opening, extending, straightening, or widening of any street, avenue, road, or highway, in accordance with the plan of the permanent system of highways of the District of Columbia. Any benefits assessed against private property in any such proceedings shall be a lien upon such property and shall be collected in like manner as provided in section 491–j of the Code of Law for the District of Columbia.

SEC. 7. In any proceedings under section 5 or section 6 of this act it shall be optional with the commissioners either to abide by the verdict and proceed with the proposed closing, or within a

reasonable time to be fixed by the court in its order confirming the verdict, to abandon the proposed closing without being liable for damages therefor.

SEC. 8. Nothing in this act contained shall be construed to prevent the filing of petitions by abutting property owners, or other persons or groups of persons affected by said closing, praying the closing or discontinuance in the public interest of any street, road, highway, or alley, or parts or portions thereof within the District of Columbia; and all such petitions shall be definitely considered by the Commissioners of the District of Columbia, and all action taken by the said commissioners thereon shall be in conformity and compliance with the provisions of this act.

SEC. 9. Nothing in this act shall be construed to repeal the provisions of any existing law authorizing the Commissioners of the District of Columbia to close streets, roads, highways, or alleys, not inconsistent with the provisions of this act, but all such laws shall remain in full force and effect; and in any case to which more than one of these laws is applicable, the Commissioners of the District of Columbia may elect the one under which they will proceed.

SEC. 10. In all cases where necessary to refer to this act, the same may be cited as "the street readjustment act of the District of Columbia."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS, ETC., PASSED OVER

The joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, was announced as next in order.

Mr. BLAINE. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 1197) to liquidate and refinance agricultural indebtedness and to encourage and promote agriculture, commerce, and industry, by establishing an efficient credit system, through which the unjust and unequal burdens placed upon agriculture during the period of price fixing and deflation may be lightened, by providing for the liquidation and refinancing of farm mortgages and farm indebtedness at a reduced rate of interest through the Federal farm loan system, the Federal reserve banking system, and the postal-savings depository system, and creating a board of agriculture to supervise the same, was announced as next in order.

Mr. FESS. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

MISUSE OF OFFICIAL INSIGNIA

The bill (H. R. 10590)) to prohibit the misuse of official insignia was announced as next in order.

Mr. FESS. That has already been passed, has it not?

The PRESIDENT pro tempore. No; it was substituted for Order of Business 668, Senate bill 940.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the manufacture, sale, or possession of any badge, identification card, or other insignia, of the design prescribed by the head of any department or independent office of the United States for use by any officer or subordinate thereof, or of any colorable imitation thereof, is prohibited, except when and as authorized under such regulations as may be prescribed by the head of the department or independent office of which such insignia indicates the wearer is an officer or subordinate.

SEC. 2. Any person who offends against the provisions of this act shall, upon conviction, be punished by a fine not exceeding $250 or by imprisonment for not exceeding six months, or by both such fine and imprisonment.

The PRESIDENT pro tempore. Order of Business 668, Senate bill 940, is indefinitely postponed.

CONDEMNATION OF LAND FOR PUBLIC USE IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 5651) to amend chapter 15 of the Code of Laws for the District of Columbia, relating to the condemnation of land for public use, which had been reported from the Committee on the District of Columbia with amendments, on page 3, line 12, to strike out the words "increase or reduce," and to insert in lieu thereof the word "exceed," and on line 15, to strike out the words "such award" and to insert in lieu thereof the words "the deficiency. If the compensation finally awarded in respect of said lands, or any parcel thereof, shall be less than the amount of the money so received the court shall have the power to enter judgment against the party or parties receiving the same for the amount representing the difference between the amount received and the amount awarded by the jury as fair compensation, and writs of execution may be issued thereon within the same time and have the same effect as liens, and shall be executed and returned in the same manner as if issued upon a common-law judgment," so as to make the bill read:

Be it enacted, etc., That chapter 15 of the Code of Law for the District of Columbia is amended by adding after section 485 the following new section:

"SEC. 485a. Vesting of title pursuant to a declaration of taking: The petitioners may file in the cause, with the petition or at any time before judgment, a declaration of taking, signed by the commissioners, declaring that said lands are thereby taken for use of the District of Columbia. Said declaration of taking shall contain or have annexed thereto—

"(1) A statement of the authority under which and the public use for which the said lands are taken;

"(2) A description of the lands taken sufficient for the identification thereof;

"(3) A statement of the estate or interest in said lands taken for said public use;

"(4) A plan showing the lands taken;

"(5) A statement of the sum of money estimated by the commissioners to be just compensation for the land taken.

"Notwithstanding the provisions of section 488, upon the filing of said declaration of taking and the deposit in the registry of the court, for the use of the persons entitled thereto, of the amount of the estimated compensation stated in the declaration, title to the said lands in fee simple absolute, or such less estate or interest therein as is specified in the declaration, shall vest in the District of Columbia, and the lands shall be deemed to be condemned and taken for the use of the District, and the right to just compensation for the same shall vest in the persons entitled thereto. Said compensation shall be ascertained and awarded in said proceedings and established by judgment therein, and the judgment shall include, as part of the just compensation awarded, interest at the rate of 6 per cent per annum on the amount finally awarded as the value of the property as of the date of taking, from said date to the date of payment; but interest shall not be allowed on so much thereof as shall have been paid into the registry. No sum so paid into the registry shall be charged with commissions or poundage.

"Upon the application of the parties in interest, the court may order that the money deposited in the registry of the court, or any part thereof, be paid forthwith for or on account of the just compensation to be awarded in said proceeding. If the compensation finally awarded in respect of said lands, or any parcel thereof, shall exceed the amount of the money so received by any person entitled thereto, the court shall enter judgment against the District for the amount of the deficiency. If the compensation finally awarded in respect of said lands, or any parcel thereof, shall be less than the amount of the money so received, the court shall have the power to enter judgment against the party or parties receiving the same for the amount representing the difference between the amount received and the amount awarded by the jury as fair compensation, and writs of execution may be issued thereon within the same time and have the same effect as liens, and shall be executed and returned in the same manner as if issued upon a common-law judgment.

"Upon the filing of the declaration of taking, the court shall have power to fix the time within which and the terms upon which the parties in possession shall be required to surrender possession to the petitioners. The court shall have power to make such orders in respect of encumbrances, liens, rents, taxes, assessments, insurance, and other charges, if any, as shall be just and equitable."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

STATE ADMINISTRATIVE BOARDS

The bill (S. 3243) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards, was announced as next in order.

Mr. REED. Mr. President, the bill involves a question of so much importance that I think it ought not to be taken up at this time when we can not have more than five minutes to discuss it.

Mr. JOHNSON. Mr. President, I think the Senator from Pennsylvania is entirely right, but I would desire, if it be possible before the adjournment of Congress, that we may

take up the bill. I am going to see if the opportunity can not be afforded to take it up some day next week and dispose of it. It is a matter which interests practically every public utility commission in the United States and has the approval of every public utility commission in our country. It is designed to preclude a public utility which has fought through all the steps that the law prescribes for the fixing of rates from taking two bites of the cherry subsequently, one in the State courts and the other in the Federal courts.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

FIELD SEASON CONTRACTS OF FOREST SERVICE

The bill (S. 4261) to facilitate execution of and economy in field season contracts of the Forest Service was announced as next in order.

The PRESIDENT pro tempore. Without objection, Calendar No. 848, the bill (H. R. 11944) to facilitate execution of and economy in field season contracts of the Forest Service will be substituted for the Senate bill.

There being no objection, the Senate considered the bill (H. R. 11944) to facilitate execution of and economy in field season contracts of the Forest Service, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereafter authorized in connection with the administration of the national forests to enter into contracts for the procurement of services, materials, and supplies for the ensuing fiscal year, prior to the passage of an appropriation therefor: *Provided*, That such contracts shall aliquot the cost for such service by fiscal years and shall not be binding on the United States as to that part for the ensuing year unless and until an appropriation applicable to the payment thereof is made: *And provided further*, That all such contracts shall by their terms provide that the obligation of the United States is contingent upon the passage of an applicable appropriation and that no payment thereunder will be made until such appropriation becomes available for expenditure.

The PRESIDENT pro tempore. Without objection, Calendar No. 751, Senate bill 4261, is indefinitely postponed.

AMENDMENT OF RAILWAY LABOR ACT

The bill (S. 4565) to amend the railway labor act was announced as next in order.

Mr. KING. Mr. President, I would like to have an explanation of the bill.

Mr. BINGHAM. Mr. President, the Senator will remember that some years ago disputes on the railways, which had led to strikes and interference with public convenience in the handling of the mails, were prevented by the setting up of a board of mediation so that all disputes between the men and the employers were referred to that board. Now we have mail carried by airplanes, and the bill is intended to give to the employees of air transport companies the same right given to locomotive engineers and those who handle mail on trains to take their disputes to the same board.

Mr. HASTINGS. Mr. President, in view of the fact that the board has heretofore only had to do with railway labor, unless we are going to make it apply to all labor engaged in interstate commerce I do not see why we should pick out the employees of the airways and leave out other labor that is engaged in interstate commerce.

Mr. KING. Mr. President, I shall object to the present consideration of the bill, and ask that it may go over.

The PRESIDENT pro tempore. Objection is made, and the bill goes over.

RIVER AND HARBOR ACT MADE APPLICABLE TO VIRGIN ISLANDS

The bill (S. 4680) to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of sections 9 to 18, inclusive, of the act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1899, are hereby made applicable to the Virgin Islands and the navigable waters thereof.

SEC. 2. That violations of the provisions of this act may be prosecuted in the District Court of the Virgin Islands of the United States, and jurisdiction is hereby vested in said court to try and determine such causes.

HORACE G. KNOWLES

The bill (S. 4318) for the relief of Horace G. Knowles was announced as next in order.

Mr. REED. Over.

The PRESIDENT pro tempore. The bill will be passed over.

PUNISHMENT FOR SENDING THREATENING COMMUNICATIONS THROUGH MAILS

The bill (H. R. 96) to punish the sending through the mails of certain threatening communications was considered. The bill had been reported from the Committee on the Judiciary with an amendment to strike out after the enacting clause and insert:

Be it enacted, etc., That whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person, and containing any threat (1) to injure the person, property, or reputation of the addressee or of another or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse the addressee or any other person of a crime, or containing any demand or request for ransom or reward for the release of any kidnaped person, shall be fined not more than $5,000 or imprisoned nor more than 20 years, or both.

SEC. 2. Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter of any foreign country any written or printed letter or other communication of the character described in section 1 of this act, addressed to any person within the United States, for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, then such person shall be punished in the same manner and to the same extent as provided in section 1 of this act: *Provided*, That any person violating this section may be prosecuted either in the district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon, or in which it was caused to be delivered by the United States mail to the person to whom it was addressed.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BORAH. Mr. President, in order to expedite action upon the measure I move that the Senate insist upon its amendments, request a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed as conferees on the part of the Senate Mr. BORAH, Mr. HASTINGS, and Mr. WALSH of Montana.

CONSTRUING SECTION 503 (B), TARIFF ACT OF 1930

The joint resolution (H. J. Res. 336) construing section 503 (b) of the tariff act of 1930 was considered. The joint resolution had been reported from the Committee on Finance with amendments, on page 1, after line 7, to insert:

And of the concluding provision of section 489 of the act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," approved September 21, 1922.

And on page 2, line 2, after "section 503 (b)," to insert "and the concluding provisions of subsection 489"; and on page 2, line 9, after "section 503 (b)," to insert "and the concluding provision of subsection of 489," so as to make the joint resolution read:

Resolved, etc., That it was and is the true intent and meaning of section 503 (b) of the act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes," approved June 17, 1930, and of the concluding provision of section 489 of the act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," approved September 21, 1922, that imported merchandise entered in accordance with the provisions of said section 503 (b) and the concluding provision of said section 489 shall be appraised

and reappraised in the same manner as though the merchandise was not so entered; that the appraisement and reappraisement of such merchandise shall have the same force and effect as in the case of merchandise not so entered; and that entries covered by certification of the importer as provided in said section 503 (b) and the concluding provision of said section 489 shall be liquidated in accordance with the final appraised value of the merchandise covered by such certificates.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Utah [Mr. SMOOT] analyze the joint resolution for us?

Mr. SMOOT. Mr. President, I think the report of the Secretary of the Treasury will explain it.

Mr. ROBINSON of Arkansas. I really do not care to have anything read. I wish to know why it is necessary to make this interpretation and what the effect of the interpretation would be. That is all I am interested in knowing.

Mr. SMOOT. I think one paragraph in the report of the Secretary of the Treasury will explain it:

Under the tariff administrative laws the importer is required to declare in the entry the proper value of his merchandise, under pain of having additional duties imposed if the value declared is too low.

Mr. ROBINSON of Arkansas. That sentence recalls the matter to my mind and I have no objection to the consideration of the joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the Committee on Finance.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

BILLS AND JOINT RESOLUTIONS PASSED OVER

The bill (S. 4726) to supplement the migratory bird conservation act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the migratory bird treaty act and regulations thereunder, and for other purposes, was announced as next in order.

Mr. BLAINE. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 127) authorizing appropriations for the maintenance by the United States of membership in the International Council of Scientific Unions was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 2513) for the relief of Lynn Brothers' Benevolent Hospital was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. METCALF. Mr. President, will the Senator who objected to the present consideration of Calendar 794, Senate Joint Resolution 127, kindly withdraw his objection and let us return to that order of business.

The PRESIDENT pro tempore. Is there objection?

Mr. BRATTON. I object.

The PRESIDENT pro tempore. Objection is made.

The bill (S. 3188) for the relief of Dr. A. M. Newton, of Pocatello, Idaho, was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 10238) creating a reimbursable fund to be used for special medical and surgical work among the Indians of the Fort Peck Indian Reservation, Mont., and for other purposes, was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

ADJUSTMENT OF REIMBURSABLE DEBTS OF INDIANS

The bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, was announced as next in order.

Mr. BANKHEAD. Over.

Mr. FRAZIER. Mr. President, I wish the Senator who made the objection would withhold it for a moment.

Mr. BANKHEAD. I withhold the objection.

Mr. FRAZIER. There were two bills, both sponsored by the Department of the Interior, which passed the House and came to the Senate Committee on Indian Affairs, this one and another one, both having to do with about the same subject—the adjustment of reimbursable debts of Indians.

After an extensive hearing, at which Members of the House, the Assistant Commissioner of Indian Affairs, and some of the attorneys for the Indians were present, a subcommittee was appointed to confer with the department and compromise on the two bills was reached, which we believe and the department believes will take care of the reimbursable debts and not hold the Indians for debts which they have had no part in contracting and not hold them for irrigation debts which have not been of any benefit to them. They are now being held as charges against their lands. The bill provides for a way out of it and the department is very anxious that the measure be passed. I think it is only fair to the Indians that it should be passed.

The PRESIDENT pro tempore. Is the objection maintained?

Mr. BANKHEAD. I will withdraw the objection.

Mr. KING. Mr. President, I shall feel constrained to object to the present consideration of the bill unless the Senator will accept an amendment to insert at the proper place in the bill the following proviso:

Provided, That any proceedings hereunder shall not be effective until approved by Congress.

The Senator understands my reasons. Very frankly, in view of what has been disclosed before the Senator's committee, I am unwilling that this unrestricted and unlimited authority shall be granted to the Bureau of Indian Affairs to extinguish liabilities of individuals, no matter how fair they may be, of millions of dollars unless reports are made to Congress and approved by Congress.

Mr. FRAZIER. I would have no particular objection to that any more than it would, of course, involve a good deal of legislation, perhaps, in the way of approvals by Congress.

Mr. KING. May I say to the Senator that I do not think so. I do not care to express any more definitely my opposition to the bill.

Mr. FRAZIER. Of course, the bill will have to go to conference anyway.

Mr. KING. If the Senator will accept the amendment I shall not object.

There being no objection, the Senate proceeded to consider the bill.

The PRESIDENT pro tempore. The amendment of the Senator from Utah will be stated.

The CHIEF CLERK. On page 2, line 11, after the word "year," insert:

Provided further, That any proceedings hereunder shall not be effective until approved by Congress.

The amendment was agreed to.

The PRESIDENT pro tempore. The amendments of the Committee on Indian Affairs will be stated.

The amendments of the committee were, on page 1, line 3, after the word "authorized," to insert "and directed"; in line 4, after the word "adjust," to insert "or eliminate"; in line 6 to strike out "Indians and the tribal funds of any tribe" and insert in lieu thereof "individual Indians or tribes"; in line 7 to strike out "to him seem" and insert the word "be"; and in line 9, after the word "made," to insert:

Provided, That the collection of all construction costs against any Indian lands within any Government irrigation project is hereby deferred, and no assessments heretofore levied shall be made on behalf of such charges against such lands until the

Indian title thereto shall have been extinguished, and any construction assessments heretofore levied in accordance with the provisions of the act of February 14, 1920 (41 Stat. L. 409), and uncollected, are hereby canceled.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to adjust or eliminate reimbursable charges of the Government of the United States existing as debts against individual Indians or tribes of Indians in such a way as shall be equitable and just in consideration of all the circumstances under which such charges were made: *Provided*, That the collection of all construction costs against any Indian lands within any Government irrigation project is hereby deferred, and no assessments heretofore levied shall be made on behalf of such charges against such lands until the Indian title thereto shall have been extinguished, and any construction assessments heretofore levied in accordance with the provisions of the act of February 14, 1920 (41 Stat. L. 409), and uncollected, are hereby canceled: Provided further, That a report shall be made to Congress annually, on the first Monday in December, showing adjustments so made during the preceding fiscal year: *Provided further*, That any proceedings hereunder shall not be effective until approved by Congress.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CIRCULATION PRIVILEGE OF BONDS

The bill (H. R. 11499) for restoring and maintaining the purchasing power of the dollar was announced as next in order.

Mr. REED. Over.

Mr. ROBINSON of Arkansas. Mr. President, this is a substitute for the so-called Goldsborough resolution, which passed the House of Representatives some time ago. It gives the circulation privilege to bonds of the United States, when presented by national banks. I wonder if we could not dispose of the resolution and send it to conference? There is recognized to be a necessity for some controlled expansion of the currency. It is thought by the Committee on Banking and Currency that the substitute resolution would accomplish that end. Of course, if the objection is persisted in, it can not be considered now.

Mr. REED. Mr. President, this measure proposes to give the circulation privilege to some $14,000,000,000 of outstanding United States bonds. It comes to the Senate without a report from the Committee on Banking and Currency, without any opinion from the Treasury, with nothing to show that it has ever been submitted to the Treasury. Yesterday when the Senator from Oklahoma [Mr. THOMAS] presented a bill to give the circulation privilege to $1,500,000,000 of bonds I communicated with the Treasury Department and got the most ardent dissent.

Mr. ROBINSON of Arkansas. But that was a proposal to issue bonds for the sole purpose of increasing the circulation. This is a proposal to give to all bonds of the United States, when the privilege is sought by banks, the same privilege that other bonds now have. That is a very different proposition.

Mr. REED. The bonds to which the amendment of yesterday referred were bonds of the Reconstruction Finance Corporation for relief purposes. This measure applies to all outstanding United States bonds. It seems to me, without the presence of the Senator who reported the bill, without any report from the committee, without any information from the Treasury, that we would be acting in the dark, and therefore I must object.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, in connection with the statement made just a moment ago by the Senator from Pennsylvania [Mr. REED] that the bill (H. R. 11499) for restoring and maintaining the purchasing power of the dollar as reported by the Senate Committee on Banking and Currency would make possible the increase of our circulation by $14,000,000,000, let me say that it is recalled that the representation made at the time the bill was reported was to the effect that it would only make possible an expansion of the currency of about $1,000,000,000. The amount of bonds that would be available for circulation under the terms of the bill is not $14,000,000,000 but $1,000,000,000.

Mr. REED. Mr. President, I beg the Senator's pardon. We have $6,000,000,000 of 4 per cent Liberty bonds now outstanding.

Mr. ROBINSON of Arkansas. I understand perfectly well that such amount of bonds is outstanding, but under the terms of this amendatory bill the limitations are such that only bonds presented by national banks would be given the circulation privilege, and that amount is limited to about a billion dollars, as was stated by the Senator from Virginia [Mr. GLASS], according to my recollection. I merely make this statement in order that the implication that the bill would provide an expansion of currency to the amount of $14,000,000,000 may be contradicted.

Mr. FLETCHER. Mr. President, I desire to say that this bill is a substitute for what is known as the Goldsborough bill, which passed the other House and which defined as the policy of the United States with reference to stabilizing the purchasing power of the dollar the value of the dollar based upon the price levels of commodities. The Committee on Banking and Currency considered the bill and finally reported by a majority vote—it was not a unanimous vote—this substitute for it. In other words, this bill proposes to strike out all after the enacting clause of the Goldsborough bill, as it came from the House, and to substitute a provision for an expansion of the currency or circulation, allowing the use of Government bonds as the basis of such circulation. In the absence of the Senator from Virginia, who sponsored the amendment, I hardly think we should have time thoroughly to consider the bill.

Mr. LA FOLLETTE. Regular order, Mr. President.

Mr. ROBINSON of Arkansas. The bill has already gone over.

The PRESIDENT pro tempore. The regular order is demanded.

Mr. FLETCHER. I want to say further, in confirmation of what the Senator from Arkansas has said, that the bill contemplates only an inflation, if it may be called that, an expansion of the currency, to the amount of $1,000,000,000. That is the estimate which was before the committee.

Mr. FESS. Regular order, Mr. President.

The PRESIDENT pro tempore. The regular order is demanded. The clerk will state the next bill on the calendar.

BILLS PASSED OVER

The bill (S. 3346) to provide for the escheat to the United States of certain deposits in national banks was announced as next in order.

Mr. REED. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2370) for the conservation of lobsters, to regulate interstate transportation of lobsters, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

PROPOSED RENEWAL AND EXTENSION OF LETTERS PATENT

The bill (S. 1301) to renew and extend certain letters patent was announced as next in order.

Mr. KING. Over.

Mr. SMOOT. Mr. President, I simply want to say in relation to that bill——

Mr. KING. Mr. President, I have been requested by a Senator who is absent to object to the consideration of the bill.

Mr. SMOOT. I certainly should object to the consideration of the bill with all the power I have, but I wish to state why I should object.

When the late Senator Platt, of Connecticut, who was chairman of the Committee on Patents and retired from that committee, and I was appointed as its chairman, I recall one thing he said to me at that time was, "Senator SMOOT, never permit the extension of a patent." Since that

time I know of no extension of the life of a patent by Congress, and I hope Senators will never allow such action to be taken. Should we begin such a policy, God only knows when the end will come; and I shall always object to any such proposal.

The PRESIDENT pro tempore. The bill will be passed over.

ADDITION OF LANDS OF COLUMBIA NATIONAL FOREST, WASH.

The Senate proceeded to consider the bill (S. 1492) to add certain lands to the Columbia National Forest in the State of Washington, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 2, line 8, after the word "range," to strike out the numeral "5" and to insert "4," so as to make the bill read:

Be it enacted, etc., That subject to any valid existing claim or entry all lands of the United States within the areas hereinafter described be, and the same are hereby, added to and made parts of the Columbia National Forest, in the State of Washington, to be hereafter administered under the laws and regulations relating to the national forests; and the provisions of the act approved March 20, 1922 (U. S. C., title 16, secs. 486, 487), as amended, are hereby extended and made applicable to all other lands within the said described area:

Sections 1 to 3, inclusive, 6 to 8, inclusive, and 10 to 36, inclusive, in township 3 north, range 4 east; sections 1 to 28, inclusive, 34 to 36, inclusive, in township 4 north, range 4 east; all of township 5 north, range 4 east; sections 1, 2, 11 to 15, inclusive, 22 to 27, inclusive, and 33 to 36, inclusive, in township 6 north, range 4 east; and west half township 6 north, range 5 east, all in the State of Washington, Willamette meridian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NOTICES OF UNDELIVERABLE SECOND-CLASS MATTER

The Senate proceeded to consider the bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 2, line 2, after the word "notice," to insert "except that where the undeliverable copies bear the pledge of the sender to pay the return postage no notice shall be sent to the publisher but the copies received during the period specified in this paragraph shall be returned charged with postage due at the rate of 1 cent for each 4 ounces or fraction thereof, with a minimum charge of 2 cents, and indorsed to show the reason they are undeliverable and the new address of the addressee, if known," so as to make the bill read:

Be it enacted, etc., That the next to the last paragraph of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1911, and for other purposes," approved May 12, 1910 (36 Stat. 366; U. S. C., title 39, sec. 277), is hereby amended by the addition after the first sentence of the following sentence: "*Provided*, That there shall be a postage charge of 2 cents for such notice regarding undeliverable copies, which shall be collected from the publisher upon delivery of the notice; except that where the undeliverable copies bear the pledge of the sender to pay the return postage no notice shall be sent to the publisher but the copies received during the period specified in this paragraph shall be returned charged with postage due at the rate of 1 cent for each 4 ounces or fraction thereof, with a minimum charge of 2 cents, and indorsed to show the reason they are undeliverable and the new address of the addressee, if known."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

EXTRA WORK CAUSED BY PAYMENT OF MONEY ORDERS

The bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. ODDIE. Mr. President, will the Senator from Utah withhold his objection to the consideration of the bill for a moment?

Mr. KING. Yes.

Mr. ODDIE. This bill has been passed by the other House and the House Post Office Committee has assured me that they have given very careful attention to the details in connection with it. I think the bill has considerable merit, and I shall appreciate it very much if the Senator from Utah will withdraw his objection. The bill has been passed on favorably by the Senate Committee on Post Offices and Post Roads.

Mr. McKELLAR. Mr. President, as I understand the objection of the Senator from Utah [Mr. KING] to the consideration of the bill, it is to the allowance of additional compensation for the extra labor involved, provision for which is found on page 2 of the bill in the second paragraph of the amendment. If the Senator from Nevada would be willing to strike that language out, omitting the provision as to extra compensation, there would be no objection to the amendment, I am sure.

Mr. ODDIE. What is the wording with reference to extra compensation to which the Senator refers?

Mr. McKELLAR. If the Senator from Utah will withdraw his objection, I will move to strike out all in line 3 after the word "office" down to the end of the paragraph.

The PRESIDENT pro tempore. May the Chair be permitted to suggest that that probably would obviate the necessity for any legislation of this kind whatever.

Mr. McKELLAR. Let it go to conference and be threshed out there.

Mr. ODDIE. I am willing to have it go to conference.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

POSTAGE ON PUBLICATIONS

The bill (H. R. 4594) to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 25 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1880, and for other purposes," approved March 3, 1879 (20 Stat. 361; U. S. C., title 39, sec. 286), is hereby amended by the addition of the following sentence:

"Copies of a publication, other than a weekly, hereafter admitted to the second class of mail matter, when mailed by the publisher or registered news agent at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business offices of the publisher are located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless the postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply, but this provision shall not be applicable to publications already entered as second-class matter which retain their entry at the post office where now entered."

FEES AND LIMITATION OF INDEMNITY ON REGISTERED MAIL

The Senate proceeded to consider the bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes, which was read as follows:

Be it enacted, etc., That section 3926 of the Revised Statutes of the United States as amended by the act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and by the act of March 3, 1903, (32 Stat. L. 1174), fixing such indemnity at not exceeding $100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337), making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, which laws were jointly amended by section 3 of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 381a), are hereby further amended to read as follows:

"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed $1,000 for any one registered piece, or the actual value thereof when that is less than $1,000, and for which no other compensation or reim-

bursement to the loser has been made: *Provided*, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of $1,000, but not in excess of $10,000, when such mail is not insured with any commercial insurance company or other insuring agency, and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to $1,000: *Provided further*, That the Postmaster General in his discretion may cause to be underwritten or reinsured in whole or in part with any commercial insurance companies any liability or risk assumed by the Post Office Department in connection with the mailing of any particular registered article or articles.

"SEC. 2. The full value of all registered mail or insured mail treated as registered mail shall be declared by the mailer at the time of mailing unless otherwise prescribed by the Postmaster General, and any claim for indemnity in any amount involving such mail, when the full value knowingly and willfully was not stated at the time of mailing, shall be invalid. All claims for indemnity involving registered mail, or insured mail treated as registered mail, or other insured mail, or collection-on-delivery mail, which is also insured with commercial insurance companies or other insuring agencies, shall be adjusted by the Post Office Department on a pro rata basis as a coinsurer with the commercial insurance companies or other insuring agencies."

SEC. 2. Section 3927 of the Revised Statutes of the United States, as amended by section 209 of the act of February 28, 1925 (43 Stat. L. 1068), and by the first section of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 384), be, and the same is hereby, amended further to read as follows:

"Mail matter shall be registered on the application of the party posting the same. The registry fees, which are in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by law shall be as follows:

"For registry indemnity not exceeding $5, 15 cents;

"For registry indemnity exceeding $5 but not exceeding $25, 18 cents;

"For registry indemnity exceeding $25 but not exceeding $50, 20 cents;

"For registry indemnity exceeding $50 but not exceeding $75, 25 cents;

"For registry indemnity exceeding $75 but not exceeding $100, 30 cents;

"For registry indemnity exceeding $100 but not exceeding $200, 40 cents;

"For registry indemnity exceeding $200 but not exceeding $300, 50 cents;

"For registry indemnity exceeding $300 but not exceeding $400, 60 cents;

"For registry indemnity exceeding $400 but not exceeding $500, 70 cents;

"For registry indemnity exceeding $500 but not exceeding $600, 80 cents;

"For registry indemnity exceeding $600 but not exceeding $700, 85 cents;

"For registry indemnity exceeding $700 but not exceeding $800, 90 cents;

"For registry indemnity exceeding $800 but not exceeding $900, 95 cents; and

"For registry indemity exceeding $900 but not exceeding $1,000, $1:

"*Provided*, That for registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid there shall be charged additional fees as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents; and if the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

"For local delivery or for delivery within the first zone, 8 cents;

"For delivery within the second zone, 9 cents;

"For delivery within the third zone, 10 cents;

"For delivery within the fourth zone, 11 cents;

"For delivery within the fifth or sixth zones, 12 cents;

"For delivery within the seventh or eighth zones, 13 cents.

"All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter upon the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge."

SEC. 3. The Postmaster General may make such rules and regulations in accordance with this act as he may consider necessary or advisable.

This act shall become effective July 1, 1932.

Mr. SMOOT. Mr. President, I should like to ask if this bill conforms to the increased rates on postage from 2 cents to 3 cents?

Mr. McKELLAR. Mr. President, I will say to the Senator that it seemed to the committee that the bill ought to pass; and I hope the Senator will withdraw any objection he may have to it, because we thought it would add to the postal revenues.

Mr. SMOOT. I am not objecting to the bill; but I want to know, inasmuch as postage on first-class mail has been increased from 2 to 3 cents, whether this bill has been made to conform to meet that situation?

Mr. McKELLAR. I do not think it has anything whatever to do with that situation.

Mr. SMOOT. It does not mention the rates at all?

Mr. McKELLAR. No. I think it stands by itself and that it ought to pass, because it means additional revenue to the Government.

Mr. SMOOT. I have not had time to read it.

The bill was ordered to a third reading, read the third time, and passed.

FEES AND INDEMNITIES ON INSURED AND COLLECT-ON-DELIVERY MAIL

The bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth class, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, this bill is in exactly the same situation as the one just passed. I think it ought also to be passed, and I hope it will be.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraph (a) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. 1069; U. S. C., title 39, sec. 245), as amended (U. S. C., Supp. V, title 39, sec. 245), is further amended to read as follows:

"SEC. 211. (a) The fee for insurance shall be 5 cents for indemnification not to exceed $5; 10 cents for indemnification not to exceed $25; 15 cents for indemnification not to exceed $50; 25 cents for indemnification not to exceed $100; 30 cents for indemnification not to exceed $150; and 35 cents for indemnification not to exceed $200. Whenever the sender of an insured article of mail matter shall so request, and upon payment of a fee of 3 cents at the time of mailing, or of 5 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That upon payment of the additional sum of 20 cents at the time of mailing by the sender of an insured article of mail matter, a receipt shall be obtained for such insured mail matter, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered or insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the Postal Service."

SEC. 2. That paragraph (b) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (U. S. C., title 39, sec. 246), is amended to read as follows:

"(b) The fee for collect-on-delivery service for domestic third and fourth class mail shall be 12 cents for collections and indemnity not to exceed $5; 17 cents for collections and indemnity not to exceed $25; 22 cents for collections and indemnity not to exceed $50; 32 cents for collections and indemnity not to exceed $100; 40 cents for collections and indemnity not to exceed $150; and 45 cents for collections and indemnity not to exceed $200."

SEC. 3. This act shall become effective July 1, 1932.

SUITS IN ADMIRALTY

The bill (H. R. 7238) to amend section 5 of the suits in admiralty act, approved March 9, 1920, was announced as next in order.

Mr. McKELLAR. Mr. President, I think there ought to be an explanation of this bill.

Mr. AUSTIN. Mr. President, on the last call of the calendar this bill was explained, but I will try to make a further statement regarding it.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. ROBINSON of Arkansas. The Senator from Vermont made an explanation of the bill when it was last under consideration. The Senator from Washington [Mr. DILL] then stated that he had in mind presenting an amendment which he should like to have considered, but at the same time, as I recall, he said that he had no objection to the passage of the bill. He stated to me afterwards that he had no disposition to prevent the passage of the bill, and while I am sure he would like to offer an amendment, I also feel sure that he would not desire to prevent the passage of the bill. I think it is a wholesome measure and a fair and just proposal.

Mr. AUSTIN. Mr. President, I had a talk with the Senator from Washington before he left the city in which he advised me that he did not desire to have the bill held up, but was willing that it should go forward and be passed, and that, if he desired to do so, upon his return he would move a reconsideration of the bill. That is why I urge the Senate to consider this measure and pass it now.

Mr. McKELLAR. Mr. President, the particular provision about which I want to inquire is on page 2, reading as follows:

Provided further, That the limitations in this section contained for the commencement of suits hereunder shall not bar any suit against the United States or the United States Shipping Board Merchant Fleet Corporation, formerly known as the United States Shipping Board Emergency Fleet Corporation, brought hereunder on or before December 31, 1932, if such suit is based upon a cause of action whereon a prior suit in admiralty or an action at law or an action under the Tucker Act of March 3, 1887 (24 Stat. 505; U. S. C., title 28, sec. 250, subdiv. 1), was commenced prior to January 6, 1930, and was or may hereafter be dismissed because not commenced within the time or in the manner prescribed in this act, or otherwise not commenced or prosecuted in accordance with its provisions.

Does not that open the door to suits against the Shipping Board and the Emergency Fleet Corporation that are not now authorized by law? What is the purpose of that if it is not to do that very thing?

Mr. AUSTIN. No, Mr. President; I understand that it does not do that. All this bill seeks to accomplish——

Mr. McKELLAR. We find such a provision in the bill. If it does not mean new suits may be filed against the Shipping Board and the Emergency Fleet Corporation, what does it mean? I do not think that such suits should be allowed to be filed after this long time.

Mr. AUSTIN. Mr. President, attempting to answer the first question of the Senator, I will say that such actions as those referred to by the Senator from Tennessee are already permissible and this bill merely seeks to exempt them from the effect which existing law might otherwise have upon them.

The object of this measure is merely to save the rights which private shipping companies must give to people engaged in international commerce. The United States went into business and undertook the same liability that private competing carriers undertook. For years the business depended upon these rights—and they were rights; they were not privileges—and then suddenly a decision of the court determined that all actions which had already been brought under the admiralty act had been brought in the wrong court under the wrong act. That decision came so late, some 10 years in some instances after the act was passed, that it caught unawares these customers of the United States Government which had gone into the shipping business. All this bill is intended to do is to do justice to its customers, and nothing more.

Mr. McKELLAR. As I understand the Senator, these proposed litigants have heretofore filed suit, and it was dismissed because of lack of jurisdiction; was it?

Mr. AUSTIN. Yes; lack of jurisdiction.

Mr. McKELLAR. The merits were not passed upon by the courts at all?

Mr. AUSTIN. They were never passed upon for years.

Mr. McKELLAR. And the purpose of this bill is merely to give these proposed litigants the right to have their claims passed upon upon the merits? Is that what I understand?

Mr. AUSTIN. That is correct.

Mr. McKELLAR. How many will be involved in this particular matter?

Mr. AUSTIN. About 187 different cases. Many of those cases arise out of injuries to persons who were in the employ of the Emergency Fleet Corporation. Others are cargo cases, where cargoes were destroyed by the negligence of the Emergency Fleet Corporation. The passage of this bill does not determine the justice of the claims, of course. It will merely permit these claimants to go on and prove their claims, if they have any.

Mr. McKELLAR. In other words, it simply gives them the right to have the merits of their claims passed upon, which merits were not passed upon in the former litigation?

Mr. AUSTIN. That is correct.

Mr. HASTINGS. Mr. President——

Mr. AUSTIN. I yield to the Senator from Delaware.

Mr. HASTINGS. I should like to call attention to the fact that the Fleet Corporation has on hand at the present time an insurance fund set aside to meet claims of this kind of approximately $3,400,000, so that the passage of the bill will not require appropriations of any kind by the Government.

Mr. AUSTIN. That is true.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the suits in admiralty act (41 Stat. 525; U. S. C., title 46, secs. 741–745), approved March 9, 1920, is amended to read as follows:

"SEC. 5. That suits as herein authorized may be brought only on causes of action arising since April 6, 1917: *Provided*, That suits based on causes of action arising prior to the taking effect of this act shall be brought within one year after this act goes into effect; and all other suits hereunder shall be brought within two years after the cause of action arises: *Provided further*, That the limitations in this section contained for the commencement of suits hereunder shall not bar any suit against the United States or the United States Shipping Board Merchant Fleet Corporation, formerly known as the United States Shipping Board Emergency Fleet Corporation, brought hereunder on or before December 31, 1932, if such suit is based upon a cause of action whereon a prior suit in admiralty or an action at law or an action under the Tucker Act of March 3, 1887 (24 Stat. 505; U. S. C., title 28, sec. 250, subdiv. 1), was commenced prior to January 6, 1930, and was or may hereafter be dismissed because not commenced within the time or in the manner prescribed in this act, or otherwise not commenced or prosecuted in accordance with its provisions: *Provided further*, That such prior suit must have been commenced within the statutory period of limitation for common-law actions against the United States cognizable in the Court of Claims: *Provided further*, That there shall not be revived hereby any suit at law, in admiralty, or under the Tucker Act heretofore or hereafter dismissed for lack of prosecution after filing of suit: *And provided further*, That no interest shall be allowed on any claim prior to the time when suit on such claim is brought as authorized hereunder."

AMENDMENT OF UNITED STATES EMPLOYEES' COMPENSATION ACT

The bill (S. 3531) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof, be amended as follows:

That subdivision (G) of section 10 of said act is amended to read as follows:

"(G) The compensation of each beneficiary under clause (E) shall be paid until he dies, marries, or ceases to be dependent. The compensation of each beneficiary under clause (F) shall be paid for a period of eight years from the time of the death, unless before that time he, if a grandparent, dies, marries, or ceases to be dependent, or, if a brother, sister, or grandchild, dies, marries, or reaches the age of 18, or, if over 18 and incapable of self-support, becomes capable of self-support. The compensation of a brother, sister, or grandchild under legal age shall be paid to his or her guardian."

TRANSFERORS FOR COLLECTION OF NEGOTIABLE INSTRUMENTS

The Senate proceeded to consider the bill (S. 4034) to provide that transferors for collection of negotiable instruments shall be preferred creditors of national banks in cer-

tain cases, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, line 5, after the word "preferred," to strike out "creditor" and insert "claimant," so as to make the bill read:

Be it enacted, etc., That upon appointment of a receiver of any national bank, the transferor of a negotiable instrument transferred to such bank for collection shall be a preferred claimant in the amount of the liability of such bank, if such negotiable instrument (1) is forwarded to such bank by any other bank, firm, or individual for collection and remittance, and payment therefor in money or its equivalent in value, has not been made; (2) such negotiable instrument has been transferred to such bank after the enactment of this act; and (3) has been collected either in the whole or in part by such bank. The provisions of this act shall not apply to any case where the transferor is a voluntary depositor in the bank and the proceeds of the collection have been upon request of indorser, credited by the bank to his account.

The amendment was agreed to.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. GOLDSBOROUGH. Mr. President, this is a bill introduced by the Senator from Texas [Mr. SHEPPARD] and unanimously reported favorably by the Committee on Banking and Currency.

The purpose and object of the bill is to provide that transferors for collection of negotiable instruments, checks and the like, shall be preferred creditors of insolvent banks in certain cases. If a man transmits a check to a bank for collection, and the bank collects the proceeds thereof, but before it forwards the proceeds to the person by whom it was sent in for collection the bank goes into insolvency, such funds have always been treated as part of the general assets of the bank. This bill will give preference to the transferor. That is the simple purpose of the bill.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAISY ANDERSON

The Senate proceeded to consider the bill (S. 1978) for the relief of Daisy Anderson, which had been reported from the Committee on Claims with an amendment, on page 2, line 2, after the word "law," to insert "*Provided*, That no benefit shall accrue prior to the enactment of this act," so as to make the bill read:

Be it enacted, etc., That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to waive the statute of limitations in the application filed by Daisy Anderson, a former nurse in the Government service, the provision of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, in order that she may receive the same consideration as though she had applied within the specified time required by law: *Provided*, That no benefit shall accrue prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

R. K. STILES & CO.

The bill (H. R. 3987) for the relief of R. K. Stiles & Co. was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. K. Stiles & Co., of Kansas City, Kans., the sum of $569.34, representing the sum expended by said R. K. Stiles & Co. in the reconstruction of a retaining wall between its property in the city of Kansas City, Kans., and the Wyandotte Indian Cemetery at Kansas City, Kans., which collapsed on June 1, 1929, and repairing damage to buildings on its property as the result of such collapse.

AMOUNTS DUE DECEASED OR INCOMPETENT INDIANS

The Senate proceeded to consider the bill (S. 4756) to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 6, after the word "Government," to insert "for whom no legal guardians or other fiduciaries have been appointed," so as to make the bill read:

Be it enacted, etc., That any money accruing from the Veterans' Administration or other governmental agency to incompetent adult Indians, or minor Indians, who are recognized wards of the Federal Government, for whom no legal guardians or other fiduciaries have been appointed may be paid, in the discretion of the Administrator of Veterans' Affairs, or other head of a governmental bureau or agency, having such funds for payment, to such superintendent or other bonded officer of the Indian Service as the Secretary of the Interior shall designate, for the use of such beneficiaries, or to be paid to or used for, the heirs of such deceased beneficiaries, to be handled and accounted for by him with other moneys under his control, in accordance with existing law and the regulations of the Department of the Interior.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEES FOR ISSUANCE OF DOMESTIC MONEY ORDERS

The Senate proceeded to consider the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, which had been reported from the Committee on Post Offices and Post Roads with an amendment to strike out all after line 6 on page 1 and to insert:

"SEC. 3. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be fixed, and may from time to time be revised, by the Postmaster General with a view to promoting the service to the public, insuring a receipt of revenue from such service adequate to pay the cost thereof, and meeting competitive rates."

SEC. 2. This act shall become effective July 1, 1932.

So as to make the bill read:

Be it enacted, etc., That section 3 of the act entitled "An act to modify the postal money-order system, and for other purposes," approved March 3, 1883, as amended (U. S. C., title 39, sec. 716), is amended to read as follows:

"SEC. 3. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be fixed, and may from time to time be revised, by the Postmaster General with a view to promoting the service to the public, insuring a receipt of revenue from such service adequate to pay the cost thereof, and meeting competitive rates."

SEC. 2. This act shall become effective July 1, 1932.

The amendment was agreed to.

Mr. KING. Mr. President, I will ask the chairman of the committee if there is a unanimous report by the committee on this bill.

Mr. ODDIE. Yes, Mr. President.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize the Postmaster General to fix the fees to be charged for the issue of domestic money orders."

LANDS IN BUCKS COUNTY, PA.

The Senate proceeded to consider the resolution (S. Res. 221) referring the bill (S. 3442) for relief of the former owners of certain lands in Bucks County, Pa., to the Court of Claims for findings of fact, which was read, as follows:

Resolved, That the bill (S. 3442) entitled "A bill for the relief of the former owners of certain lands in Bucks County, Pa., condemned by the Government of the United States," now pending in the Senate, together with all the accompanying papers, be, and same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

Mr. KING. Mr. President, will the Senator from Kentucky [Mr. LOGAN] give an explanation of this bill? There is no report, and that is the reason why I ask.

Mr. LOGAN. Mr. President, the former owners of certain lands in Pennsylvania claim the right to receive money from the Government, and apparently they are entitled to it. The committee, however, did not have all the facts; and the easiest way to get out of the consideration of the bill at the present time is to send it to the Court of Claims to find the facts and report back to us.

That is all that the resolution provides for. It is an important matter, but rather involved; so we are not asking

that the question be determined at all, but simply that the Court of Claims find the facts and report to Congress, and Congress is to determine it.

The resolution was agreed to.

POTASSIUM-BEARING LANDS IN TOOELE COUNTY, UTAH

The Senate proceeded to consider the bill (H. R. 5062) to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners, which had been reported from the Committee on Public Lands and Surveys with amendments, on page 3, line 18, after the word "also," to insert "north half section 4," and on the same page, line 24, after the word "following," to strike out:

West half section 19; west half section 30; west half section 31, in township 2 south of range 17 west. Also south half section 15; northwest quarter, southeast quarter and south half southwest quarter section 17; north half and south half south half section 18; all section 19; all section 20; all section 21; all section 22; all section 23; all section 24; all section 25; all section 26; all section 27; all section 28; all section 29; north half, southeast quarter, and north half southwest quarter section 30; south half northwest quarter, southwest quarter, and west half southeast quarter section 31; all section 33; all section 34; all section 35, in township 2 south of range 18 west. Also north half section 1; north half section 2; north half section 3, in township 3 south of range 18 west. Also west half section 22; east half and west half west half section 23; all section 25; east half and west half west half section 26; all section 27; south half northeast quarter and southeast quarter section 33; west half southwest quarter, and southeast quarter section 34; south half north half and south half section 35, in township 1 south of range 19 west. Also east half and west half west half section 3; east half section 4; east half section 9; east half and west half west half section 10; north half and south half southwest quarter section 13; north half, southeast quarter, and southwest quarter southwest quarter section 14; northeast quarter, west half west half, southeast quarter southwest quarter, and south half southeast quarter section 15; north half section 22; northeast quarter, west half west half, southeast quarter southwest quarter, and southwest quarter southeast quarter section 23; west half and west half east half section 24; southwest quarter northeast quarter, south half northwest quarter, southwest quarter, and west half southeast quarter section 25; southeast quarter northeast quarter, west half northeast quarter and southeast quarter section 26, in township 2 south of range 19 west, all of Salt Lake meridian, and containing 21,263.28 acres, more or less.

And to insert:

Northwest quarter, south half southwest quarter, and southeast quarter section 17; lots 1, 2, 4, northeast quarter, east half northwest quarter, southeast quarter southwest quarter, south half southeast quarter section 18; all section 19; all section 20; all section 29; lots 1, 2, 3, northeast quarter, east half northwest quarter, northeast quarter southwest quarter, southeast quarter section 30; lots 2, 3, 4, southeast quarter northwest quarter, east half southwest quarter, west half southeast quarter section 31, in township 2 south of range 18 west. Also lots 3, 4, 5, southeast quarter northwest quarter section 6, in township 3 south of range 18 west. Also west half section 21; west half section 22; east half, west half west half section 23; all section 25; east half, west half west half section 26; all section 27; west half section 28; south half northeast quarter, northwest quarter, south half section 33; west half southwest quarter, southeast quarter section 34; south half north half, south half section 35, in township 1 south of range 19 west. Also lots 1, 2, 4, south half northeast quarter, southwest quarter northwest quarter, west half southwest quarter, southeast quarter section 3; all section 4; lot 1, southeast quarter northeast quarter, northeast quarter southeast quarter, south half southeast quarter section 5; east half section 8; all section 9; east half, west half west half section 10; north half, south half southwest quarter section 13; north half, southwest quarter southwest quarter, southeast quarter section 14; northeast quarter, west half west half, southeast quarter southwest quarter, south half southeast quarter section 15; east half section 17; east half section 20; all section 21; all section 22; northeast quarter, west half west half, southeast quarter southwest quarter, southwest quarter southeast quarter, section 23; west half east half, west half section 24; southwest quarter northeast quarter, south half northwest quarter, southwest quarter, west half southeast quarter section 25; southeast quarter northeast quarter, west half northeast quarter, northwest quarter, south half section 26; all section 27; all section 28; all section 29; east half east half section 30; east half east half section 31; all section 33; all section 34; all section 35 in township 2 south of range 19 west. Also lots 1, 2, 3, 4, south half north half section 1; lots 1, 2, 3, 4, south half north half section 3; lots 1, 2, 3, 4, south half north half section 4; lots 1, 2, 3, 4, south half north half section 5; lot 1, southeast quarter northeast quarter section 6 in township 3 south of range 19 west, all of Salt Lake meridian and containing 21,654.68 acres, more or less.

So as to make the bill read:

Be it enacted, etc., That in order to encourage and facilitate the development of lands in Tooele County, Utah, believed to contain potassium and associated minerals in commercial quantities, and in order to make it possible for the owners of land of that character in said county to consolidate their holdings into substantially compact form suitable for economic development, and in order to restore to public ownership lands in such compact form as to allow their economic development for said minerals, the Secretary of the Interior be and he is hereby authorized, in his discretion, to accept on behalf of the United States conveyance of title to lands hereinafter described now in private ownership, containing 21,323.84 acres, more or less, held in fee under United States patents, and in exchange therefor may patent to said private owners public lands of like character in said State of equal area and value to the lands conveyed.

SEC. 2. Patented lands whereof title may be reconveyed to and accepted by the United States are the following: North half section 5; north half section 6; south half section 17; south half section 18; south half section 27; south half section 28; south half section 29; south half section 30, in township 2 north of range 15 west. Also south half section 1; south half section 2; south half section 4; south half section 5; south half section 6; north half section 9; north half section 10; north half section 19; north half section 20; north half section 21; north half section 22; north half section 23; north half section 24; south half south half section 30; north half and north half south half section 31; north half section 32, northwest quarter section 33, in township 1 north of range 15 west. Also south half section 18; north half section 19, in township 1 south of range 15 west. Also northeast quarter section 8; north half section 9; east half section 10; south half section 13; south half section 14; east half section 15; south half section 17; south half section 18; east half and east half west half section 22; west half west half section 23; east half section 27; east half section 34, in township 2 north of range 16 west. Also south half section 1; south half and northeast quarter section 3; southeast quarter section 4; south half and south half north half section 6; north half north half section 7; east half section 10; south half south half section 13; east half section 15; north half section 19; north half section 20; north half and north half south half section 24; east half section 27; south half section 29; south half section 30; east half section 34, in township 1 north of range 16 west. Also south half section 14; south half section 15; south half section 17; south half section 18; north half section 22; north half section 23, in township 1 south of range 16 west. Also south half section 3; southeast quarter section 4; northeast quarter section 20; north half section 21, in township 1 north of range 17 west. Also north half section 4; southeast quarter section 6; east half section 7; east half section 18; east half section 19; east half section 30, in township 3 south of range 18 west, all of Salt Lake meridian, and containing 21,323.84 acres, more or less.

Lands which may be conveyed by patent under the terms of this act are the following: Northwest quarter, south half southwest quarter, and southeast quarter section 17; lots 1, 2, 4, northeast quarter, east half northwest quarter, southeast quarter southwest quarter, south half southeast quarter section 18; all section 19; all section 20; all section 29; lots 1, 2, 3, northeast quarter, east half northwest quarter, northeast quarter southwest quarter, southeast quarter section 30; lots 2, 3, 4, southeast quarter northwest quarter, east half southwest quarter, west half southeast quarter section 31, in township 2 south of range 18 west. Also lots 3, 4, 5, southeast quarter northwest quarter section 6, in township 3 south of range 18 west. Also west half section 21; west half section 22; east half, west half west half section 23; all section 25; east half, west half west half section 26; all section 27; west half section 28; south half northeast quarter, northwest quarter, south half section 33; west half southwest quarter, southeast quarter section 34; south half north half, south half section 35, in township 1 south of range 19 west. Also lots 1, 2, 4, south half northeast quarter, southwest quarter northwest quarter, west half southwest quarter, southeast quarter section 3; all section 4; lot 1, southeast quarter northeast quarter, northeast quarter southeast quarter, south half southeast quarter section 5; east half section 8; all section 9; east half, west half west half section 10; north half, south half southwest quarter section 13; north half, southwest quarter southwest quarter, southeast quarter section 14; northeast quarter, west half west half, southeast quarter southwest quarter, south half southeast quarter section 15; east half section 17; east half section 20; all section 21; all section 22; northeast quarter, west half west half, southeast quarter southwest quarter, southwest quarter southeast quarter, section 23; west half east half, west half section 24; southwest quarter northeast quarter, south half northwest quarter, southwest quarter, west half southeast quarter section 25; southeast quarter northeast quarter, west half northeast quarter, northwest quarter, south half section 26; all section 27; all section 28; all section 29; east half east half section 30; east half east half section 31; all section 33; all section 34; all section 35 in township 2 south of range 19 west. Also lots 1, 2, 3, 4, south half north section 1; lots 1, 2, 3, 4, south half north half section 3; lots 1, 2, 3, 4, south half north half section 4; lots 1, 2, 3, 4, south half north half section 5; lot 1, southeast quarter northeast quarter section 6 in township 3 south of range 19 west, all of Salt Lake meridian and containing 21,654.68 acres, more or less.

SEC. 3. If any of the lands hereby authorized to be conveyed by patent by the United States in exchange for privately owned lands shall be found to be included in any pending application or applications for lease under the potash acts of 1917 (40 Stat. 297; U. S. C., title 30, sec. 141 et seq.), and/or 1927 (44 Stat. 1057; U. S. C., title 30, sec. 281 et seq.), said lands or any part thereof may by any such applicant be relinquished to the United States,

and any lands so relinquished may be patented to such private owners under the provisions of this act, and any such applicant who shall have so relinquished lands may be permitted by the Secretary of the Interior to select and apply for leases of other public lands believed to contain potassium and associated minerals and located in the immediate vicinity and of approximately equal value and area. In order to accomplish such consolidation, said Secretary may likewise grant leases of public lands believed to be valuable for said minerals, in exchange for surrender of subsisting leases or rights to leases under said acts.

The amendments were agreed to.

Mr. McKELLAR. Mr. President, will the Senator from Utah explain this bill to the Senate?

Mr. SMOOT. I shall be glad to do so. There is, however, one other amendment. The department tells me that in figuring the acreage, as found on page 3, line 22, instead of being 21,323.84 acres it should be 21,647.96 acres.

I ask that that amendment be made.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, line 22, it is proposed to strike out "21,323.84" and insert in lieu thereof "21,647.96."

The amendment was agreed to.

Mr. SMOOT. Mr. President, in answer to the Senator from Tennessee, I wish to say that the south part of Salt Lake, which is 20 per cent salt, has been over a certain area of ground there for ages. The lake, as is well known, has been receding for years and years. There is a whole valley there that once was covered by the lake. Around those marshes near the lake Mr. J. L. Silsbee and his associates have made numerous investigations, and his company owns some 21,000 acres of land there. The Government also owns certain sections of land there. Mr. J. L. Silsbee and his associates feel that they can manufacture potash by a process that they have. Whether they can or whether they can not is undetermined. All that this bill asks is to exchange certain sections for other sections of the same kind of land, so that the lands that are owned by Mr. J. L. Silsbee and his associates will be in one body and the Government's lands will be in one body.

Mr. McKELLAR. Are they all a part of the receded lakelands?

Mr. SMOOT. Every bit of them, Mr. President. It is simply a case of bringing the lands together. There is no difference at all in the lands; but for the purpose of working the land it ought to be all in one body, and that is what the department thinks.

Mr. McKELLAR. It is just to give those people an opportunity to manufacture potassium if they can?

Mr. SMOOT. If they can; that is all. It is a great risk to run. I want to say to the Senator that I would not put a dollar into it. The percentage of potassium is low; but they think they have a process, unknown so far, of which they can make a success.

Mr. McKELLAR. Very well; I will take the Senator's word for it.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SABINE RIVER BRIDGE, LOUISIANA-TEXAS

The bill (H. R. 11153) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87 was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Sabine River between Calcasieu Parish, La., and Newton County, Tex., where Louisiana Highway No. 7 meets Texas Highway No. 87, authorized to be built by the State of Louisiana and the State of Texas by an act of Congress approved February 24, 1931, are hereby extended one and three years, respectively, from date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

MIXED CLAIMS COMMISSION, UNITED STATES AND GERMANY

The Senate proceeded to consider the joint resolution (S. J. Res. 157) to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes, which was read, as follows:

Resolved, etc., That the President of the United States is requested to enter into an agreement with the German Government by which the Mixed Claims Commission, United States and Germany, will be given jurisdiction of and authorized to decide claims of the same character as those of which the commission now has jurisdiction, notice of which is filed with the Secretary of State after July 1, 1928, but before July 1, 1932. If such agreement is entered into before October 1, 1932, awards in respect of such claims shall be certified under subsection (a) of section 2 of the settlement of war claims act of 1928, as amended, and shall be in all other respects subject to the provisions of such act, as amended, to the same extent as if notice thereof had been filed prior to July 1, 1926; except that nothing in this joint resolution shall be construed to affect any payment heretofore made under such act, as amended.

SEC. 2. (a) No payments shall be made on awards certified pursuant to section 1 of this joint resolution unless application therefor is made within three years after the date of the enactment of this joint resolution, in accordance with such regulations as the Secretary of the Treasury may prescribe.

(b) Subsection (g) of section 2, and subsection (f) of section 5, of the settlement of war claims act of 1928, as amended, are further amended, respectively, by striking out the words "four years" wherever such words appear therein and inserting in lieu thereof the words "five years."

Mr. BORAH. Mr. President, I move to strike from this joint resolution all that part included in lines 14 to 18, inclusive, on page 2. I do that because that matter is covered by Joint Resolution 97, which has passed the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho.

The amendment was agreed to, striking out the following words:

(b) Subsection (g) of section 2, and subsection (f) of section 5, of the settlement of war claims act of 1928, as amended, are further amended, respectively, by striking out the words "four years" wherever such words appear therein and inserting in lieu thereof the words "five years."

Mr. SHEPPARD. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. The Senator from Texas offers the following amendment:

After the word "jurisdiction," on page 1, line 8, insert:

And any other claim of an American citizen based upon a written contract with the German Government after the armistice of November 11, 1918, and prior to the date of the treaty of peace between the United States and Germany following the close of the World War.

Mr. BORAH. I see no objection to that.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

J. N. GORDON

The bill (H. R. 8777) for the relief of J. N. Gordon was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized and directed to adjust and settle the claim of J. N. Gordon, arising out of the relinquishment of certain lands included in mineral entry, Denver, No. 040111, for which the payments had theretofore been made, and to allow said claim in the amount of $382.50 in full and final settlement thereof.

SEC. 2. To enable the Comptroller General to carry out the provisions of this act there is hereby appropriated, out of that subdivision of the Confederated Bands of Utes 4 per cent fund to which the same was heretofore credited, the sum of $382.50 to pay this claim.

OIL AND GAS PROSPECTING PERMITS

The bill (H. R. 11639) to authorize extensions of time on oil and gas prospecting permits, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any oil or gas prospecting permit issued under the act of February 25, 1920 (41 Stat. 437), or extended under the act of January 11, 1922 (42 Stat. 356), or as further extended under the acts of April 5, 1926 (44 Stat. 236), March 9, 1928 (45 Stat. 252), and the act of January 23, 1930 (46 Stat. 58),

may be extended by the Secretary of the Interior for an additional period of three years in his discretion, on such conditions as he may prescribe.

SEC. 2. Upon application to the Secretary of the Interior, and subject to valid intervening rights and to the provisions of section 1 of this act, any permit which has already expired because of lack of authority under existing law to make further extensions may be extended for a period of three years from the date of the passage of this act.

GEORGETOWN FEMALE ORPHAN ASYLUM AND WASHINGTON CITY ORPHAN ASYLUM

The bill (S. 4673) to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown, and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown, and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874 (relating to the amount of annual income from property belonging to the trustees of either of said corporations), is amended by striking out "to a sum not exceeding $35,000 per annum" and inserting in lieu thereof "and such clear annual income of each of said corporations shall be applied to and for the purposes for which it was incorporated."

ABANDONED LIGHTHOUSE RESERVATION AND BUILDINGS, ERIE, PA.

The Senate proceeded to consider the bill (S. 4835) to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to transfer and convey to the city of Erie, Pa., all that certain piece and parcel of land belonging to the United States of America situate in the city of Erie, in the county of Erie and State of Pennsylvania, known as the old lighthouse property and being the lands and premises described in a certain deed made by Myron Sanford and Susan M. Sanford, his wife, dated November 22, 1884, recorded in recorder's office for Erie County, Pa., in deed book No. 80, page 606, bounded and described as follows: Beginning 58 perches down Lake Erie from the corner post of John Kelso's survey, thence south 27 degrees east, 20 perches to a post; thence north 63 degrees east, 16 perches to a post; thence north 27 degrees west, 20 perches to a post on the bank of the lake; and thence up the lake to the place of beginning, containing 2 acres of land, being the same piece of land conveyed to the United States for lighthouse purposes by John Kelso on April 1, 1812, purchased at public auction from the United States by said Myron Sanford March 1, 1881, and conveyed to said Myron Sanford by Charles J. Folger, Secretary of the Treasury, by deed dated May 8, 1883, which deed is recorded in the registry of deeds of Erie County, Pa., in deed book No. 76, page 525; the same to be held and made available permanently by said city for public-park purposes: *Provided*, That should the city of Erie fail to keep and hold the described parcel of land and buildings for public-park purposes or devote same to any use inconsistent with said purpose, then title to said land shall revert to and be reinvested in the United States.

Mr. KING. Mr. President, may I ask the Senator from Pennsylvania whether there is any payment to be made for this land?

Mr. REED. No, Mr. President. The lighthouse has been abandoned. The Department of Commerce recommends that it be surrendered back to the State. It is merely an expense to the United States if it is going to keep it up, but the light has not been kept lighted at all. It is not used.

As the Senator knows, the harbor of Erie is formed by a long, narrow peninsula. It is all a city park excepting this lighthouse at the tip, and everybody is glad to have it absorbed by the State.

Mr. JOHNSON. Mr. President, I may add to that that the bill was introduced at the instance of the department themselves.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EARL A. ROSS

The Senate proceeded to consider the bill (S. 4806) for the relief of Earl A. Ross, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 4, after the words "empowered to," to strike out "select" and insert "enter under the homestead laws of the United States," so as to make the bill read:

Be it enacted, etc., That Earl A. Ross, of Boston, Mass., may, and is hereby empowered to, enter under the homestead laws of the United States 160 acres of land and timber along the border of any national forest in western Washington State, in lieu of lands and timber previously selected by him in Pacific County, Wash., in one or more parcels in the timber areas thereof, with the approval of the Secretary of Agriculture, and that patent be issued to said Earl A. Ross covering the land so selected and approved. Said selections shall not interfere with or include rangers' stations or buildings belonging to said reserves, nor any natural resources within said reserves, such as mineral springs or points or places generally known to be of scenic beauty, and all trails, roadways, approaches within the area taken shall remain property of the United States of America, usable and free to use as though this act had not been passed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANK P. ROSS

The Senate proceeded to consider the bill (S. 4807) for the relief of Frank P. Ross, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 4, after the words "empowered to," to strike out "select" and insert "enter under the homestead laws of the United States," so as to make the bill read:

Be it enacted, etc., That Frank P. Ross, of Tacoma, Wash., may, and is hereby empowered to, enter under the homestead laws of the United States 160 acres of land and timber along the border of any national forest in western Washington State, in lieu of lands and timber previously selected by him in Pacific County, Wash., in one or more parcels in the timber areas thereof, with the approval of the Secretary of Agriculture, and that patent be issued to said Frank P. Ross covering the land so selected and approved. Said selections shall not interfere with or include rangers' stations or buildings belonging to said reserves, nor any natural resources within said reserves, such as mineral springs, or points or places generally known to be of scenic beauty, and all trails, roadways, approaches within the area taken shall remain property of the United States of America, usable and free to use as though this bill had not been passed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT TO AMERICAN NATIONAL RED CROSS

The joint resolution (S. J. Res. 172) authorizing the distribution of Government-owned wheat to the American National Red Cross for relief of distress was announced as next in order.

Mr. McNARY. Mr. President, a few days ago the House of Representatives passed a similar, but not an identical, measure known as House Joint Resolution 418. I ask unanimous consent to substitute the House joint resolution, strike out all after the enacting clause of the House joint resolution, and insert the Senate joint resolution.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

The CHIEF CLERK. The Senator from Oregon moves to strike out all after the enacting clause and to insert:

That the Federal Farm Board is authorized and directed to take such action as may be necessary to deliver to the American National Red Cross, on June 15, 1932, or as soon thereafter as may be practicable, 50,000,000 bushels of wheat of the Grain Stabilization Corporation, for use in providing food for the needy and distressed people of the United States and Territories, and for feed for livestock in the 1932 crop-failure areas.

SEC. 2. No part of the expenses incident to the delivery, receipt, storage, processing, and distribution of such wheat shall be borne by the United States or the Federal Farm Board. Such wheat may be transported, stored, milled, or processed into food for distribution, and the American National Red Cross may pay the direct costs connected therewith by exchange of wheat.

SEC. 3. The Federal Farm Board shall keep account of all wheat delivered as authorized in section 1 and shall credit the account of the Grain Stabilization Corporation with an amount equal to

the current market value thereof at the time of delivery. The revolving fund of the Federal Farm Board under the agricultural marketing act shall be reimbursed in the same amount. Additional amount is hereby authorized to be appropriated and made immediately available to the Federal Farm Board.

The amendment was agreed to.

Mr. KING. Mr. President, may I ask the Senator if this is in addition to the amount heretofore allocated?

Mr. McNARY. Yes, Mr. President. The allocation heretofore was 40,000,000 bushels. All but about 10,000,000 bushels of that has been committed by the Farm Board to the Red Cross. This is in addition thereto, to meet the situation between now and next spring.

Mr. McKELLAR. How much does this joint resolution provide for?

Mr. McNARY. Fifty million bushels.

Mr. McKELLAR. I think it is entirely proper, and should be passed.

Mr. FLETCHER. Mr. President, is this 50,000,000 bushels in addition to the 40,000,000 bushels?

Mr. McNARY. Yes. I stated a moment ago that of that 40,000,000 bushels heretofore appropriated, all has been used but 10,000,000 bushels; and this is carrying the work over to the fall.

Mr. FLETCHER. May I say in that connection that it is reported that a good deal of this wheat that has been stored is spoiling, or has spoiled, and is unfit for human use. I do not see any reason why that should not be furnished as poultry feed. Poultry feed is very expensive.

Mr. McNARY. That probably would be done if the Senator would make the request to the distinguished chairman of the Red Cross, Mr. Payne.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross for relief of distress."

CONTRACTS FOR PUBLIC WORKS IN THE DISTRICT

The Senate proceeded to consider the bill (H. R. 437) to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 4, after the word "contractor," to strike out "subcontractor"; at the top of page 3, to strike out "department under the direction of which said work has been prosecuted" and insert "District of Columbia"; and on page 4, line 1, after the word "into," to insert "the registry of said"; and on the same page, line 9, after the word "this," to strike out "section" and insert "act," so as to make the bill read:

Be it enacted, etc., That any person or persons entering into a formal contract with the District of Columbia for the construction of any public building, or the prosecution and completion of any public work, or for alteration and/or repairs, including painting and decorating, upon any public building or public work, shall be required, before commencing such work, to execute the usual penal bond in an amount not less than the contract price, with good and sufficient sureties, with the additional obligation that such contractor or contractors shall promptly make payments to all persons supplying him or them with labor and materials in the prosecution of the work provided for in such contract; and any person, company, or corporation who has furnished labor or materials used in the construction or repair of any public building or public work, and payment for which has not been made, shall have the right to intervene and be made a party to any action instituted by the District of Columbia on the bond of the contractor, and to have their rights and claims adjudicated in such action and judgment rendered thereon, subject, however, to the priority of the claim and judgment of the District of Columbia.

If the full amount of the liability of the surety on said bond is insufficient to pay the full amount of said claims and demands, then, after paying the full amount due the District of Columbia, the remainder shall be distributed pro rata among said interveners. If no suit should be brought by the District of Columbia within six months from the completion and final settlement of said contract, then the person or persons supplying the contractor with labor and materials shall, upon application therefor, and furnishing affidavit to the District of Columbia that labor or materials for the prosecution of such work has been supplied by him or them, and payment for which has not been made, be furnished with a certified copy of said contract and bond, upon which he or they shall have a right of action, and shall be, and are hereby, authorized to bring suit in the name of the District of Columbia in the Supreme Court in the District of Columbia, irrespective of the amount in controversy in such suit, and not elsewhere for his or their use and benefit, against said contractor and his sureties, and to prosecute the same to final judgment and execution: *Provided*, That where suit is instituted by any of such creditors on the bond of the contractor it shall not be commenced until after the complete performance of said contract and final settlement thereof, and shall be commenced within one year after the performance and final settlement of said contract, and not later: *Provided further*, That where a suit is instituted by a creditor or by creditors, only one action shall be brought, and any creditor may file his claim in such action and be made party thereto within one year from the completion of the work under said contract, and not later. If the recovery on the bond should be inadequate to pay the amounts found due to all of said creditors, judgment shall be given to each creditor pro rata of the amount of the recovery. The surety on said bond may pay into the registry of said court, for distribution among said claimants and creditors, the full amount of the sureties' liability, to wit, the penalty named in the bond, less any amount which said surety may have had to pay to the District of Columbia by reason of the execution of said bond, and upon so doing the surety will be relieved from further liability: *And provided further*, That in all suits instituted under the provisions of this act such personal notice of the pendency of such suits, informing them of their right to intervene as the court may order, shall be given to all known creditors, and in addition thereto notice of publication in some newspaper of general circulation, published in the District of Columbia, for at least three successive weeks, the last publication to be at least three months before the time limited therefor.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon for the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes."

UNITED STATES ROANOKE COLONY COMMISSION

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 26) to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C., which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment, on page 3, line 1, to insert, after the word "duties," the words "not to exceed $500," so as to make the concurrent resolution read:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a commission to be known as the United States Roanoke Colony Commission (hereinafter referred to as the commission), and to be composed of six commissioners, as follows: Three Senators to be appointed by the President of the Senate and three Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That it shall be the duty of the commissioners to prepare and report a plan or plans and a program for the commemoration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C., with an estimate of the probable cost; to give due and proper consideration to such plan or plans as may be submitted to them for such celebration; to confer with such civic associations and organizations, and with such other commissions, Federal, State, and municipal, as may be appointed for purposes similar to the purpose of this resolution, and to take such steps as may be necessary to secure the coordination and correlation of plans prepared by such commissions; and to do all such other things as may be necessary to carry into full effect the intents and purposes of this resolution.

SEC. 3. That the commission, after selecting a chairman and a vice chairman from among their members, may employ a secretary and such other assistants as may be needed for clerical work connected with the duties of the commission: *Provided*, That

said commission can so arrange that no part of the pay or expenses of such secretary and other assistants, if any, shall be paid by the United States.

SEC. 4. The commissioners shall receive no compensation for their services but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, not to exceed $500, and the same shall be paid out of the contingent funds of the House and Senate.

SEC. 5. That the said commission be, and the same is hereby, authorized to call upon the Commission of Fine Arts, in Washington, for their assistance and advice in connection with any plan or plans that may be submitted or considered, and the said Commission of Fine Arts is directed to render such assistance and advice as its other duties may permit and as may be within its power.

SEC. 6. That the commission shall, on or before the 15th day of December, 1932, make a report to the Congress in order that enabling legislation may be enacted.

SEC. 7. That the commission hereby created shall expire within one year after the expiration of the celebration.

SEC. 8. That this concurrent resolution shall take effect immediately.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, will whoever reported the concurrent resolution make some explanation of it? How much money is authorized to be appropriated?

Mr. LA FOLLETTE. Only $500; and, in view of the fact that I objected yesterday because I thought it ought to come up on the calendar and the Senator from North Carolina [Mr. BAILEY] had to be absent to-day, I hope the Senator will not object.

Mr. McKELLAR. It is an historical matter, largely?

Mr. LA FOLLETTE. It is to create a commission to report a plan for the celebration of the anniversary of the founding of the Roanoke colony.

Mr. McKELLAR. I have no objection.

There being no objection, the concurrent resolution was agreed to.

RELIEF OF UNEMPLOYMENT

The bill (S. 4755) to provide for grants and loans to the several States to aid in relieving unemployment, to facilitate the construction of self-liquidating projects, to provide for the construction of certain authorized Federal public-works projects, and for other purposes, was announced as next in order.

Mr. McKELLAR. Is not that similar to the bill which was passed yesterday?

The PRESIDENT pro tempore. The bill will be passed over.

SAC AND FOX INDIANS, OKLAHOMA

The Senate proceeded to consider the bill (S. 4557) to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to add to the final roll of the Sac and Fox Indians of Oklahoma, approved October 10, 1923, under the acts of May 25, 1918 (40 Stat. L. 591), and June 30, 1919 (41 Stat. L. 9), the names of Stella Mae Wood, Ethelyn Gladys Wood, and Vernon Pequano, recognized members of the tribe living on the effective date of the roll, but whose names were omitted therefrom through error.

INDEPENDENT OFFICES APPROPRIATION

The bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

RELIEF OF UNEMPLOYMENT

The Senate proceeded to consider the joint resolution (S. J. Res. 169) to provide information and direction to individuals and agencies concerned with relieving unemployment through finding opportunities for subsistence in rural areas was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas under present conditions temporary relief for some of the unemployed may be provided by aiding them to obtain a subsistence in rural areas; and

Whereas the indiscriminate settlement of such families on land is likely to subject them to difficulties and disappointments, as well as impose burdens and hardships on rural communities through increasing agricultural surpluses, and necessitating more ample provision for schools, roads, health, and other facilities; and

Whereas the likelihood of such disappointments and hardships may be minimized by information and assistance from the Department of Agriculture and other departments and agencies of the Federal Government, cooperating with State and local authorities: Therefore be it

Resolved, etc., That the Secretary of Agriculture is hereby authorized and directed to make available the services of the Department of Agriculture, cooperating with the Department of Labor, the Department of the Interior, the Federal Farm Board, the Federal Farm Loan Board, the President's Committee on the Unemployed, and other departments and agencies of the Government, in providing information to the several States, municipalities, and other political subdivisions of the States, and to individuals as to suitable opportunities and methods of aiding the unemployed to obtain a livelihood in rural communities, and in coordinating activities of State and local agencies working to that end.

For the purpose of better carrying out the objects of this resolution the Secretary of Agriculture, with such assistance as may be supplied by other Federal and State departments and agencies, is authorized and directed to encourage the formation of State organizations representing rural and urban interests through which organizations the Secretary may effectively work in coordinating the activities of urban agencies for unemployment relief with those of rural agencies in position to supply necessary information and direction for settlement of the unemployed.

The Secretary shall encourage urban relief organizations directly or through the aforesaid State organizations to make careful selection of those families whose experience and resources, as supplemented by such relief funds as may be available, fit them for earning a livelihood in the country.

The Secretary shall ascertain directly or through State and local agencies the available opportunities in rural areas for obtaining land and buildings suitable for occupancy by unemployed families, and the terms and conditions on which such land and buildings may be obtained.

The Secretary is also authorized and directed to cooperate with the aforementioned State and local agencies in formulating plans for placing unemployed on the land; and in making available the technical and extension facilities of the Department of Agriculture and of the State agricultural colleges and experiment stations in the selection of food crops and livestock for family use and for determining suitable facilities, methods, and practices.

The Secretary of Agriculture and such other Federal agencies as may cooperate with him are hereby authorized and directed—

(1) To carry out this resolution, as an emergency measure, with a view to placing unemployed persons in rural areas for obtaining a livelihood, but in such manner as will avoid so far as practicable expanding agricultural production.

(2) To discourage the transference of financial burdens in respect of unemployment relief from urban communities to rural communities.

(3) To prevent as far as possible the exploitation of the country-ward movement.

The preamble was agreed to.

SIUSLAW NATIONAL FOREST

The Senate proceeded to consider the bill (H. R. 8548) authorizing the adjustment of the boundaries of the Siuslaw National Forest in the State of Oregon, and for other purposes, which was ordered to a third reading, read the third time, and passed.

JUDICIAL DISTRICT OF NORTH DAKOTA

The Senate proceeded to consider the bill (H. R. 9306) to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended, which was ordered to a third reading, read the third time, and passed.

ALTERNATE JURORS IN CRIMINAL CASES

The bill (S. 4156) to provide for alternate jurors in certain criminal cases was announced as next in order.

Mr. HEBERT. Mr. President, I ask that Calendar 901 be substituted for Calendar 859.

The PRESIDENT pro tempore. Without objection, Calendar 901, House bill 10587, to provide for alternate jurors in certain criminal cases, will be substituted for the bill just reached on the calendar.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Senate bill 4156 will be indefinitely postponed.

LIMITATION OF IMPRISONMENT

The Senate proceeded to consider the bill (H. R. 10599) to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws, which was ordered to a third reading, read the third time, and passed.

ADDITIONAL JUSTICE OF THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

The bill (H. R. 11336) providing for an additional justice of the Court of Appeals of the District of Columbia was announced as next in order.

Mr. KING. Mr. President, will the Senator from Rhode Island object to having the bill laid aside? I have had some matters called to my attention, and I feel that I would not like to have the bill passed this morning.

Mr. HEBERT. Mr. President, does the Senator object to its consideration?

Mr. KING. I shall object, but I dislike to do so. I hope the Senator will not object to having it laid aside.

The PRESIDENT pro tempore. The bill will go over.

Mr. KING subsequently said: Mr. President, a moment ago I objected to the consideration of House bill 11336, and directed the attention of the Senator from Rhode Island [Mr. HEBERT] to the same. I have ascertained that the objections brought to my attention are without merit, and I withdraw the objection.

The PRESIDENT pro tempore. Without objection, the Senate will recur to that bill on the calendar.

Mr. JONES. Mr. President, I would like to have an explanation of the bill providing for another justice for the District of Columbia.

Mr. HEBERT. Mr. President, this bill provides for an additional judge for the Court of Appeals of the District of Columbia, temporarily to perform duties as a member of the Court of Appeals, in place of Mr. Justice Robb, who is incapacitated. Mr. Justice Robb has served on the court here since 1906, but will not be eligible for retirement until 1937. There is no need of the services of another justice on the Court of Appeals at this time. The bill provides for a temporary judgeship. It may not be filled upon the death of Mr. Justice Robb.

The bill has the unanimous consent of the bar of the District of Columbia, and has also the support of the Attorney General.

Mr. BORAH. Mr. President, may I ask, what are the general terms of the law in this District with reference to when a judge may retire, after what length of service?

Mr. HEBERT. After 10 years' service, and after reaching the age of 70.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

NONIMMIGRANT STATUS OF CERTAIN ALIENS

The Senate proceeded to consider the bill (S. 3698) to amend the sixth exception in section 3 of the immigration act of 1924 with reference to a nonimmigrant status of certain aliens.

Mr. REED. Mr. President, this is intended to tighten up the immigration law in three ways, first, to make it definite that an alien who comes in under a treaty comes to conduct an international trade with his home country and this country, and does not allow a Chinaman to come in to run a grocery store in San Francisco, for instance. It is important that that provision be tightened up.

Next, it puts the wife and children of treaty immigrants under the same restrictions as other immigrants. It cuts out picture marriages and proxy marriages and things of that sort. It tightens up the law in that sense.

Lastly, it applies the immigration act to treaties negotiated since 1924 in the same way that it applies to prior treaties. It is recommended by the State Department and by the Department of Labor. I have an amendment I want to suggest.

The PRESIDENT pro tempore. First let the substitution of Calendar 903 be attended to. Without objection, House bill 8766 will be substituted for the bill just reached on the calendar.

Mr. REED. Mr. President, I move to amend, in line 7, page 1, by striking out the words "from which he comes" and inserting the words "of which he is a national."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed, as follows:

Be it enacted, etc., That section 3 (6) of the immigration act of 1924 be amended so as to read as follows:

"(6) An alien entitled to enter the United States solely to carry on trade between the United States and the foreign state of which he is a national under and in pursuance of the provisions of a treaty of commerce and navigation, and his wife, and his unmarried children under 21 years of age, if accompanying or following to join him: *Provided*, That no greater rights of entry are hereby conferred upon aliens entering the United States under a treaty of commerce and navigation to be concluded in the future than are conferred under treaties which have been concluded since July 1, 1924."

The PRESIDENT pro tempore. Without objection, Senate bill 3698 will be indefinitely postponed.

Mr. REED subsequently said: Mr. President, this morning, when we were working on the calendar, an error was made that I think ought to be corrected before the end of the day.

Order of Business No. 862 was reached, Senate bill 3698. It was a bill presented by the Senator from New York [Mr. COPELAND] and reported unanimously by the Immigration Committee. It consisted of a single page, changing the section relating to treaty immigrants.

In its place we substituted Order of Business 903, which was a House bill reading word for word the same; and none of us noticed that on the second page of the House bill there was printed a proviso which attempts to do away with or limit the treaty-making power of the President and the Senate in future treaties of commerce and amity.

I know that it would not be fair to the Senate to let its action stand without asking to reconsider the action by which that bill was passed and to disagree to that House proviso.

Mr. COPELAND. Mr. President, I hope there will be no hesitation on the part of the Senate in acceding to the request of the Senator from Pennsylvania. It was through an inadvertence that the bill was passed. The change made was not in my bill, but is one which was recommended by the Immigration Committee.

The PRESIDING OFFICER (Mr. HEBERT in the chair). The question is on the motion of the Senator from Pennsylvania to reconsider the vote by which House bill 8766 was ordered to a third reading and passed.

The motion to reconsider was agreed to.

Mr. REED. Now, I move to strike out the first five lines of page 2, Mr. President.

The PRESIDING OFFICER. The amendment of the Senator from Pennsylvania will be stated.

The CHIEF CLERK. The Senator from Pennsylvania proposes, on page 1, line 10, to strike out from the colon on down to the period following the numerals "1924," on line 5.

The motion was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TRUST DEPARTMENTS OF NATIONAL BANKS

The bill (S. 4851) to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes, was announced as next in order.

Mr. REED. What does that bill do, Mr. President?

The PRESIDENT pro tempore. The bill will be read for the information of the Senate.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), be amended by adding thereto a new paragraph to read as follows:

"Ninth. Liabilities incurred directly or indirectly by borrowing individually or in association with other banks from 'The National Credit Corporation,' a Delaware corporation, or 'National Credit Corporation,' a New York banking corporation, or from an association of banks which in turn borrow from such designated corporations."

SEC. 2. That section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), be amended by adding thereto a new paragraph reading:

"In addition to the expense of examination to be assessed by the Comptroller of the Currency as heretofore provided, all national banks exercising fiduciary powers under the provisions of section 11 (k) of the Federal reserve act, as amended (U. S. C., title 12, ch. 3, sec. 248 (k)), and all banks or trust companies exercising fiduciary powers in the District of Columbia shall be assessed by the Comptroller of the Currency for the examinations of such fiduciary powers a fee in proportion to the amount of individual trust assets under administration and the total bonds and/or notes outstanding under corporate bond and/or note issues for which the banks or trust companies are acting as trustees upon the dates of examination of the various banks or trust companies."

Mr. REED. I have no objection, Mr. President.

Mr. LA FOLLETTE. Mr. President, I would like to have an explanation of the bill.

Mr. WALCOTT. Mr. President, this bill has to do with the powers of any national banking association borrowing that has exceeded its unimpaired capitalization. I wish to read a sentence from a statement made by the Secretary of the Treasury, Mr. Mills, which will clear this matter up:

The activities of national banks in the administration of trust departments has greatly increased. On June 30, 1931, trust departments had been established by 1,856 national banks, and 102,987 trusts were being administered with individual trust assets aggregating over $5,000,000,000. Seven hundred and eighty-two national banks were also acting as trustees for bond and note issues aggregating over $10,000,000,000. While the present law, section 5240, United States Revised Statutes, as amended, gives ample provision for the examination of these trust activities, no provision is made for the expense of such examinations. The present law provides in part:

"* * * The expense of the examinations herein provided for shall be assessed by the Comptroller of the Currency upon banks examined in proportion to assets or resources held by the banks upon the dates of examination of the various banks."

The trust assets are not assets of the bank, and accordingly the present law does not cover the existing situation. In this connection it should be remembered that the above-quoted section of the law was enacted prior to that section of the law under which national banks engage in trust business. As a result of this situation the assessment levied against all banks for the examination of their commercial departments is used for the expense of the examination of fiduciary activities of about 29 per cent of banks having trust departments. This levy is now proving inadequate, and the comptroller is now faced with the necessity of increasing the rate of assessment against all national banks to take care of the cost of examination of banks having trust departments.

This bill is to correct a defect in the law, through this provision:

Liabilities incurred directly or indirectly by borrowing individually or in association with other banks from The National Credit Corporation, a Delaware corporation, or National Credit Corporation, a New York banking corporation, or from an association of banks which, in turn, borrow from such designated corporations.

That means that it is permissive that it may borrow from The National Credit Corporation or the National Credit Corporation of New York an amount up to the amount of its capital stock, unimpaired. Does that clear the matter up?

Mr. BLAINE. Mr. President, it seems that the purpose of the bill as set forth in Mr. Mills's letter is a purpose other than what the Senator stated. He says:

As a result of this situation the assessment levied against all banks for the examination of their commercial departments is used for the expense of the examination of fiduciary activities of about 29 per cent of banks having trust departments. This levy is now proving inadequate, and the comptroller is now faced with the necessity of increasing the rate of assessment against all national banks to take care of the cost of examination of banks having trust departments.

Mr. WALCOTT. That is correct. That is section 2 of the bill. Section 1 was to correct a technical error; section 2, I was just getting to. It gives the comptroller the power to levy an additional assessment on account of the increased growth in trust business.

Mr. BLAINE. The National Credit Corporation, to which the Senator referred, is a voluntary corporation, organized last fall or summer?

Mr. WALCOTT. Yes; to lend to member banks.

Mr. BLAINE. I am not familiar with the bill, inasmuch as it was recommended at some time when I was absent. I rather think it ought to go over.

Mr. WALCOTT. It is to put them on the same basis with relation to the National Credit Corporation as they are now by law with the Reconstruction Finance Corporation. There was a technical error in the banking law which prevented them from borrowing from the National Credit Corporation up to their unimpaired capital stock, so that their total borrowings would not exceed their unimpaired capital stock, which is the intention of the national banking law.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. WALCOTT. Certainly.

Mr. KING. Is this bill for the purpose of enabling the so-called National Credit Corporation to obtain loans for the Reconstruction Finance Corporation?

Mr. WALCOTT. No; it is not. It has nothing to do with that. It is entirely for the purpose of securing to any banking association that is a member of the Federal reserve borrowing up to its unemployed capitalization.

PHILIPPINE INDEPENDENCE

The PRESIDENT pro tempore. The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form of government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. JONES. Mr. President, I desire to call up the conference report which was pending yesterday.

Mr. BINGHAM. Mr. President——

Mr. KING. Mr. President, will the Senator from Washington yield to me for a moment?

Mr. JONES. I yield.

CHARLESTOWN SAND & STONE CO.

Mr. KING. Mr. President, I desire to call attention to a bill which passed the House and the Senate on several occasions, but was lost in the shuffle, if I may use that term. It is the bill to relieve the Charlestown Sand & Stone Co., of Elkton, Md., Calendar 889.

It was reached the other day and some objection was made without understanding the status of it. I have no interest in the matter, except that I have investigated it and believe that it is a just measure. It was passed several times. I ask unanimous consent that it may be considered now.

Mr. BINGHAM. Mr. President, are we not going to have a call of the calendar in the near future?

The PRESIDENT pro tempore. Probably the calendar will be called again in the near future.

Mr. McNARY. Mr. President, it is my desire to ask the Senate to consider the calendar again on next Monday.

The PRESIDENT pro tempore. Let us get something before the Senate. The Senator from Washington [Mr. JONES] asks unanimous consent that the unfinished business may be temporarily laid aside in order that the Senate may proceed to the consideration of the conference report on the legislative appropriation bill, known as the economy bill. Is there objection?

Mr. BINGHAM. Mr. President, will the Senator from Washington yield to me?

Mr. JONES. Mr. President, I understand it is not a question of objection, but that the conference report is a privileged matter. I do not want to displace the Senator's bill, however.

The PRESIDENT pro tempore. That is true. The conference report is a privileged matter, but the Chair understood the Senator to ask unanimous consent and was merely presenting his request to the Senate.

Mr. ROBINSON of Arkansas. I do not understand there is any objection to the order asked.

The PRESIDENT pro tempore. Without objection, that order will be entered.

Mr. KING. Mr. President, will the Senator yield?

Mr. JONES. Mr. President, is this to be a reference to the same matter?

Mr. KING. Yes. I ask unanimous consent that the bill which had been passed several times and which had been inadvertently laid aside a few days ago, being Calendar 889, may be considered at this time and passed.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 564) for the relief of the Charlestown Sand & Stone Co., of Elkton, Md., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Charlestown Sand & Stone Co., of Elkton, Md., out of any money in the Treasury not otherwise appropriated, the sum of $12,385.99 in full settlement of the additional freight charges and the increased cost of labor and materials incurred by said company in the fulfillment of the requirements of the United States engineer office under the contract of August 23, 1917, for furnishing and delivering cement, sand, and gravel (or broken stone) to Fort Saulsbury, Del., for the construction of gun and mortar batteries.

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. BINGHAM. Mr. President, the District of Columbia conference report is on the table. I do not think it will lead to any debate. If it should I will withdraw the request I am about to make. I understand the conference report which the Senator from Washington [Mr. JONES] brings before the Senate will lead to considerable debate. I ask him if he will consent to have it temporarily laid aside in order that the conference report on the District of Columbia appropriation bill may be taken up and disposed of so it may be sent over to the House. If it leads to debate I shall withdraw the request.

Mr. JONES. Mr. President, while I hoped the conference report now pending on the economy bill will not take very much more time, yet if the conference report which the Senator from Connecticut wishes to take up for consideration does not lead to any debate, I am willing to have that disposed of at this time.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Connecticut?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11361) making appropriations for the government of the District of Columbia, and for other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes.

(For conference report see Senate proceedings of yesterday, CONGRESSIONAL RECORD, p. 13804.)

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Connally	Hawes	Norbeck
Austin	Coolidge	Hayden	Norris
Bankhead	Copeland	Hebert	Nye
Barbour	Costigan	Howell	Oddie
Bingham	Couzens	Johnson	Patterson
Black	Dale	Jones	Pittman
Blaine	Davis	Kean	Reed
Borah	Fess	Kendrick	Robinson, Ark.
Bratton	Fletcher	King	Robinson, Ind.
Brookhart	Frazier	La Follette	Schall
Broussard	George	Logan	Sheppard
Bulow	Goldsborough	McGill	Shipstead
Byrnes	Gore	McKellar	Shortridge
Capper	Hale	McNary	Smoot
Caraway	Hastings	Metcalf	Steiwer
Carey	Hatfield	Moses	Stephens
Thomas, Idaho	Trammell	Walcott	Watson
Thomas, Okla.	Vandenberg	Walsh, Mass.	White
Townsend	Wagner	Walsh, Mont.	

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

Mr. BINGHAM. Mr. President, I ask that the conference report on the District of Columbia appropriation bill be proceeded with.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. KING. Mr. President, I ask the Senator from Connecticut whether there was complete agreement between the House and the Senate conferees?

Mr. BINGHAM. There was complete agreement and a unanimous report.

Mr. KING. On every item?

Mr. BINGHAM. On all items.

Mr. KING. What were the principal items under consideration or in dispute?

Mr. BINGHAM. One of the items concerning which there was the greatest disagreement was the item concerning the appropriation for what is ordinarily known in most municipalities as outdoor relief, for which the Budget recommended $600,000, the House recommended nothing, the Senate agreed with the Budget recommendation, and the conferees agreed to $350,000.

The other item was in connection with the Federal contribution to the District government, as to which the House recommended $3,000,000 below what had been the contribution for the past two years, the Senate recommended 10 per cent below the contribution for the past two years, and the conferees arrived at a figure between the two of $7,775,000.

Mr. WALSH of Massachusetts. Mr. President, who is to distribute the relief fund to which the Senator just referred?

Mr. BINGHAM. The relief money goes entirely into the hands of the District authorities.

Mr. WALSH of Massachusetts. Who are they?

Mr. BINGHAM. The Board of Public Welfare, whose agent is Mr. Wilson, in whom we all have the highest confidence.

Mr. WALSH of Massachusetts. Is it the District Commissioners or the Board of Public Welfare?

Mr. BINGHAM. It has to be approved by the District Commissioners on the recommendation of the Board of Public Welfare, and it may be used for employment as recommended by the Senate.

Mr. COPELAND. Mr. President, the conferees of the two Houses were in session all one day and went over the bill very carefully. While there were matters which elicited much discussion, there was finally a full agreement. For my part, and I am sure I speak for the Senator from Wyoming [Mr. KENDRICK], it is my hope that the conference report may be accepted.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

SUPPLEMENTAL ESTIMATE—INTERNATIONAL ECONOMIC CONFERENCE (S. DOC. NO. 126)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State, fiscal year 1932, to remain available until June 30, 1933, amounting to $40,000, for an international economic conference to be held in London during the year 1932, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

TARIFF COMMISSION REPORT

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Tariff Commission, transmitting copy of a report sent to the President of an investigation for the purposes of section 336 of the tariff act of 1930, with respect to alsimin, silicon aluminum, aluminum

silicon, ferrosilicon aluminum, and ferroaluminum silicon, which, with the accompanying report, was referred to the Committee on Finance.

APPEAL FOR PAYMENT OF THE SOLDIERS' BONUS

The VICE PRESIDENT laid before the Senate a letter from Louis W. Wittenborn, of Hewlett, Long Island, N. Y., which was ordered to lie on the table and to be printed in the RECORD, as follows:

JUNE 11, 1932.

Hon. CHARLES CURTIS,
Vice President United States of America,
Washington, D. C.

DEAR SIR: I ask that this request be written into the CONGRESSIONAL RECORD.

A few sayings to remind the House in our final appeal for final payment of the so-called soldiers' bonus:

1. Eggs and oaths are easily broken.
2. The Members of Congress do not require so much to be informed as reminded.
3. Despise not a small wound, a poor relation, or a humble enemy.
4. How small is our knowledge in comparison to our ignorance.
5. The guilty shun the light as the devil shuns the cross.
6. The weak in courage are strong in cunning.
7. Lord Stowell said, "A dinner lubricates business."

What us vets want is dinner, no charity; the public has been misled enough; the Government isn't giving us something for nothing, we want a just debt liquidated.

Little dogs start the hare but great ones catch it.

We caught the hare and were promised pay for it; what did we get? Promises that don't feed us.

If we hadn't caught the hare what would have happened?

I've always been taught that the greatest element of criticism is taste; the vets have plenty of taste, but no food.

You can read this to your colleagues, it will do them good, it ought to wake them up if they have any sense of gray matter about them.

Thanking you in advance, I beg to remain,
Yours very truly,

LOUIS W. WITTENBORN,
1482 Broadway, Hewlett, Long Island, N. Y.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from Evelyn Curley-Kane, San Francisco, Calif., relative to her claim against the Federal Government or the government of the District of Columbia, which was referred to the Committee on Finance.

He also laid before the Senate a letter from Hon. WILLIAM P. HOLADAY, a Member of the House of Representatives, transmitting copy of resolutions adopted by the council of the city of Kankakee, Ill., favoring the passage of legislation authorizing a bond issue of not to exceed $5,000,000,000 to be used in financing municipal public improvement projects so as to aid employment, which, with the accompanying paper, was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the council of the city of Calumet City, Ill., favoring the passage of legislation authorizing an adequate bond issue to be used in financing municipal public improvement projects so as to aid employment, which was ordered to lie on the table.

He also laid before the Senate a letter from Andrew N. Segal, secretary-treasurer, American Enlisted Federation, Baltimore, Md., stating that "The National Council, American Enlisted Federation, has adopted resolutions petitioning Congress to eliminate emoluments for disabilities incurred by persons while in military service when they are receiving salaries of more than $2,000 a year as civil Federal employees," etc., which was ordered to lie on the table.

He also laid before the Senate telegrams and resolutions in the nature of memorials of sundry citizens and organizations of the States of New York and Massachusetts remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by a mass meeting of workers at Lynn, and also by members of the International Labor Defense, of Bridgewater, in the State of Massachusetts, opposing the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, and favoring the taking of necessary measures "to stop the deportation of foreign-born workers, and release immediately and unconditionally Edith Berkman, Frank Borich, Vincent Kemenovich, and other militant workers held for deportation," etc., which were ordered to lie on the table.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House insisted upon its amendments to the bill (S. 2437) for the relief of the estate of Annie Lee Edgecumbe, deceased, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLACK, Mr. CLARK of North Carolina, and Mr. GUYER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 5649. An act to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes"; and

H. R. 10683. An act to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 8031) to provide for expenses of the Crow and Fort Peck Indian Tribal Councils and authorized delegates of the tribes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 111. An act for the relief of Rosa E. Plummer;

S. 157. An act for the relief of Sarah Ann Coe;

S. 217. An act authorizing adjustment of the claim of J. G. Shelton;

S. 224. An act authorizing adjustment of the claim of Lewis Semler;

S. 229. An act for the relief of Don C. Fees;

S. 248. An act authorizing adjustment of the claim of the David Gordon Building & Construction Co.;

S. 250. An act authorizing adjustment of the claim of the Sun Shipbuilding & Dry Dock Co.;

S. 258. An act authorizing adjustment of the claim of H. E. Hurley;

S. 478. An act for the relief of Cicero A. Hilliard;

S. 860. An act for the relief of William Girard Joseph Bennett;

S. 943. An act for the relief of John Herink;

S. 1028. An act for the relief of W. Stanley Gorsuch;

S. 1216. An act for the relief of the owner of the barge *Mary M;*

S. 1280. An act for the relief of National Ben Franklin Fire Insurance Co.;

S. 1436. An act for the relief of the Copper Ridge Mining Co.;

S. 2159. An act for the relief of the Columbia Casualty Co.;

S. 2364. An act to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555);

S. 2909. An act for the relief of Ross E. Adams;

S. 3119. An act for the relief of J. D. Stewart;

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands; and

S. J. Res. 182. Joint resolution amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate (Nos. 46–168, both inclusive) to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. FLETCHER. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter which I have received from Edwina Austin Avery, chairman of the Government Workers' Council, with reference to a provision of the conference report now before the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

WASHINGTON, D. C., *June 23, 1932.*

Senator DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SENATOR: It is proposed that Congress should at this time dismiss from the Government service married women whose husbands are also in Government employment. It is really difficult to believe that any Member of Congress of the United States, after proper consideration, would actually vote to dismiss from the service of this Government any person on account of sex or marriage. Obviously there can be no economy in such a proposal nor is it good politics, to say nothing about statesmanship.

Other legislative bodies have recently considered similar proposals. In 1931 the legislatures of five States, namely, California, Delaware, Nebraska, New Hampshire, and North Carolina, gave consideration to bills which would forbid the employment of married women in public service. After due consideration all these proposals were defeated. Furthermore, in 1931 the Maryland State Board of Education ruled that a woman teacher could not be dismissed on account of marriage on the ground that such dismissal would amount to discrimination on account of sex. Moreover, the Supreme Court of Oregon, in sustaining the rights of married women to public office, held that "marriage does not involve a single element of wrong, but on the contrary is not only protected by both the written and unwritten law but it is also fostered by a sound public policy." (153 Pac. 482.)

Advocates for dismissal of women on account of marriage contend that social and economic justice would be promoted thereby. Such arbitrary basis resulting in dismissal without regard to individual effort, training, and efficiency, can never promote social and economic justice. The dismissal of pubic employees on such ground without regard to efficiency is an injustice to the taxpayer and an affront to those who strive for honest achievement. Furthermore, the evils of such a measure must be apparent to a social-minded person. Imagine this Government asking its employees the following questions: "Are you married?" "Is your husband or wife in Government service?" "Do you live with your husband or wife?" In the event the employee does not live with husband or wife or that one or the other is employed in private business, he or she is not to be molested, but in the event that husband and wife are living together, they are to be penalized. In a period when the marriage rate is declining and the divorce rate increasing it is proposed that this Government should penalize successful marriage and encourage divorces. The institution of marriage does not warrant such treatment at the hands of Congress.

It is impossible to figure out the social and economic justice that would result by dismissing on account of marriage and without regard to individual qualification, effort, and efficiency those who entered the service of the Federal Government through the civil service. We are also unable to figure out why successful marriage should be penalized and why those who marry and live separate lives should be favored by the Congress of the United States.

It is unthinkable that a Senator of the United States, with a knowledge of the nineteenth amendment to the Federal Constitution and the political rights secured thereby, would vote against women. The right of women to hold private office may be subject to discrimination, but it is unthinkable, under our Constitution, that such discrimination would extend to office in the Government of the United States.

Your earnest support in opposing the enactment of this discriminatory legislation is requested.

Respectfully,

EDWINA AUSTIN AVERY,
Chairman Government Workers' Council.

Mr. DAVIS. Mr. President, I desire to address the Senate very briefly with reference to the pending conference report.

It seems to me it would be far better if we were to remain here a few days longer for the purpose of correcting the injustices in the bill than to permit its passage with the obvious inequalities now in it. For my part, I am opposed, first, to encouraging the separation of families. Secondly, I am opposed to doing injustice to the policemen and firemen.

Third, I am opposed to taking away from the employees of the Government Printing Office and the night employees of the Postal Service that which they have enjoyed for practically half a century. This would not only inconvenience them and be a hardship, but it would encourage private business to do likewise. To my way of thinking the United States should be the model employer of labor so that our other governments, as well as our civic and industrial organizations, and indeed those of the world, might pattern after us.

Mr. DALE. Mr. President, I had no intention of saying anything about the conference report until my attention was called specifically to one element of it which relates to the civil service. I feel compelled to say something about that feature of the measure and I shall make my remarks just as brief as I possibly can under the circumstances.

I refer to that part which is numbered section 204 relating to compulsory retirement for age. At the time the retirement system went into operation there were certain fundamental principles laid down to be followed. One of those was retirement for age. That plan, as it relates to age, has been changed somewhat and it stands to-day providing for retirement at 68, 63, and 60 years, as the case may be.

However, there was another fundamental principle laid down in the very beginning of retirement legislation, a principle which has never been changed in any particular, and that is that the employee must serve 15 years to be eligible for retirement and that there should be no restriction in that regard. Those who are familiar with retirement legislation will recall that, having that particularly in mind, it was so framed that employees could not be discharged except for cause, and for the reason that if it were not so, a great injustice, the greatest kind of injustice, might be done in an instance such as this: An employee might serve 14 years, almost 15 years, and unless there were some restraint, the chief of his division might discharge him, and he would lose all his retirement rights. All that was discussed in detail, and the law was so framed that the employee should not be disturbed except for cause during his service of 15 years. There have been a great many bills introduced to change that provision, but Congress has always opposed them. The Committee on Civil Service has always taken the position that it was not only the right of the other party to the contract that that provision should not be changed, but they have also taken the position that in justice to the associates of the party to the contract represented, the employee, that provision should not be changed in any particular.

I refer to this as a contract, for the retirement law is a contract in the strictest sense of the term. There are many defined considerations in this contract, such as that the employee shall have deducted from his salary 3½ per cent, and various other provisions that I have not time to go over. There were many implied conditions and considerations in the contract. The retirement system was fundamentally thought out not wholly for the employees but largely for the Government, in consideration that those who had reached an age beyond which their services were of no benefit to the Government could be retired, as otherwise would not have been done.

The employees have met all the conditions of this contract up to date or else they have been removed from office. This bill deals with employees who have met the contract in every particular, and the Government has contracted, it has pledged itself, it has covenanted with these employees to do certain things, among which, of course, are to pay annuities, and various other things that I am not going to take time to enumerate.

Of course, it is assumed that the Government will place nothing in the way of a check upon the employees in fulfilling their part of the contract. Nothing could be more unjust, unfair, inequitable than for the Government to do something that would prevent an employee when he has come almost to the end of the 15-year term from concluding his term. It is almost unthinkable that the Government could do anything like that. For instance, just imagine a contract between A and B and B saying to A, "You can not conclude your contract; I place this obstacle in your way; you can not conclude it." A says, "I am going to conclude

it"; but he finds it impossible to conclude it, because of the obstacle B has placed in his way. There is not a court anywhere in the land that would not give A compensatory damages of some kind if he were forced to give up his contract because of some barrier that the other party to the contract has placed in the way of his fulfillment of it.

We have entered into this contract; we have sealed it with the great seal of this Government. It is a bond between the Government and the employee. I have read somewhere in history or it may be in fiction—but it is just as true wherever it appears—that it used to be said that the King of England did not have to give a bond; it was not necessary for him to give a bond, because any obligation that the great British Government entered into was bonded by that fact—the King was the bond. Are we going to face this bond with any less consideration? This bond has been sealed by the seal of the Government of the United States for the honor of which any loyal citizen would give his life; it has been sealed by the seal of a Government which no danger on earth can bring to pause.

What have we done under those circumstances? I say "we," because the conference committee are not the ones who are responsible for this. We did it. You and I and all of us are responsible for it; I, perhaps, more than anybody else, because of the position I am fortunate enough to hold as chairman of the Civil Service Committee. I ought to have realized what it meant. The provision in the conference report reads:

SEC. 204. On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary.

That is, we say that having reached the retirement age they go out, notwithstanding any provision of law to the contrary. Is there no exception to that? Oh, yes; there is an exception. Some one answering me may say that there is an exception to that. It is further provided:

Provided, That the President may, by Executive order, exempt from the provisions of this section any person when, in his judgment, the public interest so requires.

Think of it, Senators! Here is a contract; we step in here and violate it. Here is a bond; we step in here and break it and say there will be no exception unless it is to our interest to make the exception. The interest of the employees is not considered, but if it is for the interest of the Government, there is an exception; otherwise there is no exception.

Now, what does this do? There may be, and there are, a great many employees who have almost concluded 15 years of service and are about to reach the compulsory retirement age. Under this provision they go out and they stay out; they lose their retirement pay; they lose everything save the little paltry sum that is refunded to an employee in case he resigns or is removed by some fault of his own. Other than that they lose everything.

If I am asked if I mean literally that, I answer, "Yes." To those to whom we do not charge any evil intent, any laches whatever, those who have fulfilled their part of the contract, who have met the conditions of the bond, we say, "You are dismissed and you get no compensatory damage or anything else." Aye, more than that, we put a penalty on them, for it is provided further—

that no such person heretofore or hereafter separated from the service of the United States or the District of Columbia under any provision of law or regulation providing for such retirement on account of age shall be eligible again to appointment to any appointive office, position, or employment under the United States or the District of Columbia.

We say to the man who has almost finished his 15 years' service faithfully but who happens to reach the retirement age, "You can not finish it; you can not carry out your part of the contract; you must leave the service; and, more, than that, you can never come back into the service in any capacity whatsoever." It is the most outrageous thing imaginable when one stops to analyze it; it is beyond imagination until it is studied.

It may be asked how many are affected in this way? That makes no difference whatsoever. If it were but one solitary lone man by himself, the principle is the same. There are, however, a great many who will be affected by it; there are more than 800 who have almost finished the 15 years, and there are 1,500 altogether who would be affected by it.

Senators, there are many things in the Constitution of the United States in the nature of inhibitions against the great sovereign States placed there by the people, and most of the courses of action which they are prohibited to take have this qualification; without the consent of Congress you may not do so-and-so; but there is one inhibition against the States of this great Nation which is without any qualification, without any exception; it stands last and by itself in that respect:

No State shall pass any law impairing the obligation of contracts.

Yet that is just what we have done if this becomes law. We have not only impaired the obligation of a contract; we have repudiated it, broken it, set it aside.

Of course, we had no intent to do that; and I want to say again that you and I, and I in particular, are more to blame than anyone else. But we have been playing a kind of Shylock to the employees' Antonio. It is time we changed; and the only way we can remedy it is to send this bill back to conference and let us play Portia for a little while and find something in this bond by which we can save Antonio from losing his pound of flesh.

Mr. BROOKHART. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FESS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Howell	Patterson
Austin	Copeland	Johnson	Reed
Bankhead	Costigan	Jones	Robinson, Ark.
Barbour	Couzens	Kean	Robinson, Ind.
Bingham	Dale	Kendrick	Schall
Black	Davis	King	Sheppard
Blaine	Fess	La Follette	Shortridge
Borah	Fletcher	Logan	Smoot
Bratton	Frazier	McGill	Stephens
Brookhart	George	McKellar	Thomas, Idaho
Broussard	Goldsborough	McNary	Thomas, Okla.
Bulow	Hale	Metcalf	Townsend
Byrnes	Hastings	Moses	Vandenberg
Capper	Hatfield	Norbeck	Wagner
Caraway	Hawes	Norris	Walcott
Carey	Hayden	Nye	Watson
Connally	Hebert	Oddie	White

The PRESIDING OFFICER. Sixty-six Senators having answered to their names, a quorum is present.

PRESIDENT OF RECONSTRUCTION FINANCE CORPORATION

Mr. ROBINSON of Arkansas. Mr. President, it will be recalled that when the Reconstruction Finance Corporation act had passed, and the corporation was being organized, the President stated:

I have requested General Dawes to accept the position of president of the new Reconstruction Finance Corporation. It is gratifying that he has accepted. I announce General Dawes's name at this time because of the required change in plans as to the chairmanship of the delegation to the arms conference. Otherwise, General Dawes would be leaving for Europe to-morrow.

Mr. President, it is pointed out that the act creating the Reconstruction Finance Corporation authorized the President to select a board of directors consisting of certain ex officio members, the total number of the directors being seven. General Dawes served for a period, and then resigned. His membership on the board of directors and his labors as president of the corporation were generally regarded as of great value in the execution of the act.

According to the New York Times and other publicity agencies, it is now proposed to select a president who is not a member of the board of directors.

The name of Mr. Cowles, who is said to be the publisher of the Des Moines Register and Tribune, has been sent to the Senate for confirmation to fill the vacancy caused by

the resignation of General Dawes. That completes the authorized list of directors, assuming that the nominee shall be confirmed.

According to the press report just referred to, the following statement is made:

> At the White House it was announced that President Hoover would select a president of the corporation at a later date, and that the president need not be a member of the board. The understanding prevailed at the corporation's offices, however, that its next president would be selected by the present board of directors from among their number.

I understand it is claimed that a provision in the act, which will be quoted in a moment, authorizes the unusual procedure said to be in contemplation. The language is:

> The corporation shall have power—
>
> Omitting the irrelevant sentences—
>
> to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the corporation.

The President of the United States has no authority, under the law, to select the president of this corporation. He had no authority to name General Dawes as president of the corporation. His authority was limited to designating the appointee as a member of the board of directors.

He has no authority, first, to select additional members of the board of directors, because the list has been filled; and, second, he has no authority in any event to select any agent, officer, attorney, or employee of the corporation.

It would be unusual and exceptional if the statute provided that the president of the corporation should not be a member of the board of directors. It does not do that. True, the law does not specifically require that the president of the corporation shall be a member of the board of directors, but it certainly does not give the President of the United States the power to name the president of the corporation. Any attempt to do so would be usurpation of authority which the Congress, and particularly the Senate, would resent.

The appointment of Mr. Cowles has not yet been confirmed by this body, and it probably will not be confirmed as long as the President insists that the chief officer of the corporation may be appointed by him from persons who are not members of the board of directors.

This is pointed out now in the hope that no such usurpation will be attempted.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. I yield.

Mr. LA FOLLETTE. I was not able to hear the language of the act the Senator was reading. Upon what section of the original act did the President base the contention that he had authority to designate the president of the corporation?

Mr. ROBINSON of Arkansas. My information is that it is based on the language of the act quoted, which will be repeated for the convenience of Senators who did not hear me. The corporation is authorized "to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the corporation." That provision, of course, gives the President no power whatever. As already stated, he assumed to exercise the power to name the president of the corporation when he appointed General Dawes; but now that the membership of the board of directors has been filled, if the appointment of Mr. Cowles shall be confirmed I do not think that even the board of directors, under the language quoted, would have any right to go outside of its own membership and choose a president under the authority to employ agents, officers, or attorneys, and fix their compensation.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. In just a moment. Certainly the President could not assume to exercise any such power. The manner in which the statement is made seems to imply that the President of the United States thinks that he has unlimited power, whereas his authority is limited to that defined in the act.

I now yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. In certain western cities the cities elect aldermen or councilmen, and they in turn elect city managers. Could not the Senator see wherein the board of directors, desiring to have some one to manage the corporation for them, on the same theory might elect a manager of the corporation under this law just read?

Mr. ROBINSON of Arkansas. I am saying that even if it should be held that the board of directors had the power to select a manager, it would not imply the power to select a president; and if anyone disagrees with that proposition and holds that the board of directors have the power, under the language referred to, to name a president who is not a member of that board, that would not, by any legal construction I can conceive, authorize the President of the United States, who is not a member of the board, to name a president of the corporation.

I repeat it is a plain attempt to usurp authority, assuming that the statement quoted actually issued from the White House.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate (Nos. 46–168, both inclusive) to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. BINGHAM. Mr. President, I desire to call the attention of the Senate to the fact that one of the most important amendments to the House economy plan, as it came from the hands of the Senate Economy Committee, has apparently, so far as I can discover from a study of the report, been left out. I refer to the provision regarding the impounding of appropriations.

The way the matter first came to us from the House it read:

> Appropriations, or portions of appropriations, unexpended by reason——

Mr. LA FOLLETTE. From what page is the Senator reading?

Mr. BINGHAM. It was originally section 112, on page 50 of the bill as reported from the Committee on Appropriations of the Senate.

Mr. JONES. Mr. President, will the Senator yield to me?

Mr. BINGHAM. I yield.

Mr. JONES. May I call the Senator's attention to the fact that that is contained in amendment numbered 46, upon which there is a disagreement? That matter will be taken up, however, when we get to the point where we make a motion to accept the House amendment. So that it is in disagreement now.

Mr. BINGHAM. In other words, the question of whether the appropriations should be used for any purpose other than the payment of salaries has not yet been decided upon?

Mr. JONES. Technically, no; but it will come up in connection with the motion we will make to recede on amendment numbered 46 and agree to the amendment made by the House, which is contained in amendment numbered 46, and in the disagreement in regard to that amendment.

First, the proposition now pending before the Senate is the question of agreeing to the conference report. If we agree to it, that brings about a disagreement on amendment numbered 46. Then comes the proposal of the House to recede with an amendment, and so forth. That brings up the proposition the Senator is proposing. But that is not pending at the present time.

Mr. BINGHAM. Do I understand, then, that the conference report as it comes to us is not complete?

Mr. JONES. No; it is not.

Mr. BINGHAM. And it is necessary to take this matter back to conference?

Mr. JONES. After we agree to this report, if we do agree to it, then amendment numbered 46 will be in disagreement, but the House proposes to us to recede on amendment num-

bered 46 with an amendment. Then will come up that proposition.

Mr. BINGHAM. Is that in the conference report?

Mr. JONES. That is in the conference report.

Mr. BINGHAM. May I ask the Senator how that amendment reads?

Mr. JONES. What they propose is, in effect, this: That the proceeds shall be impounded and put into the Treasury. That is what they propose.

Mr. BINGHAM. That is what I supposed.

Mr. JONES. But that is not at issue now. That is not pending as a part of the conference report now. It is in disagreement.

Mr. BINGHAM. I want to take the matter up before we get into any position where it can possibly be agreed to by the Senate that any money saved is to be impounded, and not used for the purpose of payment of salaries.

Mr. JONES. We can talk about the matter all we please, but that matter can not be considered until after the conference report is agreed to. Then the proposition will come before the Senate on the proposal of the House to recede from amendment No. 46, with an amendment, in which that matter is dealt with.

Mr. BINGHAM. Mr. President, I want to address myself to that matter for a few moments, because I want to call the Senate's attention to what is likely to happen.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. LA FOLLETTE. I hope the Senator will not overlook the point that if this conference report is agreed to, then very little consideration will be given by the Senate to this very important question the Senator has raised.

Mr. BINGHAM. That is what I am afraid of. I am glad the Senator agrees with me.

I do not desire to be put in the position, so far as I am concerned, of being euchred out of the chance to fight for an opportunity to prevent a large amount of unemployment. When the President of the United States called before him the Senate Economy Committee, of which I have the honor to be a member, and talked to us about the furlough plan, which he afterwards apparently urged upon certain of his friends here and put through over the protest of the Economy Committee, he stated to us that that plan, the furlough plan, would insure a great saving without the discharge of employees; and if there is any member of the committee here who did not hear him say that, I would like to have him say so now, because that was my understanding of what the President said.

Mr. McKELLAR. I think he said that, but nothing was said about the impounding of this fund; and I believe that if we were to strike out the provision for impounding this fund, we would virtually do away with all economies. How could it be otherwise? We are making the same appropriation, substantially, that we made last year, and without the impounding of this fund I do not see but that the furlough plan would be just a fake and a foolish matter all the way through.

Mr. BINGHAM. Mr. President, may I explain to the Senator my position?

Mr. JONES. Mr. President, if the Senator will permit me to interrupt just a moment, I did not like one word used by the Senator. He said he did not propose to be "euchred" out of some time. I did not try to euchre the Senator out of any time.

Mr. BINGHAM. Mr. President, I do not play euchre, and I may have used a word which did not convey what I intended.

Mr. JONES. I do not play euchre either, but I just accepted the word as it is generally used.

Mr. BINGHAM. I do not want to be put in the position just called attention to by the Senator from Wisconsin, where we agree to a number of things and get in a position where there are only two or three things in issue, and in its haste to get away, the Senate agrees to them.

This is the situation as I see it. In order to make the argument a little easier, let us suppose the furlough plan was a 10 per cent reduction instead of 8⅓, purely for the sake of argument and to make it easier for me to use the figures. If the Senate in passing an appropriation bill had cut any bureau or any agency 10 per cent, let us suppose the agency had originally been provided with $100,000. We cut it 10 per cent. That leaves them $90,000. Under the plan proposed by the Senate Economy Committee of a 10 per cent reduction in salaries, it would have been possible for them to have continued their operations without discharging a single employee. All their employees drawing $100,000 in total would have cost them only $90,000.

The Senate has provided by a cut for just that amount of money, and they would have proceeded to operate and no one would have lost his or her job. Of course, in some cases the cut is more than 10 per cent and in other cases less, but in most cases the cut was 10 per cent. We have provided in a section to permit the head of the department to transfer a certain amount of the funds from one bureau to another in order to try to equalize the situation.

The proposal as the House made it originally amounts to this, that the Senate provides for that bureau $90,000, a cut of 10 per cent. They then take 10 per cent of the employees and discharge them, and on the remainder of 90 per cent of the employees they make a cut of 8⅓. In other words, the furlough plan does not save any jobs at all. It merely takes 8⅓ per cent from the pay of all people who are permitted to be employed under whatever appropriation the Senate makes. If the Senate or the Congress had not made any cuts in appropriations, it would not be necessary to make any protest on this, because everyone would be employed and 8⅓ per cent of their salary would be taken away from them and put back in the Treasury and we would have that amount of saving on personal services.

Under the proposal made by the Economy Committee of the Senate 10 per cent of all salaries would have been saved. Under this proposal there will be thousands of persons discharged to meet the amount set by the various appropriation bills as they come from Congress, and then the persons employed under that provision will lose 8⅓ per cent of their salaries and the amount saved will then go into the Treasury.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Tennessee?

Mr. BINGHAM. I yield.

Mr. McKELLAR. The Senator knows if the 10 per cent reduction had gone through, then all of these appropriations would have been reduced accordingly. For instance, take the Post Office Department bill carrying $700,000,000. Half or more than half of that was for employees. Those portions going to employees would have been cut 10 per cent and that would have been provided for in the bill. But under the furlough plan we make the same appropriation and simply require the amount designated in the furlough plan to be turned back into the Treasury. Unless we have a provision returning that to the Treasury we will just leave it to the various officials of the Government as to whether there will be any cuts in salaries at all.

Mr. BINGHAM. Mr. President, the Senator from Tennessee was seriously ill during a very considerable part of the work of the Senate Economy Committee and therefore I do not believe that he fully grasps what, it is my impression, was the desire of the members of the committee who sat during his illness. Of course, if an appropriation bill goes through without any cut for personal services, then there will be a saving of 8⅓ per cent under the bill and that would be impounded in the Treasury. I do not ask that the money be left to the department to spend as it wishes. On the other hand, I do not want to see a large number of employees discharged because we are saving some money on the other employees.

It was my understanding from what the President said to us that if we adopted the furlough plan, which both Houses now have more or less agreed to through their conferees, it would not be necessary to discharge employees; but if what the Senator from Tennessee holds is true, a large number of employees will be discharged, determined

by whatever the Congress puts in the appropriation bills, and on those employees remaining there will be a cut of 8⅓ per cent.

Mr. McKELLAR. One of the very purposes of putting into one of the bills the provision giving the right to the head of a department to transfer at will appropriations up to 12 per cent, or even 15 per cent as I believe it is provided in one bill, was to take care of the salary situations as they arise so that no one should be dismissed. If that was not the purpose of the 12 per cent interchangeable provision, then we ought never to have agreed to the 12 per cent arrangement. It was the assurance of the Senator from Pennsylvania [Mr. REED] and others who were in favor of the 12 per cent interchangeable provision that by using that amount, taking it from one appropriation and carrying it to another, there would be no dismissal of employees.

Mr. BINGHAM. My understanding of the 12 per cent leeway arrangement was to avoid the mistakes that might have been made by the committee who did not have the advantage of hearing the heads of the departments, so that if we had cut off too much from one branch and too little from another, they could adjust it.

Mr. McKELLAR. If the Senator will look at the debates he will find that he is mistaken; that the only condition upon which it was agreed to was that the salary situations could be in that way adjusted and ironed out by the heads of the departments and bureaus.

Mr. BINGHAM. I have no doubt the Senator is correct in his statement, but I still do not see how we are going to avoid the discharge of employees if the total amount in the bill for personal services has been cut to such an extent that no amount of services is going to be provided in such manner as to prevent the discharge of employees.

Mr. McKELLAR. There were several heads of departments who informed me that with the 12 per cent arrangement the situation could be ironed out. I remember it arose in this way in one department. As to the various domestic commerce offices throughout the country, it was believed by Doctor Klein that with the 12 per cent provision in the bill those offices could be taken care of.

Mr. BINGHAM. Mr. President, will the Senator from Tennessee answer this question? Suppose that the best the department can do in rearranging this is to meet a cut of 10 per cent in the department which is composed chiefly of personal services. Under the bill as the House wants it passed, 10 per cent of those persons would lose their employment and the balance would be cut 8⅓ per cent. Is not that correct?

Mr. McKELLAR. Oh, no. In the great body of 10 per cent cuts, as they were adopted in the Interior Department appropriation bill and in the appropriation bill for the Departments of State, Justice, Labor, and Commerce, for instance, certain reductions were made in other things than for personal services. Personal services play the smallest possible part. The only question that came up was personal services in the Bureau of Domestic and Foreign Commerce.

Mr. BINGHAM. The Senator from Tennessee is much more familiar with many of the appropriation bills than I am because he has been a member of the Appropriations Committee so much longer. But the fact remains there are some departments where practically the entire amount is for personal services. The fact remains that we have cut some of those items in the appropriation bill. The fact remains that if those cuts should go through in the way proposed by the House, those persons will lose their jobs and the amount saved by the persons who take up the 8⅓ per cent cut will go back to the Treasury and will not be used for the payment of salaries. The fact remains that when the President proposed the furlough plan to us he said it would not necessitate the discharge of employees. I can see no way out of it except by inserting some such words as the Senate committee recommended, "shall not be used for any purpose other than the payment of salaries."

Mr. McKELLAR. That would appropriate the entire $100,000,000 of the proposed savings for the purpose of paying salaries to whomsoever they please. That is what it would amount to. If we put that provision in the bill, that is what it would provide.

Mr. BINGHAM. The Senator is quite mistaken.

Mr. McKELLAR. The heads of departments could use every dollar of the alleged savings. Every dollar of it could be used to employ persons as substitutes and to keep people on the salary roll.

Mr. BINGHAM. If the Senator will listen to me for a moment, he will save his time. I think there should be an amendment offered, and I shall be entirely satisfied with it, providing that no new persons shall be employed by that saving. What we tried to do in the committee was to see to it that the saving should not result in people losing their jobs, but that it should result in money being saved to the Federal Government.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Kentucky?

Mr. BINGHAM. I yield.

Mr. LOGAN. The Senator from Tennessee, in my humble judgment, is wholly mistaken and the Senator from Connecticut is correct. It may be there are some places where the appropriation has been reduced too much, and it can be made up by the 12 per cent transfer; but where the bureau requires most of the fund in the payment for personal services, of course, it can not be done. For instance, in the General Accounting Office it is all used for payment of personnel.

The bill ought to go back to conference and the conferees ought to straighten out the matter. I am advised this morning that the Comptroller General has advised the Senator from Utah [Mr. SMOOT] that this amounts to a double cut. The comptroller passes upon all these matters. The question of paying claims will go to him, and we will be in inextricable confusion by putting language in the bill that has no business there. In fact, there is no occasion to say that the money shall go back into the Treasury. There is no occasion to say that it shall be used for this or that purpose. The cut is made and then the appropriation bills are correspondingly reduced.

If the Senator from Connecticut will pardon me further, he is overlooking the fact that there is another provision in the bill that if the appropriation is not enough the furlough shall be made longer. It simply means that instead of a furlough of a month, they will be compelled to furlough the employees for 2 or 3 or 4 months and the work of the Government will go undone. In my judgment this does amount to a double cut. I do not see how we can escape that conclusion. It can be taken on any basis or any manner of reasoning, and it will be found that we provide in the economy bill that certain amounts shall be deducted. Then when the appropriation bill is passed it also deducts a certain amount, so there has been a double reduction made. The appropriation will fall short. It will, therefore, be necessary to provide a longer furlough for the employees of the Government. If the Comptroller General construes the law that way, there is no department of the Government that will not be in confusion from now on.

I think the Senator is right about it. I do not know who is responsible, but it seems to me the bill ought to go back to conference and it ought to be made clear before we pass it.

Mr. BRATTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from New Mexico?

Mr. BINGHAM. I yield.

Mr. BRATTON. The Senator has referred to the fact that in the conference at the White House the President stated that if the furlough plan were adopted there would be no occasion to discharge anyone. Permit me to call his attention to the fact the provision now in the bill is identical with that in the bill at that time. With such provision in the bill, the President made the statement to which the Senator now refers.

Mr. BINGHAM. Mr. President, the Senator from New Mexico was a member of the Economy Committee and I

think perhaps he may remember how surprised we were when we discovered that particular clause. I think—without disclosing any secrets—that around the committee table surprise was expressed by reason of the fact that the clause in the way it came from the other House meant that there would be discharges because the savings proposed by the President in the furlough plan could not be used to pay the salaries of other employees in a department.

Mr. BRATTON. Mr. President, that is true. What I call the Senator's attention to in connection with his quotation of the President is the impounding provision in its present form was in the bill at the time that the President made the statement that if the furlough plan were adopted no dismissals would be required.

Mr. BINGHAM. I can only believe that the President was not aware of that provision or did not realize its significance.

Mr. BYRNES. Mr. President——

Mr. BINGHAM. I yield to the Senator from South Carolina.

Mr. BYRNES. I think we can agree that as the bill was written in the other House the Senator from New Mexico is right; and when we discovered it, and adopted the 10 per cent cut, we specifically endeavored to correct that situation by providing that the money saved by the cut should be available for the payment of salaries of other clerks. It is correct that by reason of the furlough plan whenever one month's compensation is deducted from the salary of a clerk the money thus saved goes into the Treasury and is not available to pay another clerk. Is that the contention of the Senator from Connecticut?

Mr. BINGHAM. That is exactly the contention.

Mr. BYRNES. Therefore it does mean that the reductions in the appropriations heretofore made will result in the dismissal from the service of a large number of employees.

Mr. BINGHAM. Unquestionably that is true.

Mr. BYRNES. Does the Senator from Connecticut agree with me that it is a very logical procedure, having appropriated $2,000,000,000 yesterday to provide employment, that by this provision we shall provide for unemployment?

Mr. BINGHAM. Exactly; and that is one reason why I hope the conference report will be sent back to conference for further study.

There are two other items to which reference has been made which lead me also to the same opinion: One is the provision regarding the dismissal of married persons, objections to which were brought out in the debate yesterday. What the Senate Economy Committee recommended was that hereafter in the appointment of persons to the classified civil service preference shall be given to persons other than married persons living with husband or wife. That is a new policy. It was adopted in order to spread out the jobs and provide for more families, but what the other House has insisted upon is that in any reduction of personnel husbands and wives decently living together should be penalized; they would either have to separate or let the court show that they were not living together or they would have to give up their positions, one or the other. That is a most unprecedented change in policy, which will cause a great deal of suffering entirely unnecessarily, and which will not save one penny to the Federal Government.

This is an economy bill and yet, under the specious guise of economy, it is proposed to change the plan which has been adopted that a person who has passed a certain examination with a certain grade, who has been appointed to the civil service, and has performed faithfully his or her work shall be retained, no matter whether he or she has relatives in the Government service or not. Now, we say that although certain employees have worked for years, conducting themselves honorably and performing their duty faithfully, forsooth, they are to lose their jobs, rather than someone else, because some other members of their families are in the Government service.

Mr. COPELAND and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut yield; and if so, to whom?

Mr. BINGHAM. I think the Senator from New York first rose and I yield to him.

Mr. COPELAND. Mr. President, I am in the fullest accord with what the Senator from Connecticut has said. I am not blaming the conferees, and certainly not the members of the Senate Economy Committee, for all of them have worked hard; but as this conference report comes to us it is filled with imperfections. We can not get away from here to-morrow, anyway; we are going to be here for several days. Let us send the conference report back, as the Senator from Connecticut suggests, and let the conference committee try again. With the debates which have been entered into on the floor, with the record as it will be disclosed, it will be found that there are many things needing correction. I am much concerned to-day as I was yesterday about the officers of certain services, the Marine Corps and the Coast Guard and the Public Health Service.

Mr. BINGHAM. I was about to speak of that matter, I may say to the Senator, but I am glad he has brought it up.

Mr. COPELAND. These are matters of concern. The question of voluntary leave of absence without pay is a matter that should be considered. There are many who under the circumstances will be glad to take a leave of absence in order to help others.

Accumulated days of leave is another matter not as yet settled entirely. The question of old-age retirement referred to this morning by the Senator from Vermont [Mr. DALE], and promotions in the police and fire departments, even though there may be no increase in pay, should be further considered. As the bill is now there is likely to be a double cut. For these reasons I commend the position of the Senator from Connecticut in urging that the report be sent back, and I hope it may be.

Mr. BINGHAM. Mr. President, in my own time——

Mr. SMOOT. Mr. President——

Mr. BINGHAM. I must yield to the Senator from Tennessee next, but I want to say a word further. The Senator from New York has referred to the matter of retired pay. In order to make the situation a little more vivid, let me refer to a very distinguished case. All of us remember that brave and marvelously active and efficient marine officer General Lejeune, whose services in France earned him decorations and the gratitude of the American people. A short time ago he was retired, still active, still perfectly able to serve his country, still a young man although he had reached the age of 64. He is now the head of a military school, if my memory serves me correctly, in the State of Virginia, and is paid, I think, from State funds. He is obliged to live in a certain manner, and naturally during his service he was unable to save anything. His retired pay is part of the compensation which he earned from the United States Government during more than 30 years of faithful service. Yet this bill proposes, forsooth, because he works for the State of Virginia, to take away from him practically all his retired pay that he earned during all these years of service, or to say to him, "You must, at the instance of the United States Government, leave the very important position which you now occupy as the head of this school where your influence on young Americans is valuable."

That is merely a single instance, Mr. President, which I wanted to bring to the attention of the Senate to show how this bill will work. I might suggest many other instances. I now yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, what the Senator from Connecticut has said in regard to married persons in the civil service seems to me to be correct. I think every Senator realizes that the provision contained in the conference report would work a hardship and an injustice to married people now in the employ of the Government if it were permitted to remain. However, there is a condition and not a theory that presents itself to us. If we are going to make any savings under this bill, then the conference report ought to be adopted. So, believing that every Senator takes the same view about the provision affecting married persons

that I do, I have had prepared by the drafting service a concurrent resolution, which I think will be agreed to unanimously, and I am going to ask unanimous consent for its consideration now, if it is the proper time, or at such time as may be proper. I ask that the clerk may read the proposed resolution at the desk for the information of the Senate.

Mr. BINGHAM. Mr. President, will not the Senator permit me to conclude my remarks? I do not believe such a resolution can be adopted by unanimous consent. I think the Senator either was absent on account of illness or does not remember that there were one or two members of our committee who felt very strongly that the House provision was proper, and it was only after considerable discussion that a compromise was reached, and we struck out a portion of it.

Mr. McKELLAR. I think there was a unanimous sentiment when the bill was here that the provision incorporated by the Senate should be adopted; and, for that reason, the resolution I propose merely provides that the Senate provision, which applies only to the future, shall be adopted in lieu of the provision now in the conference report. I believe that will meet every demand of the situation.

Mr. BINGHAM. Mr. President, I think the Senator is wise in taking that step, but in view of the fact that the House has adopted this provision once and its conferees have insisted upon it a second time, I fear that the concurrent resolution which the Senator desires to present will receive scant attention at the hands of the House. It is a useful gesture on the part of the Senator, but I very much fear it will only be a gesture. I think the only thing to do is to send this report back to conference, and I shall make that motion.

Mr. President, before taking my seat I want also to refer to the question of the police and firemen of the District of Columbia. It was the intent of the Senate committee and of the Senate in passing this bill that the cut in pay should not apply to them any more than it should apply to the enlisted men in the Army, Navy, and Marine Corps. Yet, as the bill now comes to us from the conferees the policemen and firemen are included and not exempted. It seems to me particularly important that that matter should be reconsidered by the conferees.

Mr. President, in view of all the questions which were raised yesterday, in view of the objections urged to retirement-pay provision and to the provision affecting married persons, and in order to clear up the matter of whether or not it is our intention to create a large number of unemployed persons in the Government service, I move that the conference report be sent back to conference.

Mr. JONES. I make the point of order against that motion that it is not in order. The question is on agreeing to the conference report or its rejection.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BINGHAM. Mr. President, is it not always in order to move to recommit; is not that a privileged motion?

The PRESIDING OFFICER. The Chair understands that if the conference report should be rejected it would go back to conference.

Mr. BINGHAM. Was the point of order sustained?

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. BINGHAM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Caraway	Hale	Logan
Bankhead	Carey	Hastings	McGill
Barbour	Connally	Hatfield	McKellar
Bingham	Coolidge	Hawes	McNary
Black	Copeland	Hayden	Metcalf
Blaine	Costigan	Hebert	Moses
Borah	Couzens	Howell	Norris
Bratton	Dale	Johnson	Nye
Brookhart	Fess	Jones	Oddie
Broussard	Fletcher	Kean	Patterson
Bulow	Frazier	Kendrick	Pittman
Byrnes	George	King	Reed
Capper	Goldsborough	La Follette	Robinson, Ark.
Robinson, Ind.	Shortridge	Thomas, Okla.	Walcott
Schall	Smoot	Townsend	Watson
Sheppard	Stephens	Vandenberg	White

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. A quorum is present.

Mr. BINGHAM. Mr. President, reserving the right to appeal from the decision of the Chair, I should like to call to the attention of the Senate the situation.

It has been disclosed that there are several matters in the conference report that either are not clear or are directly contrary to that which the Senate wishes to do.

I have moved to recommit the conference report. The Senator from Washington [Mr. JONES] has raised the point of order that it is out of order to recommit a conference report.

In Cleaves's Manual of the Law and Practice, in regard to conferences and conference reports, which is in our Senate Manual, on page 211, Rule LIV says:

> It is not in order in the House to recommit a conference report to the committee of conference.

Rule LV says:

> It is in order in the Senate to recommit a conference report to the committee of conference, but not with instructions, according to the later decisions.

I do not ask to recommit the report with instructions. It is true that there is a footnote stating that it has not been the practice in recent years. My understanding is that that practice is based on the fact that if the House conferees have been dismissed, there is no conference to which to recommit the bill, but in this case the House conferees have not been dismissed. There is still an amendment in disagreement—namely, amendment No. 46. Therefore, the conference is still in existence; and in view of the clear statement of rule 55, it seems to me the motion is in order.

Mr. JONES. Mr. President, I want to suggest to the Senator that I understand the House conferees have been dismissed. The House has adopted a motion receding from amendment numbered 46 with an amendment which the House has adopted and has sent over here for our concurrence. As I understand, if we do not concur we will have to ask for a further conference, and either appoint conferees or leave it to the House to appoint them.

That is what I understand the situation to be—that their conferees have been discharged, and that if we reject this report we will have to ask for a further conference with the House. I may be mistaken about that, but that is the way I understand the situation to be.

Mr. BINGHAM. I understood from a conversation with one of the House conferees only a few moments ago that they had not been discharged.

Mr. JONES. Well, I will leave that for the records to show. I understand that they have been discharged, and that if we desire any further conference we shall have to ask for a conference, and either appoint our conferees or wait until they appoint their conferees.

Mr. BINGHAM. Mr. President, in view of the clear language of rule 55, on page 211, I appeal from the decision of the Chair.

The PRESIDING OFFICER. Will the Senator read the rule again?

Mr. BINGHAM. The rule states:

> It is in order in the Senate to recommit a conference report to the committee of conference, but not with instructions, according to the later decisions.

The PRESIDING OFFICER. That does not touch the question that the Senator has in mind. The Senator moved to recommit the conference report while a motion to agree to the conference report was pending, and the Chair ruled on this precedent:

> Automatically the report goes back to the committee of conference when the report is rejected.

It is on that basis that the Chair ruled that the motion to recommit at the time this motion was pending was not in order, for the simple reason that a negative vote on the report would send the bill back to conference.

Mr. MOSES. Mr. President, there is no conference committee so far as the House is concerned. Those conferees have disappeared.

Mr. BINGHAM. In view of the statement made by the Senator from New Hampshire I withdraw my appeal, because if the conferees on the part of the House are no longer in existence there would be no point in the motion to recommit. Therefore I hope the motion to agree to the conference report will be rejected.

Mr. McKELLAR. Mr. President, I think there are two matters to which substantially every Senator agrees. One of them is that we ought to make the provision in regard to married persons apply only to the future; that it ought not to apply to those who are now in the service of the Government. So, Mr. President, in order to iron out the present situation, if possible, I send to the desk a concurrent resolution, which I ask to have read for the information of the Senate.

The PRESIDING OFFICER. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized and directed in the enrollment of H. R. 11267 (the legislative appropriation act for the fiscal year ending June 30, 1933) to strike out all of section 213 (including the caption thereof) and to insert in lieu thereof the following:

"APPOINTMENT OF MARRIED PERSONS

"SEC. 213. Hereafter in the appointment of persons to the classified civil service preference shall be given to persons other than married persons living with husband or wife, such husband or wife being in the service of the United States or the District of Columbia."

Mr. McKELLAR. Mr. President, if that concurrent resolution is passed it will go to the House, and the House can pass upon it. If they pass affirmatively upon it, this correction will be made in the very bill now under consideration.

We ought not to take the risk involved in rejecting the conference report at this time. The matter can be attended to in this way. I have no doubt that when this concurrent resolution goes to the House it will appeal to the House in such a way that the House will pass it also, and therefore the matter can be corrected.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. COPELAND. Even though we were to pass this concurrent resolution—and personally I am in the fullest sympathy with it, as the Senator knows——

Mr. McKELLAR. Yes.

Mr. COPELAND. There are other matters which to my mind are important, relating to other employees.

Mr. McKELLAR. Yes.

Mr. COPELAND. Does not the Senator think that we might better reject the report and let it go back to the conferees, to see if this matter relating to married persons, as well as the other matters which have been considered here, can not be considered and acted upon by the committee?

Mr. McKELLAR. Mr. President, under other circumstances, earlier in the session, when the conferees and the Congress had plenty of time to pass on it, that might be a very wise course; but at this late day, if we undertook to jeopardize the passage of this bill and virtually cut off $160,000,000 from the revenue, I think we will be doing something that we would not be justified in doing.

Mr. WATSON. Mr. President, would the Senator have any objection to permitting the concurrent resolution to be read again?

Mr. McKELLAR. Not at all. I hope it will be read. I will say that it has been prepared by the legislative counsel under the direction of the parliamentarian, and I think it will sufficiently correct the situation if passed by both Houses.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. McKELLAR. I yield.

Mr. ROBINSON of Arkansas. The use of a concurrent resolution in cases like this is usually to correct an admitted error in the text of a bill. So far as I know, it has never been resorted to in order to eliminate a matter actually in controversy between the two Houses.

It is perfectly clear to me that to agree to this conference report on the theory that the House is going to recede from the position it insisted upon would be to make certain the adoption of the conference report and the failure of the concurrent resolution.

In my humble judgment, with all due deference to the able Senator who proposes the concurrent resolution, it can not be relied upon to settle a dispute between the two bodies. If the Senate desires to eliminate the provision complained of and to which the concurrent resolution is directed, it will never accomplish it by agreeing to the conference report and then asking the House to change its attitude after the position of the House has been confirmed by the Senate. It is perfectly clear to me that the adoption of this conference report means the acceptance of the bill with all these provisions that are objectionable.

In view of all the complaints that are made here and the controversies that have arisen regarding it, while I should very much like to see this conference report agreed to and the bill finally passed, I believe the best policy is to let it go back to conference and let the conferees make another effort to settle it.

I realize that there is a great burden on this conference committee; but it is perfectly apparent from the debate which has proceeded here for almost 24 hours that many Senators are not in a frame of mind to accept this report. I do not think we can work out this problem by a concurrent resolution adopted after the conference report has been agreed to, for there would then be no justification whatever in the House of Representatives receding from a position that had been sustained by the action of the Senate. It would be a mere matter of generosity on the part of the House to do that.

Mr. JONES rose.

Mr. MOSES. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I will in just a moment. The Senator from Washington rose first; but I want to say that when this matter first came to the Senate it had been considered by very few Senators. So far as I know, practically every Senator with whom I have talked feels that the provision in regard to married women ought to remain for the future. I think the same thing applies to the other proposition as to the superannuated employees. I think we all agree that there would be no saving by discharging the superannuated employees, and it seems to me that this might be arranged in this way.

Mr. ROBINSON of Arkansas. Mr. President, the Senator has stated that every Senator agrees that this provision ought to go out. Granting, for the sake of the argument, that that be true, and that the Senate is in that frame of mind, that does not alter the fact that the House of Representatives is committed to the other attitude on the question. That does not alter the fact that the proposition is still in dispute.

Mr. McKELLAR. No, Mr. President, that is true; but here is the trouble about sending the matter back to conference: I have talked with the conferees, and I know that they are not going to change their position about it. If the concurrent resolution passes, it will be put up to the House; and the House, I believe, will change its position about it.

Mr. ROBINSON of Arkansas. I think that is virtually a concession of the argument I made a few moments ago. If the conferees on this bill on the part of the House maintain their attitude, the House having already apparently given them support, it is not likely that the House would overrule their own conferees on a mere concurrent resolution, after the Senate had sustained the position of the House and of the House conferees. It is perfectly plain to me, if we wish to eliminate or change this provision, that it will have to be done in the conference, and that it can not be done after the Senate has agreed to the conference report.

Mr. JONES. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. JONES. I am rather inclined to think that the wise course for us to take under the circumstances is to take the bill back to conference.

Mr. McKELLAR. That ends the matter so far as I am concerned, and it makes it entirely satisfactory.

Mr. JONES. There are some of these items which I am satisfied will come back here in the same shape in which they are now. There are some of them which can possibly be changed to meet the wishes of the Senate. As I stated yesterday, I have been from the beginning in sympathy with the contention of the married people, but we are going to have a pretty strong position taken by some others who will be involved in the conference.

Mr. ROBINSON of Arkansas. Mr. President, confirming what the Senator from Washington has said, I do not think the Senate should assume that the mere recommittal of this conference report to the committee on conference means the elimination of this matter we are all discussing, the matter which relates to the status of married persons in employment by the Government. I have some information that the contest will be prolonged, but I am sure that the only chance of eliminating or substantially changing it is by pursuing the course suggested by the Senator from Washington.

Mr. JONES. Mr. President, all these other propositions which have been presented will be very carefully considered if we take the matter back to conference, just as they were before. There may be some changes or modifications we will be able to make which will make the provisions more satisfactory than they are now.

This is a very complicated bill; there are all sorts of propositions in it; and, of course, the conferees did not suppose it was perfect, but it seemed to be the best we could work out under all the circumstances. From the debate and discussion we have had here, however, and the objections which have been made, I am inclined to think it is wise and in the interest of saving time to take the matter back to conference to see if we can work it out.

Mr. BINGHAM. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BINGHAM. Is it in order in the Senate to instruct the conferees in regard to any matter?

The PRESIDING OFFICER. If the Senate desires to instruct its conferees, the time to do so is before the Chair names the conferees.

Mr. BINGHAM. It would be in order, then, after the motion to agree has been rejected, to move that the Senate insist upon its amendments and ask for a conference, and direct the conferees to do certain things. Would that be in order?

Mr. JONES. Mr. President, I want to suggest that while I suppose the Senate could do that, it would not result in a very free conference, and I imagine that the other conferees, or the body they represent, would resent that very much.

Mr. MOSES. Mr. President——

Mr. JONES. I yield to the Senator.

Mr. MOSES. I thought I had the floor.

Mr. JONES. I am glad to give up the floor after having made these statements, and after other Senators have expressed themselves, I shall ask the Senate to disagree to the conference report and to appoint conferees.

Mr. MOSES. Mr. President, that brings us to the only course we can pursue. The unbroken practice here has been to dismiss automatically conferees in either House as soon as the House has acted. The House of Representatives have acted, and their conferees are gone. We must begin this thing de novo, and the only action the Senate can possibly take this minute is to agree or disagree.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. MOSES. I yield.

Mr. ROBINSON of Arkansas. I think it should be called to the attention of the Senate before this matter is finally decided that the House will be in recess until Monday, and that at least some of the present House conferees will be absent for some days attending the Democratic National Convention at Chicago.

Mr. MOSES. Of course, Mr. President, that is another one of the various complications which attend a rejection of this report on the part of the Senate. The Senator from Washington has spoken of the prolonged discussions which took place in the conference, of the difficulty of arriving at various conclusions, and admitted, with his usual frankness, that undoubtedly there where things in the conference report which were repugnant to the sensibilities of many Senators. We all can understand exactly what type of conference had to be held on a controverted measure of this kind.

It now comes to us, and upon examination we find that not only this matter of the married couples, but various other conclusions, have been brought into the conference report with reference to the application of the furlough system, which seem to me to have been ill considered in the conference; that certain of the House proposals with reference to it have been taken into the conference report in such wise that great difficulty will arise in the administration of the furlough system, and I suppose one could enumerate 20 items in the conference report to which exception might be taken.

Those can not be cured upon the floor of the Senate, Mr. President. The conference report can not be recommitted. We can again ask for a conference, and start, as I have said, de novo. As I view it, and in this view I am in complete accord with the Senator from Arkansas, we can not be curing defects in a conference report by a concurrent resolution. That would establish a parliamentary precedent which would bring us endless trouble toward the end of every session of Congress, when we were dealing with measures en masse, as we now are.

The simple thing is to follow the suggestion made by the chairman of the Committee on Appropriations, and reject this report, and we will then have a chance to confront the conferees on the part of the House, who, as the Senator from Arkansas suggests, may be adamant. My experience with conferees on the part of the House is that they generally are adamantine in their attitude toward everything which they propose; so that the language of a conference report about a "full and free conference" to me often seems wholly a non sequitur, in view of what has taken place.

Under the circumstances which confront us here, I can see no remedy except to reject the report and start again, and see if we can do better.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. MOSES. I yield the floor, unless the Senator wants to ask me a question.

Mr. McKELLAR. The Senator has spoken of the troubles and difficulties the conferees have had, and especially about the furlough plan. Does not that show to the Senator that the furlough plan was a very poor plan—to bring about all these troubles?

Mr. MOSES. Mr. President, if I had been a conferee on the part of the Senate I think I might have brought back a better report. [Laughter.]

Mr. McKELLAR. I think the same thing, Mr. President, as I was not a conferee.

Mr. NORRIS. Mr. President, for the information of the Chair, when he comes to appointing conferees again I suggest that he take into consideration the statement of the Senator from Tennessee and that of the other candidate, the Senator from New Hampshire.

Mr. McKELLAR. I object.

Mr. BINGHAM. Mr. President, there are quite a number of Senators in the Chamber now who were not here when I made my first general objection to the adoption of the conference report, and I would like to just call their attention to the fact that amendment numbered 46, which occurs on page 50 in the original bill, section 108, relating to the impounding of savings, came from the House in such form that the savings had to be impounded in the Treasury and could not be used to keep persons employed.

When we first considered the matter we were told by the President that one reason why he favored the furlough plan was that it would result in saving money without anyone losing his job. But when the Senate Committee on Economy studied the bill we discovered that the phrase used in that section required the money saved to go back into the Treasury.

The Senate committee recommended putting in the words "shall not be used for any purpose other than the payment of salaries." This would permit a department that has a 10 per cent cut in its appropriation to keep on with the same number of employees, and use the money saved by the furlough plan in employing those whom it could not otherwise employ. But the way the bill has been sent over from the House, and the way the conferees of the House wanted to do it, it would mean that, in the first place, they would discharge 10 or 15 per cent of the employees, according to the appropriation bill, and then 8⅓ per cent of the pay of the others would be taken from their salaries.

As has been pointed out by the Senator from New Mexico, the provision for additional furloughs would lead to a double cut on some employees who might be required to take a furlough of six months in order that the saving might be made.

I hope very much that, although no motion is made to instruct the conferees, they will see to it that the cuts are made in such a manner as to restrict the number of new members of the great unemployed to the lowest possible denominator and still save money for the Treasury.

Mr. BRATTON. Mr. President, regretting very much to find myself in disagreement with the chairman of the committee, I truly regret that he has expressed himself in favor of having the Senate disagree to the conference report. In doing that I do not contend that the conference report is perfect. It has its weaknesses. Any report brought here dealing with such a multitude of complicated questions will have its weak aspects.

Mr. President, some of the confusion arises by reason of our efforts to adjust the furlough system to other provisions of the bill already approved and constructed. Perhaps the Senator from Connecticut is lending undue emphasis to the impounding provision, although our committee agreed unanimously to amend it in the form in which it was originally reported to the Senate. Let me remind the Senate that the impounding provision does not come into operation unless there is an excess of money over and above the pay roll. If there is an excess of money to which the impounding provision automatically attaches, there are no dismissals of employees. The provision is designed to operate where there is an excess of appropriation over and above the pay roll. The object of the House text is and the purpose it will accomplish will be to attach the impounding provision to such excess and cover it into the Treasury to the credit of miscellaneous receipts.

Mr. BINGHAM. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. BRATTON. I yield.

Mr. BINGHAM. I had been, until this morning, inclined to agree with the position just taken by the Senator from New Mexico. In fact I felt sure that he would not agree to the conference report unless it so provided. In other words, if any department consisting entirely of personnel or personal services, for which the original appropriation was $100,000 which the Senate had cut to $90,000, if a 10 per cent cut instead of an 8.3 per cent cut had been made, it would have been possible to continue all the employees, because they could be employed out of the $90,000. So I thought the position which the Senator has just taken was the position which would be taken.

However, I discovered this morning by informal conversation with those who had talked with the Comptroller General that, in view of the fact that the conference report explicitly strikes out certain words and in view of the position taken by the Senator from Tennessee [Mr. McKELLAR] a few moments ago that we would not get any saving any other way, I came to the conclusion that what would be done by the comptroller would be to hold that we must discharge employees up to the point which the appropriation provides for and then on the balance to make a cut of 8⅓ per cent. If the bill does go back to conference, as I hope it will, since the chairman of the Senate conferees has requested that the report be disagreed to and it shall go back to conference, I hope that the conferees on the part of the Senate and the House will be able to write language into the bill which can not be misinterpreted by the comptroller, so that the position taken by the Senator from New Mexico may be clearly made the intent of Congress.

Mr. BRATTON. Let us take the case cited by the Senator from Connecticut. The department has a pay roll of $100,000. We will say that under the furlough system the total salaries for that department are reduced to $92,000. If the Senate appropriates $92,000 or less, the impounding provision has no application, because the full amount will be required to pay the salaries of $92,000. If the Congress appropriates less than $92,000, the impounding provision will not operate, because there is nothing to which it may attach. On the contrary, the so-called emergency furlough provision will operate. In other words, the employees will be furloughed more than one month in the next fiscal year. The only instance in which the impounding provision would operate would be if the Congress appropriated $93,000 or $95,000 or any other sum above $92,000. Upon that excess and to that excess the impounding provision would attach, and would automatically cover it into the Treasury to the credit of miscellaneous receipts. That is what the House intended, and I can see no valid objection to it.

If by the furlough system already approved by both branches of the Congress the pay roll of that department be reduced from $100,000 to $92,000, that much money will be used in paying the employees. If only $92,000 or less is appropriated, the impounding provision is surplusage in the bill. But if more than that is appropriated the impounding provision comes into play and attaches itself to such surplus and covers it into the Treasury.

So, Mr. President, matured reflection convinces me that much of the excitement about the automatic impounding provision is without substance. I think everyone wants the surplus covered into the Treasury, every dime of it over and above the amount necessary to compensate the employees upon the basis provided for in the furlough system, and the impounding system does not interfere with that. It is inoperative unless and until the appropriation exceeds the pay roll.

What are we going to do with the surplus? What objection is there to attaching the impounding provision to it and covering it into the Treasury? It is economy that the bill is designed to achieve, and that is what the provision does.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Colorado?

Mr. BRATTON. I yield.

Mr. COSTIGAN. Does the Senator approve of the provision relating to married women as reported by the committee?

Mr. BRATTON. I do, and I shall address myself to that momentarily.

Mr. BINGHAM rose.

Mr. COSTIGAN. May I ask the Senator in part to address himself, when he speaks on that subject, to the question of public policy, which is associated with the problem of dividing the homes of married people?

Mr. BRATTON. I shall do that immediately after I respond to a question which the Senator from Connecticut [Mr. BINGHAM] desires to propound.

Mr. BINGHAM. It had not occurred to me there was any danger that the department might use any surplusage in the form of payment for additional services. That was not my intention at all. It was my intention merely that

the amount of money appropriated should be used in so far as it could possibly go to keep employed persons now in the department.

I took a position exactly in accord with that which the Senator from New Mexico has just taken, but I fear the comptroller will not take that position. In fact, I have been assured that he would not, in view of the fact that this language has been stricken out. Therefore I urge upon the Senator, when he brings the matter back from the new conference, to see to it that it has been written in such way that there may be no new persons employed or new positions created out of the surplusage, but that the surplus shall be impounded.

Mr. BRATTON. Mr. President, one other observation respecting this phase of the bill, and then I shall address myself to the matter the Senator from Colorado has in mind. If an emergency shall arise such as the Senator from Connecticut fears, it could be supplied by a transfer of money from some other source under the so-called 12 per cent interchangeable provision. Of course, that would not be true in a department where its activities were confined solely to personnel, such as the General Accounting Office. A situation of that kind can be corrected in the deficiency appropriation bill.

But let us take the Navy Department, for instance. We are told that under the 12 per cent interchangeable provision, the Navy Department could take up to 12 per cent of the money appropriated for the construction of battleships and use it to pay employees if necessary. If some unforeseen emergency should arise such as the Senator from Connecticut fears, it could be met through the operation of the interchangeable provision without discharging employees. Indeed, under the two furlough provisions in the bill taken together it is inconceivable that anyone will be discharged. They may be furloughed more than one month and perhaps will be if Congress fails to appropriate sufficient money to keep them employed 11 months during the next fiscal year. But if that condition arises it is the duty of the department, under that provision, instead of discharging employees, to furlough them for an additional period of time. So that all the fears about the necessity or the obligation to discharge a large number of employees, it seems to me, are untenable.

Under the bill as it now stands, under the much-heralded furlough system, saturated with uncertainties and doubts and fears, employees will not be dismissed. They will be furloughed. Of course, it decreases their income. It makes no difference whether a man is discharged for 30 days or furloughed for 30 days, he is without his salary and, unfortunate though it is, the situation seems to require it.

Let us take the two provisions together—and they must be interpreted together in order to ascertain how the bill will operate. Under the general furlough provision in the bill employees will be furloughed one month without pay during the fiscal year, not more than five days of it to be in any one calendar month without the employee's consent. It is expected that Congress will appropriate sufficient money to carry forward the Government business in that way. But anticipating that through miscalculation or otherwise Congress may fail to appropriate an adequate sum for that purpose and anticipating that through the interchangeable provision in the bill funds would not be available, then we have the emergency furlough provision which requires that the head of the department shall furlough the employees such additional period as may be necessary in order to live within the appropriation. So that all the talk about dismissing hordes of employees and permanently discharging them is not tenable.

Mr. DALE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Vermont?

Mr. BRATTON. I yield.

Mr. DALE. Under section 204 of the bill the department is definitely instructed to dismiss all employees having reached the retirement age.

Mr. BRATTON. That relates to the question of retirement. That is not furlough.

Mr. DALE. No; but the Senator was speaking about the question of dismissal of a large number of employees.

Mr. BRATTON. By reason of the furlough system or the appropriation of an inadequate sum of money. I did not address myself to the retirement provision of the bill.

Mr. DALE. May I ask the Senator a further question?

Mr. BRATTON. Certainly.

Mr. DALE. Did the Senator realize that in conference the report meant the dismissal of about 1,500 employees and cutting off their services before they had rendered the necessary 15 years' service for retirement, leaving them without any annuity or any possible way to get employment under the Government thereafter?

Mr. BRATTON. I do not know the number involved. Of course, every conferee knew that there would be some dismissals under the provision. However, I am now discussing the furlough system.

Mr. DALE. Does the Senator mean to say that he knew that any employees would be dismissed in this way and that the Government would in that way violate its contract and repudiate its bond?

Mr. BRATTON. I do not accept the Senator's statement with reference to "violating its contract and repudiating its bond." I did know that in all probability some employees would be dismissed under the provision to which the Senator addresses himself.

Mr. DALE. And that they would be dismissed in such a way as to make it impossible for them to keep their contract with the Government?

Mr. BRATTON. The Senator talks about a contract. I do not subscribe to his view in that respect.

Mr. DALE. If the Senator does not subscribe to the view that there is any contract between the Government and its employees, I could not argue with him about it.

Mr. BYRNES. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. BRATTON. I yield.

Mr. BYRNES. Directing the Senator's attention to the provisions of the furlough system, am I correct in the impression I have received that notwithstanding the provisions of section 105, the compensation reduction system, the compensation reduction does not apply to the enlisted personnel of the Army and Navy or to public officials whose compensation is derived from assessments upon banks?

Mr. BRATTON. Mr. President, I welcome the inquiry from the Senator from South Carolina. It is timely and pertinent. It was the intention of the original bipartisan committee of six Senators who were assigned to the task of considering this bill that the enlisted personnel of the Army, the Navy, the Marine Corps, and the Coast Guard should be exempted from any reduction in compensation. That was also the intention of the conferees between the two branches of the Congress, and although there may be some doubt respecting the phraseology as adopted by the House, and found at page 13537 of the CONGRESSIONAL RECORD, there can be no doubt concerning the intent of the conferees. They intended throughout for sound reasons to exempt from the reduction in compensation either by furlough or per cent or otherwise the enlisted personnel of the Army, the Navy, the Marine Corps, and the Coast Guard.

Mr. BYRNES. Then the Senator will agree that that would be true also of subdivision 7, in section 104, applying to all the public officers who are not paid out of the Treasury?

Mr. BRATTON. Yes; they fall in the same class.

Mr. BYRNES. Mr. President, will the Senator from New Mexico yield for one further question?

The VICE PRESIDENT. Does the Senator from New Mexico yield further?

Mr. BRATTON. Yes.

Mr. BYRNES. The rural carriers are subjected to the cut provided for in the compensation-reduction section; then, in addition to that, to the reduction in the allowance for equipment; but as I read the furlough provisions, as reported, they would not be subjected also to the section providing

that officials or employees shall not be entitled to leave this year.

Mr. BRATTON. Mr. President, I think they will not be affected by that provision. I want to discuss briefly the question of leave, because it has been raised concerning the policemen in the District of Columbia and likewise the teachers in the city of Washington.

Mr. McKELLAR. Mr. President, before the Senator begins that discussion will he yield to me?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. BRATTON. I yield.

Mr. McKELLAR. The Senator recalls, does he not, that it was the unanimous opinion of the committee, as I remember, that superannuated employees should not be dismissed before the time as now provided by law?

Mr. BRATTON. Yes.

Mr. McKELLAR. But the conferees reported an agreement with the House that such employees might be dismissed unless the President intervened, as I recall the provision.

Mr. BRATTON. The Senate conferees yielded with that proviso.

Mr. McKELLAR. May I express the hope, in view of the fact that there will be no saving by the discharge of such employees and that many of them are the very best and most efficient employees of the Government, that the conferees, when this bill goes back to conference, will insist upon the Senate provision as to such employees?

Mr. BRATTON. Mr. President, the views of the Senator from Tennessee are always welcome.

I now address myself briefly to the question of leave with pay as it relates to policemen and teachers in the District of Columbia. Title I concerns the furlough of Federal employees. The furlough provisions are found in that title. Section 103, being a part of that title, provides:

> All rights now conferred or authorized to be conferred by law upon any officer or employee to receive annual leave of absence with pay are hereby suspended during the fiscal year ending June 30, 1933.

Note the expression, Mr. President—"officer or employee." The succeeding section, namely, section 104, provides:

> SEC. 104. When used in this title—
> (a) The terms "officer" and "employee" mean any person rendering services in or under any branch or service of the United States Government or the government of the District of Columbia, but do not include * * * (5) officers and members of the police department of the District of Columbia, of the fire department of the District of Columbia, of the United States park police in the District of Columbia, and of the White House police; (6) teachers in the public schools of the District of Columbia.

Mr. President, obviously the provision of section 103 suspending all laws conferring leave upon any officer or employee of the District is restricted by the succeeding section defining the term "officer" and "employee," and that provision expressly excepts policemen in the District of Columbia and teachers in the District of Columbia. There is a subsequent provision in the bill to the effect that hereafter annual leave with pay shall be limited to 15 days in the calendar year, but that is not a part of Title I; that is a part of Title II. It applies to others, but not to policemen and teachers in the District of Columbia. They will have leave of 15 days during the fiscal year 1933. I think that answers the question of the Senator from South Carolina [Mr. BYRNES].

Mr. President, the Senator from Colorado [Mr. COSTIGAN] asked my opinion touching the provision found on page 64 of the Senate bill relating to married persons in Government service. The Senator from Colorado referred to the provision as the one relating to "married women" in Government service; and a great deal has been said about the provision relating to "married women" in Government service. To hear the talk here and yonder and elsewhere one would think that the provision was confined solely to married women in Government service and was directed at them on account of their sex and their marital relations. The provision, however, relates to married persons, and concerns married men in the Government service the same as it does married women. It provides:

> In any reduction of personnel in any branch or service of the United States Government or the District of Columbia, married persons (living with husband or wife) employed in the class to be reduced, shall be dismissed before any other persons employed in such class are dismissed, if such husband or wife is also in the service of the United States or the District of Columbia. Hereafter in the appointment of persons to the classified civil service, preference shall be given to persons other than married persons living with husband or wife, such husband or wife being in the service of the United States or the District of Columbia.

So at the outset let us disabuse our minds of the thought that this provision is directed at married women; it is directed at married persons; it is directed at both spouses; it is directed at a husband the same as it is at a wife. There is no distinction between the husband and the wife.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Arizona?

Mr. BRATTON. I yield.

Mr. ASHURST. The Senator from New Mexico has performed a valuable public service. I am amazed at my own ignorance of this subject. More than 40 persons in the last few days have sent cards to me and asked for interviews, stating directly that the provision now being discussed was directed simply against married women; and until this moment, not having had time to read it, I was under that misapprehension, and was about to vote against the conference report on the ground that married women had been singled out and set apart for furlough or discharge because of their marital relations. However, the able Senator from New Mexico reads from the report, and, from the report, it appears there is no discrimination against any person because of sex. The Senator has certainly cleared up a matter that was greatly disturbing me.

Mr. REED. Mr. President, will the Senator from New Mexico yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Pennsylvania?

Mr. BRATTON. I yield.

Mr. REED. Does the Senator think that in very many cases it is probable that under the provisions of this section the woman would remain at work and the husband would sit around in idleness living on her earnings?

Mr. BRATTON. No.

Mr. REED. If that is not the case, then it is directed at married women, because one or the other would have to be discharged.

Mr. ASHURST. Mr. President, will the Senator permit me to answer that suggestion?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Arizona?

Mr. BRATTON. I yield.

Mr. ASHURST. I will say that more married men will be furloughed than married women. [Laughter in the galleries.]

The VICE PRESIDENT. There must be no demonstrations in the galleries.

Mr. BRATTON. Mr. President, the colloquy makes manifest just one other disagreement of opinion concerning the furlough system, and the Senator from Pennsylvania and the Senator from Arizona can not agree about that.

Mr. REED. Just a moment, Mr. President. We are not talking about furloughs. The Senator from Arizona referred to the furlough of married women. This is a question of dismissal of married persons. Every employee is going to be furloughed; there is no question about that, married and unmarried, men and women. This is a question of permanent dismissal from the service; and I say that in every case where a married pair are employed by the Government it is going to be the woman who will be dropped, because it is unthinkable that her husband would be dropped and she would go on working for the family.

Mr. BRATTON. Let us see how the provision will operate. In the first place, it has no effect until it becomes necessary to reduce personnel. So long as sufficient money is provided

to go forward with the Government's business without any reduction in personnel, no one, either husband or wife, will be affected. It operates solely, only, and exclusively when it becomes necessary to reduce personnel.

But, Mr. President, the impression has gone abroad that the moment this bill shall be approved by the President every married woman in the service whose husband is likewise employed by the Government will automatically be dismissed. Of course that is a misunderstanding, and it is due in a large measure to the propaganda which has been heralded abroad throughout the country. True, it has been said repeatedly that the provision is directed at married women, and I dare say that a great many of those who have taken a position in opposition to it have done so with the earnest belief, but on misinformation, that it singled out married women and sought to discriminate against them on account of their sex and their marital relations. But, Mr. President, let us say that the time is here, or that it is approaching, when the Government must curtail its personnel, when the number of Government employees must be reduced. The question then arises, Shall the Government continue to let a husband and wife draw two good salaries while their neighbor, perhaps a husband with a wife and five or six children—an employee in the same class, bear in mind, not below, but in the same class—shall be dismissed and the only breadwinner of the family shall be without income to support himself and his wife and his children?

Suppose, Mr. President, that a thousand law-abiding citizens are marooned upon an island and are destitute and hungry and the Government was able to get them only 500 meals, would the Senator from Pennsylvania or anyone else who opposes this provision advocate that the Government should give one-half of those thus marooned a full meal each and deny the other half any food whatever? Of course not. If it becomes necessary to curtail the personnel in the Government service and there are two persons within the same class, one of whom is a husband whose wife is also on the pay roll or a wife whose husband is also on the pay roll, is it not far better to have one of them go out of the service and let that family get along afterwards with one salary than to dismiss another employee working alongside of them, an employee of the same class, with the same degree of efficiency, and performing the same service to the Government who is the sole support of a family? Should he not be permitted to continue to draw his salary? In other words, let two families have one pay check each instead of one having two pay checks and the other none.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. BRATTON. Always.

Mr. REED. There is nothing in this provision that mentions efficiency, is there?

Mr. BRATTON. If they are in the same class, I should assume that they would be of substantially the same degree of efficiency.

Mr. REED. Is it written anywhere in this clause in the bill? Does it not wholly ignore the efficiency of the person, and base the dismissal solely on the marital relationship?

Mr. BRATTON. The Senator will notice this language:

> In any reduction of personnel in any branch or service of the United States Government or the District of Columbia, married persons (living with husband or wife) employed in the class to be reduced, shall be dismissed before any other persons employed in such class are dismissed.

They must be in the same class.

Mr. REED. Can there not be variations of efficiency within a class?

Mr. BRATTON. There should not be very much if they are all in the same class.

Mr. REED. There might be some. Necessarily there would be some.

Mr. BRATTON. Of course no two persons are exactly the same in efficiency; but if they are in the same class, we must assume that they are substantially equal in point of efficiency.

Mr. REED. Will the Senator permit another question?

Mr. BRATTON. Yes.

Mr. REED. Assuming that a single person were employed in one of these positions, and were within his class at the top from the standpoint of efficiency, the civil service law would protect that person from dismissal until all those inferior to him had been dismissed; would it not?

Mr. BRATTON. Yes; if those inferior to him were married persons.

Mr. REED. Yes; but suppose the class were made up entirely of unmarried persons of varying degrees of efficiency: That one with the best efficiency would be protected by the civil service law from dismissal until the less efficient had been dropped. That is correct; is it not?

Mr. BRATTON. Yes; that is correct.

Mr. REED. Now, then, is not this the way the provision is going to work: If all that the Senator has argued be admitted, and if it be unjust to have two jobs in the same family when another family has not any job—if that is to be our guide, and if that is to be considered unjust—is not this the way it will work:

That the husband and wife living together, as they should, will be confronted with the provisions of this section, and the law will compel the dropping of one of them; whereas if they separate and establish two domiciles, and live the way no husband and wife ought to live, the law will protect them in their jobs. In the one case, where they live normally, the law throws them out. In the other case, where they live abnormally, the law protects them and holds them in. Is not that an exceedingly bad public policy?

Mr. BRATTON. Of course; but I dare say that the average husband and wife in the United States will cling to one another and live on the one salary. I do not believe that the average husband and wife in this country will forsake one another simply because the Government is unwilling to give them two pay checks when their next-door neighbor, likewise in the Government service, must give up his single pay check and thereafter have no income in the family. I can not join the Senator from Pennsylvania in the belief that the average husband and wife in this country will take that view of the situation.

Mr. REED. Mr. President, if a separation were necessary for a time in order to protect the home that they have bought, on which installments are due, or in order to provide for the children they perhaps are struggling to educate, I believe any husband and wife with proper spirit would make the sacrifice and would separate for the time being.

Mr. BRATTON. Mr. President, for the moment I shall accept the view expressed by the Senator from Pennsylvania, that a husband and wife will separate and will live apart in order that they may receive two pay checks for the purpose of supporting their children and paying the mortgage on their home. But is it worse to have them do that than to have their neighbor next door, with only one pay check in the family, put off the Government pay roll and have him and his wife and his children become objects of charity? I say, emphatically, no; it is infinitely worse to drive that husband and that wife to the extremes to which they may be obliged to go in order to meet a desperate situation of that kind—no pay check, no income, with temptation all around to resort to questionable methods of making a living.

Accepting the view expressed by the Senator from Pennsylvania—which I do not think will be true, but, for the sake of argument, let us assume it—I say it is infinitely better to have the husband and wife he has in mind maintain two domiciles and be loyal to one another, to occupy that status simply in order that they may have the two pay checks during this crisis, than it is to have the husband and father that I have in mind, who lives next door, and is just as efficient, just as faithful, just as loyal to the Government, go out of the Government service with hunger and starvation staring him and his wife and his children in the face.

Mr. CONNALLY. Mr. President——

Mr. BRATTON. Mr. President, let no one believe that this provision is directed at married women. Despite everything that has been said against the Congress and the Senate, I do not believe there is a Member of this body who would single out married women and legislate against them as a class. Nothing of that kind has been done here.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield, and to whom?

Mr. BRATTON. The Senator from Texas [Mr. CONNALLY] asked me to yield first. Then I shall be glad to yield to the Senator from Colorado.

Mr. CONNALLY. Mr. President, I have no desire to interject myself into this debate between the Senator from Pennsylvania and the Senator from New Mexico, and express no preference as to their two viewpoints regarding this bill. I do desire, however, to take this opportunity to express my amazement at the sentiments expressed by the Senator from Pennsylvania.

If the employees of the Federal Government have reached the point where they think more of the pay check than they do of their homes and their families, if they are willing to sacrifice their homes in order to pay for a material home, I think it is quite time for us to carry this furlough a little farther, and, in the case of such as adopt that sort of a subterfuge to stay on the pay roll, to separate them permanently from the pay roll.

Mr. REED. Mr. President, will the Senator yield to me for just an observation?

Mr. BRATTON. Yes.

Mr. REED. If it is reprehensible for them to do as I have suggested, then it is reprehensible for any traveling salesman to leave his home and go away to earn money. I can not see any ethical difference whatsoever between the two.

Mr. BRATTON. Mr. President, I have no desire to interject myself into the argument between the Senator from Pennsylvania and the Senator from Texas.

Mr. REED. So far as I am concerned, the argument is finished.

Mr. BRATTON. The Senator from Colorado asked me to yield to him, which I do.

Mr. COSTIGAN. Mr. President, bearing in mind that even in so-called normal times there is considerable unemployment, is the Senator from New Mexico prepared to urge upon the Senate the policy he is supporting with respect to married women as a permanent policy to be adopted by the Government?

Mr. BRATTON. Why does the Senator say "married women"? This provision does not single out married women. It says "married persons," and so is directed at the husband the same as the wife. The Senator, however, is doing what thousands of others have done. He assumes in his question that the provision is directed at married women.

Mr. COSTIGAN. Perhaps the assumption is based upon the fact that married women have expressed particular resentment over the provision.

Mr. BRATTON. Yes.

Mr. COSTIGAN. Modifying my question to meet the Senator's suggested amendment, may I ask whether he desires this sort of a policy to be adopted permanently toward married persons employed by the Government?

Mr. BRATTON. Yes, Mr. President. I think the unemployment situation is such that the Government should adopt the policy of giving a family only one pay check instead of two while another family with one breadwinner shall go without any income.

Mr. COSTIGAN. In view of that statement of the Senator I feel that he has very greatly weakened his advocacy of this provision.

Mr. BRATTON. Perhaps in the estimation of the able Senator from Colorado that is true; he asked me for my view, and I gave it to him. I think, too, Mr. President, that industry is fast coming to that viewpoint.

Why should not employment be spread on the widest possible scale among worthy people who desire it? If you have 15 persons able to perform Government service, 10 of whom are husband and wife, and you have only 10 available positions, is it not better to have 1 person from each of 10 families employed than to have both husband and wife from 5 of those families employed, and leave the other 5 without any employment whatsoever?

The Senator asked a question. I know he wants a frank answer, and I have endeavored to give it to him. I forecast that within the next 10 years the Government and industry alike will adopt that policy. The situation will compel it. We may not have enough employment to go around. If not, we shall have worthy people without employment. It seems to me that we must distribute employment on the very widest possible scale in order that its fruitage may be enjoyed equitably by the largest number possible.

Mr. JOHNSON. Mr. President, if the Senator has concluded that part of his argument, may I ask him a question or two about another section?

Mr. BRATTON. Yes.

Mr. JOHNSON. I ask it of the Senator because I know the care and the studiousness and the painstaking industry that he has devoted to this particular subject, and that his endeavor is to do whatever can best be done for the Government. I should like, however, because I have been called out of the Chamber, and I am not aware how far the discussion has progressed in that particular, to return to section 204.

Mr. BRATTON. Very well.

Mr. JOHNSON. Will the Senator state to me, first, what are the retirement ages?

Mr. BRATTON. I have not those data at hand.

Mr. JOHNSON. My recollection is—and I speak only from recollection—that the highest retirement age is 68.

Mr. McKELLAR. That is right.

Mr. JOHNSON. That is right, is it—and the lowest retirement age is 62. This provision makes retirement compulsory, does it not?

Mr. BRATTON. Yes.

Mr. JOHNSON. It not only makes retirement compulsory when that age shall have been reached but it provides further:

> That no such person heretofore or hereafter separated from the service of the United States or the District of Columbia under any provision of law or regulation providing for such retirement on account of age shall be eligible again to appointment to any appointive office, position, or employment under the United States or the District of Columbia.

Is that a new provision entirely?

Mr. BRATTON. The thought in connection with that section was that when a person had reached the retirement age prescribed for automatic separation from the service applicable to such person he should be retired. In other words, when he arrived at the point where existing law said he should be automatically retired he should do just that thing and let some active person take his place. A majority of the conferees entertained that view, some did not.

Mr. JOHNSON. There is no provision of law to that effect that is compulsory in character at the present time, is there?

Mr. BRATTON. No; I think not.

Mr. JOHNSON. So, if the Senator will pardon me, this makes a crime of age. The most pathetic thing that God has given human creatures is age. It is the one thing in all the life of the human being for which neither man nor woman is responsible. So there is a provision in a bill here that when a man reaches the age of 62 or 66 or 68, as the case may be, that instant, no matter whether he is within one year of the retirement pension, out he goes upon the world. He goes out into the world, no matter how competent he may have been, no matter what service he may have performed. He goes, sir, solely because God has put upon him so many years; and there is nothing else he can do in life, and he never again can hold a position under the United States Government.

I will not argue necessities and the like. I just refer to the pathos and the cruelty of it. And not alone that, but I am not ready to admit yet that a man who has reached 62, or 66, or even 68, is useless and that he ought simply to be buried, and buried without honor, because he can not hold another position under the Government that is his of the character that is described.

If you want to see the demonstration of the fallacy of any such view, look at the Vice President, who presides over us to-day. Who could preside better or more fairly? Or who could preside in a fashion that so readily satisfies all impartial men upon this floor?

Look at the chairman of the great Committee on Finance, past the age of retirement long ago. Yet who questions his efficiency?

Look at the chairman of the Committee on Appropriations, who brings in this bill, long past the age of retirement as fixed here, and his ability, his industry, his worth to the Republic no man on this floor would question under any circumstances.

This is a cruelty I think unintended by the committee, a cruelty to which I will not subscribe here or elsewhere.

Mr. BRATTON. Mr. President, although the Senator from California, and the distinguished Presiding Officer, and the chairman of the Finance Committee, and the chairman of the Committee on Appropriations belong to the same political party, and march under the same political flag, the Senator from California is no more devoted to them than I am. I appreciate the force of his argument and join him in every word, particularly so far as those three distinguished persons are concerned.

Mr. JOHNSON. Yes, Mr. President; but will the Senator permit me to say that I use them merely as examples of this whole body?

Mr. BRATTON. So do I.

Mr. JOHNSON. I might refer to the gray-haired gentleman who sits on the back row, or the gray-haired gentleman who sits immediately in front of the speaker, and of the representative of the committee. I decline to admit that their efficiency has been impaired by years. I know it is greater than it has ever been in times gone by, and a fellow feeling makes me wondrous kind. I insist that my efficiency has grown with the years, and I decline to be put in the category of the superannuated who no longer can perform their official duty. I decline to put any human being on the face of the earth who has performed his work well and who is able to perform it well in that category. I decline, above all, to put him out on the street, penniless and hopeless, by his Government, tainted with the inability ever again to hold a position under that Government.

Mr. BRATTON. Mr. President, just one further word and I am through. There is much force in what the Senator from California says. The Senate conferees receded with a proviso to the effect that no person who has reached the retirement age should be continued in service except with the approval of the President. There is a great deal in what the Senator from California has said, and I am not out of sympathy with his viewpoint.

In this period there will be distress, there will be hardship, there will be inconvenience; burdens must be borne. That fact is regretted. I have the abiding belief that the men and women of this country will meet the situation, and will bear the burdens and the hardships in a way truly typical of their ancestors throughout a century and a half.

I shall conclude by repeating what I said at the outset. This bill is not perfect. It has a great many defects in it. Any bill that is brought here designed to achieve economy, with many aspects and many features to it, will have defects in it.

The Senate may send the bill back to conference, if it desires, though I hope that will not be done. If it is sent back, after some delay it will be returned here still bearing defects.

I regret that the chairman of the committee desires that it go back to conference. I prefer to have a vote on the conference report. If the Senate disapproves the work of the conferees, let it say so by its vote. If the bill is sent back to conference, it will be incumbent upon the conferees to do the best they can with it; but I assert, in conclusion, that the original committee dealt with this measure at some length, then the conferees worked on it for a week, hour after hour, morning, noon, and evening. It was not hurriedly done. Every provision was discussed deliberately and considered at length. I dare say that a rejection of this conference report will render more in doubt whether we shall have an economy bill at this session of the Congress. Bear that in mind. With that final word, Mr. President, I close.

Mr. DALE. Mr. President, with all the force with which the Senator from California has brought before us the deplorable conditions that exist, where men are left at this age under the circumstances which he has outlined, still the vital question here is left out. When the retirement law was framed, and during the many years through which it has been developed, all that has been considered, it has all been taken into account, and it has been met, in so far as it can possibly be met, by the annuity which the man or the woman, the Government employee, gets when going out of the service. But under this bill such an employee loses that annuity. Under this bill 1,500 who, if they remain in the service to the end of the 15 years, would get the annuity, are absolutely cut off forever from every annuity, and not only do conditions as deplorable as the Senator from California outlined them exist, but those employees will have no annuity under this bill.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. DALE. I yield.

Mr. JOHNSON. I can not believe it to be possible; I am sure there must be some mistake in this regard, and if there is, I hope it will be corrected, but do I understand the Senator to say that it is a fact that if a man has paid his regular annuity charges up to within one year of his right to retirement, then to receive, if he is retired, the amount that the law permits—that if he has paid up to within one year——

Mr. DALE. Within one hour.

Mr. JOHNSON. Under this provision he is cut off, he is made ineligible ever to hold another Government job, and the United States Government is mean enough to keep the money he has paid in his yearly assessments? Is that what the Senator means?

Mr. DALE. If he serves 14 years and 364 days and goes out, he loses his annuity and can never get it.

Mr. JOHNSON. What becomes of what he has paid into the annuity fund?

Mr. DALE. He gets back a little, paltry sum of possibly four or five hundred dollars, if he served the full 15 years; he may get four or five hundred dollars of what he has paid in, but he gets no annuity.

Mr. JOHNSON. He loses that entirely?

Mr. DALE. He loses it, and he is never eligible to have it again.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. DALE. I yield.

Mr. KING. He not only receives all that was paid in, but he receives compound interest upon the same.

May I say to the Senator that while there may be apparently some harshness in this policy, we know that in many industries where they provide annuities or pensions for their employees who serve a certain number of years, if for any reason they do not serve the required time they receive no compensation when they retire nor do they receive annuities. Possibly they may receive back the payments which they have made, but certainly they do not receive pensions. So that the Government in this regard—and I am not defending it or condemning it—does not act differently from the way many private corporations do.

Mr. DALE. But the Senator is condoning it. Here is the condition. The Government entered into an agreement along this line, "If you work for me 15 years, and reach a retirement age which is fixed under the law, and if you give me 3½ per cent of your salary, when you come to that day

I will do so and so." That is the contract, the bond, the word of the Government. "I will let you work 15 years, and when you work 15 years"—and that is the law now—"I will do so-and-so by you." Then under this bill we would say, "All that is repudiated. You may have worked almost your 15 years, but you are going out. You have kept your part of the contract, but we are done; we are not going to keep ours."

Mr. KING. Mr. President, will the Senator yield to me?

Mr. DALE. I yield.

Mr. KING. If I understand the Senator's position—and if I interpret it correctly, and I hope I do him no injustice—it means this, that the Federal Government, if it had superimposed upon it, by pressure or otherwise, an unnecessary number of employees could never discharge them, could never have them separated from the service, would be compelled to keep them for an indefinite period of time, though they were rendering no service whatever which was required by the Government.

Mr. DALE. Mr. President, the Senator from Utah knows what the law is. There are provisions for transfer where one bureau has a surplus of employees. It is a vital element of the civil service that the Government can not discharge an employee excepting for cause, and when it discharges for cause, it is all provided for in the retirement act. There is no cause here excepting that "We do not want you any more."

Somebody has said that is taken care of by giving the President an option in the matter. Yes; the President can say, "If we want you to stay, we will let you stay. If we do not want you to stay, you can not stay." It does not give the employee any say. His rights under this agreement are all forgotten and repudiated.

Mr. JONES. Mr. President, I do not understand that the conditions of the retirement law are just as the Senator from Vermont states. I frankly concede, however, that I am not thoroughly familiar with that law. I know that the Senator has given it a great deal of study, and if he has misstated it, he has not intentionally done so. I rather think, however, that it is not as he represents it in some important particulars.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. JONES. I yield.

Mr. SMOOT. The Senator speaks of a discharge. There is no discharge in this bill. If the employee was discharged, of course, the law allows that for cause. There is no discharge. There is leave.

Mr. DALE. Then will the Senator explain this language in the bill?—

SEC. 204. On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary.

Mr. SMOOT. Yes; provided the employee has reached the age of retirement. All we are doing is to carry out the law. The law is now that if he has reached the age of retirement he shall be retired and paid his retirement pay, and that is what we are doing under this bill.

Mr. DALE. I am delighted that the Senator from Utah has said that, because I thought and I could not think otherwise than that that is just what he thought. But the Senator from Utah is mistaken.

Mr. SMOOT. No; the Senator from Utah is not mistaken.

Mr. DALE. The law at the present time relates to the employee who has served 15 years. If the words were added "who has reached retirement age and served 15 years," the Senator's statement would be wholly applicable, but leaving out the statement with reference to 15 years' service, the employee goes out without any retirement pay.

Mr. SMOOT. The Senator is wrong.

Mr. DALE. Does the Senator from Utah think that those who are retired under that provision get the retirement pay?

Mr. SMOOT. If they are 72 years of age and the law provides that they shall be retired. If they do retire and are 72 years of age, they will get whatever is provided for in the bill, which I hope will become the law.

Mr. DALE. What about the 15 years' service?

Mr. SMOOT. The 15 years' service has nothing to do with the person who has reached 72 years of age.

Mr. DALE. Oh, that is the vital thing.

Mr. SMOOT. That applies where a person began work perhaps when he was fifty-odd years of age. Then the 15-year provision applies. This provision applies to a person who is 72 years old. If he is 72 years old, under the law he is retired and does not lose a thing.

Mr. DALE. Mr. President, will the Senator from Washington permit me to read the law?

Mr. JONES. I think I have the law, and I think it will cover the matter.

Mr. DALE. Will the Senator read it?

Mr. JONES. Yes; I was about to do so. "Automatic separation," and that is what this refers to. It reads:

All employees to whom this act applies shall, on arriving at retirement age as defined in the preceding section and having rendered 15 years of service, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date.

Mr. DALE. "Having rendered 15 years of service." That is the point!

Mr. JONES. If they have been in the service 15 years and have reached retirement age, they will be retired; but I understand from the experts that under the practice of the departments and the policy that is pursued, they allow 3 or 4 or 5 or 6 or 7 or 8 months in order to make the matter come properly under the terms of the law.

Mr. DALE. That is what they have done, but it can not be done under the provisions of this bill.

Mr. JONES. Oh, I think so.

Mr. DALE. The bill is as plain as can be that hereafter they shall be discharged, having reached that age.

Mr. JONES. I can see, if there is any doubt about it, of course it should be corrected.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES. I yield.

Mr. KING. Is it not a fact, may I ask the Senator, that the major part of the trouble we are now having with the bill arises from the persistent efforts of a number of Senators to impose upon us the President's policy of the furlough, and having gotten the furlough plan into the bill, we have the House opposed to it and we are going to have a deadlock, and if the conference report is voted down we will probably have no bill at all?

Mr. JONES. If I thought that, of course I would not give my consent to another conference. I think it will only delay the matter two or three or four days. I hope we can iron out some of these differences. Personally I think most of the provisions are all right, but I recognize about as well as anybody the complex situation with which we have had to deal in connection with the various measures which we have tried to embody in the one bill. As I said, there are some things I would like to see corrected. The matter about which the Senator from Tennessee [Mr. MCKELLAR] has proposed a resolution possibly can be corrected. There was a difference of opinion with reference to that item. A sufficient number agreed to comply with the rules of the conference in bringing the item to the Senate as it is. If we take it back to conference, I may have to yield again in order to get a good report to bring back to the Senate. Possibly some of these matters we can iron out and adjust in a much more satisfactory way.

Mr. COPELAND. Mr. President, let me ask the Senator about amendment numbered 46.

Mr. JONES. That is still in disagreement. A part of the conference report relates to the disagreement on that amendment. That, of course, will go back to conference if we disagree to the conference report.

Mr. COPELAND. Due to the fact that that is in disagreement, there would have to be a further conference anyway, would there not?

Mr. JONES. No; there would not. As I explained some little time ago, if the conference report is agreed to then amendment numbered 46 is still in disagreement, but the proposition comes here from the House, along with its notification of disagreement to the conference report, to agree to amendment numbered 46 with an amendment. That will be a matter upon which the Senate would vote if it adopts the conference report. Of course, if it rejects the report, then the whole matter will go back to conference.

Mr. COPELAND. It seems to me the Senator from Washington is correct. It should go back to conference if for no other reason than the difference relating to amendment numbered 46, which should be ironed out if possible. The provision relating to married persons, the old-age-retirement provision, and the provision relating to the Public Health Service, to which I referred, ought to be given further consideration.

Mr. JONES. Those are not involved in amendment numbered 46.

Mr. President, in the interest of time, and recognizing the force of the suggestions made by my colleague, who was a member of the conference committee and was also on the original committee, I am willing that the report should be rejected. He and I are in agreement upon most matters. I can imagine what the attitude of the House may be with reference to the matter, but in the interest of time, in the hope of possibly harmonizing some of the differences now existing, and in the hope of straightening out some of those provisions about which there is disagreement, I am perfectly willing that the report should be rejected and that we should have a new conference. I hope we can do that without any further delay.

Mr. ASHURST. Mr. President, I ask to print at this juncture in the RECORD a letter from the legislative representative of the Policemen's Association of the District of Columbia, together with some accompanying data. I ask the Senate conferees to read the letter to the other conferees when they have the bill before them.

Mr. JONES. Of course, I do not know what that is about. Is it about the leave-of-absence provision?

Mr. ASHURST. No; it relates to another subject.

The VICE PRESIDENT. Without objection, the request of the Senator from Arizona is granted.

The letter and accompanying data are as follows:

JUNE 24, 1932.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

DEAR SENATOR ASHURST: In connection with the contemplated report of the Congress on H. R. 11361, or the District of Columbia appropriation act, it certainly should be borne in mind that privates in the Metropolitan police and fire departments, the lowest paid class of employees in these two services, have been already reduced in compensation to the extent of 8⅓ per cent by the so-called economy bill, or H. R. 11267, and if the provisions of these two bills are to remain as agreed to in conference, these lowest paid men will receive a double cut. They first are reduced 8⅓ per cent, then in another section they are denied the automatic increases rightfully due them by reason of having served the required time, but as all these increases would date as from July 1, 1933, they lose first $100 per man each and then 8⅓ per cent of the remainder of their compensation.

There certainly should be some effort made on the floor of the Senate to correct this very plain injustice, and it is respectfully requested that you use your good offices in this matter.

With many thanks for your past assistance, I am,

Most respectfully,

Lieut. MILTON D. SMITH,
Legislative Representative Policemen's Association.
W. H. MCGRATH, *President.*

METROPOLITAN POLICE DEPARTMENT

On page 55, line 10, after numerals $3,092,964 and before the period, insert a comma and the following language:

"*Provided, however,* That the Commissioners of the District of Columbia may be empowered to continue making promotions of privates as provided in the acts of July 1, 1930 (46 Stat., p. 839) and April 13, 1928 (45 Stat., p. 429) but such promotions shall not carry with them the increases in pay provided for in the said acts."

Perhaps, if necessary, it may have to be worded negatively, such as:

"*Provided, however,* That the failure to appropriate the necessary funds shall not be construed to deny the Commissioners of the District of Columbia the authority to continue making promotions of privates as provided in the acts of July 1, 1930 (46 Stat., p. 839) and April 13, 1928 (45 Stat., p. 429) but such promotions shall not carry with them the increases in pay provided for in the said acts."

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was rejected.

Mr. JONES. Mr. President, I move that the Senate insist upon its amendments, ask a further conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JONES, Mr. SMOOT, Mr. HALE, Mr. BROUSSARD, and Mr. BRATTON conferees on the part of the Senate.

The VICE PRESIDENT. The Chair desires to call the attention of the Senator from Washington to the amendment of the House to Senate amendment No. 46.

Mr. JONES. Yes; that should be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the action of the House of Representatives on amendment No. 46, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
June 20, 1932.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 46 to the bill (H. R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by said Senate amendment No. 46 insert the following:

"TITLE I—FURLOUGH OF FEDERAL EMPLOYEES

"FURLOUGH PROVISIONS

"SEC. 101. During the fiscal year ending June 30, 1933—

"(a) The days of work of a per diem officer or employee receiving compensation at a rate which is equivalent to more than $1,000 per annum shall not exceed 5 in any one week, and the compensation for 5 days shall be ten-elevenths of that payable for a week's work of 5½ days: *Provided,* That nothing herein contained shall be construed as modifying the method of fixing the daily rate of compensation of per diem officers or employees as now authorized by law: *Provided further,* That where the nature of the duties of a per diem officer or employee render it advisable, the provisions of subsection (b) may be applied in lieu of the provisions of this subsection.

"(b) Each officer or employee receiving compensation on an annual basis at the rate of more than $1,000 per annum shall be furloughed without compensation for one calendar month, or for such periods as shall in the aggregate be equivalent to one calendar month, for which latter purpose 24 working days (counting Saturday as one-half day) shall be considered as the equivalent of one calendar month: *Provided,* That where the nature of the duties of any such officer or employee render it advisable, the provisions of subsection (a) may be applied in lieu of the provisions of this subsection: *Provided further,* That no officer or employee shall, without his consent, be furloughed under this subsection for more than five days in any one calendar month: *Provided further,* That the rate of compensation of any employee furloughed under the provisions of this act shall not be reduced by reason of the action of any wage board during the fiscal year 1933.

"(c) If the application of the provisions of subsections (a) and (b) to any officer or employee would reduce his rate of compensation to less than $1,000 per annum, such provisions shall be applied to him only to the extent necessary to reduce his rate of compensation to $1,000 per annum.

"SEC. 102. No officer or employee shall be exempted from the provisions of subsections (a) and (b) of section 101, except in those cases where the public service requires that the position be continuously filled and a suitable substitute can not be provided, and then only when authorized or approved in writing by the President of the United States. The Director of the Bureau of the Budget shall report to Congress on the first Monday in December in 1932 and 1933 the exemptions made under this section divided according to salary, grade, and class.

"SEC. 103. All rights now conferred or authorized to be conferred by law upon any officer or employee to receive annual leave of absence with pay are hereby suspended during the fiscal year ending June 30, 1933.

"DEFINITIONS

"SEC. 104. When used in this title—

"(a) The terms 'officer' and 'employee' mean any person rendering services in or under any branch or service of the United States Government or the government of the District of Columbia, but do not include (1) officers whose compensation may not, under the Constitution, be diminished during their con-

tinuance in office; (2) Senators, Representatives in Congress, Delegates and Resident Commissioners; (3) officers and employees on the rolls of the Senate and House of Representatives; (4) carriers in the Rural Mail Delivery Service; (5) officers and members of the Police Department of the District of Columbia, of the Fire Department of the District of Columbia, of the United States park police in the District of Columbia, and of the White House police; (6) teachers in the public schools of the District of Columbia; (7) public officials and employees whose compensation is derived from assessments on banks and/or is not paid from the the Federal Treasury; (8) the enlisted personnel of the Army, Navy, Coast Guard, and Marine Corps; (9) postmasters and postal employees of post offices of the first, second, and third classes whose salary or allowances are based on gross postal receipts, and postmasters of the fourth class; (10) any person in respect of any office, position, or employment the amount of compensation of which is expressly fixed by international agreement; and (11) any person in respect of any office, position, or employment the compensation of which is paid under the terms of any contract in effect on the date of the enactment of this act, if such compensation may not lawfully be reduced.

"(b) The term 'compensation' means any salary, pay, wage, allowance (except allowances for subsistence, quarters, heat, light, and travel), or other emolument paid for services rendered in any civilian or noncivilian office, position, or employment; and includes the retired pay of judges, and the retired pay of all commissioned and other personnel of the Coast and Geodetic Survey, the Lighthouse Service, and the Public Health Service, and the retired pay of all commissioned and other personnel (except enlisted) of the Army, Navy, Marine Corps, and Coast Guard; but does not include the active or retired pay of the enlisted personnel of the Army, Navy, Marine Corps, or Coast Guard; and does not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees.

"(c) In the case of any office, position, or employment, the compensation for which is calculated on a piecework, hourly, or per diem basis, the rate of compensation per annum shall be held to be the total amount which would be payable for the regular working hours and on the basis of 307 working days, or the number of working days on the basis of which such compensation is calculated, whichever is the greater.

"COMPENSATION REDUCTIONS

"SEC. 105. During the fiscal year ending June 30, 1933—

"(a) The salaries of the Vice President and the Speaker of the House of Representatives are reduced by 15 per cent; and the salaries of Senators, Representatives in Congress, Delegates, and Resident Commissioners are reduced by 10 per cent.

"(b) The allowance for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners is reduced by 8⅓ per cent, such reduced allowance to be apportioned by the Representative, Delegate, or Resident Commissioner among his clerks as he may determine, subject to the limitations of existing law, but the compensation of such clerks shall not be subject to reduction under subsection (c) of this section.

"(c) The rate of compensation of any person on the rolls of the Senate or of the House of Representatives (other than persons included within subsection (a)), if such compensation is at a rate of more than $1,000 per annum, is reduced by 8⅓ per cent, except that if the rate of compensation is $10,000 or more such rate shall be reduced by 10 per cent.

"(d) In the case of the following persons the rate of compensation is reduced as follows: If more than $1,000 per annum but less than $10,000 per annum, 8⅓ per cent; if $10,000 per annum or more, but less than $12,000 per annum, 10 per cent; if $12,000 per annum or more, but less than $15,000 per annum, 12 per cent; if $15,000 per annum or more, but less than $20,000 per annum, 15 per cent; if $20,000 per annum or more, 20 per cent.

"(1) Persons exempted under section 102 from the provisions of subsections (a) and (b) of section 101;

"(2) Carriers in the rural mail delivery service, but in the case of such carriers the term 'compensation' does not include the allowance for equipment maintenance;

"(3) Officers and members of the police department of the District of Columbia, of the fire department of the District of Columbia, of the United States park police in the District of Columbia, and of the White House police;

"(4) Teachers in the public schools of the District of Columbia;

"(5) Postmasters and postal employees of post offices of the first, second, and third classes whose salaries or allowances are based on gross postal receipts, and postmasters of the fourth class;

"(6) Officers and employees (as defined in section 104 (a)) occupying positions the nature of the duties and periods of work of which make it impracticable to apply the provisions of subsections (a) and (b) of section 101;

"(7) Officers and employees (as defined in section 104 (a)), not otherwise provided for in this section, to whom the provisions of subsections (a) and (b) of section 101 do not apply.

"(e) Subsections (c) and (d) of this section shall not operate (1) so as to reduce any rate of compensation to less than $1,000 per annum, or (2) so as to reduce the rate of compensation of any of the postmasters or postal employees provided for in paragraph (5) of subsection (d) of this section, to a rate which is less than 91⅔ per cent of his average rate of compensation during the calendar year 1931.

"RETIRED PAY

"SEC. 106. During the fiscal year ending June 30, 1933, the retired pay of all judges (except judges whose compensation may not, under the Constitution, be diminished during their continuance in office) and the retired pay of all commissioned and other personnel (except enlisted) of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and the Public Health Service shall be reduced as follows: If more than $1,000 per annum but less than $10,000 per annum, 8⅓ per cent; if $10,000 per annum or more, but less than $12,000, 10 per cent; if $12,000 per annum or more, but less than $15,000 per annum, 12 per cent; if $15,000 per annum or more, but less than $20,000, 15 per cent; if $20,000 per annum or more, 20 per cent. This section shall not operate so as to reduce any rate of retired pay to less than $1,000 per annum.

"SPECIAL SALARY REDUCTIONS

"SEC. 107. (a) During the fiscal year ending June 30, 1933—

"(1) The salary of each of the members of the International Joint Commission, United States section, shall be at the rate of $5,000 per annum;

"(2) The salaries of the following officers shall be at the rate of $10,000 per annum: Commissioners of the United States Shipping Board, members of the Federal Farm Board (except the Secretary of Agriculture), members of the Board of Mediation, commissioners of the Interstate Commerce Commission, commissioners of the United States Tariff Commission, the American commissioner of the General Claims Commission, United States and Mexico, and the umpire and American commissioner of the Mixed Claims Commission, United States and Germany;

"(3) No officer or employee of any of the boards or commissions enumerated in paragraph (1) or (2) shall (except as provided in paragraph (4)) receive salary at a rate in excess of $10,000 per annum;

"(4) No officer or employee of the United States Shipping Board, the United States Shipping Board Merchant Fleet Corporation, or the Reconstruction Finance Corporation shall receive salary at a rate in excess of $10,000 per annum, except that in the case of any position the salary of which at the date of the enactment of this act is at a rate in excess of $12,500 per annum such salary may be at a rate not in excess of $12,500 per annum; and

"(5) The salaries and retired pay of all judges (except judges whose compensation may not, under the Constitution, be diminished during their continuance in office), if such salaries or retired pay are at a rate exceeding $10,000 per annum, shall be at the rate of $10,000 per annum.

"(b) The furlough provisions and the compensation reductions contained in other sections of this title shall not apply to any office, position, or employment the salary or retired pay of which is reduced or fixed under the provisions of subsection (a) of this section.

"GOVERNMENT CORPORATIONS

"SEC. 108. In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of sections 101, 102, 103, 105, and 107 to offices, positions, and employments under such corporation and to officers and employees thereof, with proper allowance for any reduction in compensation since December 31, 1931.

"REMITTANCES FROM CONSTITUTIONAL OFFICERS

"SEC. 109. In any case in which the application of the provisions of this title to any person would result in a diminution of compensation prohibited by the Constitution, the Secretary of the Treasury is authorized to accept from such person, and cover into the Treasury as miscellaneous receipts, remittance of such part of the compensation of such person as would not be paid to him if such diminution of compensation were not prohibited.

"APPROPRIATIONS IMPOUNDED

"SEC. 110. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose but shall be impounded and returned to the Treasury.

"LIMITATION ON JURISDICTION OF COURTS

"SEC. 111. No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States.

"RURAL CARRIERS' EQUIPMENT ALLOWANCE

"SEC. 112. During the fiscal year ending June 30, 1933, payments for equipment maintenance to carriers in the Rural Mail Delivery Service shall be seven-eighths of the amount now provided by law."

Mr. JONES. I move that the Senate disagree to the amendment of the House to the amendment of the Senate, insist on its amendment, ask a further conference with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JONES, Mr. SMOOT, Mr. HALE, Mr. BROUSSARD, and Mr. BRATTON conferees on the part of the Senate.

INDEPENDENT OFFICES APPROPRIATIONS

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. SMOOT. Mr. President, as I understand, it was agreed that appropriation bills might be taken up at any time. I therefore ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. SMOOT. I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be considered first.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Kendrick	Robinson, Ark.
Austin	Costigan	Keyes	Robinson, Ind.
Barbour	Couzens	King	Schall
Bingham	Dale	La Follette	Sheppard
Blaine	Fess	Lewis	Shortridge
Borah	Fletcher	McGill	Smoot
Bratton	Frazier	McKellar	Steiwer
Brookhart	George	McNary	Thomas, Idaho
Broussard	Hatfield	Metcalf	Thomas, Okla.
Bulow	Hawes	Moses	Townsend
Byrnes	Hayden	Norris	Trammell
Capper	Hebert	Nye	Vandenberg
Caraway	Howell	Oddie	Walcott
Carey	Johnson	Patterson	Watson
Connally	Jones	Pittman	White
Coolidge	Kean	Reed	

The VICE PRESIDENT. Sixty-three Senators having answered to their names, a quorum is present. The Secretary will state the first amendment.

The first amendment of the Committee on Appropriations was, under the subhead "Office of the President," on page 2, line 10, after the word "President," to strike out "$96,180; in all, $126,180" and insert "$90,000; in all, $120,000," so as to read:

Salaries: For Secretary to the President, $10,000; two additional secretaries to the President at $10,000 each; personal services in the office of the President, $90,000; in all, $120,000.

Mr. CONNALLY. Mr. President, will the Senator from Utah explain what activities are proposed to be eliminated by this amendment?

Mr. SMOOT. I will say to the Senator the committee thought that in the office of the President a reduction could be made just as in all other departments, and we made a reduction of $6,130. They will have to get along with that much less money.

Mr. CONNALLY. It is a purely arbitrary cut?

Mr. SMOOT. It is an arbitrary cut.

Mr. CONNALLY. The Senator is not prepared to say just what functionaries of the White House will be lopped off?

Mr. SMOOT. I can not say, but we want them to save that amount of money.

Mr. CONNALLY. I congratulate the Senator.

AGRICULTURAL DEPARTMENT APPROPRIATION

Mr. McNARY. Mr. President, will the Senator from Utah yield to me so that I may present a motion in connection with the conference report on the agricultural appropriation bill?

Mr. SMOOT. I yield.

Mr. McNARY. I ask that the action of the House of Representatives on the agricultural appropriation bill may be laid before the Senate, and I desire to make a motion in connection with it.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives as to certain amendments still in disagreement on the House bill 7912, which was read:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
June 21, 1932.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14 to the bill (H. R. 7912) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes," and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment insert "$9,678,762."

That the House recede from its disagreement to the amendment of the Senate numbered 15, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment insert "$12,283,622."

That the House recede from its disagreement to the amendment of the Senate numbered 30, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment insert "$4,930,874."

That the House recede from its disagreement to the amendment of the Senate numbered 56, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment insert "$2,471,700."

That the House recede from its disagreement to the amendment of the Senate numbered 82, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment insert "$175,671,665."

That the House further insist upon its disagreement to the amendment of the Senate numbered 77.

Mr. McNARY. Mr. President, all the disagreements relate to totals except the last one, on amendment numbered 77, which is the so-called grasshopper amendment. The Senate appropriated a sum of money for the eradication of grasshoppers infesting certain regions in the western section of the country. The House, upon a vote, disagreed to the amendment. I ask now that the Senate agree to a motion for a further conference, so that another attempt may be made to adjust the difference. I ask that the clerk read the motion which I offer.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

I move that the Senate agree to the House amendments to Senate amendments numbered 14, 15, 30, 56, and 82.

I move that the Senate still further insist upon its amendment numbered 77 and ask a still further conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. McNARY. I yield.

Mr. NORRIS. Mr. President, several of the Senators who have been following this particular amendment are not present. I wish to ask the Senator from Oregon if there is anything else in controversy between the two Houses?

Mr. McNARY. No; nothing else at all.

Mr. NORRIS. The only item in dispute is the one involving the appropriation for the extermination of grasshoppers?

Mr. McNARY. That is exactly so, as I stated a moment ago.

Mr. NORRIS. And does the same condition prevail with respect to the joint resolution which the Senate passed on the same subject?

Mr. McNARY. Exactly.

Mr. NORRIS. What has happened that has caused that to be held up in the House?

Mr. McNARY. It has been held up in the House because that body disagrees to this item incorporated in the bill by the Senate, and I am asking for further consideration in the hope that the House will change its view.

Mr. NORRIS. Did not the House take a vote on the question?

Mr. McNARY. It took a vote and rejected it. I am asking for a further conference, as I have stated, in the hope that the House will recede from its position.

Mr. NORRIS. Does the Senator recall the vote on the roll call in the House?

Mr. McNARY. On the roll call, as I remember, there was a majority of some 50 votes against it.

Mr. NORRIS. There was not any possibility, as I take it, that the Senate conferees could reach an agreement with the House?

Mr. McNARY. The item will have to go back to the House for a vote, and it is the thought by those interested in the matter that probably the House will reverse its position on a further consideration of the item. So I am asking for a further conference, which is the usual course in matters of this kind.

Mr. NYE. Mr. President, if the Senator will yield, I should like to say, for the information of the Senator from Nebraska, that the vote in the House was determined, to a great extent, by a letter which had been written by the Secretary of Agriculture insisting that there was no longer need for this aid; that it was too late to give battle to the grasshoppers. Since that time the Secretary of Agriculture has written another letter revealing that he was in error in his first letter, and urging the appropriation. So it is hoped, in view of the second letter, that the House will give favorable consideration to the item.

Mr. NORRIS. Mr. President, I was familiar with everything that had been done in reference to this matter except the last letter of the Secretary, because I have been one of those in the Senate who informally have had several conferences with quite a large number of Members of the House as to this particular item. I realize what the Senator from Oregon is doing. I approve his course entirely and am not in any way finding fault with it, but it seems to me that a short discussion of this question may assist the conferees in securing an agreement.

A great many Members of both the Senate and House and a great many citizens all over the East and the South do not comprehend or understand what this particular appropriation really means. I am not finding fault with them, for they have never had any experience with the grasshopper pest. Some people look upon it as a joke. Those who live where grasshoppers are not a plague do not realize what it means. The immediate vicinity where I live in the West is not afflicted with this pest, and the appropriation will not be utilized there, although there are probably a couple of counties in the State of Nebraska and a large number of counties in South Dakota and some in some other States where the need is exceedingly great and where the situation is critical. I have been told by Members of the House that if they were to go home and tell their constituents they had voted Federal money to exterminate grasshoppers they would be laughed out of the country; they could not understand it; they would not know what it meant.

Those who have been through an experience of this kind realize that it is more or less local, but sometimes a large area is involved. One of the greatest afflictions that can come to an agricultural community is a grasshopper plague. In various sections of the West, where the soil is very fertile, crops have been utterly abandoned, because in the space of two or three days' time everything that was green, every blade of grass, disappeared on account of a plague of grasshoppers.

There are two kinds of grasshoppers—I am not speaking from a scientific standpoint but in very general terms—one of which is the migratory grasshoppers, which come from localities more or less unknown; nobody really knows the origin of them; but they come in clouds so thick that one can not see the bright shining sun through them. They drop down upon an area perhaps as large as a county; and after they have eaten every living green thing, rise in the air and disappear. That has happened in different sections in years gone by, and crops in large areas have been destroyed. No one can foretell when something of that kind is going to happen; but I will say it very seldom happens.

The grasshoppers that do the damage are not what are called native grasshoppers; they are the other kind. The soil is filled with the eggs of these grasshoppers.

Because more or less of a lack of understanding, I think, of what it really means to large sections of the country, Members of Congress and the department were opposed to the appropriation. When the Senate was convinced, however, and put this item in the agricultural appropriation bill, it was rejected by the House. Afterwards, when that bill was held up, awaiting the economy program to proceed, the Senate passed a joint resolution for the purpose of relieving the conditions and eradicating this pest in South Dakota and northern Nebraska. It was thought then—and it was true—that expeditious action was necessary. It was known that the soil in those localities was filled with the grasshopper eggs, and that when they hatched out the grasshoppers would eat everything green in the vicinity. When the matter finally came before the House I think it is safe to say that the House was moved to a rejection of the item by a letter from the Secretary of Agriculture, which I think was written probably in the best faith, stating that it was too late then to take action. Now, there is still an opportunity to save a large area of country if this appropriation shall be provided and expeditious methods shall be employed by the department in acting under it.

I wanted to say this much so that it would be in the RECORD, and possibly aid the conferees somewhat when they come to consider this matter again.

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield.

Mr. McKELLAR. I am not, of course, familiar with the grasshopper plague; I know what grasshoppers are, but they have never been a plague in the section of the country from which I come. I wish to ask the Senator can the Government or can anyone do very much to stamp out this pest after it has started its depredations; after the grasshoppers begin coming, can they be stopped?

Mr. NORRIS. I do not think a method has ever been devised that will completely exterminate them. The Agricultural Department, through its scientific bureaus, has been working on the problem for a good while.

Mr. McKELLAR. I know that we have spent a good deal of money on it, and it was properly spent, I presume; I am not saying that it was not.

Mr. NORRIS. It is like the boll weevil; the pest has never been, in my judgment, completely mastered.

Mr. McKELLAR. It has not been mastered, although appropriations have been made for the purpose for a good many years, as I see from the RECORD.

There is another question I should like to ask the Senator. Two or three weeks ago, I think it was, I saw in the newspapers that there had been a snowstorm in the section of the West where the grasshoppers are a plague, and it was stated, as I recall, that that snowstorm was more effective in stamping out grasshoppers than any other possible method of extermination. I should like to know what the Senator has to say about that. I am not familiar with the subject, but perhaps the Senator can explain about that.

Mr. NORRIS. Mr. President, in freezing weather when the grasshoppers first hatch, when they are small, a snow-

storm will destroy them; and while the snowstorm to which the Senator refers did a great deal of good, it was much more local than the grasshopper plague; it did not cover the whole area. However, when grasshoppers are fully grown I understand cold weather will not injure them. They will freeze, then thaw out again, and be as good as ever when they thaw out.

Mr. FLETCHER. Mr. President, an Associated Press dispatch which I saw in the morning paper carried a statement about Manitoba, where the account indicated that some 20 miles of railroad were closed down or interfered with; that they could not even operate trains on this track for some 20 miles on account of grasshoppers. They had to use sand in order to move the trains at all. I wonder if that is the same matter.

Mr. NORRIS. I am glad the Senator called attention to that, because most people, when they read that account in the newspapers, will say, "Why, that is all phantom. It is all buncombe. There is nothing to it. It is just a joke that somebody has written."

Of course, I do not know about the particular article in question. I did not happen to read it; but I do know that it is an actual fact that trains have been stopped on account of the grasshopper plague, and I have talked with the engineers who operated the trains.

Most people would think it is a fairy tale; but in the instances with which I am familiar, here is what happened: Take a cool morning, for instance, when the sun is shining brightly and warms up the country; and, as everybody knows, the rails would be in the sun, and would become warm. The grasshoppers would cover the rails, and the wheels running over them would mash the grasshoppers; and if you are going up a grade, it has the same effect as though you had greased the rails.

Mr. ASHURST. Or soaped the track.

Mr. NORRIS. Or as if you had soaped the track, as the Senator says; yes. They would be unable to carry even an empty car up an ordinary grade.

Mr. NYE. Mr. President, I do not want to interrupt the thought of the Senator from Nebraska more than to suggest that since the House has taken action to-day looking to adjournment, when they do adjourn to-day, until Monday, it has been the hope that this report could be acted upon by the Senate to-day, and reported back to the House this afternoon.

Mr. NORRIS. I understand that the House has adjourned.

Mr. NYE. That it has adjourned until Monday?

Mr. NORRIS. That announcement was made here by the Senator from Arkansas.

Mr. NYE. I am very sorry to hear that, if that is the case, because then no action can be taken before Monday.

Mr. KING. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. I am glad to yield to the Senator from Utah.

Mr. KING. A few weeks ago, after we had passed the bill, I saw a number of reports, some of them emanating from South Dakota and some from Minneapolis, that a very heavy snowstorm, accompanied by intense freezing, had occurred in that vicinity, the result of which was that an appropriation for grasshopper extermination was not required; and it was said that it would have the farmers there millions of dollars. Was that report inaccurate?

Mr. NYE. Mr. President, to some extent that report was true; and Heaven alone knows what the result might have been had it not been for the snowstorm.

It was my privilege, however, on last Saturday and last Sunday to visit sections of my own State; and it was not necessary to inquire what the grasshoppers that had not been destroyed by the snowstorms in that section were doing to damage the crops at that time. One farmer—and he was only one of many—revealed how, during the last three days, the grasshoppers had destroyed a wonderfully fine crop, covering 60 or 70 acres of ground; and there is a very thorough conviction that this appropriation, if made available now, can be used very profitably to check the damage which is in prospect if we take no action at all.

I hope the Senate will insist thoroughly upon its amendment to the appropriation bill.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

The VICE PRESIDENT. The Chair appoints as conferees on the part of the Senate the Senator from Oregon [Mr. McNARY], the Senator from Washington [Mr. JONES], the Senator from New Hampshire [Mr. KEYES], the Senator from Wyoming [Mr. KENDRICK], and the Senator from Arizona [Mr. HAYDEN].

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the committee, which has been stated.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 2, at the end of line 22, to strike out "$43,500" and insert "$35,000," so as to read:

Contingent expenses: For contingent expenses of the executive office, including stationery, record books, telegrams, telephones, books for library, furniture and carpets for offices, automobiles, expenses of garage, including labor, special services, and miscellaneous items, to be expended in the discretion of the President, $35,000.

The amendment was agreed to.

The next amendment was, on page 2, line 23, to reduce the appropriation for printing and binding for the Executive office from $2,700 to $2,000.

The amendment was agreed to.

The next amendment was, on page 3, at the end of line 2, to strike out "$25,000" and insert "$20,000," so as to read:

Traveling expenses: For traveling and official entertainment expenses of the President of the United States, to be expended in his discretion and accounted for on his certificate solely, $20,000.

The amendment was agreed to.

The next amendment was, under the subhead "Executive Mansion and grounds," on page 3, at the end of line 10, to strike out "$142,000" and insert "$125,000," so as to read:

For the care, maintenance, repair and alteration, refurnishing, improvement, heating, and lighting, including electric power and fixtures of the Executive Mansion, the Executive Mansion greenhouses, including reconstruction, and the Executive Mansion grounds, and traveling expenses, to be expended as the President may determine, notwithstanding the provisions of any other act, $125,000.

The amendment was agreed to.

The next amendment was, on page 3, line 12, to reduce the total appropriation for the Executive Office from $429,389 to $392,000.

Mr. NORRIS. Mr. President, I will say to the Senator from Utah that there is going to be, as I understand, considerable debate on some provisions of this bill. I want to discuss them at some length. I dislike very much to be required to start to-day.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SMOOT. I think I know what the Senator has in mind. He is referring to the amendment regarding the Interstate Commerce Commission.

Mr. NORRIS. Principally the Interstate Commerce Commission and the Federal Trade Commission; both.

Mr. SMOOT. Yes; both of them. Whenever there is an item that the Senator wants to have go over, I suggest that he ask to have it go over, and let us finish the bill with the exception of those items.

Mr. NORRIS. I want to do that. That was my object in calling the Senator's attention now to what probably will take place, I think, regarding those two particular commissions. So far as I know, that is all.

Mr. SMOOT. I think those are the only ones. They are the only ones that I know about.

Mr. NORRIS. Would the Senator be willing that the appropriations in regard to those two particular commissions should go over, and devote the balance of the afternoon to the remaining portions of the bill?

Mr. SMOOT. Mr. President, I do not know how long it will take. I do not think the others will take very much time.

Mr. NORRIS. I will say to the Senator that it may be that somebody else will be prepared to go ahead who wants to debate them; and, if so, I have no objection.

Mr. SMOOT. We will see.

Mr. NORRIS. Personally, while I could go ahead, I dislike to do it, because I could not finish to-night; so I would rather say to-morrow what I have to say.

Mr. SMOOT. Let us proceed with the amendments, Mr. President; and when we come to an amendment which the Senator from Nebraska desires to discuss, I will ask him to mention the fact that he is opposed to it, and it can be passed over.

The VICE PRESIDENT. Does the Senator ask that the pending amendment be passed over?

Mr. NORRIS. No.

Mr. MOSES. What is the pending amendment?

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, line 12, it is proposed to strike out "$429,380" and insert "$392,000."

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Independent establishments," on page 3, after line 13, to strike out:

ALIEN PROPERTY CUSTODIAN

Funds available to the office of the Alien Property Custodian for administrative expenses in the District of Columbia shall not be used for the purchase, maintenance, operation, and/or repair of any passenger automobile.

Mr. MOSES. Mr. President, may I ask the Senator in charge of the bill the reason for this particular amendment?

The Senator himself will remember a more or less heated argument which he and I had in the subcommittee with reference to automobiles for executive departments, not for any of these bureaus, and especially for a bureau which is supposed gradually to be petering out. I observe, on looking through the bill, that no other of these bureaus that I can find, except the General Accounting Office, is provided with passenger-carrying motor-driven vehicles. Just what is the reason for this?

Mr. SMOOT. The Senator refers to the striking out of the automobile for the Alien Property Custodian?

Mr. MOSES. The amendment does not strike it out. It provides that he shall have one. What is the idea?

Mr. SMOOT. We struck it out, Mr. President.

Mr. MOSES. No, no; you did not.

Mr. SMOOT. Oh, yes!

Mr. MOSES. Oh, no! The language of the House bill is that the funds shall not be used for this purpose, and the committee strikes out that provision. In other words, the result is that he may use the fund for an automobile.

I have no objection to the Alien Property Custodian having an automobile. He is a former colleague of ours, and a very excellent gentleman; but I want to know why that prohibition is stricken out here, and none of the other bureaus carried in this measure is extended similar favoritism.

Mr. KING. Mr. President, will the Senator yield?

Mr. MOSES. Yes.

Mr. KING. I think the Alien Property Custodian's position should be abolished. When it was created, there was an understanding that it should last for one year; but years have gone by, and this organization, like all organizations that are Federal in character, has become immortal.

Mr. MOSES. It is gradually wearing out; there is no question about that; but what I want to know from the colleague of the Senator from Utah who is now addressing me is why this particular bureau is treated with this favoritism and the other bureaus are not?

I would not ask this question, Mr. President, but for the fact that the senior Senator from Utah [Mr. SMOOT] and I have had more or less conversation of a hectic nature in the committee room with reference to automobiles for the executive departments.

Mr. SMOOT. Mr. President, this does not come out of public money at all. It is money of their own; and we thought we would not say to them that they could not use that money for automobiles.

Mr. MOSES. It is not public money in the sense that it does not come out of the Treasury of the United States, but it is money which we hold in trust.

Mr. KING. Exactly.

Mr. MOSES. We hold it in trust for certain aliens, and that trust money is to be used here. I do not quite see the reason for it. At this stage of a session, with a bill proceeding as this one is under an agreement where we are to take up supposedly noncontroversial items, I am perfectly well aware that nothing I can say here will have any ultimate effect upon what is done with reference to the measure; but I do want the Senate to know the reason.

The Senator now says this is not public money. No; it is money belonging to some ward of ours—money which we hold in trust.

Mr. McKELLAR. Mr. President, I want to appeal to the Senator from Utah to permit this amendment to be rejected. I think the Senator from New Hampshire is entirely right, and that we ought to treat all these officers in the same way.

The Alien Property Custodian is a good friend of mine. I like him very much, but I think he ought not to be treated differently from the others in this bill, so I ask the Senator from Utah to accede to the rejection of the amendment.

Mr. MOSES. Mr. President, if I may go on a little farther in comment—if we go through this bill we will find that the Senate committee has put in an amendment providing that there may be a passenger-carrying vehicle for the General Accounting Office. That is an office where they have to be going back and forth from the various executive departments and bureaus to the General Accounting Office. I can understand that there is a very good reason there why, in the interest of the conduct of the public business, that should be done; but this amendment I can not understand, unless it is intended to take the money belonging to some one of our wards in order to maintain an automobile for the chief of an independent bureau which has been gradually wearing out.

Mr. SMOOT. Mr. President, as far as I am personally concerned, I am willing that the amendment shall be rejected.

Mr. McKELLAR. Let us vote on it, then, and reject it.

Mr. SMOOT. They have had an automobile for a long time, and they urged us to permit it to be continued because of the fact that it was not paid for out of public funds. I do not care, however. As far as I am concerned, the amendment may be rejected.

Mr. MOSES. Very well. If the Senator in charge of the bill is now about to ask that the Senate reject this amendment, I hope that suggestion of his will be followed; and I withdraw anything I may have said which could be looked upon in any sense as an implication of criticism of him.

Mr. ROBINSON of Arkansas. Mr. President, of course every lawyer understands that a trust fund must be handled with extreme care, and that unnecessary expenditures can not be made by the trustee without violating the spirit of the trust. If, therefore, we apply to Government funds a provision that automobiles shall not be purchased or repaired from them, we ought not to apply a different rule to a trust fund.

Mr. NORRIS. Mr. President, I should like to say a word or two on this question.

I do not claim to have sufficient information to express an opinion as to whether the Alien Property Custodian, in his official capacity, ought to have an automobile or not. If he should have, in the transaction of his official business, he ought, of course, to be allowed to have one. Without knowing anything about it except general knowledge of what his office is for, and what he does, I am unable to see anything that comes before him in an official way that makes it necessary for him to have an automobile. That being true, he ought not to have one at the expense of the ward whose money he handles any more than he ought to have it if he is an official of the Government of the United States.

To my mind, we ought to be more careful with this money than if it were our own money. If it were our own money, to a great extent being responsible to our own people, we would have a greater liberty, it seems to me, in all good conscience, in handling it as we pleased. But it is not our money, and the chairman of the committee says to the Senate that the reason given for putting this provision in is that it is not our money anyway, it is trustee money, and therefore we will let them have this extra amount to buy automobiles.

Mr. SMOOT. The same fund he has had in the past.

Mr. NORRIS. In other words, they have been doing it in the past with this trust money, so why not continue in our sinful way? The day of salvation has come. The crisis has reminded us that if we have not had religion before, we ought to get it now.

To my mind, Mr. President, unless there is justification for it—and, as I said before, I am not prepared to deny that there is need of it, I am willing to be shown—unless it can be shown, it seems to me that we ought to guard these funds with more jealous care than the property of the United States.

Our custodian is in charge of money and property which does not belong to us, and we ought to handle them so that in the future no one from any part of the world—and some of this money belongs to people in various countries across the water—could point a finger at the American Government and say, "You squandered our money while we were helpless, and while you held it as a trust fund."

So that instead of it being an argument that it is somebody else's money, and that therefore we do not need to be very careful with it, it seems to me the real logic of the situation is just the reverse, and unless it can be shown that in his official capacity the Alien Property Custodian needs these automobiles, we ought to reject this amendment. The amendment strikes out what the House inserted—a provision making it unlawful to use any of these funds for the purpose of buying automobiles.

I suppose every Member of the Senate knows who the custodian is, a former Member of this body, a man who served here for one term, at least, and I believe that everybody who had any acquaintance with him recognized him as one of the finest Members of the Senate. So there is nothing personal in this, as far as I am concerned. But we should not permit ourselves to use these trust funds, even though they go to some one who is probably a personal friend of almost every Member of the Senate.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. Does not the Senator believe that a practice has grown up, sanctified by years, unfortunately, of furnishing automobiles to a large number of employees and officials who should not have them?

Mr. NORRIS. I have no doubt of it.

Mr. KING. The Speaker of the House of Representatives, the Hon. JOHN GARNER, set a very admirable example. If I had my way, instead of furnishing automobiles for the Secretaries and Sergeants at Arms, and hundreds of officials of the Government, I would adopt some measure that would prevent that. Why should they have automobiles? Senators are not furnished automobiles by the Government. They have to visit the departments, they have important responsibilities resting upon them, and other officials of the Government are not furnished automobiles whose labors, perhaps, are as important as those of hundreds, if not thousands, of officials who do have automobiles. Wherever you go in this city, and in others, you find automobiles furnished by the Government marked "U. S. A." or "Official Car," and we know that hundreds and hundreds of those should not be used.

Mr. NORRIS. Mr. President, I agree with the Senator, although I am not able to say whether this automobile or that automobile ought to be furnished by the Government or not, because I do not have sufficient information in regard to the matter. But I have very often had my attention called to incidents where automobiles were wrecked two or three hundred miles away from Washington, automobiles which came from Washington, and they were official automobiles.

Mr. ROBINSON of Arkansas. On official business?

Mr. NORRIS. The business was entirely one of sightseeing, where the official was not there himself, but some member of his family, perhaps, was on a sightseeing tour, a perfectly legitimate thing. I am not objecting to that, but they ought to have gone in their own automobiles. The highest-price automobile known would be wrecked, and the next day the department would get a new one from the funds of the United States. If you would banish the social functions of many of our officials, you would banish with it the necessity of a lot of automobiles and chauffeurs paid for by the Government.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. When the Senator's own President sets the example by having, I believe, nine automobiles, can the Senator wonder that those under him want as many as they can get?

Mr. NORRIS. No; I do not wonder.

Mr. SMOOT. Mr. President, there is no appropriation to pay for nine automobiles for the President of the United States, and I want to say that this is the first year that the Committee on Appropriations have had special legislation affecting automobiles. On page 56, section 3 reads as follows:

SEC. 3. No part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, station wagons, and ambulances) at a cost, completely equipped for operation, in excess of $750, except where, in the judgment of the heads of the sundry executive boards, commissions, and offices, provided for herein, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year—

Again, in the House text it is provided:

including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned, motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department.

In no other appropriation bill has that language been used until this year.

Mr. NORRIS. This is the first?

Mr. SMOOT. This is the first.

Mr. NORRIS. I was thinking it was an old law, but I was going to say to the Senator that that is violated a thousand times every day in the city of Washington.

Mr. SMOOT. I should not wonder.

Mr. NORRIS. I would not want to go as far as does the language the Senator has read. I do not think we ought to be stingy about the matter. I have no objection to the head of a department having an official automobile. I do not care if he is taken to his home and brought back to his office in it, which that language would prevent. I have no objection to the President having all the automobiles he may need, and going to Rapidan, or to any other fishing resort, and enjoying himself, and paying for it from Government funds.

There is an item in this bill of $35,000—and it seems as it passed the House it was $43,500—to be expended in the

discretion of the President, which he could use if he wanted to, every cent of it, for automobiles.

Mr. SMOOT. That is for personal services.

Mr. NORRIS. It reads:

Contingent expenses: For contingent expenses of the Executive Office, including stationery, record books, telegrams, telephones, books for library, furniture, and carpets for offices, automobiles, expenses of garage, including labor, special services, and miscellaneous items, to be expended in the discretion of the President, $35,000.

I am not objecting to the item. I do not have sufficient knowledge to know but that that is a very modest appropriation, but I am calling the attention of the Senators to the fact that the President could, if he desired, spend every penny of that for automobiles.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, under the heading "American Battle Monuments Commission," on page 4, line 14, after the word "of," to strike out "$8" and insert "$7"; in line 16, after the word "exceeding," to strike out "$7" and insert "$6"; and on page 5, line 2, after the word "periodicals," to strike out "$400,000" and insert "$200,000," so as to read:

For every expenditure requisite for or incident to the work of the American Battle Monuments Commission authorized by the act entitled "An act for the creation of an American Battle Monument Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes," approved March 4, 1923 (U. S. C., title 36, secs. 121–133), including the acquisition of land or interest in land in foreign countries for carrying out the purposes of said act without submission to the Attorney General of the United States under the provisions of section 355 of the Revised Statutes (U. S. C., title 34, sec. 520; title 40, sec. 255); the maintenance of memorials erected by the commission until the Secretary of War is advised of their completion and assumes their maintenance; employment of personal services in the District of Columbia and elsewhere; the transportation of, mileage of, reimbursement of actual travel expenses or per diem in lieu thereof to the personnel engaged upon the work of the commission; the reimbursement of actual travel expenses (not exceeding an average of $7 per day for subsistence) or per diem in lieu thereof (not exceeding $6 per day) to, and the transportation of the members of the commission, while engaged upon the work of the commission; the establishment of offices and the rent of office space in foreign countries; the maintenance, repair, and operation of motor-propelled passenger-carrying vehicles which may be furnished to the commission by other departments of the Government or acquired by purchase; printing, binding, engraving, lithographing, photographing, and typewriting, including the publication of information concerning the American activities, battlefields, memorials, and cemeteries in Europe; the purchase of maps, textbooks, newspapers, and periodicals, $200,000, to be immediately available and to remain available until expended.

Mr. REED. Mr. President, I would like to ask the Senator from Utah upon what theory that cut was made. It seems to be the most severe cut made in any item in the bill.

Mr. SMOOT. No; there are other items cut as deeply as this.

Mr. REED. This is cut 50 per cent. Has the committee cut any others that much?

Mr. SMOOT. Yes; more than that.

Mr. REED. Why was this cut of 50 per cent made?

Mr. SMOOT. Because it was thought that under the circumstances $200,000 was ample for the purchase of maps, textbooks, newspapers, and periodicals.

Mr. REED. If that is what the committee had in mind, I agree with them that $200,000 is sufficient for the purchase of maps, textbooks, newspapers, and periodicals; but the trouble is that this commission is also engaged in building a very large number of monuments and chapels in the military cemeteries in France. It is engaged in the care and reconstruction of cemeteries in which American soldiers who died during the World War are buried in France and Belgium and England, and so the $200,000 covers a good deal more than the purchase of maps and newspapers and periodicals.

Mr. McKELLAR. Mr. President, if the Senator will yield, I think all of the things the Senator has just mentioned are really to be provided for under the proviso beginning on line 3, page 5.

That the commission may incur obligations and enter into contracts for building materials and supplies and for construction work, which, inclusive of the amount herein and heretofore made available, shall not exceed a total of $4,500,000.

I think the $400,000 was particularly for the purposes set out from about line 17 on page 4 to line 2 on page 5. It was believed by the committee that $200,000 would purchase all those supplies at this time, in view of the tremendous decrease in the prices of materials of all kinds.

Mr. REED. Mr. President, if the Senator will bear with me, I am a member of that commission, and I know what the work is. The maximum of $4,500,000 has practically all been contracted for. I hope that every Member of the Senate will see what has been done. The American military cemeteries abroad are more beautiful than the cemeteries of any of the other nations. The British are very fine, but I think that ours are even better. I believe the American people will be very proud of what has been done there. We have something over 30,000 graves in eight different cemeteries, and within this program of four and a half million we have built a chapel in each of the cemeteries, we have built walls around the cemeteries, we have arranged, through the quartermaster's office, for the marble crosses which mark the graves in the cemeteries, we have built all of the monuments upon the battlefields—and they are superb monuments—and the commission is finishing its work. This $400,000, or practically all of it, is needed to pay for work that is now under way.

We had before this same authority to make our program and to let our contracts. The commission began its work nine years ago. It is finishing this year. We are going to set an illustrious example to all of the other commissions of this Government by asking to be disbanded and discharged and the commission abolished in about another year. We are just finishing up our program.

When I saw about the action of the committee in cutting this item in half I sent a cablegram to General Pershing, who is chairman of the commission and is now in Paris, and this is his answer:

By postponement of dedications—

That is, the dedication ceremonies at these great monuments, like that at Chateau-Thierry, and Montfaucon, and St. Mihiel. We had arranged with the President of France to be present and to take part in the dedications, and it was all to be done with great dignity. But in view of the depression we did not think it was right to spend one penny of the taxpayers' money for ceremonies, so we have cut them out. I come back to the cablegram now:

By postponement of dedications, of travel of the commission—

That is, all of us except General Pershing are going to stay right here in this country. We get no junket out of it and never have had one except one single inspection trip in 1924. Every one of us has gone at his own expense in the years since then—

By postponement of dedications, of travel of the commission, and miscellaneous projects, the commission can accept appropriation two hundred seventy-five thousand, provided additional one hundred twenty-five thousand is available next fiscal year. Appropriation of two hundred thousand would require stopping construction work already started.

Practically everything is finished, I may say to the Senate, except the great monument at Montfaucon, which is not quite finished. We had great trouble with the foundation. We found that holes had been tunneled through by the owners in the Middle Ages until it was just a honeycomb of subterranean chambers, and the foundations consequently had to go down very deep. That delayed the monument. If we do not get the $275,000 to finish the contracts, we are exposing ourselves to suits at the hands of French contractors who are doing the work, and Heaven help any American who gets sued in France by a Frenchman.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. HEBERT in the Chair). Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED. I yield.

Mr. NORRIS. I am very much interested in what the Senator has said, but I want to ask him if the difficulty he speaks of is not taken care of by the proviso.

Mr. REED. No; because we can not pay the contractors with a proviso. We have to have the cash to pay them on the contracts to which we are already committed.

Mr. NORRIS. The $200,000 is not to be used for that purpose, is it?

Mr. REED. Oh, yes; for every expenditure in connection with the work of the commission.

Mr. NORRIS. From my hurried reading of the language I doubt very much whether the Senator's commission would be authorized to use the money for the purposes about which he has been speaking.

Mr. REED. On page 3, line 20, the language is "for every expenditure, * * * including the acquisition of land," which is the same language under which we have been working for nine years, and under which we have already cleaned up about $4,100,000 worth of the program. We are just at the end of it. That proviso is almost meaningless now because the program is practically completed.

Mr. NORRIS. If the Senator's view is the correct one, then it seems to me that unless the commission wanted to go beyond what the Senator says they intend to do, the proviso would not amount to anything.

Mr. REED. All that is left is the finishing of the Montfaucon monument and the approaches to it.

Mr. NORRIS. The contracts have been made?

Mr. REED. Yes; most of them.

Mr. NORRIS. The proviso provides that the commission may "incur obligations and enter into contracts for building materials and supplies and for construction work which, inclusive of the amount herein and heretofore made available, shall not exceed a total of $4,500,000." If the commission has no intention of doing anything of that kind and work like that has been completed, that language ought to be stricken out.

Mr. REED. No; because we still have the approaches to clean up.

Mr. NORRIS. But the commission does not have to have such a broad limitation as $4,500,000.

Mr. REED. The amount already expended and made available totals now over $4,000,000, so the permission given us is very limited.

Mr. NORRIS. We have done that under a prior law, and we are now passing a new law. If this is passed then, the commission could go ahead and, in addition to that, authorize contracts that would amount to $4,500,000.

Mr. REED. Oh, no. If the Senator will look at line 6, page 5, he will see that the $4,500,000 is "inclusive of the amounts herein and heretofore made available," and that totals more than $4,000,000; so the real latitude given us is very considerably less than $500,000.

Mr. NORRIS. Then what is the use of providing to cover contracts that have already been made?

Mr. REED. It holds us down to the program we were set to accomplish in the beginning.

Mr. NORRIS. The commission would be held down to that anyway. They would be held down to the law under which they are acting now.

Mr. REED. The law under which we were organized set no limit. We established this program and have struggled to keep within it. This proviso ought to stay in the bill in order to compel us to stay within it.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Tennessee?

Mr. REED. I yield.

Mr. McKELLAR. How much money has the commission remaining out of the $4,500,000?

Mr. REED. It has not any.

Mr. McKELLAR. Is the $200,000 the only money the commission will have after July 1?

Mr. REED. That is all we will have to work on during the coming year. It ought to be $275,000.

Mr. McKELLAR. Will the Senator look over the purposes beginning on page 4 and down to line 2 on page 5? He will see that the $200,000 will be sufficient to meet all of those expenses—that is:

> Employment of personal services in the District of Columbia and elsewhere; the transportation of, mileage of, reimbursement of actual travel expenses or per diem in lieu thereof to the personnel engaged upon the work of the commission; the reimbursement of actual travel expenses * * * or per diem in lieu thereof * * * to, and the transportation of the members of the commission, while engaged upon the work of the commission; the establishment of offices and the rent of office space in foreign countries; the maintenance, repair, and operation of motor-propelled passenger-carrying vehicles which may be furnished to the commission by other departments of the Government or acquired by purchase; printing, binding, engraving, lithographing, photographing, and typewriting, including the publication of information concerning the American activities, battlefields, memorials, and cemeteries in Europe; the purchase of maps, textbooks, newspapers, and periodicals.

That was peculiarly applicable to the $200,000 as the Appropriations Committee understood, and it was believed by the committee, from the information it received from somebody who appeared before us, that the $200,000 would apply to that and that the commission has a right to obligate the remaining portion not yet obligated of the $4,500,000.

Mr. REED. I am sorry the committee got a misunderstanding. It arises from the fact that so much of the language has been continued from year to year.

Mr. McKELLAR. That is a habit of Congress which ought to be discontinued.

Mr. REED. I agree with the Senator about that. Here is the situation. All of the provisions about travel and mileage and buying automobiles and all that sort of thing are trivial in the extreme. I can assure the Senate that we are not going to buy another automobile. It would be foolish to do it. We want to wind up and clear out within the next 12 months. We are going to ask the President to accept our resignations and ask Congress to repeal the act creating the commission. We do not want to wither away. We want to go out with a crash.

Mr. NORRIS. I have been reading over the language carefully in the last few moments. I first had the same idea the Senator from Tennessee has, but I think anyone who will read the language carefully, commencing with line 20 on page 3, over to line 21 on page 5, and particularly up to and including the word "expended," in line 3, on page 5, will have to agree that the Senator from Pennsylvania is right in his construction. The $200,000 applies to every expenditure provided for in the phraseology from line 20, on page 3, to the word "expended" in line 3, on page 5.

Mr. McKELLAR. That is just what I said a moment ago.

Mr. NORRIS. No; the Senator has not the idea. He thought the $200,000 applied to the things he mentioned, which commence in line 18, page 4, but it has the same application to every one of those activities that it does to the others.

Mr. McKELLAR. Oh, I think so.

Mr. NORRIS. That being true, then the only money that the commission can use is the $200,000, just as the Senator from Pennsylvania said a while ago, and that applies to all of the activities of the commission.

Mr. SMOOT. That is the way the committee understood it.

Mr. NORRIS. Then there was no misunderstanding.

Mr. McKELLAR. What else is there to be done by the commission over there now?

Mr. REED. We have the final payments to make upon the pending contracts with the French contractors.

Mr. McKELLAR. Does the Senator remember how much they are?

Mr. REED. All the contracts already awarded amount to about $250,000.

Mr. McKELLAR. That is the only expense to which the commission will be put?

Mr. REED. Naturally General Pershing, in France, and the secretary of the commission, Major Price, in France, and the Engineer officers who supervise the building contracts, have to have their expenses paid. The Army pays their salaries. We are under no expense for salaries and we merely bear their traveling expenses.

Mr. McKELLAR. That applies to General Pershing?

Mr. REED. Yes. He gets no salary at all from the commission.

Mr. SMOOT. The Senator says if the $200,000 is increased to $275,000 it will be the last appropriation asked for?

Mr. REED. No; it will take $125,000 more than that to finish the job. We can get along for the next 12 months with $275,000, but we will have to have the $125,000 to finish up next year.

Mr. SMOOT. In other words, the commission wanted the $400,000.

Mr. REED. Yes; and we could finish up with that much, but we want to economize now and cut it down to $275,000, and we will come back for the $125,000 a year from now.

Mr. NORRIS. I would like to suggest to the Senator from Utah that he accept the proposal of the Senator from Pennsylvania.

Mr. SMOOT. Under the statement of the Senator from Pennsylvania I do not see how we can do anything else.

Mr. FLETCHER. Would it not be possible to bring in a deficiency appropriation to cover it?

Mr. SMOOT. The deficiency appropriation bill is very close at hand and we might as well do it now rather than take care of the $75,000 in the deficiency bill.

Mr. McKELLAR. We could have a deficiency appropriation at the next session of Congress. All of the $275,000 would not have to be spent before then. The Senator would not spend more than $200,000 between now and January, for instance.

Mr. REED. But what is the use of making two bites of the cherry that we have to swallow? The contracts are already let.

Mr. McKELLAR. The principal reason is because we have a deficit of $3,000,000,000 in the Treasury.

Mr. REED. That is true; and we are not going to spend the money one minute sooner or spend one cent more because of that fact. General Pershing is trying to hold down every penny of expense.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. REED. I yield.

Mr. KING. After expending $400,000 more will the $4,500,000 referred to in the bill be exhausted?

Mr. REED. No; we will still have kept a little bit within the limiting figure of our program.

Mr. KING. Then all the expenses incurred and to be incurred, plus the buildings which have been erected and which will be erected, will not exceed the $4,500,000?

Mr. REED. They will not. The Senator will agree we have received our money's worth when he sees what has been done.

Mr. KING. The $200,000 provided in the bill as reported by the committee is rather for expenses for traveling, and maps, and so forth?

Mr. REED. Oh, quite the contrary. At least 90 per cent of it covers payments to be made to the contractors for the buildings. There is very little of it for traveling expenses.

Mr. NORRIS. I think Senators get an erroneous idea from the language because they figure that the $4,500,000 is an appropriation when as a matter of fact it is only an authorization. The only money the commission has and that it can use is the money provided for in the appropriation here to be made.

Mr. REED. That is true.

Mr. NORRIS. That applies to expenses and buildings and to everything. The only money they get is that which is now provided in this particular appropriation.

Mr. REED. That is correct.

Mr. NORRIS. Then the limitation of $4,500,000 is practically meaningless.

Mr. SMOOT. So far as I am able, I am perfectly willing to accept the $275,000.

Mr. REED. Then, I move to amend the committee amendment in line 2, on page 5, by striking out "$200,000" and inserting in lieu thereof "$275,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the heading "Arlington Memorial Bridge Commission," on page 6, line 14, after the figures "$50," to strike out the colon and the following additional proviso:

Provided further, That no part of this appropriation shall be used to pay for the cost of reconstructing and paving Constitution Avenue east of Virginia Avenue, as provided in the approved project, except for such portions as may abut upon Government-owned property, and not in excess of 40 per cent of the cost of such reconstructing and paving of that portion of the said street which so abuts.

The amendment was agreed to.

Mr. KING. Mr. President, before we leave the Alien Property Custodian item I wish to ask my colleague whether there was any evidence before the subcommittee or the full committee as to the work of the Alien Property Custodian, how nearly completed it is, and why that organization is so immortal as to be continued three years after the period when it was alleged it would cease to function?

Mr. SMOOT. Mr. President the Senator must remember that when the question was under consideration at the time the last appropriation bill was before the Senate, about a year or so ago, it was stated that it would be at least two or three years before the work of the Alien Property Custodian would be finally concluded. I may say that they are doing everything they can to complete the work, but the Senator will also remember that Congress amended the law so as to place under the Alien Property Custodian another class of claims, and, of course, all those have to be investigated. I hope that the work of the custodian's office may be concluded within a year and a half.

Mr. KING. I should like to ask one other question. Who audits the accounts and determines the number of employees who may be maintained by the Alien Property Custodian?

Mr. SMOOT. That is supposed to be done by the Alien Property Custodian. I know, as I suppose the Senator does, that there have been a great many employees of that organization whose services have been dispensed with.

Mr. KING. I knew a number had been eliminated a year or two ago, but I did not know whether during the past year there had been any reduction in the force.

Mr. McKELLAR. Mr. President, the Senator from Utah and I came here about the same time, although perhaps, considering my service in the House, I have been in Congress a little longer. However, during the 20 years I have been here the only recollection I have of any bureau of any kind or description the work of which has ever been finally completed has been the Council of National Defense, and it took me three years of hard work to stop them.

The reading of the bill was resumed. The next amendment was, under the heading "Board of Mediation," on page 7, line 7, after the name "District of Columbia," to strike out "$151,135" and insert—

$115,000, and in addition thereto there is hereby reappropriated and made available for this purpose for the fiscal year 1933, $30,000 of the combined unexpended balances of the appropriations for the fiscal years 1930 and 1931 for arbitration and emergency boards.

So as to read:

BOARD OF MEDIATION

For five members of the board, at $12,000 each, and for other authorized expenditures of the Board of Mediation in performing the duties imposed by law, including personal services; contract stenographic reporting services without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); supplies and equipment; law books and books of reference; not to exceed $200 for newspapers; periodicals; traveling expenses; rent of quarters in the District of Columbia, if space is not provided by the Public Buildings Commission, and rent of quarters outside the District of Columbia, *$115,000, and in addition thereto there is hereby reappropriated and made available for this purpose for the fiscal year 1933, $30,000 of the combined unexpended balances of the*

appropriations for the fiscal years 1930 and 1931 for arbitration and emergency boards, of which amount not to exceed $117,000 may be expended for personal services in the District of Columbia.

Mr. SMOOT. I ask that the amendment in italics be disagreed to.

Mr. KING. That is fine.

Mr. SMOOT. It is provided for in another place, I will say to the Senator.

Mr. McKELLAR. The Senator does not mean to disagree to the amendment inserting $115,000?

Mr. SMOOT. No; I mean the amendment in italics after the numerals "$115,000."

Mr. McKELLAR. The amendment reducing the appropriation remains while the other portion of the amendment is stricken out?

Mr. SMOOT. Yes.

Mr. McKELLAR. That is entirely satisfactory.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah to the amendment of the committee on page 7 beginning in line 7.

Mr. McKELLAR. I ask to have stated the part of the amendment to be stricken out.

The PRESIDING OFFICER. The portion of the amendment proposed to be stricken out will be stated.

The Chief Clerk read as follows:

And in addition thereto there is hereby reappropriated and made available for this purpose for the fiscal year 1933, $30,000 of the combined unexpended balances of the appropriations for the fiscal years 1930 and 1931 for arbitration and emergency boards.

Mr. KING. And a period should be inserted instead of the comma after the numerals "$115,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COPELAND. Mr. President, as I understand the amendment, if as adopted, it merely strikes out the language in italics.

Mr. SMOOT. The language in italics following the numerals "$115,000."

The reading of the bill was resumed. The next amendment was, on page 8, line 13, to reduce the total appropriation for the Board of Mediation from $152,135 to $116,000.

The amendment was agreed to.

The next amendment was, under the heading "Board of Tax Appeals," on page 9, line 1, after the word "supplies," to strike out "$590,000" and insert "$530,000," and in line 2, after the word "exceed," to strike out "$534,100" and insert "$481,000," so as to read:

For every expenditure requisite for an incident to the work of the Board of Tax Appeals as authorized under Title IX, section 900, of the revenue act of 1924, approved June 2, 1924, as amended by Title X of the revenue act of 1926, approved February 26, 1926, and Title IV of the revenue act of 1928, approved May 29, 1928, including personal services and contract stenographic reporting services to be obtained by renewal of existing contract, or otherwise, rent outside the District of Columbia, traveling expenses, car fare, stationery, furniture, office equipment, purchase and exchange of typewriters, law books and books of reference, periodicals, and all other necessary supplies, $530,000, of which amount not to exceed $481,000 may be expended for personal services in the District of Columbia.

Mr. KING. I inquire of my colleague why this large sum is required for the Board of Tax Appeals? It seems to me that is a very large sum. We have in some of the States courts of appeal and supreme courts with 5 or 8 or 10 judges, and yet we are appropriating more for the Board of Tax Appeals than is appropriated in many of the States for their courts of appellate jurisdiction, with personnel as large or, in any event, not very much less than that of this board.

Mr. SMOOT. I will say to the Senator that the appropriation for the Board of Tax Appeals last year was $653,640. We have reduced that amount to $560,000. The estimate for the board this year was $635,000. We have, as I have said, reduced it down to $560,000.

Mr. KING. The Senator from Michigan [Mr. COUZENS] and the leader upon the other side and myself were members of the committee of five that had to do with the creation of the Board of Tax Appeals. I do not think any of us conceived that the annual cost of this organization would be as much as the sum carried in this bill. I supposed that the salaries of the members of the board and a few experts and possibly stenographers to aid them would be the aggregate cost, and that it would not exceed one hundred and fifty or two hundred thousand dollars. I am rather surprised at the large proportions of the appropriation asked for.

Mr. SMOOT. I wish to say that the sum proposed to be appropriated is a reduction below the appropriation of last year of $93,640.

Mr. McKELLAR. Mr. President, I call the Senator's attention to the appropriation for the Supreme Court of the United States, which in the aggregate is $280,500 or less than one-half of the appropriation proposed by this bill for the Board of Tax Appeals. That shows that the Supreme Court pays out no more money than it is required to pay; it is not extravagant; it is conservative and saving of the people's money and does not make requirements like the Board of Tax Appeals, which is young in the business and is asking for everything in sight.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. KING. Mr. President, I just wish to make one concluding remark, that in the next appropriation bill I hope the item for the Board of Tax Appeals will be more carefully scrutinized and that there will be economies that are not manifest in the bill before us.

The reading of the bill was resumed. The next amendment was, on page 9, line 6, to reduce the appropriation for all printing and binding for the Board of Tax Appeals, from $35,000 to $30,000.

The amendment was agreed to.

ENTERTAINMENT EXPENSES OF THE FOREIGN SERVICE

Mr. JONES. Mr. President, I have a letter which I have just received from the Secretary of State which I feel must be read into the RECORD.

The PRESIDING OFFICER. Without objection, the clerk will read.

The Chief Clerk read as follows:

DEPARTMENT OF STATE,
Washington, June 24, 1932.

The Hon. WESLEY L. JONES,
Chairman of the Committee on Appropriations,
United States Senate.

MY DEAR SENATOR: There has been brought to my attention a statement, that appears on page 13888 of the CONGRESSIONAL RECORD of June 20, 1932, which, because it is wholly without foundation and may completely mislead the public in regard to the expenditures of the Department of State, I feel certain you will agree, requires speedy correction. The statement is reported to have been made by a Senator, and is as follows:

"There was a recommendation for an appropriation for the State Department of $400,000 for wine for foreign embassies. It was said that ambassadors and ministers of the United States in foreign countries appeared to better advantage when they had wine at their dinner parties. So we had a wine bill of $400,000.

"When the Appropriations Committee cut it out the most earnest plea came from the State Department, 'For Heaven's sake, save our wine. We can not get along with our European neighbors and our foreign neighbors unless we serve them wine when they come to see us and when we give them dinner parties.' Think of it. There are 10,000,000 people out of employment in the United States, and yet the Government is spending $400,000 for wine for our ambassadors to entertain. Oh Mr. President, 'willful waste makes woeful want' is an old saying; and if we continue this waste, this extravagance, this turning over of these immense sums to boards that squander it and throw it away and misuse it, there will come a day of reckoning just as sure as we sit here."

There has never been made, within the recollection of any officer now in this department, a recommendation to Congress for an appropriation for wine or other intoxicating liquors for any officer of the United States abroad or for the department at home. There have not been made and there are not now being made from appropriations under the control of the department any expenditures for wines or other alcoholic beverages. The Department of State has made no plea of any description to the Appropriations Committee of either House such as that described in the statement quoted.

The appropriation which was evidently in the mind of the Senator who made the statement quoted above was the appropriation

for representation allowances, since that is the only appropriation made for expenses of representation. The amount of that appropriation for the current year is $125,000 and not $400,000, as stated, and no amount is provided for the next fiscal year. The regulations controlling the expenditure of that appropriation are clear and unmistakable. The regulations prescribed by the President (Executive Order No. 5643, dated June 8, 1931), a copy of which is inclosed, provide that—

"Representation allowances may not be used for expenses in connection with any of the following subjects:

* * * * * * *

"4. Purchase of alcoholic beverages."

The provisions of this order have been strictly and invariably observed with respect to this particular appropriation, and the same principles have been applied to expenditures from every appropriation under the control of this department.

This is not the first time during the present session of Congress that statements have been made in debate in the Senate that appropriations requested by the Department of State for the legitimate expenses of carrying on the foreign relations of the Government and protecting American interests in foreign countries have been expended for the purchase of alcoholic beverages for representatives of this country abroad. Such unfounded statements wholly contrary to the facts are likely to mislead the public and be prejudicial to this department unless they can be effectually corrected. In order that the denial of the truth of the statements which I have quoted may be made a matter of record in as public a manner as the statements themselves, I would greatly appreciate it if this letter could be prominently printed in the CONGRESSIONAL RECORD before the close of the present session. It seems to me that such a step is called for by the circumstances.

Sincerely yours,

HENRY L. STIMSON.

Mr. JONES. Mr. President, I have a copy of the Executive order referred to in this letter, and I ask that that may be printed in the RECORD in connection with the letter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

EXECUTIVE ORDER—REGULATIONS GOVERNING REPRESENTATION AND POST ALLOWANCES

In pursuance of the authorization contained in section 19 of the act of February 23, 1931 (46 Stat. 1209), which reads as follows:

"SEC. 19. That under such regulations as the President may prescribe, and within the limitations of such appropriations as may be made therefor, which appropriations are hereby authorized, ambassadors, ministers, diplomatic, consular, and Foreign Service officers may be granted allowances for representation; and also post allowances wherever the cost of living may be proportionately so high that in the opinion of the Secretary of State such allowances are necessary to enable such diplomatic, consular, and Foreign Service officers to carry on their work efficiently: *Provided*, That all such allowances shall be accounted for to the Secretary of State in such manner and under such rules and regulations as the President may prescribe and the authorization and approval of such expenditures by the Secretary of State, as complying with such rules and regulations, shall be binding upon all officers of the Government: *Provided further*, That the Secretary of State shall report all such expenditures annually to the Congress with the Budget estimates of the Department of State."

The following regulations are hereby prescribed to supersede the regulations established by Executive order dated July 22, 1930, which order is hereby canceled:

PURPOSES OF ALLOWANCES

The purposes for which these allowances are granted are (1) in the case of representation allowances, the assistance in the establishment and maintenance of official contacts, the upholding of the prestige of the United States in the communities in which its representatives are stationed, and the furtherance of its interests abroad in the ways recognized as customary in various parts of the world, and (2) in the case of post allowances, the supplementing of official income of officers wherever the cost of living is proportionately so high that these allowances are necessary to enable such officers to carry on their work efficiently.

SCOPE OF ALLOWANCES

Representation allowances are considered to include the following items:

1. Receptions on American national holidays.

2. Functions, formal or informal, such as receptions, dinners, and luncheons, given upon special occasions such as the usual official receptions incident to visits of United States naval vessels or of special commissions, or upon some other important happening, providing the means of reciprocating official courtesies received, either at a representative's home or at public places.

3. Tips and gratuities in accordance with custom in the various countries where such gratuities are, in the opinion of the representative, necessary or desirable for the maintenance of the prestige of the United States.

4. Purchases of flowers, wreaths, etc., upon appropriate occasions such as weddings, births, and deaths of important personages.

5. Expenses for entertainment of other kinds than that provided for in paragraphs 1 and 2 when considered reasonable and desirable by the Secretary of State, provided that such expenses are shown to be for activities of representative importance.

6. Any other expenses which in the discretion of the Secretary of State are of a character to promote the representation of the United States abroad.

Post allowances are granted for the following purpose:

7. Assistance in adjusting official incomes at certain posts to the ascertained cost of living at such posts.

APPORTIONMENT OF ALLOWANCES

The Secretary of State is hereby authorized to make such allowances within the amounts appropriated from year to year to such diplomatic, consular, or Foreign Service officers as he may deem desirable to accomplish the purposes for which such allowances are granted.

ACCOUNTING

Detailed accounts shall be submitted monthly as to the expenditures made from representation allotments and the purposes for which they were made. Supporting vouchers shall be supplied in all cases for expenditures over $5 made under paragraphs 1, 2, 4, and 5 of the section of this order entitled "Scope of allowances." A specific exception to this requirement is made under paragraph 2, where a function takes place at a representative's home. Vouchers need be submitted in this case only where a caterer or similar purveyor is called upon. In other cases an officer's certificate as to expenditures made in this connection will be sufficient. In all cases of receptions, dinners, and other entertainment, sufficient information should be included in the account to show the total cost per capita, which shall constitute sufficient detail for accounting purposes.

With regard to expenditures under paragraphs 3 and 6 of the section mentioned above, the amounts expended shall be supported by certificates of the officer in charge, except that where any expenditure exceeds $15, a supporting voucher must be obtained.

The amount available to any officer should normally be divided into four equal parts, to be availed of to that extent every three months. This will permit an expenditure of more than one-twelfth of the fund in any one month but will nevertheless prevent a too early exhaustion of the fund. If more than one-fourth is spent in any three months, an explanation should accompany the account for such excess expenditure.

Due to express provisions of law, representation allowances may not be used for expenses in connection with any of the following objects:

1. Hire, purchase, operation, maintenance, or repair of any motor-propelled passenger-carrying vehicles.
2. Club or association dues.
3. Printing or engraving expenses.
4. Purchase of alcoholic beverages.

According to law, competitive bids must be obtained for all expenditures in excess of $100, except where it is manifestly impossible to obtain such bids, in which case the circumstances rendering impossible the submission of such bids must be completely set forth.

The utmost care shall be exercised in the submission of the accounts for this fund, under the provisions of this order. The character of the appropriation is such that it is incumbent upon each officer in the field who has charge of the expenditure of this appropriation to make certain that the items for which he spends the money are amply justified.

A post allowance granted to an officer is available only during the part of the fiscal year in which he remains within the district to which he is assigned. In no case may an officer be entitled to more than one-twelfth of his yearly allowance in any one month, fractional months to be prorated similarly, unless otherwise specifically authorized by the Secretary of State.

The receipts of officers for post allowances allotted to them under paragraph 7 of the section of this order entitled "Scope of Allowances" will be submitted on standard Forms Nos. 275 and 275a with the regular accounts of the office to which the officer receiving the allowance is attached; and while itemization of expenditures made from such allowances is not necessary, it is incumbent upon each officer in the field to whom an allowance is made to utilize it to assist him in maintaining a standard of living that will permit him to carry on his work efficiently, as prescribed in the statute quoted above.

This order shall become effective July 1, 1931.

HERBERT HOOVER.

THE WHITE HOUSE, *June 8, 1931.*

Mr. HAWES. Mr. President, that is a very serious charge against the State Department; but personally I was hoping that there might be some element of truth in it, because in every embassy and ministry throughout the world we find that without exception—last of all little Finland has changed—there can be no pleasant contact at a banquet or at a private home unless an American has his cocktail or his wine.

I do not believe American diplomacy would be successful outside of America in any country in the world where our representatives tried to do things antagonistic to the customs of the country. In the entire world, with the exception of Turkey—even including the Philippine Islands, where our

flag floats, where they have their breweries and their bars and their drinks—there is only one nation in the world where prohibition is even attempted to be enforced.

How can a diplomat from the United States represent our country, and do it in diplomatic fashion, without in some way deferring to the customs of the country? Frequently our Americans change the style of their trousers, and wear short pants because it is the custom of the country. If we send our diplomats abroad, and they want to converse with the statesmen of the world, if they are put down as prohibitionists a bar immediately arises which makes intimate and effective personal contact impossible.

I think possibly the Secretary of State is right in stating that the United States has not spent the sum of money referred to; but I should be very much disappointed in our foreign diplomacy if the representatives of our Government did not, out of their own pockets, spend an amount of money equal to that charged to the Secretary of State.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

The reading of the bill was resumed.

The next amendment was, on page 9, line 7, to reduce the total appropriation, Board of Tax Appeals, from $625,000 to $560,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Efficiency," on page 9, line 15, after the words "in all," to strike out "$199,440" and insert "$150,000," and in line 16, after the word "exceed," to strike out "$193,720" and insert "$145,000," so as to read:

For chief of bureau and other personal services in the District of Columbia; contract stenographic reporting services; contingent expenses, including traveling expenses; supplies, stationery; purchase and exchange of equipment; not to exceed $100 for law books, books of reference, newspapers, and periodicals; and not to exceed $150 for street-car fare; in all, $150,000, of which amount not to exceed $145,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 9, line 20, to reduce the total appropriation for the Bureau of Efficiency from $199,940 to $150,500.

The amendment was agreed to.

The next amendment was, under the heading "Civil Service Commission," on page 9, line 23, after the name "District of Columbia," to strike out "$772,080" and insert "716,000," so as to read:

Salaries: For three commissioners and other personal services in the District of Columbia, $716,000.

The amendment was agreed to.

The next amendment was, on page 9, line 24, to reduce the appropriation for salaries of the field force, Civil Service Commission, from $483,270 to $452,270.

Mr. COUZENS. Mr. President, I should like to know why the appropriation for the field service is so large, in view of the fact that we are laying off employees instead of having examinations for more employees. It seems to me that that item is excessive under the present conditions.

Mr. SMOOT. Mr. President, last year we appropriated $557,540 for the same work. We have cut that down to $452,270.

Mr. COUZENS. What is the excuse for maintaining all of these field agents at this time? Just what do they do?

Mr. SMOOT. They hold all the examinations in every city in the United States.

Mr. COUZENS. Yes; but what is the purpose of holding all of these examinations when we are laying off employees and reducing employees? Where are all the new jobs to be filled that require $450,000 for examinations?

Mr. SMOOT. They keep up these examinations so that whenever eligibles are called for they have them. They are held for two years, Mr. President. As long as they are on the civil-service roll, they are there for two years. The field force keep these up every year so as to take care and have each one of the eligibles on the roll for two years' time.

Mr. COUZENS. How many employees are involved in this appropriation of $452,000?

Mr. SMOOT. There are about 222 positions in the whole field service of the Nation.

Mr. COUZENS. Two hundred and twenty-two field positions?

Mr. SMOOT. Two hundred and twenty-two field positions.

Mr. COUZENS. To hold examinations and add to lists that are already crowded with eligibles waiting for jobs?

Mr. SMOOT. Well, of course they keep them up. They always have done it.

Mr. COUZENS. That is the point I am making. The Senator says that because they have always done it, it should be done now. That is the way the whole Government service is run. Because something always has been done, it must continue to be done.

Mr. SMOOT. Mr. President, the Senator would not want to go for two years without an appropriation for this purpose and have no eligible lists whatever, would he?

Mr. COUZENS. I think if we did not have any eligible lists for a year we would be very fortunate, because we never could use those that have already passed the examinations.

Mr. President, I move that the amount appropriated for this purpose be cut to $200,000.

The PRESIDING OFFICER. The Senator from Michigan proposes an amendment in lieu of the committee amendment which will be stated.

The CHIEF CLERK. On page 9, line 25, in lieu of the committee amendment, the Senator from Michigan proposes to insert: "$200,000."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. KING. Mr. President, may I have the attention of my colleague? I was called from the Chamber a moment ago to answer the telephone, and I wanted to discuss the question of the Bureau of Efficiency. I have a bill pending for its abolition, and I understood that the Senator from Tennessee had moved to strike out the entire item. It was passed during my absence. I ask that to-morrow I may have a chance to reconsider that matter.

Mr. SMOOT. Mr. President, I will say to my colleague that I sincerely hope such a thing as that will not happen. If we have any bureau that is trying to save money for the Government of the United States, it is the Bureau of Efficiency.

Mr. KING. I differ from my colleague. I was quite an earnest advocate of the Bureau of Efficiency for a number of years; but when I found that it had become merely a legislative investigating committee instead of an efficiency organization I changed my mind.

Mr. SMOOT. I hope my colleague will not blame that on the Bureau of Efficiency, because there has been no investigation made but that has been ordered by Congress, either the Senate or the House. All of that extra work that was done was done by order of one House or the other.

Mr. WALSH of Massachusetts. Mr. President, can not this matter be discussed to-morrow, in connection with the motion to reconsider?

Mr. KING. Yes; I have no objection.

The PRESIDING OFFICER. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 11, line 2, to strike out "$76,000" and insert "$41,000," so as to read:

For necessary traveling expenses, including those of examiners acting under the direction of the commission, and for expenses of examinations and investigations held elsewhere than at Washington and including not exceeding $1,000 for expenses of attendance at meetings of public officials when specifically directed by the commission, $41,000.

The amendment was agreed to.

The next amendment was, on page 11, line 15, after the word "for," to strike out "$35,000" and insert "$25,000," so as to read:

For contingent and miscellaneous expenses of the Civil Service Commission, including furniture and other equipment and repairs thereto; supplies; advertising; telegraph, telephone, and laundry service; freight and express charges; street-car fares not to exceed $300; stationery; purchase and exchange of law books, books of reference, directories, subscriptions to newspapers and periodicals, not to exceed $1,000; charts; purchase, exchange, maintenance, and repair of motor trucks, motor cycles, and bicycles; garage rent; postage stamps to prepay postage on matter addressed to Postal Union countries; special-delivery stamps; and other like miscellaneous necessary expenses not hereinbefore provided for, $25,000.

The amendment was agreed to.

The next amendment was, on page 11, line 19, after the word "elsewhere," to strike out "$54,000" and insert "$40,000," so as to read:

For all printing and binding for the Civil Service Commission, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $40,000.

The amendment was agreed to.

The next amendment was, on page 11, line 20, to reduce the total appropriations for the Civil Service Commission from "$1,460,720" to "$1,314,640."

The amendment was agreed to.

Mr. SMOOT. Mr. President, I ask unanimous consent that the clerks be instructed to correct all totals, because right along there will be corrections made.

The PRESIDING OFFICER. Without objection, that order will be made.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Commission of Fine Arts," on page 12, line 6, after the word "commission," to strike out "$9,475" and insert "$7,500," and in line 7, after the word "exceed," to strike out "$6,200" and insert "$5,000," so as to read:

For expenses made necessary by the act entitled "An act establishing a Commission of Fine Arts," approved May 17, 1910 (U. S. C., title 40, sec. 104), including the purchase of periodicals, maps, and books of reference, and payment of actual traveling expenses of the members and secretary of the commission in attending meetings and committee meetings of the commission either within or outside of the District of Columbia, to be disbursed on vouchers approved by the commission, $7,500, of which amount not to exceed $5,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 12, line 11, to reduce the total appropriation for the Commission of Fine Arts from $9,775 to $7,800.

The amendment was agreed to.

The next amendment was, under the heading "Employees' Compensation Commission," on page 12, line 24, after the word "items," to strike out "$466,026" and insert "$425,000," so as to read:

For three commissioners and other personal services in the District of Columbia, including not to exceed $1,000 for temporary experts and assistants in the District of Columbia and elsewhere, to be paid at a rate not exceeding $8 per day, and for personal services in the field; for furniture and other equipment and repairs thereto; law books, books of reference, periodicals; stationery and supplies; traveling expenses; fees and mileage of witnesses; contract stenographic reporting services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent at the seat of government and elsewhere; and miscellaneous items, $425,000.

The amendment was agreed to.

The next amendment was, on page 13, line 2, to reduce the appropriation for all printing and binding for the Employees' Compensation Commission, from $8,000 to $5,000.

The amendment was agreed to.

The next amendment was, on page 13, line 18, to reduce the appropriation for the Employees' Compensation Commission, from $4,924,026 to $4,880,000.

The amendment was agreed to.

The next amendment was, under the heading "Federal Board for Vocational Education," on page 14, line 23, before the word "of," to strike out "$93,805" and insert "$85,000," and in line 24, after the word "exceed," to strike out "$65,000" and insert "$59,000," so as to read:

Salaries and expenses: For carrying out the provisions of section 2 of the act entitled "An act to provide for the further development of vocational education in the several States and Territories," approved February 5, 1929 (U. S. C., Supp. V, title 20, secs. 15b, 15c), $85,000, of which amount not to exceed $59,000 may be expended for personal services in the District of Columbia.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Utah what the appropriation for this item on line 23 was in the last appropriation bill?

Mr. SMOOT. Mr. President, it was $94,380.

Mr. LA FOLLETTE. And how much was it reduced by the House—only $1,000?

Mr. SMOOT. The House gave them the estimate of $93,805. That was the estimate, Mr. President.

Mr. LA FOLLETTE. The Senate committee has reduced it to $85,000?

Mr. SMOOT. It reduced it to $85,000. We reduced the District of Columbia proportionately, as the Senator will see.

Mr. LA FOLLETTE. My understanding is that that is a very drastic cut in percentages. Am I correct about that?

Mr. SMOOT. No; as little as there is in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The next amendment was, on page 16, line 4, after the word "expenses," to strike out "$77,860" and insert "$65,000," and in line 5, after the word "exceed," to strike out "$56,880" and insert "$47,000"; so as to read:

Salaries and expenses: For making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performing the duties imposed by the act of June 2, 1920 (U. S. C., title 29, sec. 35), as amended by the act of June 5, 1924 (U. S. C., title 29, sec. 31), and the act of June 9, 1930 (U. S. C., Supp. V, title 29, secs. 31, 40), including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere, as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders; including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia, and elsewhere, purchase of books of reference, law books, and periodicals, newspapers not to exceed $50, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding, and all other necessary expenses, $65,000, of which amount not to exceed $47,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 16, at the end of line 15, to strike out "$14,740" and insert "$12,000"; so as to read:

Cooperative vocational rehabilitation of disabled residents of the District of Columbia: For personal services, printing and binding, travel and subsistence, and payment of expenses of training, placement, and other phases of rehabilitating disabled residents of the District of Columbia under the provisions of the act entitled "An act to provide for the vocational rehabilitation of disabled residents of the District of Columbia," approved February 23, 1929 (U. S. C., Supp. V, title 29, secs. 47–47e), $12,000.

The amendment was agreed to.

The next amendment was, on page 17, line 4, to strike out "$105,000" and insert "$75,000," so as to read:

For extending to Porto Rico the benefits of the act entitled "An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure," approved February 23, 1917 (U. S. C., title 20, secs. 11–18), in accordance with the provisions of the act entitled "An act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to Porto Rico," approved March 3, 1931 (U. S. C., title 20, secs. 11–18; title 29, secs. 31–35; U. S. C., Supp. V, title 20, sec. 30), $75,000.

The amendment was agreed to.

The next amendment was, on page 17, after line 4, to strike out:

Appropriations available to the Federal Board for Vocational Education for salaries and expenses shall be available for expenses of attendance at meetings of educational associations and other organizations which in the discretion of the board are necessary for the efficient discharge of its responsibilities.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I send to the desk an amendment at this point.

The PRESIDING OFFICER. The amendment will be reported.

The CHIEF CLERK. On page 17, lines 18 and 19, to strike out the words "and clippings," so as to read:

FEDERAL FARM BOARD

For salaries and expenses in accordance with the provisions of the agricultural marketing act, approved June 15, 1929, and the act creating a Division of Cooperative Marketing in the Department of Agriculture, approved July 2, 1926, including stenographic reporting services to be obtained by the board through the civil service, by contract, or otherwise; not to exceed $750 for newspapers.

Mr. SMOOT. Items were carried in former bills authorizing the purchase of newspaper clippings. The committee decided that we would stop that, and this is the first place where we are striking out the authorization. There will be three or four others in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I wish to enter a motion to reconsider the votes whereby the committee amendments on pages 14, 15, 16, and down to and including line 10 on page 17 have been agreed to. My information does not agree with that given me by the Senator from Utah, and I wish to look into the amendments. I therefore desire to protect my parliamentary status.

The PRESIDING OFFICER. The motion will be entered.

The clerk will state the next amendment.

The next amendment was, under the heading "Federal Farm Board," on page 18, line 20, after the words "expenses," to strike out "$1,000,000" and insert "all unexpended balances of appropriations for the Federal Farm Board are hereby made available for the purposes enumerated in this paragraph," so as to read:

For salaries and expenses in accordance with the provisions of the agricultural marketing act, approved June 15, 1929, and the act creating a Division of Cooperative Marketing in the Department of Agriculture, approved July 2, 1926, including stenographic reporting services to be obtained by the board through the civil service, by contract or otherwise; not to exceed $750 for newspapers, and clippings; membership fees or dues in organizations which issue publications to members only or to members at a lower price than to others, payment for which may be made in advance; manuscripts, data, and special reports by purchase or by personal services without regard to the provisions of any other act; to procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50; purchase and exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles and motor trucks to be used only for official purposes; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; garage rental in the District of Columbia and elsewhere; traveling expenses, including attendance at meetings concerned with the work of the Federal Farm Board; payment of actual transportation expenses and not to exceed $10 per diem to cover subsistence and other expenses while in conference and en route from and to his home to any person other than an employee or a member of an advisory commodity committee whom the board may from time to time invite to the city of Washington and elsewhere for conference and advisory purposes in furthering the work of the board; the employment of persons, firms, and others for the performance of special services, including legal services and other miscellaneous expenses; all unexpended balances of appropriations for the Federal Farm Board are hereby made available for the purposes enumerated in this paragraph.

Mr. BINGHAM. Mr. President, I desire to ask the Senator from Utah whether it is true that the cuts made in the Federal Farm Board appropriation will necessitate the discharge of a considerable number of minor employees. I have been informed that under the statute the higher-paid employees will of necessity hold their jobs, and that the cut will mean that a considerable number of clerical help, people who are engaged in working many hours overtime, will be stricken from the roll.

Mr. SMOOT. Mr. President, the Senator from South Carolina [Mr. BYRNES] has the details in regard to this matter, I am quite sure, because he presented the subject to the committee, and the understanding was that if question were raised in regard to it on the floor I was to ask him to state the facts.

Mr. McNARY. Mr. President, I am advised that there will be some controversy over this amendment. I think probably it should go over until to-morrow, and that we might take a recess now until to-morrow at 11 o'clock.

Mr. BYRNES. Mr. President, I desire to offer an amendment to the committee amendment, and in order that it may be pending I offer it at this time.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment on page 18, line 21, after the word "board," the Senator from South Carolina proposes to insert the following words, "not exceeding $600,000."

The PRESIDING OFFICER. The amendment to the amendment will be pending.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

CONFIRMATION OF JUDGE PHILLIP FORMAN—NOTIFICATION OF PRESIDENT

Mr. KEAN. Mr. President, as in executive session, I ask unanimous consent that the President may be notified of the action of the Senate yesterday in confirming the nomination of Phillip Forman to be United States district judge, district of New Jersey. I am very anxious that the President shall be notified so that Judge Forman may go upon the bench and the people may have an opportunity to bring their cases before him.

Mr. McNARY. Mr. President, the rule requires that there shall be two executive sessions before the President is notified of a confirmation, and the Senator from New Jersey is simply asking that the President be notified immediately.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

RECESS

Mr. McNARY. Mr. President, as in legislative session, I move that the Senate take a recess until to-morrow at 11 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock and 50 minutes p. m.) took a recess until to-morrow, Saturday, June 25, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 24, 1932

UNITED STATES ATTORNEY

Harlan Besson, of New Jersey, to be United States attorney, district of New Jersey, to succeed Phillip Forman, nominated to be United States district judge, district of New Jersey.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO COAST ARTILLERY CORPS

First Lieut. Willard Lamborn Wright, Field Artillery, with rank from November 1, 1930.

PROMOTIONS IN THE REGULAR ARMY

To be colonel

Lieut. Col. Edward Raymond Coppock, Field Artillery, from June 20, 1932.

To be lieutenant colonel

Maj. Harry Bowers Crea, Infantry, from June 20, 1932.

To be major

Capt. John Matthew Devine, Field Artillery, from June 20, 1932.

To be captain

First Lieut. Handy Vernon Brown, Infantry, from June 20, 1932.

To be first lieutenant

Second Lieut. John Albert Dabney, Infantry, from June 20, 1932.

MEDICAL CORPS

To be colonels

Lieut. Col. Albert Gallatin Love, Medical Corps, from June 20, 1932.

Lieut. Col. Harold Wellington Jones, Medical Corps, from June 20, 1932.

Lieut. Col. Mathew Aaron Reasoner, Medical Corps, from June 20, 1932.

Lieut. Col. Lucius Locke Hopwood, Medical Corps, from June 20, 1932.

Lieut. Col. Charles Ernest Freeman, Medical Corps, from June 20, 1932.

To be captains

First Lieut. Robert Edwin Peyton, Medical Corps, from June 16, 1932.

First Lieut. Robert Edward Lee, Medical Corps, from June 16, 1932.

First Lieut. John Horace Fountain, Medical Corps, from June 17, 1932.

First Lieut. Clement Franklin St. John, Medical Corps, from June 18, 1932.

First Lieut. Harold Hanson Twitchell, Medical Corps, from June 18, 1932.

VETERINARY CORPS

To be majors

Capt. Raymond Thomas Seymour, Veterinary Corps, from June 17, 1932.

Capt. Oscar Charles Schwalm, Veterinary Corps, from June 18, 1932.

POSTMASTERS

CONNECTICUT

Frederick A. Minnerly to be postmaster at Short Beach, Conn., in place of F. W. Foster, deceased.

GEORGIA

William Renfroe to be postmaster at Lumber City, Ga., in place of G. A. Renfroe, deceased.

KENTUCKY

Calvin H. Cash to be postmaster at Big Clifty, Ky., in place of S. A. Calvert. Incumbent's commission expired May 8, 1932.

Grant North to be postmaster at Hustonville, Ky., in place of Grant North. Incumbent's commission expired February 28, 1931.

MARYLAND

Charles F. Noble to be postmaster at Preston, Md., in place of C. N. Payne. Incumbent's commission expired May 26, 1932.

MISSISSIPPI

Leslie M. Harriman to be postmaster at Summit, Miss., in place of T. L. Cotten. Incumbent's commission expired December 17, 1931.

Annie K. Mauldin to be postmaster at Water Valley, Miss., in place of A. K. Mauldin. Incumbent's commission expired December 17, 1931.

NEW HAMPSHIRE

George P. Furbush to be postmaster at Rochester, N. H., in place of G. P. Furbush. Incumbent's commission expired January 5, 1932.

NEW YORK

Joseph Hrabovsky to be postmaster at Castle Point, N. Y., in place of S. M. Todd, removed.

OHIO

Walter E. Carter to be postmaster at Bainbridge, Ohio, in place of T. H. Sapp. Incumbent's commission expired February 17, 1931.

Joseph T. Scheutle to be postmaster at Beaver, Ohio, in place of J. T. Scheutle. Incumbent's commission expired December 15, 1931.

Harry R. Hebblethwaite to be postmaster at Berlin Heights, Ohio, in place of H. R. Hebblethwaite. Incumbent's commission expired April 9, 1932.

Everett Cole to be postmaster at Botkins, Ohio, in place of L. E. Blakeley, removed.

Charles R. Ames to be postmaster at Bryan, Ohio, in place of C. R. Ames. Incumbent's commission expired March 1, 1932.

Clyde W. Phillips to be postmaster at West Lafayette, Ohio, in place of W. E. Reed. Incumbent's commission expired December 17, 1931.

PENNSYLVANIA

Benjamin P. Dawkins to be postmaster at Oakmont, Pa., in place of F. A. Householder, deceased.

SOUTH CAROLINA

Mamie L. Bush to be postmaster at Ellenton, S. C., in place of C. L. Knight. Incumbent's commission expired May 7, 1932.

Lucie S. Hope to be postmaster at Union, S. C., in place of M. A. Peake, removed.

SOUTH DAKOTA

Alfred C. Schroeder to be postmaster at Miller, S. Dak., in place of J. M. Williams. Incumbent's commission expired December 18, 1927.

TENNESSEE

Doyle M. England to be postmaster at New Tazewell, Tenn., in place of Garfield Russell. Incumbent's commission expired May 19, 1932.

John T. Christian to be postmaster at Smithville, Tenn., in place of J. H. Christian, resigned.

VIRGINIA

John J. Carper to be postmaster at Pearisburg, Va., in place of J. J. Carper. Incumbent's commission expired February 17, 1932.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 24, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Grant, our Heavenly Father, that the ministrations of Thy Spirit may so abide in us that they shall be creative and inspire in us a fine conception of God, of our fellow men, and of our duty to the public service. Bring us into most reverent accord with Thy redeeming law. By its discipline may we be brought into harmony with the Master's teachings. O may we appreciate more of Thy moral perceptions and discern more thoroughly the moral significance of human life. Bless us with the rare privilege of possessing them with clearness, fullness, and with force. Blessed Lord, all over our fair land build up men in honor, fidelity, self-government, self-denial, and in devotion to our institutions which make our country great and permanent. Amen.

The Journal of the proceedings of Wednesday, June 22, 1932, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 16, 1932:

H. R. 8907. An act to authorize the Secretary of the Treasury to acquire land adjoining Lawrence (Mass.) post-office site.

On June 17, 1932:

H. R. 4738. An act to incorporate the Disabled Veterans of the World War.

On June 18, 1932:

H. R. 10048. An act granting to the metropolitan water district of southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California; and

H. R. 10825. An act to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 111. An act for the relief of Rosa E. Plummer;

S. 478. An act for the relief of Cicero A. Hilliard;

S. 943. An act for the relief of John Herink;

S. 1216. An act for the relief of the owner of the barge *Mary M.;*

S. 3119. An act for the relief of J. D. Stewart; and

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, the bill (H. R. 12445) entitled "An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program."

The message also announced that the Senate insists upon its amendments to said bill, requests a conference with the House thereon, and appoints Mr. NORBECK, Mr. BROOKHART, and Mr. WAGNER to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the joint resolution (S. J. Res. 165) entitled "Joint resolution authorizing the President of the United States to present the distinguished flying cross to Amelia Earhart Putnam," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REED, Mr. WALCOTT, and Mr. FLETCHER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3987. An act for the relief of R. K. Stiles & Co.;

H. R. 4594. An act to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located;

H. R. 7238. An act to amend section 5 of the suits in admiralty act, approved March 9, 1920;

H. R. 8548. An act authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes;

H. R. 8777. An act for the relief of J. N. Gordon;

H. R. 9306. An act to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended;

H. R. 10161. An act amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes;

H. R. 10587. An act to provide for alternate jurors in certain criminal cases;

H. R. 10590. An act to prohibit the misuse of official insignia;

H. R. 10599. An act to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws.

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 11639. An act to authorize extensions of time on oil and gas prospecting permits, and for other purposes; and

H. R. 11944. An act to facilitate execution of and economy in field season contracts of the Forest Service.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 11361, entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes."

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, on behalf of the conferees of the House I present a conference report on the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes.

GENERAL RELIEF BILL

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for five minutes relative to the relief bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, as the House knows, the Senate has just passed the House relief bill commonly known as the Garner bill, by amending it, striking out all after the enacting clause and substituting the Wagner bill and many other provisions. I think every Member of this House agrees that something must be done to try to relieve the horrible economic situation confronting the country, with millions of honest people out of employment and distress rampant throughout the country. To be effective it must be done as speedily as possible. I am told to-day there is a run on some of the large banks in Chicago. A number of them closed yesterday. It is of the highest importance that this Congress work at once diligently and speedily and try to find some measure that may aid in giving employment and relief.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. SNELL. Reserving the right to object, Mr. Speaker, and I do not intend to object, I wish to say in addition to what the gentleman from Georgia has already said, that we on the minority side fully appreciate the importance of this bill. We shall do everything we possibly can to pass a reasonable economic relief bill, and the quicker it is done the better it will be for this whole country. I am anxious to have this bill sent to conference in the usual way at the earliest possible moment, and we will cooperate to that end.

Mr. LAGUARDIA. Mr. Speaker, further reserving the right to object, I am glad there is complete harmony and accord as to the necessity of immediate relief, I regret to note a difference as to methods. This is no time for differences of opinion. People are starving; unemployment increasing. Relief must be actual and it must be of sufficient magnitude to meet the critical condition of the country.

Now, Mr. Speaker, the views of the House should be reflected in this conference. There have been two or three occasions, I am sorry to say, where the views of the House were not reflected in the conference. At this very moment there are conferees in session on a certain appropriation bill who are not reflecting the views of the House. We do not want a high-school debate on this matter. We do not want any academic discussion of what may or may not be actual relief. We do not want any alibis as to constitutional limitations. What this country wants and what the real representatives of the American people demand is a real comprehensive relief bill, providing direct relief, authorizing a gigantic public-works program, establishing loans for housing and semipublic projects, loans for stimulating industry and agriculture, and above all it must be now in order not only to help the distressed unemployed people but to save our country.

I want to ask, Mr. Speaker, if it is not possible to have the conferees appointed from the House and not from any particular committee; energetic conferees who, understanding the serious situation, will represent the views of the House, and who will come back here promptly with a real compromise with the Senate that will do something?

Mr. MAPES. Mr. Speaker, further reserving the right to object, I have not had an opportunity to examine the bill as it comes from the Senate, but in view of what has been said by the gentleman from Georgia and others, it seems to me that this statement should be made, that while this bill is allowed to go to conference in the usual way, without objection, nobody should assume from that that the membership of the House generally favors what is in the bill. It should be understood by the conferees, that because this bill is going to conference, no one is committing himself to any of the provisions of it.

For myself, permit me to say I do not see what there is in this bill that can protect the banks in the city of Chicago, for example, to which the gentleman from Georgia has referred.

Mr. CRISP. May I say to the gentleman, of course, every Member of the House knows that no Member of the House is bound to support any bill or any conference report by the fact that they gave consent for the bill to go to conference. This is the usual request, to expedite getting the measure into conference, and when the conferees agree, if they do agree, each Member of the House exercises his right to vote for or against it. If the conferees do not agree, the bill will come back and each Member of the House will have an opportunity to express himself then.

Mr. MAPES. Mr. Speaker, further reserving the right to object, I recognize, of course, that no one commits himself in allowing a bill to go to conference, but it is rather unusual for any Member, before he asks to send a bill to conference, to ask for five minutes' time to address the House and then to stress the distressed condition of the country, as in this case, when some think that some of the provisions of this legislation instead of relieving the distressed condition of the country will add to that distress.

Mr. CRISP. May I just say this: I may have made a mistake, but the only reason on earth I wanted the five minutes was to present the necessity of prompt action to try to get consent for the bill to go to conference.

Mr. MAPES. I think everybody in the country, and certainly everybody in this House, appreciates the distressed condition of the country.

Mr. MICHENER. Mr. Speaker, reserving the right to object for the purpose of propounding a parliamentary inquiry to the gentleman who has the floor. The House passed the relief bill, the Senate struck out everything after the enacting clause. Now, what will be in conference? Will the conference be free to the extent that the conferees may write a new bill without reference to the House bill, or will the conferees be limited by the Senate bill on the one extreme and the House bill on the other extreme?

Mr. CRISP. My opinion would be that the matter in conference would be the adjustment of the differences existing between the two Houses as to all of the matters appearing in either the Senate amendment or the House bill.

I do not think the conferees could inject new matter that is not in one of those measures.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. LAGUARDIA. I am somewhat fearful for this reason: I do not want to see either proposition, or both propositions entirely emasculated and the House put in a position of having to vote for something meager and ineffective just to suit the whim of some individual.

Mr. CRISP. I may say to the gentleman from New York, so far as I am concerned, if I should be one of the conferees, and I would be delighted for the cup to pass from me, but if I am one, I will go to the conference to uphold the position of the House. [Applause.]

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. COCHRAN of Missouri. I may say to the gentleman from Georgia [Mr. CRISP] that there are certain States, and certain large cities in the Union, my own city of St. Louis and my own State of Missouri included, where the State constitution and the city charter will prevent them from benefiting under this particular relief legislation unless there is some specific language in the bill. This suggestion will be presented to conferees, and I want to express the hope now that they will give it very careful consideration. We must have some relief in St. Louis and it is needed now.

Mr. CRISP. My State can not borrow either.

Mr. SNELL. Mr. Speaker, as long as the parliamentary situation has been raised here I want to raise it still further.

As I understand from the Champ Clark decision on March 3, 1915, third session, Sixty-third Congress, when everything after the enacting clause of the original bill is stricken out in another body, there is carte blanche authority for the conferees to practically write a new bill on that same subject, and I want to read to the House just that particular paragraph out of the decision:

> The House struck out the whole of the McCumber amendment. That is, it agreed to a substitute for the entire McCumber amendment. It did not leave a single line or word of the McCumber amendment. That put it exactly in the same situation as if everything after the enacting clause of a bill was struck out. And it has been held so often and so far back and by so many Speakers that where everything after the enacting clause is struck out the conferees have carte blanche to prepare a bill on that subject that it seems to the Chair that the question is no longer open to controversy.

It seems to me in the situation that exists at the present time the latitude of the conferees in this matter is almost unlimited and they can write practically any bill they see fit on the subject matter before the two Houses.

Mr. CRISP. I will be pleased if the gentleman will address his parliamentary inquiry to the Speaker and for the Speaker to answer the parliamentary inquiry.

Mr. MICHENER. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. MICHENER. I do not interpret the rule as read by the gentleman from New York as he evidently interprets it.

The fundamental principle of conference committees is that the House takes action on a given subject. The bill then goes to the Senate. The Senate then takes action on the same bill or subject matter. The only thing the Senate can do is to amend or accept the House bill. If the Senate strikes out all after the enacting clause in the House bill, it has simply amended the action of the House just the same as if it had struck out every other section or every other line in the bill. But the action of the Senate, if it retains the title of the bill, the purpose of the bill, is an amendment to the bill, whether it be to strike out the enacting clause or the last paragraph in the bill.

When the conference committee is appointed by the House, that committee goes to conference and, figuratively speaking, has under its arm the bill representing the action of the House, and it is the duty of the House conferees to insist upon the position taken by the House, and I contend that the conferees are limited to the bill as passed by the House

and the bill as amended and passed by the Senate. On the other hand, the Senate committee has under its arm the action of the Senate. That being the case, it seems to me that it would be doing violence to the very purpose of a conference if you create a situation where a conference committee might write a new bill regardless of the action of the House, and which might be brought back to the House under a rule which would prevent the House from making a single amendment, and the very purpose of free and open conference between the two Houses on the action of each House would be absolutely forestalled.

Mr. TILSON. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. TILSON. Is it not true, though, that the Senate by its amendment has brought in a number of additional subjects to those treated in the House bill and will not these subjects in the House bill which have all been stricken out by the Senate and all the subjects included in the Senate amendment be before the conference?

Mr. SNELL. Absolutely.

Mr. TILSON. And will not anything germane to any one of the subjects included either by the House in the bill as passed or by the Senate in the amendment substituted be the subject of consideration by the conference?

Mr. MICHENER. There is a limit placed upon the action of the conferees and that limit is the House bill on one side and the Senate bill on the other side, with possibly germane amendments.

Mr. RAMSEYER. What does the gentleman have to say about the Champ Clark decision?

Mr. MICHENER. The Speaker Clark decision is in exact harmony with what I have said. It depends on how you interpret it. Possibly the decision is susceptible of two interpretations, and surely the Senate can not destroy the right of the House to have its finding insisted upon by its representatives. If the position taken by the gentleman from New York is tenable, then the Senate could in any case strike out all after the enacting clause and the only guide left for the House conferees would be the Senate bill.

Mr. McDUFFIE. Mr. Speaker, these questions can be settled when the report comes before the House. This is no time for this discussion.

Mr. SNELL. I think this is a good time to decide these matters and get a decision from the Speaker. I think theoretically the gentleman from Michigan is right, but as a practical proposition anything brought in here would be between the two matters under consideration because all pertain to the same subject. I am in entire accord with the Champ Clark decision and I think it is fair and correct.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, reserving the right to object, I want to say that I think the majority of the Members of this House are of the opinion that this relief is more or less of an emergency nature and I intend to support it; but I do know there is a large number of the Members of this House who are interested in the subject of agriculture and that they are anxious to see some kind of legislation passed before this Congress adjourns that would at least do something to cause our farmers to get the cost of production from that part of the yield that is consumed at home. There is one thing sure, and that is we can never obtain permanent relief until we start at the bottom and work upward. I intend to vote for all of these relief measures, but I hope the House will give consideration to this particular subject at once.

The regular order was demanded.

Mr. LaGUARDIA. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LaGUARDIA. I desire to ascertain from the Chair whether conferees may be appointed who are friendly to the principle of immediate and direct relief and whether conferees may be appointed from the House and not necessarily from any particular committee.

The SPEAKER. If the House will permit, the Chair will state what he has tried to do with reference to this conference. In the first place, the bill which passed the House of Representatives carried provisions in it of which eight different committees of the House of Representatives had jurisdiction. The first title came under the jurisdiction of the Committee on Labor, and hearings were held before that committee on that particular title. The second title was purely within the jurisdiction of the Committee on Banking and Currency. As to title 3, five different committees had jurisdiction. To illustrate: As to flood control, that was within the jurisdiction of the Flood Control Committee. That part dealing with rivers and harbors was within the jurisdiction of the Rivers and Harbors Committee. That part dealing with Army housing was within the jurisdiction of the Committee on Military Affairs. That part dealing with public buildings was within the jurisdiction of the Committee on Public Buildings and Grounds, and that part dealing with roads was within the jurisdiction of the Committee on Roads. The bill was finally introduced and went to the Committee on Ways and Means, because it levied one-fourth of 1 per cent tax on gasoline, and that gave the Committee on Ways and Means jurisdiction over that portion of the bill.

The Chair believes the entire House ought to be represented, but knowing it would be impossible for each one of these committees to have representation on this conference committee the Chair undertook to bring about a situation which he thought would be desirable and that was this: That the gentleman from Illinois [Mr. RAINEY], the majority leader, the gentleman from New York [Mr. SNELL], and myself would represent the House of Representatives on this conference committee. [Applause.]

The Chair undertook to negotiate with the Members who would be interested, the gentleman from Mississippi [Mr. COLLIER] and the gentleman from Georgia [Mr. CRISP], and they were in entire agreement with that arrangement. The Chair undertook to interview the gentleman from New York [Mr. SNELL], and did so on two different occasions, including this morning. The Chair urged the gentleman from New York to take that responsibility. The gentleman from New York having been elected by the minority side as its leader, the gentleman from Illinois having been elected by the majority side as its floor leader, and the Chair having been elected by the majority side as Speaker, it seemed to the Chair that would be a typical representation of the House of Representatives on this particular multiple bill. But the gentleman from New York having declined to take the responsibility, the Chair thought that probably the better plan would be to let the bill take its ordinary course and appoint the five ranking members of the Ways and Means Committee. If this consent is granted and the Chair is permitted to appoint the conference committee, he will appoint the five ranking members of the Ways and Means Committee.

The Chair wanted to make this statement so the membership of the House would understand that the Chair did not desire to avoid any responsibility himself and the Chair is sure the gentleman from Illinois did not, and the Chair regrets to say that the gentleman from New York did not see proper to take the responsibility on his side of the House.

Mr. SNELL. Will the gentleman yield to me for a very short statement?

The SPEAKER. The Chair will, with pleasure.

Mr. SNELL. To a certain extent the statement by the Speaker is absolutely correct, but I say to him and I say to the House and to the country that the minority leader has never refused to take any responsibility that legitimately came to him. [Applause.]

The SPEAKER. Well, the gentleman has an opportunity now. The Chair will appoint the gentleman on this conference committee if the gentleman will accept it.

Mr. SNELL. Are you going to allow me to make a statement or not?

The SPEAKER. The Chair will give the gentleman a chance to assume the responsibility.

Mr. SNELL. I ask permission to address the House for one minute. I have listened to you and you had your time, now I want you to listen to me.

The SPEAKER. The Chair begs the gentleman's pardon.

Mr. SNELL. This is a matter that came from the Ways and Means Committee and the distinguished Speaker him-

self referred it to that committee. I have simply taken the position that there is no reason why this legislation should be considered in any other way than any other important piece of legislation that has been before this House. [Applause.]

The procedure suggested by the Speaker has never been done in the history of this Congress. I never heard of the Speaker on a conference committee, and furthermore, I have confidence in the men on the minority side of the Ways and Means Committee who would be entitled to appointment on this conference. As a matter of fact, I have never served on that committee and am not familiar with the details of the bill. Furthermore this appointment belongs to the men on the committee who have done the work and I am protecting the men on my side by taking this position. This is a matter of policy as far as I am concerned.

Any responsibility that comes to me direct, I will take, just as much so as the Speaker, and the Speaker need not doubt it for a single minute. [Applause.]

The SPEAKER. The gentleman from Georgia asks unanimous consent to take the bill from the Speaker's table, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection. [After a pause.] The Chair hears none.

Mr. CRISP. Mr. Speaker, in view of what has been said, may I say for myself that I am perfectly willing to stand aside, as one of the conferees, and permit the titular officers of the House to represent the House; and may I ask the Speaker if it would be in order as a privileged motion to move that certain Members of the House be designated as conferees on this disagreement? I am conscious, of course, of the fact that the rules of the House confer upon the Speaker power to appoint conferees, and under the rules the Speaker is not limited in the appointment of conferees from any particular committee but has the right to appoint conferees from the entire membership of the House, unless I am very greatly mistaken. I have not looked the matter up, because this question came up unexpectedly.

The SPEAKER. The Chair will state to the gentleman from Georgia that he is advised by the Parliamentarian, not having had an opportunity to look into the question himself, that you can not direct the Speaker as to the number or the manner in which conferees shall be appointed. The Chair, therefore, would have to hold that it is not in order to submit such a motion.

The Chair appoints the following conferees: Messrs. COLLIER, CRISP, RAINEY, HAWLEY, and TREADWAY.

Mr. LAGUARDIA. Mr. Speaker, may I propound a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. In the event the conferees fail to agree, it is certainly then within the province of the Speaker of the House to discharge those conferees and appoint others.

The SPEAKER. It is. When the conferees make their report it is within the power of the House to handle the matter just as the House may deem proper.

Mr. SNELL. Mr. Speaker, I am informed that the gentleman from Oregon [Mr. HAWLEY] is home, and it will be necessary to appoint the next ranking minority member of the Ways and Means Committee on the conference.

The SPEAKER. Without objection, the gentleman from New Jersey [Mr. BACHARACH] will be substituted for the gentleman from Oregon [Mr. HAWLEY].

There was no objection.

INVESTIGATION OF EXPENDITURES OF THE POST OFFICE DEPARTMENT

Mr. WARREN. Mr. Speaker, I present a privileged report from the Committee on Accounts, on the resolution (H. Res. 273).

The Clerk read as follows:

Strike out all after the word "*Resolved*" and insert the following:

"That the expenses of conducting the investigation authorized by H. Res. 226 to investigate the expenditures of the Post Office Department, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts, but shall not exceed the sum of $10,000: *Provided, also*, That the official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. WARREN. Mr. Speaker, on Tuesday the House passed the so-called Sabath resolution. The House, no doubt, thought at the time that it was authorizing the expenditure of $10,000 to conduct this investigation. The resolution as passed by the House was quite faulty. In the first place, it should have been referred to the Committee on Accounts, and it now develops that in spite of the action of the House, there are no funds for this investigation.

When the attention of the gentleman from Illinois was called to the matter he introduced a resolution which was referred to the Committee on Accounts, which was not in proper form, and now the Committee on Accounts, feeling that the House has spoken, has reported out a substitute resolution.

Mr. MICHENER. Will the gentleman yield?

Mr. WARREN. Certainly.

Mr. MICHENER. Does the Committee on the Post Office and Post Roads ask for this appropriation or is it simply the gentleman from Illinois [Mr. SABATH] who is asking for it?

Mr. WARREN. I am informed that the chairman of the Committee on the Post Office and Post Roads [Mr. MEAD, of New York] states that this amount, or possibly more, is necessary.

Mr. MICHENER. My question was, whether the Committee on the Post Office and Post Roads asked the gentleman's committee to bring in this resolution making this appropriation.

Mr. WARREN. No; they did not.

I will tell the gentleman how it happened. I was informed by the disbursing clerk of the House that there was no authority to pay out this money. Although I opposed the adoption of the resolution, in spite of the very partisan speech of the gentleman from Michigan [Mr. MICHENER], I thought the fair and honorable thing to do was to notify the gentleman from Illinois, the author of the resolution, and let him come in and have a chance to get the money, as the House thought they were giving him the other day.

Mr. MICHENER. I want to compliment the gentleman on the action he has taken. The gentleman has suggested that this is the proper and usual way to handle the matter. In this I agree with the gentleman, but it does seem unusual that one Member of the House can get a resolution of this kind enacted, giving duties to another committee, when the other committee does not want it, has not asked for it, and does not come before the Committee on Accounts and ask for the money. It seems to me this House would be going a long way if we attempted to-day to authorize the expenditure of $10,000 to be used by one of the committees of the House when the committee itself is not asking for it.

Mr. WARREN. The gentleman from New York [Mr. MEAD], chairman of the Committee on the Post Office and Post Roads, informed us that $10,000 would be necessary.

Mr. UNDERHILL. Mr. Speaker, I move to amend the resolution by striking out $10,000 and inserting $5,000.

The SPEAKER. Does the gentleman from North Carolina yield to the gentleman from Massachusetts for that purpose?

Mr. WARREN. Yes.

The Clerk read the amendment, as follows:

Page 1, line 2, strike out "$10,000" and insert "$5,000."

Mr. UNDERHILL. Mr. Speaker, I suppose it is futile for any one Member of the House to attempt to block this legislation at this time. It was only through passion and prejudice, or partisanship, excited as they were a day or two ago, that the House passed this resolution. The House, I think, has the good judgment and good sense to reverse itself on the proposition, if it knows the facts about it.

The facts are that one Member of the House introduced the resolution, and on account of a row in Chicago, which has nothing to do with Alabama or Nebraska or New York.

The House authorized an appropriation, in effect, of $10,000. It did not take its usual course. I do not know as I would say that an insult was offered to the Committee on Accounts, but your chairman is as honorable and able a chairman as that committee has ever had since I have been on the committee [applause], and it certainly would have been ethical and courteous to refer the matter to the Committee on Accounts and let the Committee on Accounts come before the House and give it the benefit of its investigation. That was one of the errors made.

Furthermore, the House subconsciously, or unconsciously, has authorized the appointment of several committees, with an appropriation of about $50,000 for investigations.

You all know my position on these investigations, and I will not attempt a repetition but will content myself with a statement I have made over and over again, that these committees accomplish nothing and lead nowhere. I will refer you to the reports of investigation committees, volume after volume, that are put on the shelves in the document room, and still remain there. I can refer you to the investigation of coal, the investigation of the Shipping Board, and a dozen others, where you will find the reports in the waste-paper department, with thousands of volumes of investigations printed at the expense of the public, and which never amount to anything, for nobody would ever think of reading them.

Now, Mr. Speaker, we have not a dollar in the contingent fund. The only way this $10,000 authorized can be secured is for the chairman of the Committee on Appropriations to go on bended knees to the Senate and ask them to put in an additional $10,000 in the deficiency bill and bring it over here and ask for a committee of conference, and get the House to agree to it.

I ask men like the gentleman from Georgia [Mr. CRISP], the gentleman from Alabama [Mr. MCDUFFIE], the gentleman from Georgia [Mr. COX], the gentleman from Alabama [Mr. PATTERSON], who have been standing steadfast for economy, to come to my support; here is a chance for them to make a saving of a little money to the Treasury.

I would have moved to strike out $10,000, but that is hardly constructive—$5,000 is going to be amply sufficient. In the first place, it seems that it is unnecessary, as a committee of the House has recently made exhaustive investigation of air mail contracts and air mail routes.

You do not need to investigate that. Other phases of this investigation, as mentioned in the preamble of the resolution, have already been taken care of by other committees of the House. The Committee on the Post Office and Post Roads has practically all the information they need. The object, if the resolution had an object, has already been attained. The very fact that the subject has been brought to the attention of the House, the very fact that the Committee on the Post Office and Post Roads has the authority to make an investigation, is going to remove the evils claimed to exist to-day.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. OLIVER of Alabama. During last summer the gentleman from Pennsylvania [Mr. KELLY], if the papers reported him correctly, stated that it would be his purpose to ask for just this kind of an investigation. Does the gentleman recall that?

Mr. UNDERHILL. I do not know what the gentleman from Pennsylvania had in mind; I do not know what his investigation would ask for; but in this session, as I stated before, the Committee on Merchant Marine, Radio, and Fisheries have made an investigation. If you want to stop, or at least partially stop, this passion for investigating on the part of the House, which is a woeful waste of time, material, and money, you will vote for my amendment.

I yield five minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, this resolution, which the House of Representatives adopted a few days ago, directs our Committee on the Post Office and Post Roads to institute an investigation. Our committee met this morning in keeping with your mandate and initiated the work, authorized the continuance of the committee through the recess, and we adopted certain rules by which we may conduct the investigation. We have requested the department to give us the information as set forth in the resolution; when this information is available, we intend to convene our committee again in order that we may proceed further with the investigation.

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. MEAD. In a moment. The Committee on the Post Office and Post Roads of the House did not sponsor this resolution, but our committee has made arrangements to do the work required by the legislation which passed the House a few days ago. We will continue a subcommittee through the recess and until the Congress convenes again. We hope to make recommendations that will suggest ways of reducing the postal deficit. We will hear complaints and suggestions from mail users, from departmental employees, complaints that may result from the drastic cuts in the Post Office appropriation bill, as well as from the increases in postal rates. Conditions that may result because of legislation which has preceded the passage of this resolution in my judgment necessitate some consideration during the recess of Congress. We have received complaints with regard to the conduct of the air mail subsidy. We went into that matter exhaustively, but we did not have the authority of Congress to subpœna witnesses to put them on the stand before our committee. The Sabath resolution gives us such authority, and we intend to carry out the mandate of the resolution, unless we are impoverished by either the elimination of the entire appropriation or by such a reduction in the amount of the appropriation as will absolutely prevent us from carrying out the will of the House.

We also have complaints from many sections of the country with regard to the acquisition of land leases, the construction of Federal buildings, the elimination of power plants in some buildings of great size, and the installation of power plants in small buildings where they seemed to be unwarranted. We are much concerned with the ever-increasing postal deficit; and when on the one side we find the personnel of the department increasing in efficiency by 100 per cent since 1913, when each man is doing more work to-day than two men did 25 years ago, when the department is handling a greater volume of mail, with a reduced personnel, we are wondering where this huge deficit originates; and the investment of a small sum of money that would keep 21 members of our committee at work, in my judgment, would more than repay the Congress for the small amount set aside to carry on the work. When a major department of the Government finds itself $200,000,000 in the red, it is then the privilege of Congress to authorize the proper committee to investigate, and that task can not be carried on if on one day we authorize the work and the next day we destroy the possibility of doing the work. Now that we have started the job let us finish it. [Applause.]

Mr. UNDERHILL. Mr. Speaker, I yield five minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Speaker, I desire to support the amendment; but it must be apparent that if the Committee on the Post Office and Post Roads desires to send its 21 members around the country this summer to make as many investigations and inquiries as its chairman has mentioned, it can not be done for $10,000. I am of opinion, in the first place, that the 21 members of that important committee will not care to travel very largely throughout the United States this summer; and if they do, they will find that dates that will suit one set of members will not suit another set. These members will be campaigning, and much of the inquiry and investigation will take second place. Further, the members of the Committee on the Post Office and Post Roads will find that this is going to be a very poor year for junkets, even though they think that they as members are seriously employed on public business.

Mr. UNDERHILL. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I wish to say to the gentleman from North Carolina [Mr. WARREN] that I opposed this original resolution. I did not oppose it for any political reasons whatever. I was running true to form on the position I have taken during the entire time of my service on the Committee on Rules. I am opposed to these needless investigations. I am opposed to the absolute waste of money. Nine-tenths of these investigations that have been authorized in this Congress have simply wasted money. At this time, with the condition of the country as it is, with the Congress fighting over every nickel, to spend $10,000 on this matter, I think, is an absolute waste of money, and I shall support the amendment offered by the gentleman from Massachusetts, because it is less than the other.

Mr. UNDERHILL. Mr. Speaker, just a few words, and then I shall move the previous question.

I see the gentleman from Tennessee [Mr. BYRNS], chairman of the Committee on Appropriations, present in the Chamber. I wish to ask the gentleman one or two questions, if he will answer them. We authorized the appointment of a special committee to investigate railroad holdings, I believe, early in the session. I tried to get an amendment providing for $15,000. I believe we appropriated $30,000. Does the gentleman know how that money is being spent?

Mr. BYRNS. It is my understanding, and I get my information from the hearings, that it is being expended in paying the salaries of certain experts who have been employed to assist the committee in the investigation it is conducting.

Mr. UNDERHILL. I inquire, not in a spirit of criticism, but is it not a fact that one expert is being paid $1,200 per month by this committee for his work on the committee, and that he has an assistant who is being paid $600 a month, and a minor assistant being paid $300 a month?

Mr. BYRNS. My information comes from some estimates which have been submitted, and I think the gentleman is correct, except that it is $1,250 instead of $1,200.

Mr. UNDERHILL. That is what I wanted to bring out.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. WOOD of Indiana. The evidence contained in one of the hearings held by the committee shows that the gentleman who was drawing $1,200 a month drew $2,500 for two or three months.

Mr. UNDERHILL. That is what I wanted to bring out.

Now, I criticize no one, and I am not criticizing anyone, but I am trying to show how these things function and what a waste and what an extravagance it is. I have gone along with the gentleman from Alabama [Mr. MCDUFFIE] on every proposition he has made for economy, and I will stay with him.

Mr. McDUFFIE. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. McDUFFIE. The gentleman leaves the impression from the colloquy which has taken place that there are one or two individuals who have been hired by the Committee on Interstate and Foreign Commerce and who have been paid $1,200 and even $2,500 per month. The gentleman does not want to leave that impression upon the House, does he?

Mr. UNDERHILL. I am simply taking the word of the members of the Committee on Appropriations. I do not know what they have been paid.

Mr. McDUFFIE. Has any member of the Committee on Appropriations definitely assured the gentleman that those salaries are being paid?

Mr. UNDERHILL. The chairman of the committee told the House so.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. WOOD of Indiana. I will say to the gentleman that the testimony taken before the committee shows where they gave an account of the way in which this money was being disposed of. For two or three months they paid this expert $2,500 a month, and they are now paying him $1,200 a month. That is the testimony, and I will be pleased to place it in the RECORD if the gentleman desires.

Mr. McDUFFIE. The chairman of the Committee on Interstate and Foreign Commerce is not present, but the ranking minority member, the gentleman from New York, Mr. PARKER, who presented and passed the resolution for that investigation through the House and appointed the experts, is familiar with what is being paid and what is being done. I would like for the House to have the real facts about it. I do not believe any such salary as $2,500 per month is now being paid by the Committee on Interstate and Foreign Commerce to any experts. This investigation is a very important and comprehensive one, dealing with holding companies of public-utilities corporations. The work is in charge of Doctor Splawn, who is probably the greatest expert in the country in this kind of work. He is worth whatever is being paid him. The Congress will act on his report on a very important subject.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. COCHRAN of Missouri. It was discussed upon the floor of this House that the Committee on Interstate and Foreign Commerce had secured the services of one of the most outstanding men in the United States, who had resigned his position paying a very high salary to give all of his time to the committee, and, if I am not mistaken, the House was told at the time that he would receive a salary of that amount. The results warranted the expenditure. Mr. PARKER of New York made that statement. Now, if the gentleman has any information that the committee is not properly spending its money—and I am sure he has not—he is a member of the Committee on Accounts that must approve the vouchers. Why does not the gentleman bring it to the attention of the Committee on Accounts? You can not get outstanding experts for $2,500 a year.

Mr. UNDERHILL. Oh, the gentleman gives the wrong impression. I am not criticizing any member of any other committee, the chairman or otherwise. I have the highest confidence in the chairman of the Committee on Interstate and Foreign Commerce. He is a gentleman. He is a student of government. He is an honest man. I do not question what his expenditures are. I am simply trying to show the House how this money is spent and trying to emphasize the statements I have made over and over again that it does not amount to anything. If it did, I would not object.

Mr. McDUFFIE. Can the gentleman say that until the work is concluded?

Mr. UNDERHILL. Oh, yes. We can judge the future by the past. I would call the attention of the gentleman to all of these past committees and the fact that they have not accomplished anything.

Mr. LINTHICUM. Will the gentleman yield?

Mr. UNDERHILL. In just a moment.

Mr. Speaker, I want to close. There is no use arguing any further. I want the House to understand now, however, just what the situation is, so that in the future when these resolutions for committees come before the House, the House will act on them intelligently rather than passionately or partisanly.

I would say a word with reference to the chairman of the Committee on Accounts, my successor in that position.

Never since I have been in Congress have I worked under a man in whom I had greater confidence. Never have I seen a man stand the gaff the way he has. The pressure that has been brought upon him has been tremendous, yet he has stood steadfast throughout it all.

I think it is very ungracious on the part of the House, whether it does it consciously, or unconsciously, to take from the chairman of that committee certain privileges and prerogatives, and vote directly on an appropriation instead of sending it to the committee where it belongs.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. MEAD) there were—ayes 53, noes 41.

So the amendment was agreed to.

The SPEAKER. The question is on the passage of the resolution as amended.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 52, noes 61.

Mr. MEAD. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 154, nays 144, answered "present" 1, not voting 131, as follows:

[Roll No. 106]

YEAS—154

Allgood	Driver	Lanham	Pou
Amlie	Evans, Mont.	Lankford, Ga.	Prall
Andrews, N. Y.	Fernandes	Larrabee	Ragon
Arnold	Fishburne	Larsen	Rainey
Barton	Flannagan	Lea	Ramspeck
Black	Frear	Lewis	Rankin
Bland	Fulbright	Linthicum	Sanders, Tex.
Bloom	Fuller	Lonergan	Sandlin
Boehne	Gambrill	Lozier	Schafer
Boileau	Goldsborough	Ludlow	Schneider
Briggs	Green	McClintic, Okla.	Shallenberger
Browning	Greenwood	McFadden	Sinclair
Buckbee	Gregory	McLaughlin	Smith, Va.
Bulwinkle	Griswold	McReynolds	Somers, N. Y.
Burch	Guyer	Maas	Sparks
Byrns	Hall, Miss.	Major	Stafford
Carden	Hancock, N. C.	Maloney	Steagall
Cary	Hare	Mansfield	Stevenson
Chapman	Hill, Ala.	Mapes	Stewart
Christgau	Hill, Wash.	Martin, Oreg.	Sumners, Tex.
Clark, N. C.	Hoch	Mead	Swank
Cochran, Mo.	Hornor	Miller	Tarver
Cole, Md.	Howard	Mitchell	Taylor, Colo.
Collins	Huddleston	Mobley	Thomason
Condon	Jacobsen	Montague	Underwood
Connery	James	Montet	Vinson, Ga.
Cooper, Tenn.	Jeffers	Moore, Ky.	Vinson, Ky.
Cox	Johnson, Mo.	Morehead	Warren
Crisp	Johnson, Okla.	Nelson, Mo.	Weaver
Cross	Johnson, Tex.	Nelson, Wis.	West
Crowe	Jones	Norton, Nebr.	Whittington
Cullen	Kading	Oliver, Ala.	Williams, Mo.
Davis	Kerr	Parker, Ga.	Wilson
Delaney	Kleberg	Parks	Wood, Ga.
DeRouen	Kniffin	Parsons	Woodruff
Dies	Kvale	Patman	Woodrum
Disney	LaGuardia	Patterson	Wright
Dominick	Lambeth	Pettengill	
Doxey	Lamneck	Polk	

NAYS—144

Adkins	Dallinger	Houston, Del.	Rich
Allen	Darrow	Hull, Morton D.	Robinson
Andresen	Davenport	Hull, William E.	Sanders, N. Y.
Arentz	Doutrich	Jenkins	Seger
Ayres	Dowell	Johnson, S. Dak.	Seiberling
Bacharach	Dyer	Johnson, Wash.	Selvig
Bachmann	Eaton, Colo.	Kahn	Shott
Baldrige	Eaton, N. J.	Ketcham	Simmons
Barbour	Englebright	Kinzer	Smith, Idaho
Beedy	Erk	Knutson	Snell
Bowman	Estep	Kopp	Snow
Britten	Evans, Calif.	Kurtz	Stalker
Burdick	Fish	Lambertson	Strong, Kans.
Burtness	Foss	Lankford, Va.	Strong, Pa.
Butler	Free	Leavitt	Stull
Campbell, Pa.	French	Lehlbach	Summers, Wash.
Carter, Calif.	Fulmer	Loofbourow	Swanson
Carter, Wyo.	Garber	McClintock, Ohio	Taber
Cartwright	Gibson	McDuffie	Taylor, Tenn.
Cavicchia	Gifford	McGugin	Temple
Chase	Gilchrist	Manlove	Thatcher
Chindblom	Glover	Martin, Mass.	Thurston
Chiperfield	Hadley	Michener	Tilson
Christopherson	Hall, Ill.	Millard	Timberlake
Clague	Hancock, N. Y.	Moore, Ohio	Tinkham
Clancy	Hardy	Mouser	Turpin
Clarke, N. Y.	Haugen	Nelson, Me.	Underhill
Cochran, Pa.	Hess	Niedringhaus	Wason
Cole, Iowa	Hogg, W. Va.	Nolan	Welch
Colton	Holaday	Parker, N. Y.	White
Cooke	Hollister	Partridge	Whitley
Coyle	Holmes	Person	Williamson
Crail	Hooper	Purnell	Wolcott
Crowther	Hope	Ramseyer	Wolverton
Culkin	Hopkins	Ransley	Wood, Ind.
Curry	Horr	Reed, N. Y.	Yates

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—131

Abernethy	Bankhead	Bolton	Buchanan
Aldrich	Beam	Boylan	Busby
Almon	Beck	Brand, Ga.	Cable
Andrew, Mass.	Blanton	Brand, Ohio	Campbell, Iowa
Auf der Heide	Bohn	Brumm	Canfield
Bacon	Boland	Brunner	Cannon
Carley	Golder	McCormack	Sabath
Celler	Goodwin	McKeown	Schuetz
Chavez	Goss	McLeod	Shannon
Collier	Granfield	McMillan	Shreve
Connolly	Griffin	McSwain	Sirovich
Cooper, Ohio	Haines	Magrady	Smith, W. Va.
Corning	Hall, N. Dak.	May	Spence
Crosser	Harlan	Milligan	Stokes
Crump	Hart	Murphy	Sullivan, N. Y.
De Priest	Hartley	Norton, N. J.	Sullivan, Pa.
Dickinson	Hastings	O'Connor	Sutphin
Dickstein	Hawley	Oliver, N. Y.	Sweeney
Dieterich	Hogg, Ind.	Overton	Swick
Douglas, Ariz.	Igoe	Owen	Swing
Douglass, Mass.	Johnson, Ill.	Palmisano	Tierney
Drane	Karch	Peavey	Treadway
Drewry	Keller	Perkins	Tucker
Elizey	Kelly, Ill.	Pittenger	Watson
Fiesinger	Kelly, Pa.	Pratt, Harcourt J.	Weeks
Finley	Kemp	Pratt, Ruth	Wigglesworth
Fitzpatrick	Kendall	Rayburn	Williams, Tex.
Freeman	Kennedy	Reid, Ill.	Wingo
Garrett	Kunz	Reilly	Withrow
Gasque	Lichtenwalner	Rogers, Mass.	Wolfenden
Gavagan	Lindsay	Rogers, N. H.	Wyant
Gilbert	Lovette	Romjue	Yon
Gillen	Luce	Rudd	

So the resolution as amended was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Granfield (for) with Mrs. Rogers (against).

Mr. McCormack of Massachusetts (for) with Mr. Wiggelsworth (against).

Mr. Douglass of Massachusetts (for) with Mr. Luce (against).

Mr. Rogers (for) with Mr. Shreve (against).

Mr. Gillen (for) with Mr. Hawley (against).

Mr. Kemp (for) with Mr. Wyant (against).

Mr. Oliver of New York (for) with Mr. Bacon (against).

Mr. Gavagan (for) with Mr. Beck (against).

Mr. Harlan (for) with Mr. Reid of Illinois (against).

Mr. Feisinger (for) with Mr. Pratt (against).

Mr. Lichtenwalner (for) with Mr. Finley (against).

Mr. Auf der Heide (for) with Mr. Weeks (against).

Mr. Sutphin (for) with Mr. Watson (against).

Mr. O'Connor of New York (for) with Mr. Goss (against).

Mrs. Norton (for) with Mr. Aldrich (against).

Mr. Rudd (for) with Mr. Bolton (against).

Mr. Lindsay (for) with Mr. Andrew of Massachusetts (against).

Mr. Boland (for) with Mr. Hartley (against).

Mr. Drewry (for) with Mr. Connolly (against).

Mr. Sabath (for) with Mr. Treadway (against).

Mr. Bankhead (for) with Mrs. Pratt (against).

Mr. Boylan (for) with Mr. Brumm (against).

Mr. Chavez (for) with Mr. Cooper of Ohio (against).

Mr. Kelly of Illinois (for) with Mr. Freeman (against).

Mr. Tierney (for) with Mr. Golder (against).

Mr. Williams of Texas (for) with Mr. Hogg of Indiana (against).

Mr. Crosser (for) with Mr. Kendall (against).

Mr. Keller (for) with Mr. Wolfenden (against).

Mr. Gasque (for) with Mr. Perkins (against).

Mr. Beam (for) with Mr. Magrady (against).

Mr. McSwain (for) with Mr. Cable (against).

Mr. Schuetz (for) with Mr. Hall of North Dakota (against).

Mr. Corning (for) with Mr. Kelly of Pennsylvania (against).

Mr. Rayburn (for) with Mr. Lovette (against).

Mr. Milligan (for) with Mr. Johnson of Illinois (against).

Mr. Fitzpatrick (for) with Mr. Swick (against).

Mr. Dieterich (for) with Mr. Murphy (against).

Mr. Sullivan of New York (for) with Mr. Stokes (against).

Mr. May (for) with Mr. Sullivan of Pennsylvania (against).

General pairs:

Mr. Abernethy with Mr. Pittinger.

Mr. Buchanan with Mr. Withrow.

Mr. Romjue with Mr. Swing.

Mr. Garrett with Mr. McLeod.

Mr. Almon with Mr. Goodwin.

Mr. Brunner with Mr. Brand of Ohio.

Mr. Igoe with Mr. De Priest.

Mr. Riley with Mr. Campbell of Iowa.

Mr. Blanton with Mr. Bohn.

Mr. Doughton with Mr. Aldrich.

Mr. McKeown with Mr. Peavey.

Mr. Brand of Georgia with Mr. Karch.

Mr. Shannon with Mr. Smith of West Virginia.

Mr. Cannon with Mr. Sweeney.

Mr. Griffin with Mr. Drane.

Mr. Busby with Mr. Crump.

Mr. Palmisano with Mr. Collier.

Mr. Dickinson with Mr. Sirovich.

Mr. Carley with Mr. Hastings.

Mr. McMillan with Mr. Canfield.

Mr. Douglas of Arizona with Mr. Haines.

Mr. Hart with Mr. Overton.

Mr. Dickstein with Mr. Spence.

Mrs. Owen with Mr. Kennedy.

Mr. Yon with Mr. Tucker.

Mr. Gilbert with Wingo.

Mr. Elizey with Mr. Celler.

The result of the vote was announced as above recorded.

On motion of Mr. WARREN, a motion to reconsider was laid on the table.

ORDER OF BUSINESS

The SPEAKER. Let the Chair state, there is on the Speaker's table about a half dozen bills about which the Chair is fairly well informed as to their contents but has not a great deal of information about their merits.

The Chair submitted the list to the gentleman from New York. There will be no suspensions probably the balance of this session if Congress adjourns on Saturday week, because the next suspension day is Monday week.

The Chair feels that some of these bills are of such a nature that the Chair would recognize Members for the purpose of suspending the rules if the Chair had that opportunity. The next best thing the Chair can think of doing is to recognize Members for the purpose of asking unanimous consent that the House give them present consideration. This gives any Member the right to prevent their consideration.

Mr. STAFFORD. Mr. Speaker, will the Chair permit a suggestion?

The SPEAKER. Certainly.

Mr. STAFFORD. Mr. Speaker, I understand the majority leader is going to ask that on Monday we have the Consent Calendar called from where the call last left off. Would it be compatible with the desire and the wishes of the Speaker to have these bills listed on the Consent Calendar for consideration that day?

The SPEAKER. If such consent is given, the Chair will take that under consideration.

Let the Chair say, in addition, that a number of gentlemen have asked the Chair to recognize them for unanimous consent to extend their remarks in the RECORD, and some to address the House. So far as the Chair knows, and the Chair thinks this is the opinion of the majority leader, and also the opinion expressed by the minority leader, there is nothing to be done to-day other than by unanimous consent.

Mr. SNELL. Mr. Speaker, I would suggest that we first take up any legislation that is to come before the House, and then after that allow Members to make speeches if they so desire.

The SPEAKER. The gentleman from Wisconsin has suggested that the majority leader request unanimous consent that on Monday next the House take up the Unanimous-Consent Calendar; and if such consent is granted, the Chair thinks these bills can go over until that time.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that on Monday next it may be in order to call bills on the Consent Calendar, subject, of course, to conference reports and privileged business.

Mr. STAFFORD. Beginning at the place where the call last left off?

Mr. RAINEY. Yes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Monday next the Unanimous-Consent Calendar may be called, beginning where the call left off the last time, this agreement not to interfere with conference reports or other privileged business. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that on Tuesday next it be in order to consider unobjected-to bills on the Private Calendar, beginning where we left off the last time, and under the old rule?

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Tuesday next it be in order to consider in the House as in Committee of the Whole unobjected-to bills on the Private Calendar, beginning at the place where the call last left off. Is there objection?

There was no objection.

ADJOURNMENT OVER

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Illinois asks unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

Mr. RAINEY. Mr. Speaker, I move that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Illinois moves that when the House adjourns to-day it adjourn until Monday next.

The motion was agreed to.

Mr. MAPES. Mr Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAPES. I assume there will not be any legislation brought up this afternoon. Am I correct in that assumption?

The SPEAKER. Except by unanimous consent. The Chair does not intend to recognize anybody to take up any legislation of any kind except to extend remarks in the RECORD and address the House of Representatives, or send some bills to conference by unanimous consent.

LAWS AND RESOLUTIONS PASSED BY THE NINTH PHILIPPINE LEGISLATURE

The SPEAKER laid before the House the following message from the President, which was read, and, together with the accompanying papers, referred to the Committee on Insular Affairs.

To the Congress of the United States:

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," I transmit herewith a set of the laws and resolutions passed by the Ninth Philippine Legislature during its first regular session, from July 16 to November 9, 1931.

HERBERT HOOVER.

THE WHITE HOUSE, *June 24, 1932.*

CROW INDIAN TRIBAL COUNCIL

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8031) to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe, and agree to the Senate amendment.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to take from the Speaker's table House bill 8031, with a Senate amendment, and agree to the Senate amendment. The Clerk will report the bill and the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 8, insert:

"SEC. 2. The Secretary of the Interior is further authorized to expend $5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Fort Peck Indians in the Treasury of the United States for expenses of the Fort Peck Indian Tribal Council and authorized delegates of the tribe."

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, this calls for an additional expenditure of $5,000, and I think there should be some explanation.

Mr. LEAVITT. This comes out of the tribal funds of the Indians. We have discussed it with the Indian Bureau, and it has their approval.

Mr. SCHAFER. That is not any explanation. We are guardians of the Indians; and just because it comes out of their tribal funds is no reason why the bill should pass. Let us have some explanation.

Mr. LEAVITT. From time to time an authorization is made to pay the expenses of the tribal council, which is the same as the legislature to those Indians, and for necessary delegates to come here on tribal business. It is always done at the request of the Indians, and this has the approval of the Indians themselves.

Mr. SCHAFER. The Indians, through their representatives, approve of this bill in the form it has been amended by the Senate?

Mr. LEAVITT. Yes.

Mr. SCHAFER. In view of that statement, I shall not object.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

CONVEYANCE BY THE UNITED STATES OF LAND TO THE BOROUGH OF STONINGTON, CONN.

Mr. LONERGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10683) to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to take from the Speaker's table House bill 10683, with a Senate amendment, and agree to the Senate amendment. The Clerk will report the bill and Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 2, line 5, strike out the words "Lighthouse Service" and insert "United States."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

SPEECH OF HON. CLAUDE V. PARSONS

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by my colleague the gentleman from Illinois [Mr. PARSONS] last night before the Society of American High School Students here in Washington.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech by my colleague Hon. CLAUDE V. PARSONS:

A NEW BIRTH OF FREEDOM—A GOVERNMENT OF HONESTY

Mr. Toastmaster, Commissioner Cooper, and students, I esteem it a great pleasure, as well as a solemn duty, inasmuch as an invitation was extended, to appear before this splendid group of young men and women holding the first annual convention of American high-school students.

The purpose, as I understand this organization, is to encourage worthy high-school interests and objectives, particularly with reference to creative expression, whether it be the written word or the spoken word.

This movement, I am informed, is sponsored by the American High School Journal and has the cooperation of a nation-wide group of committees, assisted by civic and other organizations. You are to be congratulated upon joining with and participating in a movement which I predict will grow by leaps and bounds as the years go by. A worthy motive predicated upon the intelligence and initiative of worthy young men and women must inevitably succeed. The new creative thought which will flow as a result of your humble efforts commenced here will reach not only the 20,000,000 youths of the land but no doubt will help to shape the destiny of adult activity as well.

I feel that if a Member of Congress must be invited to this gathering, I am entitled to a place. If you will pardon the personal reference, may I say that all the years of my life, with the exception of possibly seven or eight, have been spent in the schoolroom, either as a student, a teacher, or a superintendent. One can never forget his first love, and my first love was the schoolroom and my earliest associates were students. So I feel perfectly at home to-night among this splendid group of young Americans.

Next to general educational matters, I am interested in the science of government. It is a part of our educational system. In fact, government in a republic must go hand in hand with education. Thomas Jefferson, that great patron saint of representative government, realized that if the forefathers were to set up a Republic as dictated by the Constitution, a system of free public education must be instituted to instruct the citizens how to govern themselves.

We have had different cycles in education. Evolution has been the means of progress, not only in our educational institutions but in every line of thought. As one who has had experience in almost every phase of the educational field, I feel that I can make certain criticisms of our own work without being accused of prejudice or sympathetic understanding. The one outstanding criticism during my years of experience, which I think I can honestly make of educational methods, is that our teachers in the public schools, colleges, and universities have failed to present the practical application of government and practical living under a republican form of government, to the fullest advantage.

We have in America to-day a specific and illuminative illustration of this failure. I will not bore you long with a dissertation on Congress, but I hope I may be permitted to briefly analyze the situation, for it illustrates how the public mind has been misguided by propaganda. Congress has been in session more than six months; it has had to face and deal with problems which no other Congress in all the history of America has had to deal. There are as many schemes and plans for curing our economic ills as there are economists, newspapers, and publicists.

Everybody knows all about this depression, and nobody seems to know anything about it. Certain minority groups have been interested in having their pet objectives enacted into law. The principal publicity agents of the country in the last decade have been joined into chains, monopolizing and usurping the powers of a free press. The news agencies are coordinated into a monopoly. Comparatively only a small group of people make up the thought of the publicity and propaganda which the American people feed on. They have only one purpose in life, and that is to serve their own selfish needs. Their selfish interest is not always in the interest of the American people. The one great sin in human nature is selfishness, but the American people in all of its history has subordinated in a remarkable degree their own personal welfare for the good of all.

But in this crisis, with only one line of thought, with only one panacea for ills, with only one schedule of action in mind, subsidized, monopolized, and dominated by this particular group of publicists, the American people have been misled into unjustified criticisms of their Representatives in the Congress. All because Members of Congress have the courage of their convictions and will not serve the owners of the press. If there is any one thing that I would try to impress upon you to-night, it is the creative thought of studying fundamental principles. Know the truth; and after having so based your case upon such a firm and strong foundation, create a new love, create a new patriotic spirit of worship, as it were, at the shrine of the Constitution.

We hear on all sides to-day that America needs this and needs that; this plan and that plan will reestablish prosperity. We even have thousands of citizens who advocate the overthrow of the best Government man has been able to devise through all the ages. My message to you to-night is that what America needs most is honesty in our citizenry. Our Government was predicated and founded upon honesty as a basis of the right to govern. Without honesty no government is good. Possessing honesty, no government can be bad. As it is said that charity covers a multitude of sins, so also may it be said that honesty includes a long list of virtues.

It is said that the best and strongest form of government is an absolute monarchy, provided, however, that the monarch is honest, but because honesty is not always lodged in every ruler—few there have been who possessed it—man evolved a plan of government that included individuals, thereby bringing into action in the affairs of men many individuals who might be expected to possess more honesty than one man. It was upon this theory that our forefathers fought the Revolution, and after their disappointing experiences with the Articles of Confederation sought to form a more perfect union and establish a stabilized government built upon honesty and justice. An honest government is a just government. Under its administration special privileges can not exist.

Equality of opportunity is obtained, peace and prosperity are the rules of conduct, and the welfare of the people is safeguarded and made secure in pursuance to the preamble contained in the Constitution.

Our Government eventually evolved itself into a government by parties and the term politics came into being. But here again honest politics begets honest leadership, and honest leadership inaugurates honest government. Back of it all and running through every thread of governmental action from the smallest town council, through the county and State to the Nation's Capitol, an honest electorate insures that honest leadership.

Government is instituted as a sovereignty, but it is conducted by men. In a monarchical form government is the rule of one man, in a limited monarchy it is the government of a few men, in a constitutional monarchy it is the government of more men, but in a republic or a democracy it is the government of many men and women chosen by all the people. It reflects the ideals, the standards, the faults, the virtues, and the failures of the people.

Ah, if honesty prevailed in the hearts of all men in this Republic, the problems of government would be solved. If honesty dwelt in the heart of the ruling class of every land, there never would be cause for any war. No honest people ever rose to rebellion, and no honest nation ever made war on an honest neighbor. It is as impossible for war and national honesty to coexist as it is for God and mammon to dwell together.

In our Nation, and in the various States of this Union, the people are responsible for existing government. We choose our public servants. If we have depression, if we have unemployment, if we have privation and tribulations, part of it is due to the people themselves, and more of it is probably due to the peoples' lack of judgment in selecting the men and women who administer their government. In the last analysis, then, it is the people themselves who are largely to blame, both directly and indirectly.

During the past 15 years our Government has grown powerful with bureaucracy and commissions. This tendency had its incep-

tion in the winning of the war. In that titanic struggle everyone forgot everything except the winning of the war and making money. No thought was given to our ideals of government, no prophet looked into the future to perceive the ultimate consequence. On every hand the battle cry was, "Win the war." The struggle, which started in Europe and finally engulfed in its clutches America, was conceived in conquest and achieved at the altar of greed, upon which was sacrificed the blood of millions. The same spirit of greed and selfish profit reached out into the land of every nation, and its citizens were swallowed up in the sentiment of profit and gain at the expense of human misery. When the war was over no effort was made to retrench in governmental expenditures.

Every municipality, every county, every State—in fact, every unit of taxation—as well as the Federal Government, pursued an orgy of taxation and spending that laid the palsied hand of indebtedness on all alike. Through newspaper advertising and high-powered salesmanship, the American people were sold nonrevenue-producing articles that became a liability rather than an asset. Their salaries and earning power were mortgaged, not for a few weeks or months but even for years, through the system inaugurated by great corporations known as the installment system of merchandising.

Most commercial transactions are accomplished through credit, but every 30, 60, or 90 days, at the most, such transactions are usually converted into cash. Not so with installments. With inauguration of the installment system, men found it easy to buy not only the necessities of life but more or less the luxuries, giving in return therefor his promise to pay so much per week over a period of months and years. The automobile, the radio, the Frigidaire, furniture for the home, and even clothing and food were included in the installment plan. Every one of these items was a revenue-consuming article, but had no revenue-producing advantage for the average individual who purchased them. The art of living was perched upon wheels or in the air without any regard to the future results. In the mad scramble for gold the electorate forgot their Government. Their judgment was seared in the selection of public officials. Little wonder that all political units of Government are now sunk in the throes of a great depression. Little wonder that individual indebtedness, bankruptcy, despair, and suicide stalk throughout the land.

Let us return to the Constitution. In it there is an anchor for our hope of to-morrow. In a republic we choose our public servants for a given term to carry on the work of government for us; but their tenure of power belongs to the people. By virtue of our system of more or less frequent elections we retain the right to confer or revoke further authority when we decide that our wish has been complied with or has been abused.

This perilous situation is having a sobering effect upon the people. While officials in high positions of power have betrayed their trust, while the worship of the "golden calf" has been nation-wide, the condition is only temporary. We are now returning to sanity and reason. Honesty is and always will be in the majority, but honesty is seldom organized and never united except in a crisis. When honest men fall out thieves take the loot. America, as it were, has occupied that situation for the past 14 years, but we are in a crisis now and honesty of purpose, honesty of action are becoming organized. To-night as we gather here the honest, upright, conservative, thinking individual throughout America is giving serious attention not only to his own private affairs but to the attention of government, and when that vast majority is crystallized into dynamic action then, and only then, will this depression begin to wane.

Good citizenship is founded upon honest individuals. True citizenship means something more than standing at attention when the Star-Spangled Banner is played. It means something more than voluntary obedience to law, it means exercising an active part in the selection of all those who carry on the work of the Government, whether it be in the city council, on the board of supervisors, the executive of a State, or the Congress of the United States. It means conscientiously and honestly to act in the selection of those who are to administer these responsible undertakings.

A few days ago I had the pleasure of standing near the spot where Lincoln on November 18, 1863, dedicated our Nation to a new birth of freedom—a Government of the people, by the people, and for the people. As I stood on that hallowed spot and looked across the field, I could see in my imagination the lines of two great armies, I could see and hear the shot and shell of battle. I could see the lines of blue and gray falling as grape and canister cut through their ranks. Sixty-eight and one-half years later all was still and quiet on that Sabbath afternoon. As I stood on that spot my imagination carried me to another scene, if you please, which now grips our land. I could see two great armies marshaled to battle. On one side were arrayed the forces of greed and those who worshiped at the "shrine of the golden cross."

Arrayed on the other side were the masses of humanity girded with the shield of truth and armed with the sword of might. I could see their lines falling as the grape and canister shots of financial losses, bankruptcy, suicide, and despair plunged them headlong into disaster. In the rear of that army I could see and hear the wails of hungry mothers and starving children, but their general gives the order and again and again they advance into battle in defiance of the human creed of greed. It is this battle which honesty in government will win.

With this group of young men and women assembled here to-night let us resolve that our Nation shall have another birth of freedom, that we have a government of honesty, by honest officials, for honest people, that can not perish from the earth. If in the busy years of an active life your creative thought in both the spoken and written word shall hold steadfast to this creed, your new organization, in its first convention here, will subscribe anew to an old doctrine, which will not only encircle the globe but will strike from the human mind the shackles of selfishness, the chains of prejudice and passion, and usher into being a new day born of the Master, when He uttered these prophetic words, "And there shall be a new earth."

WORK OF THE COMMITTEE ON THE POST OFFICE AND POST ROADS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered over the radio yesterday on the work of the Committee on the Post Office and Post Roads of the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, the Committee on the Post Office and Post Roads is one of the five major committees of the House of Representatives. It is composed of 21 members, 12 Democrats, 9 Republicans, and 1 Delegate of the Territory of Hawaii.

It reports legislation relating to the Postal Service and has general jurisdiction of subjects relating to railway, ocean, and pneumatic-tube service, postal savings banks, and postal telegraphy.

Nearly 150 bills have been referred to the Post Office Committee by the House of Representatives at this session. After reaching the committee they are referred to subcommittees for consideration and recommendation. The titles of the 11 subcommittees indicate the nature of the bills referred to them and of their investigations. These subcommittees are: Salaries and allowances, classification of mails and postage rates, post-office quarters and facilities, air mail service, special postal services, foreign mails, rural mails, offenses against the postal service, postal savings, railway mail service, and the city and village delivery service.

The work of the committee is centered about the Postal Service, the largest business in the world. This activity which transports your letter from a convenient mail box to, perhaps, some far corner of the globe, keeps going 24 hours a day; it covers every street, avenue, and roadway in every section of our Republic; it travels by land, water, and air; and it serves every county, city, town, and village in the United States.

The Rural Delivery Service alone served nearly 7,000,000 families last year. With the coming of the automobile, rural routes have been consolidated and extended, the average length of a route to-day being 31 miles as against 26 miles in 1924. Last year more than 850 routes were consolidated. In this manner the saving of approximately $900,000 to the department was effected.

The mail goes through, regardless of all obstacles. During one of the recent severe winters it was necessary for a mail carrier to have 30 head of horses to maintain the service in his mountainous territory.

One hundred and forty-three years ago our Federal Government, under George Washington, began operating the Postal Service. Since that time the receipts have grown from $7,510 to $705,484,098; the expenditures have likewise increased from $7,560 to as high as $803,667,219; and the 75 post offices of the year 1789 have become 49,000 in 1931.

Progressive as the service has been, however, we have what has been called a "jack-powered" conveyance in the Postal Service. Out in Colorado the mail has been transported from the post office to the railroad station for 37 years in a buckboard wagon driven by a jack mule, but the mail goes through.

In spite of this, the growth of the Postal Service has been phenomenal, and one that the ancient King of Persia could scarcely have foreseen when, enraged and piqued by his Queen, he planted the seeds of the postal system by sending letters into every Province of his vast empire, informing his

subjects that it was his imperial will that every man should bear rule in his own house.

Last year it took nearly 400,000 people to collect, deliver, and account for the mail. Among the largest groups performing this service were more than 71,000 clerks in first and second class post offices; 53,000 city letter carriers; 48,000 first, second, third, and fourth class postmasters; 42,000 rural carriers; 21,000 railway postal clerks; 4,900 watchmen, messengers, and laborers; 3,800 motor-vehicle employees; 2,800 assistant postmasters; 1,000 village delivery carriers; while over 150,000 employees were engaged in the air mail, international mail, inspection, contract, substitute, and special service.

The Post Office Committee might be termed the board of directors of this huge postal business. It considers and recommends bills for the more efficient conduct of the Postal Service, as well as bills for the welfare of the postal employees, their salaries, allowances, promotions, seniority rights, and working conditions.

The committee has charge of legislation affecting our great network of air mail, on which 25,000,000 miles were flown last year in this country, Canada, and Central and South America.

The committee has jurisdiction over all classes of mail matter and determines the rates, classifications, and conditions of mailability for each class.

The committee before reporting out bills grants hearings to all interested parties, including the Post Office Department, employees, Government officials, mail users, and others who might be affected in any way by the legislation.

We considered at this session bills aimed to prevent kidnaping, to prevent the shipment of poisons, slot machines, gambling devices, obscene literature, puzzle contests, and unsolicited merchandise through the mails, bills for the relief of substitutes in the Postal Service, and many others.

The Post Office Department, in addition to its regular revenue-producing business, aids in the development of the United States merchant marine, as well as the Air Service, by preferential rates ofttimes referred to as subsidies or subventions.

It provides free-in-county service for publications, free transmission through the mails of reading matter for the blind, and distributes, at a very low, below-cost rate, literature in the interest of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations.

The efficiency of the Post Office Department can be clearly proven by the records, which indicate that the productivity of the employees of the department has increased 100 per cent since 1913, and this without the aid of labor-saving devices, as is the case in other industries.

A recent survey instigated by the Postmaster General resulted in enormous savings by taking up 3,600 positions with a saving of $9,500,000. As a result of this survey, no regular employee of the department lost his job.

Under the provisions of the economy bill, shortly to become a law, the furlough plan will be put into operation by the department, which will result in a reduction of the deficit, a spread in employment opportunities, and will, we all hope, bring about the enactment of a 5-day week to all postal employees. A deserved recognition of the loyalty and efficiency of these splendid men and women of the Postal Service.

On July 26 next we will celebrate the one hundred and fifty-seventh anniversary of the origin of the United States Postal Service, by the Continental Congress and the Bicentennial Commission in recognition of this historic event has suggested a program calling for a nation-wide celebration of the day.

General Washington was one of the sponsors of the Postal Service, and repeatedly in his messages to the Congress he called to their attention the need for the extension and expansion of this great department. Washington always believed the department to be one of service rather than profit, and in the diffusion of knowledge and light he saw the liberties of our people protected.

MY REPORT TO THE PEOPLE OF THE ELEVENTH CONGRESSIONAL DISTRICT OF OHIO

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. UNDERWOOD. Mr. Speaker, ladies and gentlemen of the House, I desire to present to the citizens of my district a condensed report of my attitude on important legislative matters that have been passed upon or considered during my service. My aim and desire as a Representative in Congress has been to serve faithfully all the people of my country and district. I have tried to vote and to speak for the best interests of my constituents at all times. I have asked for and appreciated receiving the views of the farmer, business, laboring, and professional men and women of my district. This has enabled me to become better acquainted with the direct needs of the good people of the eleventh district. The advice, help, and teamwork of my constituents in solving and helping to solve the many perplexing problems have been both beneficial and helpful. I am gratefully appreciative and thankful to all for this help. Measures of great importance to the people have been and are now before Congress.

Service in this great legislative body is an interesting and important work. Our Government is the greatest business institution in the world. It is a privilege and an honor to represent a cross section of the American people in what I consider to be the greatest lawmaking body in the world. I am pleased to say that most of our legislation has been enacted in either a nonpartisan or a bipartisan manner. The absence of narrow partisanship on many great business questions has been evident. I do not believe that blind partisanship should be the guide in voting on important questions that vitally affect the happiness and welfare of all our people. I can truthfully say that during my service as a Representative I have tried to adhere to this principle and to consider and cast my vote on every measure on the basis of its merits. A congressional honor and mantle becomes one of dishonor and shame when purchased at the price of the sacrifice and surrender of independent political thought and manly self-respect. I have tried to square my vote with my conscience and my best judgment. I have earnestly tried to perform my duty to the people whom I represent.

It has been truthfully said by a distinguished statesman who served approximately 25 years in the House of Representatives, "It is a high honor to be a Representative in Congress." I have learned by experience that a Member's usefulness to his country and district increases with his term of service. As Champ Clark once said:

> A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor—that is, useful and influential Congressmen are made largely by experience and practice.

Many sections of the country have considered it an unwise performance to change Representatives at short intervals. As has been aptly said, "A new Congressman must begin at the foot of the class and spell up." In perhaps no other business does seniority or length of service amount to so much as in the Congress of the United States. Length of service in the House with the advantage of knowledge and acquaintance with the work of the various governmental departments, gained by years of experience on the job, helps a Member to be of more useful service to his country and to his constituents back home. A Member of Congress who has capacity, industry, honesty, sobriety, and courage, who is willing and strives to perform his duties faithfully and well is bound to gain position and influence with the seniority or length of his service in the House of Representatives. Due to this factor many Members of the lower branch of Congress have been serving the same district continuously for periods as long as 30 years. Experience counts in Congress.

UNFAIR PROPAGANDA AGAINST CONGRESS

In our country it is the privilege of all to freely criticize. However, criticism should be constructive, not destructive. I believe this Congress has been treated with gross unfairness by the vast majority of newspaper reports, spread throughout the country by organized lobbies, big business, and selfish interests. They have done this with the express purpose of misleading and concealing the real truth from the American people by creating a smoke screen to hide their manipulations and trickery. They have done this, for example, like the international bankers, who have unloaded some $30,000,000,000 of practically worthless securities on the American people, thereby causing more than 3,000 banks to close and small investors to lose their life's savings, and virtually bankrupting American agriculture, industry, and commerce. These greedy and selfish interests, seeking special privileges and favors, have tried to shield their operations and guilty conduct from public view. They have sent billions of good American dollars abroad that should have been spent at home to employ the millions of our idle workmen. These financial pirates, robbers, and unfair and un-American selfish interests, with their swollen profits, care little for the average American citizen or his welfare. They freely misrepresent the attitude and voting record of Members of Congress upon important public questions. By broadsides of propaganda through the press, by editorials and cartoons, through magazines, by radio, by paid lecturers, and through the mails they have tried to mislead the American people and misrepresent the Congress.

They have even employed muckraking scandal sheets to attack the personal life and conduct of individual Members of Congress. They have published malicious, false, and untrue stories to injure and destroy men in public office whose lives and personal conduct have always been clean and above reproach.

Members of Congress who have served for many years, state that this Congress has faced more difficulties, worked harder, and under greater strain than any Congress in which they have heretofore served. I know this to be true. Congress has been bombarded with organized propaganda; it has been flooded with thousands of telegrams and thousands of letters, on legislation and relief measures. More complex problems have confronted this Congress than any session since the World War. Many Members have died and others collapsed from exhaustion under the intolerable strain. Congress should have been called in special session by President Hoover last fall, or earlier, to have given the proper attention and consideration to the far-reaching and difficult problems presented for solution. The average Congressman is but human and I believe, whether he be Democrat or Republican, is willing and anxious to help work out a solution of the serious economic problems confronting our country. I have never dodged a vote or evaded an issue during my service in Congress. In order that my position or votes may not be misunderstood or misrepresented to the people, I am making this report to the good people who have honored me with election as their Representative in Congress.

A Member of Congress is a public servant. Everyone who seeks this high office should not quibble or hesitate to make known his position on all important public questions. To conceal or refuse to state his position to the voters makes him unworthy of this high trust and position. I am restating my attitude upon all important public questions. A public office is a public trust. I have tried to serve all my people regardless of politics, honestly, faithfully, and efficiently. I stand squarely upon my record of nonpartisan service to all my people and submit this brief for the approval or disapproval of the people of my district.

CITIZENS' INTEREST IN CONGRESS

In the hope that it will stimulate thought and a deeper sense of responsibility and, in order to help my constituents to determine to what degree and in what manner they and their interests have been represented, I want to speak briefly of a few major legislative questions that are of vital interest to the country and the people whom I have the honor to represent. I believe these problems deserve the serious consideration of every citizen. These remarks, principally for the benefit and information of the people of my congressional district, must necessarily be brief. During my service in Congress I have made speeches on certain public questions at the time they were before the House for action.

TAXATION

How time old and historical the tax problem is. It has always been burdensome. It bore down upon the parents of the Savior when they had to make the annual journey by the motive power of a mule to pay their taxes; it bore heavily in the days of the Revolution; and, gentlemen, it bears heavily to-day.

Society and government can not stand without taxation. We have greater privileges to-day, therefore greater taxes. It is the grave duty of Congress to equalize taxes as far as possible. Atlas, with the world on his shoulders, had a burden light as air in comparison with some of the unjust taxes the taxpayers shoulder to-day.

Taxes are paid by all of us alike, both Democrats and Republicans. We must all bear our share of the expense and burden of our Government.

I know that Congress should relieve the small taxpayer—the farmer, merchant, and laboring man—who is now overburdened, not only with Federal taxes but with State, county, and municipal taxes. My plea is for fair relief to all, and it can be done. It must be done. I do not believe it was the purpose of those who drafted our tax laws to place the hand of the tax gatherer into the pockets of the small-home owner and wage earner of this country. Why hamper the man " whose brow is wet with honest sweat, who earns whate'er he can "? He needs all of his small income to clothe, educate, and support his family.

The huge fortunes which have been made and are being created in this country were made possible by our tremendous natural resources with which God Almighty endowed the land. Those resources have been exploited and have piled up many great fortunes that, to a large extent, do not represent so much creative genius as the ability to translate natural wealth into money. Wealth is necessary to conduct and maintain our business structure; but I believe that the big fortunes, which were made possible by the exploitation of the natural resources of the American people, ought to pay a generous share for the conduct of the Government, which makes them possible and which keeps them in existence.

The big business interests and the war-made millionaires want more than a reduction of their taxes. They know that the World War placed a tax burden on the country that it will take a generation to pay. In time of war we conscript the youth of our land. I do not believe that property is more sacred than blood. If necessary, we should conscript wealth to help pay our country's debts. Wealth paid smaller taxes in this country during the war than it did in any other country under the sun. The rich are now endeavoring to shift the burden of our war debt almost entirely to the backs of the people. Unless we stop it, big business will not rest until the common people are forced to pay every penny of the cost of the war.

The people are earnestly demanding and appealing for lower taxes and for further efforts toward a more simple, honest, and economical administration of our Government. I do not oppose the wealth of our country. It is necessary to conduct and maintain our business structure. I would not destroy the incentive to accumulate, but wealth must bear its share of the cost and expense of our Government. It should not ask special privilege at our hands. I do hope that Congress may say to the country that substantial relief has been given to all classes of taxpayers and that our acts will stand the test of analysis, the test of honesty, and the test of equality that will do justice to all taxpayers.

OPPOSED SALES TAX

I have always believed that the income taxes, excess-profit taxes, and the estate taxes should be the main sources from which our taxes should be drawn. Big business and

wealthy interests vigorously objected to increases in the higher income taxes, inheritance taxes, estate taxes, and gift taxes. They strongly urged the passage of the sales tax.

I voted against the sales tax. The sales tax, in my opinion, would unload more than half the taxes on the overburdened backs of those who are least able to pay. I have always believed that taxes should be levied according to ability and capacity to pay. The sales tax is not based on ability to pay, but necessity to buy. A sales tax would place additional taxes and burdens on the consumer and in effect would be double taxation. The sales tax, as originally proposed, included a tax on food, wearing apparel, and other necessities of life. A system of sales taxes is wrong. It is not based on ability to pay. A sales tax would increase the cost of living to the American people. It would affect the great mass of the consuming public most severely, and tax a large per cent of their earnings.

A sales tax is a consumption tax. It would result in and create a sales resistance against commodities taxed. It would cause a falling off in the demands of the consumers for the articles taxed and destroy industry and commerce. I believe the passage of a sales tax would encourage and promote extravagance in government. Succeeding Congresses could easily raise the rate of taxes. The sales tax would cause those who are now in distress and who are now suffering most from this depression to pay the taxes of those who have never been hungry and who have never wanted for the necessaries of life. It would work an injustice against the farmers who are losing their homes and the workers of the country who have lost their positions and incomes. The sales tax was advocated by the wealthy income-tax payers, who hoped to reduce their own taxes. The wage earners, the farmers, and their families, who are to-day practically bankrupt, would shoulder the burden of the sales tax. Its adoption would mean that the taxes of those who are able to pay would be greatly reduced and the burden placed on those who are least able to pay. Those who advocate the passage of a sales tax are endeavoring to shift the burden of taxation to the backs of the people. The sales tax is so unfair and so unpopular, when fully understood, that both the Republican and Democratic Parties were afraid to take a stand for it in their platforms. Wealthy, greedy, and selfish interests are the chief supporters of this most unfair and unjust tax.

AGRICULTURE

I spent my early life on the farm. At the present time I own, operate, and live on a farm. I have carefully studied the agricultural situation and believe that I understand some of the difficulties confronting the farmer. During my service in Congress farm relief has been one of the most important questions for solution. Careful study, attention, and consideration have been given to agriculture by both branches of Congress, farm organizations, economists, leaders of industry, business, and commerce. Every fair-minded person admits the serious condition of agriculture.

The farmers of the country have been facing bankruptcy. Numerous bills and measures for relief have been presented for the solution of the farm problem. Congress has enacted some of these suggestions into legislation. Others have been rejected as being unsound, uneconomic, and unworkable. Agriculture to-day struggles under economic disadvantages and injustices. The tariff on farm products is ineffective. The debenture plan would have made the tariff effective on farm commodities. The price the farmer pays for everything he uses is fixed for him. The price he receives for his products is also fixed. He is not only told what to pay but the price paid to him is dictated. The farmer does not need additional loans alone; he needs an income that will insure him an honest living and a fair return for his labor. Many farmers to-day would be improving their farms, repainting their buildings, replacing their farm machinery, building fences, and generally impoving the farm if they had the money with which to do these things. It seems to me that it is time that the industrial interests of the country realize that the farmer's dollar moves in a never-ending cycle. It is evident to all that the business depression and the hard times existing in industrial centers to-day can be traced largely to the distressed condition that has existed in agriculture since the war. Agriculture is our basic industry. If agriculture is not prosperous, the other industries of the country will sooner or later feel the effects, and that is the case to-day.

I fear that Congress, by the enactment of the Grundy billion dollar tariff bill, by increasing the tariff on manufactured products, upon which there was already a practically prohibitive tariff, has taken away most of the benefits gained or to be gained by the farm relief bill. Congress has raised the price that the farmer has to pay for manufactured products for his family, his home, and his farm. I discussed this proposition in my remarks on the tariff bill. Agricultural tariffs are generally ineffective. Tariffs related to industry are very effective. The tariff has been raised on numerous articles that the farmer must purchase, thereby increasing his cost of living. Within my congressional district are many diversified industries. We have as fine farm land as exists anywhere in the country. Traveling over my district, I find many of the farmers are bankrupt and farms being sold at the courthouse. Something is wrong. I see fields grown up with weeds, houses deserted where once prosperous farmers resided but now gone. The farmers have been paying war-time prices for many of the necessities they use in the home and on the farm. They are receiving deflated prices for their farm products. At the present time the farmer's dollar measured in other than farm products is worth very little. Beef, pork, grain, and other products of the farm are selling at very low and unjust prices. Farmers have been toiling from early morning until late at night to find that they are making only a bare living. In many instances they are faced with a mortgage and bankruptcy.

We have a serious situation, brought about by the economic inequality of agriculture and by the steadily lessening buying power of the American farmers and the consuming public.

It seems to me that if the American farmers can be helped out of their present economic distress that it will do more to bring prosperity back to this country than all the artificial and abnormal stimulants will be able to accomplish. It is admitted that at least half of our population is in economic and financial distress to-day. It ought to be self-evident that a prosperous agriculture is necessary to continuous industrial prosperity. The future success of every business enterprise in America depends directly or indirectly upon the buying power of the agricultural part of our population.

When we pause and consider the vast number of farms that are being abandoned, when we think of the millions of American farmers who have been struggling against adversity for the past several years with insufficient income to meet their taxes and pay their obligations, when we think of the disastrous decrease in the buying power of American agriculture, we must all recognize that it is a serious situation, demanding the attention of all who are interested in the future of this country.

If we permit the farmers of this country to be driven from the farms, undoubtedly we will pay more for our food and raw materials. It will result in the destruction of agriculture, which is our basic industry.

I have always found the farmers of America to represent an honest, courageous, and hard-working body of our citizenship; law-abiding, home-owning, and country-loving people; and they have a right to demand and should receive the sympathetic and constructive consideration of our national lawmaking body. Their problem is a national problem. It is a State problem. It is an individual problem. A satisfactory solution of it would result in greater happiness and prosperity to all the people in our fair Republic.

UNEMPLOYMENT—OUR GREATEST PROBLEM

I have always supported all worthy legislation for the betterment of the living and working conditions and adequate compensation for the laboring men and women of my country and congressional district. I am pleased to say that I have a 100 per cent labor record.

I voted for the Norris-LaGuardia anti-injunction bill. I supported this measure, believing that labor should not have to bear in the future the burden of unfair and indiscriminate injunctions. This legislation will remedy and correct for the laboring men and women of the country many of the injustices which have existed in the past. The question of old-age pension and unemployment insurance is becoming more and more a matter of great public importance. In our social system thoughtful persons are attempting to work out and devise a means that will care for and assist the elderly, indigent, and deserving laboring men and women of our Nation who, through no fault of their own, meet destitution and want without the necessities of life or the means of providing a livelihood for themselves.

One of the most serious problems confronting our Government to-day is the unemployment situation. Approximately 10,000,000 people are jobless. The unemployment menace hangs over our country like the darkness of night. We have more people unemployed in this country to-day than in all Europe combined.

American industry, agriculture, and commerce are idle and stagnant. The panic still holds us in its grasp. We have an abundance of everything; but the consuming public, due to lack of employment, does not have any purchasing power.

To-day 10,000,000 workers are unemployed, and approximately 40,000,000 Americans are suffering from privation and want. These people have no income and no purchasing power. Misery is widespread in a time not of scarcity but of overabundance and plenty. Unprecedented unemployment, an untold fall in commodity prices, and unmeasured economic losses threaten our institutions.

The United States is, perhaps, the richest country in the world in resources. We are able to produce in the mills and factories far beyond our domestic needs and requirements. With all this surplus of wealth and resources, we have millions of willing, able-bodied men and women unable to secure work and, with no other source of income, sadly in need of food and clothing. These problems of unemployment and the distribution of our resources and wealth in a land where we have more of everything to eat and wear than we can possibly use, confronted with millions of human beings hungry and in distress, challenge the very foundation of our economical and political system. The distress has cost us in national wealth approximately $85,000,000,000. The loss of wages due to unemployment for the two years 1930 and 1931 was $21,600,000,000. It has been estimated that for every month in 1932 we have lost $2,000,000,000. This loss is, and will continue, until conditions improve.

The unemployment situation will destroy the Nation unless our Government and industry can solve the problem. Immediate and constructive action is necessary. The loss of purchasing power of those unemployed has destroyed business and industry. The question is asked on every hand, What can be done to remedy this situation?

I have contended that this Congress should not adjourn without providing for immediate relief for those unfortunate American citizens who are to-day, through no fault of their own, enduring actual want, hunger, and starvation. This requires immediate national aid, as public funds in many States, cities, and other subdivisions are exhausted. The jobless and hungry must be fed and clothed; the cry of distress must be answered by the Federal Government. The cure and remedy for unemployment is work. Private industry is unable to furnish employment. It is absolutely necessary that our Federal Government set in motion a program that will give people employment. Loans to States and cities should be made. We issued bonds to win the war. We can issue bonds for worthy works, such as the building of roads, bridges, the paving of streets, the elimination of grade crossings, the construction of public buildings, parks, sewers, waterworks, and other worthy projects. This would employ our citizens and increase the wealth of the Nation. Employment would mean increased prices in sales, increased manufactured products, increased prices for the farmer's products.

We must reorganize our entire industrial system. We must, if necessary, control production. In this machine age improved methods have increased production. This means shorter hours for the laboring men in the governmental service and in private industry, with a fair and decent wage and a just share of the national income. This may mean a redistribution of the wealth of the country; but that should not alarm us, because too much of the wealth and industrial resources of the country has been concentrated in the hands of a few. This depression can be overcome.

In the meantime we must take care of our destitute and hungry citizens. We must inaugurate a widespread emergency program to meet the unemployment menace. We must inaugurate a shorter workday and shorter hours for labor. We must adopt emergency relief measures and legislation that will dispel the darkness, roll away the clouds that now overhang the people of this fair Republic, which we all love. If we can not do this, then I fear that this great Government of ours will collapse. I fear that we, as Americans, will lose all those sacred rights and privileges which all our people are entitled to enjoy.

We have argued much in this session of Congress concerning the responsibility of the Nation and States and local communities to provide relief and furnish work for the unemployed. We must admit and acknowledge that the primary responsibility is local. However, innocent victims of this panic and disaster do not and will not make any hair-splitting decisions or distinctions between local and national responsibility. The people of the Nation pay the taxes. They are our defenders in time of peril. They do not expect the Nation, for which they are willing to give their life and shed their blood in times of need, to desert or neglect them in their time of want and distress. Our country has boasted of its great progress. We have boasted of mass production. We proudly gave to the world many inventions reducing and eliminating labor.

I fear that our enthusiasm for the benefits derived from improved machinery has caused us to be unmindful of the hardships of those who toil with human hands. We would not turn back. Society must progress; but it is the duty of society to find a solution or means of livelihood for those unfortunate members of its ranks who to-day find their labor by human hands displaced by improved machinery and are no longer needed. Society must provide a way for them to share in the profits or support themselves and their families in accordance with our standard of living and wages. This may mean the shortening of the working day; this may mean inauguration of the 5-day week or the 6-hour day. This must be done in justice to all the people. Every laboring man and woman is entitled to his share according to his ability, needs, and opportunity.

Labor is not a commodity. As a reward for their toil, laboring men and women of the country are justly entitled to enjoy privileges and benefits which we as Americans believe are due all the people of our country.

Society must adjust itself to the changed conditions. If the so-called big-business and capitalistic classes of this country, who have reaped and are reaping enormous profits from their investments, do not make—and they have not made—a proper distribution of these profits in wages to labor, then it is the duty of our Government to exact in the form of taxes and redistribute to all the people a fair share in return for their toil and labor. It is a dangerous thing to have approximately 10,000,000 men and women unable to procure labor or support themselves in a land of plenty. These patriotic people—idle, hungry, and in distress—have been loyal, patient, and patriotic, hoping that a solution would be found for the ills which confront them.

Changed and unusual conditions rightfully demand reversal of beliefs and opinions. That is the case to-day. There must be a redistribution of the wealth of this country so that the average man, the farmer, the laboring man and woman, the small merchant and business man, and those who depend upon toil for their living shall have a fair share

of the returns. The future of the country depends upon the satisfaction of its people. The masses of the people who constitute the great backbone of this Republic must have an equal opportunity. We can not and must not allow them to be trampled by the greedy and selfish interests, by the gigantic mergers and monopolies that would take all and give none. If these combinations, trusts, and illegal conspiracies and monopolies are not broken up, if the average American citizen is not permitted to earn and enjoy his share of our natural resources, then I hesitate to say, I fear to predict what will happen to the country which we all love so much.

WORTHLESS FOREIGN SECURITIES UNLOADED ON AMERICAN PEOPLE

Mr. Speaker, ladies and gentlemen of the House, this is a sordid tale of our practically worthless foreign loans. This is the truth about the international bankers, bloated millionaires, financial pirates, and bandits who have sold America short, who have sent good American dollars to Europe and South America, and have unloaded billions of dollars of worthless securities on the unsuspecting American people. This story is one of the darkest pages in the financial history of our country. Lift the curtain and give the American public a glimpse.

American citizens have been taught to rely upon and to trust their bankers. Our people have always regarded their bankers with confidence and utmost reverence, depending upon their advice and counsel to make their investments and loans. Unfortunately, the small banker has, in many instances, been the victim of these selfish and predatory interests. Recent investigations by Congress of the transactions of international bankers and men prominent in high financial circles have shaken public confidence and lost in part the trust of the American people.

The rude awakening from the financial crash of the stock market of 1929 and repeated many times thereafter, resulting in bankruptcy and devastation of American industry, agriculture, and commerce, has caused our people to search for some of the underlying causes of our depression and serious economic problems. Destitute American citizens, their savings gone and life earnings dissipated, now ponder and meditate while great international bankers of the country wax fat with their ill-gotten profits and commissions from their gigantic loans to foreign countries. To-day with their swollen wealth we behold these same selfish interests propagandizing the country and belittling Congress for not doing something to relieve the terrible conditions that have arisen, principally as the result of their high-handed finance and manipulations. Much has been done by Congress to reassure and restore business to its normal activities. Never before has so much organized propaganda against every effort proposed by Congress come to my attention. Big-business men in high financial circles have repeatedly helped "put down" every effort to return to normal circumstances. They have preyed upon the financial distress of small investors who, in their distress, have had to let loose of their holdings to these financial buzzards, who have swollen their fortunes at the turn of the tide.

The truth should be told to those who have undergone great financial hardship and suffering during this depression. Tell the truth to those who are to-day blaming our Government and our Congress. The truth will disclose one of the principal causes of the panic and depression which now holds our country in its grasp. Here is the story of these financial racketeers: Approximately $30,000,000,000 of practically worthless bonds and securities sold to and unloaded upon innocent and unsuspecting American investors. Do you read editorials in the papers condemning what has been done? No. The press in the great financial centers evidently considers the fleecing of the public out of the millions of dollars as a just and righteous business. The gigantic swindle of the hard-earned savings of millions of American citizens has been diverted from productive business enterprises here at home to be sent abroad and used for the benefit of the people of foreign countries.

Is it any wonder that this group of financial robbers, who have fleeced the American people out of billions of dollars, now hope to shield and cover their crimes by directing public attention elsewhere? The truth of these investigations should be given to the people. Systematized, false, and misleading propaganda; vilifying and muckraking attacks directed against the Congress, have served as a smoke screen to hide the manipulations and crookedness of these financial pirates and bloated millionaires. By broadsides of unfair propaganda through the press, by misleading editorials and cartoons, through the magazines, by radio, by paid lecturers, and through the mails they have tried to shield their unscrupulous operations and guilty conduct from public view.

Much of this $30,000,000,000 squandered or loaned abroad has been used by our competitors in other countries. Why did the international bankers do this? It has been admitted by many that they did this solely for the purpose of making gigantic and unholy profits aggregating millions of dollars in the way of commissions on loans. Foreign countries have used these loans to make great internal improvements. They have used these loans to develop parks, to build roads, bridges, canals, tunnels, and so forth. They have used a great part of these loans to create and build great manufacturing institutions to compete with American industry. They have used these loans in building and maintaining extravagant armies, navies, and war equipment, that endanger the peace of the world. All this has been done with American dollars, that should have been kept at home and spent for the benefit of our millions of patriotic American citizens who are now suffering privation and want.

We have in this country to-day approximately 10,000,000 people unemployed. Forty million Americans are suffering as a result of this unprecedented unemployment. It is estimated that the United States has more jobless men than Germany and France combined and almost twice as many as England and France combined. The American laboring man is idle, brooding over the unkindness of fate, unable to secure employment or make a livelihood for himself and family. The farmer, the small merchant, banker, business, and professional men are all virtually bankrupt. American industry, agriculture, and commerce are idle and stagnant. Would it not have been better to have spent at home a part of this $30,000,000,000 sent abroad in the employment of American labor to revive American industry, agriculture, and commerce? We have played Santa Claus long enough to the nations of other lands.

Approximately $30,000,000,000 of practically worthless foreign securities have been unloaded upon the American people. Did the international bankers truthfully warn American investors or the general public that they were unloading billions of dollars of worthless securities? Did the international bankers truthfully advise the American people and the small banks? Evidently not. The doors of several thousand small banks are now closed, and many of them have these worthless bonds as frozen assets in their safety-deposit boxes. The international bankers knew when they were floating these gigantic loans to Europe and South America that these countries would be unable to meet the interest and principal as the loans came due, having already defaulted or refused to meet their obligations. I am amazed at this recklessness upon the part of these bankers. They knew the situation. They did not heed the facts. They acted only from selfish purposes and for the profits they took. They gave no heed or thought to the American people or American industry, agriculture, and commerce. Is it any wonder that they now plead for the cancellation of foreign debts owed to our Government, a great part of which have already been cancelled? Is it any wonder that they asked for the moratorium or further cancellation of debts due our Government in order to protect themselves or their private loans? They would saddle the entire burden on the now already overburdened American taxpayer.

The American people may not know it, but we canceled all of Italy's debt except approximately 21 cents on the dollar; all of France's debt except 42 cents on the dollar; and like cancellations have been made to other countries of various debts owed to and borrowed from our Government before the end of the war. We are receiving less from these two

countries than they borrowed from us after the close of the war. It has been estimated that under the terms of the Italian debt settlement we placed an additional and unjust tax of $14 on every man, woman, and child in the United States, or approximately $70 on the average American family. Under the settlements negotiated with European nations we have canceled or remitted approximately $11,000,000,000. The cancellations we have made place an average additional tax burden of $28.33 on each man, woman, and child in the United States, or about $141.65 on the average American family. I opposed these debt settlements. I spoke and voted against them. These same international bankers and their friends would have Congress cancel the debts contracted since the close of the World War. The moratorium was a step in that direction, other moratoria or postponements will mean a scaling down of these debts or lead to their ultimate cancellation. Is the now overburdened American taxpayer willing to assume this additional load? Farmers and home owners are unable to meet their local taxes. Beef, pork, wheat, corn, and other agricultural products are bringing practically nothing. Our people can stand no more.

Mr. Speaker, ladies, and gentlemen of the House, again I repeat that the American people should know the truth. The international bankers, bloated millionaires, financial pirates and bandits who have sold America short and have sent good American dollars abroad, never to return, have been guilty of high crimes and misdemeanors. Their swollen profits and ill-gotten wealth have brought destruction, destitution, hunger, hardship, and poverty to millions of patriotic American citizens. These same international bankers to-day oppose any and all efforts that would bring some measure of relief to widespread human misery and suffering.

Let the American press and the critics who sit in high positions in the affairs of our Nation tell the American people the truth, pull the curtain aside and give them the true picture. In so doing you will find one of the real causes of the American panic and serious economic conditions. You will find one of the real reasons for our unprecedented unemployment; untold fall in commodity prices; and the unmeasured economic losses that threaten and challenge the very foundation of our Government, our economic and political system. You will find one of the real reasons for the unequal and unfair distribution of the wealth of our country; one of the reasons why the average man of our fair Republic is not to-day enjoying the prosperity to which he is rightfully entitled.

I may repeat that the unloading of $30,000,000,000 worth of these now worthless foreign securities upon the American public at a time when the same creditors were in default on their obligations which they owed our Government, was a sad tragedy and is one of the darkest pages of American history.

Did President Hoover or any of the members of his Cabinet or administration protest or object to the unloading of these worthless securities? The press boasted of the Hoover market with Wall Street waving the Hoover flag. Speculating tendencies were encouraged. The people were led to believe by acquiescence or silence that many of these investments were sound, safe, and secure. The markets went to unreasonable and dizzy heights. Domestic and foreign stocks and bonds, good and bad, skyrocketed and soared. Unsuspecting American citizens, lacking knowledge of the true conditions, dreamed of the day when they would be millionaires. Financial houses and big banking institutions became enormously rich in commissions and fees. At last the crash came. Fortunes were swept away. Dark pages were written in the financial history of our country; the confidence of the American public trembled and the inflationary bubble had burst. President Hoover refused to admit a panic. After the crash and the wild orgy of speculation, he still insisted that prosperity was just around the corner and that all the evidence indicated that the worst effects of the crash would pass within 60 days.

Hoover confidently predicted if we continued the policies which he advocated that the poorhouse would vanish from among us, that poverty would be banished from the Nation. What has happened?

Since 1920 almost 10,000 banks have failed, about one-half of them under President Hoover. Business is ruined. The tax-burdened farmer is selling his products at less than cost of production. Hunger and despair are spreading among the masses. The Hoover prosperity myth has exploded. Millions of loyal, patriotic American citizens are out of work, without purchasing power, and are unable to buy. Additional taxes have been saddled upon the American people; billions of dollars of American money invested in foreign bonds, many of them worth about 10 cents on the dollar; millions of dollars tied up in business abroad, and foreign countries still owing us more than $10,000,000,000 on their debts; and eight of our principal European debtor nations spent for armaments during the year 1930 the enormous sum of $1,779,346,162.

Has the Hoover moratorium, which was a donation of $252,000,000 to Europe, done us any good? Great Britain, France, Italy, and other European countries got their debt holiday from the moratorium, but the overburdened American taxpayers will have to make up that amount. Hundreds of mortgaged farms and the small-home owners in the city might have been saved. Millions of unemployed Americans might have been employed if the Hoover administration and our high financiers had shown their faith in America first and not played Santa Claus to other nations. It would have been a grand and glorious thing for the American people if charity had begun at home. I believe that if there was to be a debt holiday, it ought to have begun at home. It ought to have been given to the American farmer burdened with debts. It ought to have been given to the small-home owner, the merchant, and business man facing bankruptcy and ruin.

Unrestrained greed and gambling have been encouraged, helping to bring about the present deplorable conditions of the country. Wall Street and high financiers have dictated to the country and the Hoover administration. The country is in the midst of a panic. The American people have witnessed the growing power of special privilege that to-day threatens and presents a greater danger than ever before. Greedy and special interests are determined to rule or ruin. It is time that every American citizen should think seriously. Unfair attacks have been made upon the representatives of the people. They have been threatened with defeat and punishment because they have refused to follow the legislative demands of special and greedy interests. These same interests would destroy our representative Government, your Government and mine; they would write the tax laws; they would rule over all of us or ruin us; they would repeal the antitrust laws. They believe in and encourage gigantic mergers, monopolies, and trusts to rob the people.

The American people rightfully demand a new deal. Speculative tendency must be curbed. Mergers and monopolies in violation of law must be broken up or strictly regulated. The depression and the panic under Hoover is indeed terrible. There has been no shortage of gold or goods. There has been no nation-wide famine or flood. Our factories and granaries are full. America is enjoying under the Hoover administration to-day its first panic in a land of plenty. These abuses must and will be corrected or else our Government will collapse. Government must be restored to the people.

THE OHIO COAL SITUATION

The coal and mining industry, which but a few years ago ranked second to agriculture as the greatest industry in the State of Ohio, has collapsed. To-day thousands of miners are out of work. Some of them have not had work for more than two years. Most of these miners have families. Suffering and privation among these poor people in the Hocking Valley, Shawnee, and Crooksville fields have been the worst ever known. Of the hundreds of mines in the State very few are operating to-day. Ohio has the coal, the mines, and the miners to furnish all of its 70,000,000 tons a year consumption. For years Ohio controlled the lake trade, "the cream of the business." We were compelled to yield that business

slowly but surely to other fields by a prevailing system of coal freight rates which helped to literally kill one of the greatest industries in my State. Competing coal fields in neighboring States of West Virginia and Kentucky developed by discriminatory and unfair freight rates have gradually absorbed the markets and displaced the coal from Ohio mines. I have fought this unfair practice constantly since I became a Member of Congress. I have fully discussed this question in speeches delivered in the House of Representatives. I have always believed that a more just, fair, and equitable system of freight rates, based upon a mileage cost per ton of transportation, with proper terminal charges, should be inaugurated and put into effect by the railroads and the Interstate Commerce Commission. The coal fields of the country should be properly zoned, if possible. Distance and transportation costs should be in accordance with the rates charged. Unjust freight rates over long and short hauls exist to-day.

I have always contended that each producing coal field should have a fair chance to successfully compete for its share of the trade and not be discriminated against and lose its natural markets through unfair, unjust, and discriminatory freight rates. We must admit that the bituminous-coal industry of the country is overmanned. We know that there is an excess of production. We also know that in this industry the encroachments of electrical power, of natural gas, of improvements in consumption, have operated to slow down the annual demand from its high peak.

At the same time the introduction of labor-saving devices has decreased the demand for mine labor. Destructive competition and economic conditions have resulted in the final breakdown of wages and the industry. This has resulted in human misery and suffering which is wholly out of place in our American system. There must be a reduction of this destructive competition. It has tended to reduce to poverty all those who have engaged in it. We must have competition which will protect the consuming public, but it is time that the coal industry should be stabilized, if possible.

I have given my whole-hearted support to the principles incorporated in the Kelly-Davis regulation coal bill pending before Congress. I regret that favorable action by Congress on a measure of this character has not been taken. I know that there is much opposition against this legislation. It needs clarification, but I believe that the principle of cooperation contained in the bill will do much to solve the problems of this industry. It would do much to stop the unrestricted and senseless competition which for years has injured and almost destroyed the entire bituminous-coal industry.

This legislation provides a minimum of governmental regulation with stabilization supervised and developed through the experience of those in the industry itself. Since the World War, as a result of uncontrolled and unlimited expansion, the coal industry has been totally disorganized. The operators and miners are agreed that something must be done to remedy existing conditions. The rights of the public and mine workers must be protected and a relief plan worked out.

A coal commission is created by the measure, to be appointed by the President and approved by the Senate. It provides for regional sales associations and marketing pools in the coal ranks of the country. The action of these associations, concerning prices and production schedules, is subject to approval by the coal commission. This measure provides that the coal industry shall govern itself from within. It will do much to eliminate the destructive competition now existing within the coal regions of our country.

The labor provisions of the bill protect and guarantee the rights of the mine workers and the operators. Workers can not be deprived of the right of collective bargaining. It is only through collective bargaining that fair wages and reasonable hours of labor may be secured, their rights protected, and shorter working hours maintained. Fair wages would spread the benefits to all groups of the industry. The measure provides a reasonable control of prices and production, but the rights of the public must and will be properly safeguarded. The consuming public does not benefit when coal is sold at a price which means bankruptcy for the producers and starvation wages for the mine workers. There may be some question as to the constitutionality of the measure. However, the time has arrived when something must be done by the National Government. For the benefit of the industry and the interests of the country as a whole Congress must act on this vital question of coal control and stabilization.

I do not contend that this legislation would cure all the ills of the bituminous-coal industry. I do contend that it would do much to insure a fair share of the business to the different fields of the country; that it would protect the consumers against monopoly; that it would insure to the capital invested in this industry and the labor dependent upon it a fair return. I think it would do much to relieve the problem of unemployment, bankruptcy, losses, and starvation wages from which the industry now suffers.

We must meet the problems resulting from this new age, caused in a large part by machine production and cutthroat competition. At the same time, we must properly protect the public, maintain fair prices, just wages, and prevent unemployment and continued distress.

The Kelly-Davis coal bill would help, in a large part, to remedy existing conditions. We must meet the issues of the day and insure, if possible, to the people of our country an equal opportunity and a fair chance of life, liberty, and the pursuit of happiness. Any measure that will help the mining industry will also help the farmers, merchants, business and professional men of our country and my State and district.

I can see before me to-day in the mining fields, composing a part of the district which I have the honor to represent, thousands of these loyal, patriotic American citizens face to face with actual want and hardship. Ladies and gentlemen, the miners of Ohio, who have always been honest, fearless, and true to their families, their country, and their God, believe that partial relief can be granted.

If you will go with me into the mining fields of Ohio to-day, with which I am acquainted, I can show you the coal miner living in a modest and simple home, where he sits with his family brooding over the unkindness of fate. If you knew the miners of my district and State as I know them, if you had associated with them, as I have done, if you only knew the many hardships they have encountered and are encountering to-day, I am sure that you and the good people who have sent me here would not ask that I remain silent upon a question which is of so vital importance to the happiness and welfare of thousands of men, women, and little children in the coal fields of my State and district who are suffering from the pangs of hunger and unemployment.

We should remember that the coal miner is just like other men, with the same patriotic devotion to his country that is found in other men.

I am interested in their welfare. It is my duty to represent them, as well as all my people, in this Congress. I have been their friend and will continue to help them by my vote and influence whenever possible. The Ohio miner only seeks for himself and family what every true American wants—an honest living and a square chance to work in unrestricted and unhampered competition with his fellow workers in other fields. I want all sections and all the people of this great country to prosper and be happy. I regret that any of our people must suffer where it is possible to grant them a measure of relief.

SUMMARY

I have dealt very briefly with a few major legislative matters only and given a brief résumé of my work in Congress. In addition to the foregoing I have taken a definite stand on legislation providing for economy, salary-reduction legislation, emergency-relief measures, moratorium, cancellation of foreign debts, settlement of railroad-labor disputes, railroad consolidation, banking, public buildings, reduction of armaments, aircraft, retirement pension for Federal employees, rivers and harbors, Muscle Shoals, reapportionment, postal legislation, good roads, radio, Army, Navy, and numerous other questions of vital importance to the people of

the country. In addition to these all the various appropriation bills providing for the fiscal operations of the Government must be passed by Congress.

Many bills are introduced. In the Sixty-eighth Congress 17,415 bills and joint resolutions were introduced in the House of Representatives and 6,007 in the Senate. In the Seventieth Congress 17,769 were introduced in the House and 6,127 in the Senate. Almost an equal number of bills and resolutions have been introduced in this Congress to date.

Service in Congress is an interesting and important work. Again, I repeat, it is a great honor and privilege to represent the people of the eleventh congressional district of Ohio in the greatest legislative body in the world. For this privilege and the splendid cooperation of my constituents I am thankful.

EXTENSION OF REMARKS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having published therein a splendid Flag Day address delivered over station WOL June 14 by Hon. Robert M. Tolson, chairman of the Flag Day speakers' committee of the American Legion.

Mr. SCHAFER. Mr. Speaker, reserving the right to object, who delivered the address?

Mr. JOHNSON of Oklahoma. The address was delivered by Robert M. Tolson, one of the most forceful and logical speakers in the entire country. Let me add further for the benefit of my friend from Wisconsin, that the address in question is one of the finest patriotic speeches I ever heard and should be read by every schoolboy and girl in America. I will assure my genial friend from Wisconsin that no mention is made in the address in question to the eighteenth amendment; so I assume he will not object.

Mr. SNELL. I object, Mr. Speaker.

THE CAPITAL EXPENDITURE CLAUSE AND RAILROAD LABOR

Mr. GRISWOLD. Mr. Speaker, I ask unanimous content to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRISWOLD. Mr. Speaker, the railroads of the Nation have been much in the forefront of the news in recent months. Back of practically all relief legislation stood the specter of bankrupt railroads. Congress has never for a moment been allowed to forget their condition. We have been told that railroad securities were declining in value and that because of that decline the widows and orphans would suffer. To listen to some of the lobbyists of the railroad security holders a Congressman could not but believe that all the widows and orphans in America held railroad bonds; that bankers never acquired them for the purpose of making money; that railroad securities were invented and held their existence only for the benefit of the destitute and to protect the insurance policies of American farmers and laborers.

Newspapers have echoed the cry of the lobbyists and time after time the Government has come to the rescue of the roads at the public expense. Never once have the lobbyists of the security holders, the brokers, the bankers, and the insurance companies given a thought to the millions of American citizens who are not holders of these securities. These men and women who are affected by the raise in freight rates that the roads have been receiving—never once has their voice been raised in the interest of the millions of men who have spent their lives in the construction and operation of these same systems of transportation.

Someone has said that corporations are individuals without a soul. It has been said, too, that "Corporations have neither bodies to be punished or souls to be damned." Both definitions are certainly applicable to the transportation corporations of this Nation to-day.

Though we have given these corporations millions in aid through Federal gratuities, through Federal loans, through increased freight rates these same corporations have continued constantly to oppress the labor that operates and maintains them and to adversely affect the economic structure of every Main Street in America. Never in the history of any industry have the rights of the public been trampled upon as they are now being disregarded by the railroads.

Not so long ago we gave the railroads an increase in freight rates. They held that they were entitled to it under the law that allows them to make a return of 6 per cent on the investment. Included in this investment is what is known as capital expenditures. If the road lays new steel, if it builds a new station house or a bridge, if it buys locomotives or freight cars, those items are charged as a capital expenditure and the road is allowed to realize 6 per cent on that expenditure.

Railroads have bought steel under special contract at a price above the price that steel could have been bought on the open market and charged it up as a capital expenditure. One of the Van Swearingen railroads bought 40 new locomotives at a price of approximately $145,000 each, when it had perfectly good locomotives in storage and even put most of the new ones in storage. Yet on this expenditure they are entitled to realize 6 per cent that must be obtained by freight rates.

But labor is not capital expenditure; the man who operates the train, the man who works on the section, the man in the shop, unless he is engaged on new work, does not find a place in the capital-expenditure list. And so his salary is cut at every opportunity—on every pretext. Not only is his salary cut but his name is eliminated entirely from the pay roll.

Labor is not a capital expenditure, and every dollar that can be saved by these corporations, "these individuals without a soul," is saved so that it may be expended in special contracts for steel in excess of the open market price—expended for locomotives that can be placed in white lead. An exact statement of the controlling interest of the other corporations from which purchases are made and the controlling interest of the railroad would be interesting and illuminating.

The Pennsylvania Railroad was one of the first to suggest a cut in wages. It was one of the first to make a cut in wages—a cut that affected every man in the shops, every man engaged in operation, from superintendent down to call boy. The Pennsylvania system cut every employee; but the Pennsylvania that forced its employees to take a loss because of the depression declared a dividend of $42,000,000 that equaled 9 per cent on the investment. Within 60 days after that dividend was declared the Pennsylvania had borrowed 27 million from the Reconstruction Finance Corporation—$27,000,000 that is provided from the pockets of the taxpayer who is already giving to the Pennsylvania Co. freight rates called for by a 6 per cent return on capital expenditures for steel bought in excess of the open market price and locomotives bought to place in white lead.

Among the very first to come hat in hand to Messrs. Dawes, Mellon, and Eugene Meyer to borrow the taxpayers' money was the Wabash Railway. It was in the hands of receivers. To be in the hands of receivers is nothing new for the Wabash. Jay Gould started the practice of fleecing small stockholders by this method years ago, and since the Pennsylvania acquired the property in defiance of the Interstate Commerce Commission orders the practice is continued.

The Wabash had eliminated thousands of employees from the pay roll. Employees that did not contribute to the "capital expenditure graft" on the shipper and consumer who pay the freight rates. It had talked depression and propagandized the fact that the employees should take a loss. It had cut wages. But it came to the Reconstruction Finance Corporation crying that it was wrong for the bankers to take a loss and received from the Eugene Meyer-Dawes corporation $7,000,000 of the taxpayers' money to pay interest to Kuhn, Loeb & Co.

The ink was hardly dry on the approval of that loan until it moved its terminal from Peru, Ind., to Montpelier, Ohio; reduced its force; reduced superintendents, trainmasters, clerks, shopmen, and other employees; forced men to move; reduced the value of real estate; and deprived men of their

life savings. The Wabash, too, had bought new engines that went into white lead on delivery so that the Wabash could profit from the capital expenditure provision.

The Missouri Pacific is another instance of the capital expenditure graft at the expense of the shipper while it borrows $11,500,000 from the Reconstruction Finance Corporation—the record is replete with examples—scarcely a railroad that has not offended.

The men who operate railroads from superintendents down and from section men up, from shop foremen to engine wiper are America's finest. They have made transportation what it is to-day in America. But each and every one of these employees is being sacrificed on the altar of banker's greed to the banker's god of interest and "capital expenditures."

The slogan of a famous railroad financier was "the public be damned." That slogan has been enlarged to-day. It includes the employee and taxpayer and shipper specifically—the slogan now is "all be damned except the banker who owns the securities and stock."

The corporation that takes from labor in the time of prosperity should take care of that labor in times of depression. The bankers who have laid the foundation for vast fortunes and increased those fortunes at the expense of labor and the taxpayer in times of prosperity through the "capital expenditure" provisions should not welsh in times of disaster.

Let the New York banker take a loss as well as labor and the taxpayer. If Eugene Meyer, Ogden Mills, and the other appointees of the President will not protect the taxpayer, the reconstruction finance act should be amended so that they must do so.

To-day we hear talk on every side of mergers. Mergers are merely another name for trusts. No group of lobbyists in Washington is more anxious to see the Sherman anti-trust law repealed than are the lobbyists of the railroad bankers. The only object of railroad mergers when all the camouflage is removed is that the securities of these roads may be easier manipulated—that the public may be more easily fleeced and that more labor may be eliminated. Every time a merger is consummated more men are thrown out of employment. With more than 10,000,000 men out of employment to-day it would seem to me very unwise for the Federal Government to provide ways and means for more and easier mergers to throw more men on the already overstocked unemployment market.

In the beginning of the Wilson administration many men were out of employment. At that time the unemployed were few compared with to-day. The railroads were suffering then, too. Sound governmental principles dictated that the slack be taken up in unemployment. Railroad employees were working on a 12-hour basis. A wise Chief Executive promoted legislation to change that basis to eight hours. Business revived.

To-day we talk of the machine age that has destroyed us. Machinery on the farm, larger locomotives, larger cars on the railroad. If this be true, then hours must again be reduced to "take up the slack." A wise leader at this time would promote another reduction in hours. He would promote legislation to employ more men. The 6-hour day on railroads would do it. But the bankers who govern railroads oppose. Labor is not a "capital expenditure." On labor 6 per cent can not be realized to boost freight rates. Our leader to-day talks of increasing employment. Talks against a dole, but he gives a dole to the railroad bankers—a dole of millions of the taxpayers' money so that the taxpayers can be further crucified on the altar of capital expenditures that is built with the public's money.

COMPACT OR AGREEMENT BETWEEN THE STATES OF WASHINGTON, IDAHO, OREGON, AND MONTANA

Mr. HALL of Mississippi. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5649) to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana, respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes," with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 10, after "1935," insert: "*Provided*, That the State of Wyoming shall be made a party to such compact or agreement."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. SCHAFER. Mr. Speaker, reserving the right to object, has every Member of the House Committee, which reported the bill in the first instance, approved the Senate amendment?

Mr. HALL of Mississippi. They have.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

INTERSTATE AND FOREIGN COMMERCE TRANSACTIONS IN COTTON

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8559 for immediate consideration.

The SPEAKER. The Chair does not recognize the gentleman for that purpose. Bills of that character will come up next Monday, if at all.

ESTATE OF ANNIE LEE EDGECUMBE, DECEASED

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2437) for the relief of the estate of Annie Lee Edgecumbe, deceased, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. PATTERSON. Mr. Speaker, reserving the right to object, what is the nature of the claim?

Mr. BLACK. The House amended the bill, cutting the appropriation from $5,000 to $3,000, I think at the request of the gentleman from Alabama.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BLACK, CLARK of North Carolina, and GUYER.

CUTTING THE COST OF GOVERNMENT

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON. Mr. Speaker, there is no phrase which has been used more in the first session of the Seventy-second Congress which is rapidly drawing to a close than "economy in government." The entire country is aroused, as never before, by the rising tax burden, and this proper interest in our public finances is reflected in the seriousness with which Congress has considered the problem.

Contrary to the comment of some of its critics, Congress has cut the cost of government. It has cut the expense for the next year drastically and it has paved the way for still greater economies. This has been accomplished despite the fact that the recommendations from the administration have been vague, contradictory, and incomplete. The present session of Congress has slashed $627,422,101.42 from the amount required to operate the Government last year. Further, it has cut the running expense $162,466,556.74 below the amount recommended by the administration in the Budget. In addition to this great saving, the economy bill has cut the annual costs approximately $150,000,000 more.

The universal cry for economy has had a wholesome effect in that it has awakened more citizens to their responsibilities and has created a greater interest in the workings of Congress. Taxpayers are asking for an accounting, and they are to be commended for their attention to the actions of their Representatives. I hope that this increased interest in Congress and in the expending of public funds will continue long after the present depression has passed.

Federal, State, county, and municipal taxes must be reduced greatly. The State and local expenses now constitute the greater burden upon the taxpayer, and all governmental costs must be lowered before the public will get the relief

to which it is entitled. Useless boards and bureaus must be abolished. Real estate is bearing too much of the burden. Many officials and boards in the Federal, as well as in State governments, are duplicating and overlapping in their work.

I am glad that citizens in all parts of the country are asking Congress just what has been accomplished during this crisis; and I am confident that when they study the record they will be convinced that their Representatives have done much to curtail the heavy running expenses of the Nation and at the same time provide adequate means of relief for the country.

First of the major measures passed by the Congress was the 1-year moratorium on intergovernmental obligations. This moratorium, arranged by the Executive without consulting Congress nearly six months before the session started, allowed our debtors to suspend payments totaling about $250,000,000, despite the fact that the debts have been scaled downward almost out of reason, and despite the fact that the payments were more acutely needed by this country than ever before. Relief for foreign nations before help was extended to our own stricken citizens seemed to be the keynote of this proposal, and I am glad to say that I voted against this unwarranted usurpation of legislative authority by the Executive.

Second of the important proposals approved was the reconstruction finance act which created the Reconstruction Finance Corporation. As a result of this measure, there has been a great decline in bank failures and confidence has been restored to some extent. I gave this plan my support and voted for it. Critics who have assailed the corporation as helping only big business interests in certain favored sections of the country are misinformed or else they are distorting the facts. I know of many business institutions in my own district in west Texas which have secured loans from the corporation, and which were enabled thereby to help their respective communities. These institutions have included banks, wool and mohair warehouses, building and loan firms, and other organizations. The largest bank in my district to close its doors, an institution at El Paso, obtained a loan from the corporation which enabled it to make a payment to its depositors and benefit every man, woman, and child in that vicinity. Every producer of wool and mohair in west Texas has been benefited directly or indirectly by the corporation. Bank failures have ceased altogether in that section now.

Prohibition received two record votes during the present session. I voted against the repeal resolution and the beer bill, as I had promised, flatly and explicitly, two years ago when I sought nomination. I believe it to be the highest duty of a Representative to carry out the expressed will of his people. I am ready and anxious to carry out their will as indicated by the Democratic national platform or by a direct vote of the people, such as is proposed on the ballot for Texas on July 23.

The "lame duck" amendment to the Constitution was one of the most constructive pieces of legislation enacted. When ratified by the States, this amendment will cause the Congress to convene within two months after its election, and it will prevent a Member's serving after he has been defeated. I voted for this resolution.

The immediate payment of the veterans' adjusted-service certificates, or so-called bonus, was a major problem before Congress. As passed by the House, this measure would substitute a negotiable medium for the acknowledged debt to the soldiers and would have put money in circulation in every section of the Nation. Approximately $6,000,000 of this money would have gone into my district alone. I signed the petition which brought the measure to the floor of the House in order that the Members could discuss, amend, and act upon it. On the floor the Owen plan, which provided for controlling inflation of the currency by means of bonds to be held by the Federal reserve banks, was substituted for the original Patman plan, and I voted for the measure. This sound method of financing by bonds would not have necessitated additional taxes or appropriations.

Outstanding among the accomplishments of the Congress was the adoption of the economy bill. The House wisely rejected some of the ill-considered suggestions offered by the administration, chief among which was the proposal that Federal aid for vocational education be discontinued forthwith without allowing counties and States to prepare to assume the full burden of this invaluable work. I strongly opposed this recommendation of the President. I favored the proposals offered during the consideration of this bill which would cut the pay of the higher-salaried Government officials rather than the lowly clerks struggling to maintain their families on small wages. I voted for the proposition which would have cut my own salary and that of every other Member of Congress 25 per cent. I am strongly in favor of the consolidation of various Government bureaus and departments as well as the elimination of a great many of them. I voted for the portion of the economy bill which would have consolidated the Army and Navy under one head and which would have saved the taxpayers of this Nation from fifty to one hundred million dollars.

This Congress has been aware of the distressing conditions faced by the Nation's unemployed and has acted to provide relief. I am confident that before adjournment the two Houses will agree on a sound proposal of this nature.

In relating some of the achievements of this Congress and accounting for my stewardship in it, I think it is not out of order to point out that I am serving my first term here, having been sworn in when the House convened some seven months ago. I had the honor to be appointed a member of one of the exclusive committees of the House, the Committee on Military Affairs, which has jurisdiction over all legislation affecting the Army and national defense from a military standpoint, as well as a number of other major problems, the chief of which is Muscle Shoals.

As an advocate of satisfactory national defense and a foe of extravagance on the part of the Government departments, I have vigorously opposed the War Department's plan of abandoning certain posts along the Mexican border, principally Fort D. A. Russell at Marfa. It was the department's plan to abandon this needed post, which cost the taxpayers about $1,000,000, and send the troops stationed there to Camp Knox, Ky., which is nothing more than a temporary cantonment. The original abandonment was scheduled many months ago, but I am glad to say that execution of the order has been postponed until January 1 next, and I still hope that the order of abandonment will be canceled.

I fought for a moratorium on construction charges for farmers in the irrigated valley of the Rio Grande, in the vicinity of El Paso, and the action of Congress in passing this bill has been of inestimable value to those farm owners.

The plan of the Department of Commerce to place a fish hatchery intended for west Texas in the northern part of the State was bitterly contested by me, and after a struggle of many months the department announced the hatchery would be placed in San Angelo, where it will serve the spring-fed streams of a large portion of that area.

The attacks on the Cavalry as an integral part of our Army have appeared to me to be without justification in view of the fact that cavalry is vitally needed as a means of defense in the rugged sections of the Southwest. I appeared before the Appropriations Committee and opposed the elimination of the fund to provide high-grade stallions for the use of horse breeders. Many of these stallions are loaned to west Texas ranchmen, who raise some of the finest horses in the world for the use of the Army.

The House was unwise, I believe, in its rejection of the amendment which I offered to the agricultural appropriations bill, which would have provided a small sum to fight the bitterweed, a poison plant infesting the ranges of many States, and which has done much damage in the San Angelo and Sonora country. When the amendment was rejected I urged the officials of the department to send at least one expert to the affected areas, paying for this service out of

existing appropriations, and recently I was pleased to learn that they had done so.

I have been diligent in my efforts to obtain needed Federal buildings in my district and have been in some measure successful. Contract for the project at San Angelo is to be let within the next few days; the Big Spring Building bids will be accepted soon. I am hopeful that early action will be taken with regard to the structures at Kerrville, Pecos, Midland, Colorado, and other places.

Congress did not alter the tariff schedules at this session, other than to adopt import taxes on oil, copper, and other commodities. I strongly favored the import levies on these two products, and I believe that adequate protection is due the producers of raw material in this country. My stand in favor of tariff on wool, mohair, hides, cattle, and other products of the ranch is well known.

Among the personal services I have rendered my constituents I regard my assisting them with applications for loans from the Reconstruction Finance Corporation as perhaps foremost in importance. I have helped all that asked me in this regard and am ready to continue to do so at any time.

A road construction bill was passed by the House which would have added to the Nation's highway system some needed links and which would have provided for employment for thousands of men. I voted for this bill, and I introduced an amendment, which was adopted by the House, which would have prevented the expenditure of any portion of the funds in the employment of any person not a citizen of the United States.

My consistent record on legislation in sympathy with labor has been indorsed by the representatives of the various labor organizations.

Correspondence from the district has been heavier than from many other districts, I am informed, and older Members of the House tell me that the mail this session has not been exceeded in volume by that of any other Congress, not excluding the war Congress. Personal letters and telegrams from constituents have averaged as high as 100 per day for prolonged periods, and requests for departmental work have been many and varied.

I have almost invariably answered every communication on the day it was received, and I have taken up every departmental matter requested. Outstanding among these have been veterans' claims, and I have handled hundreds of pensions, compensation, disability allowance, insurance, and other kinds of cases, appearing personally at the Veterans' Administration on many occasions to argue cases on appeal. I have given my services freely to every veteran or veteran's widow in my district who requested them.

I want to reiterate my contention that Congress has accomplished much in grappling with the tremendous problems this depression has created, and every citizen should study the record of its achievements carefully. If we are to maintain good government and at the same time lower its cost, it behooves every voter to scrutinize the record of the men asking election to Congress and act accordingly.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. LARSEN. Mr. Speaker, we had general permission last week to extend our remarks in the RECORD on the soldiers' bonus bill, but it was to be done within five legislative days. I failed to get my remarks ready, and therefore wish permission to extend them in the RECORD at this time.

The SPEAKER. Is there objection?

There was no objection.

Mr. LARSEN. Mr. Speaker, this caption, "Extension of Remarks," is made necessary by reason of curtailment of debate on bill providing for payment of adjusted-compensation certificates, which was under discussion when death came so unexpectedly on the floor of this Chamber to our late colleague, Hon. Edward E. Eslick, of Tennessee. If we had done justice to the ex-service men of the World War in the first instance, this vexing problem which confronts us to-day would have been disposed of years ago, but the same forces and interests which prevented payment then oppose it now. They manufactured their odium at that time and designated it "bonus," and they apply it with vehemence to-day. Why designate an honest debt "bonus"? They know it is not a gratuity. They apply no words of odium when loans are made to large corporate interests—it is then termed "emergency relief" for depression!

Why appropriate billions for those we do not owe and refuse to pay those in dire need whom we do owe? These questions naturally present themselves to any thoughtful person interested in the solution of this problem. I am sure no Member in this Chamber desires to see the soldier debt settled unless its cancellation can be so arranged as not to endanger the public welfare. I am equally as sure no one would wilfully and knowingly permit the obligations of our Nation to become so impaired that its urgent needs can not be met. Those of us who advocate the immediate settlement of this debt, are as sincere and patriotic as are those who oppose payment, yet the opponents paint such a picture of havoc and distress which they say would result from payment that many of our best citizens firmly believe the ex-service men and friends of payment legislation are selfish erratics who endanger the welfare of the Government.

So far as I am concerned, I believe payment of the debt under plans proposed will result in substantial benefit to the Nation. Of course, I do not contend, nor do I believe, it will aid those who have hoarded the money of the Nation, for they will not be able to purchase quite so much with their hoarded dollars, but this is just the result I would like to see. If the average person is to pay debts at all, it must be through some arrangement which will enable the unemployed to secure work and those who produce commodities for sale, whether in factory or on farm, to obtain a reasonable price for that which they produce.

So long as those with money can purchase wheat for less than 50 cents per bushel, corn for 25 cents, cotton for 5 cents per pound, and tobacco at 3 cents, no one engaged in agriculture can live decently, much less pay obligations incurred. If we can expand the currency and put more money in circulation, we will accomplish something. Certainly this should result not only in benefit to agriculture but to commerce and manufacturing as well. Its tendency will be to give employment to millions of unemployed, put money into pockets of penniless masses, and spell prosperity to the Nation. I do not undertake to guarantee, but certainly if immediate payment will do what the opponents of the bill say will result, it will prove a long step in the right direction. If it will expand the currency, it will cheapen the dollar, and should enable those engaged in agriculture to obtain a better price for farm commodities. It will put into circulation $2,200,000,000. What does this mean? Divide the sum among the 122,000,000 population of this country and you will see it increases the per capita circulation of currency more than $18 per person. It means an average of more than $5,000,000 distributed in every nook and corner of each and every one of the 435 congressional districts in the United States.

But they tell you the Government is not able to finance the proposition. Mr. Speaker, I assert that under the proposed plan it can be done without levying additional taxes upon any citizen. It is certain that it incurs no new obligation, for the debt already exists and must be paid in 1945. We are told by expert economists our supply of gold is amply sufficient to warrant the issue of Treasury certificates necessary to retire the adjusted-compensation certificates now held by the ex-service men. They contend 40 per cent of gold reserve is sufficient for this purpose and that we have more than the required amount.

Let us consider just how it is proposed to pay the debt in question. The plan is to have the ex-service men surrender the $2,200,000,000 adjusted-compensation certificates owned by them to the United States Treasury, have the Government issue bonds due in, say, 20 years for the amount, and print Treasury certificates in an equal amount. When the bonds have been issued deposit them with the Federal reserve banks to be sold if and when necessary and deliver the Treasury certificates to the ex-service men in payment

of the debt we owe them. This does not create a new obligation—it simply changes the form of an existing one. Using the language of economists, it simply converts a noncirculating Government obligation into a circulating Government obligation. A noncirculating Government obligation does not affect the price level but, increasing the circulating obligations, will cause an increase in the price level. If bonds are payable in 20 years, it will in truth give seven years' additional time in which to pay the debt.

These bonds will expand the currency, cheapen the dollar so it will not purchase so much of our farm and manufactured commodities as it now obtains, and thereby raise the price of all commodities in commerce and agriculture. If and when the prices of these commodities are raised too high—that is to say the dollar becomes too cheap—the Federal reserve banks can put the bonds on sale and thereby prevent inflation of the currency. But we certainly shall not need this soon. I do not see how anyone can object to this except those who have already hoarded the money in this country, desire to purchase the world with it, and impoverish everyone but themselves.

It may be asked why such benefits as I have enumerated did not result from previous loans to veterans on adjusted-compensation certificates. The answer is this: Those loans were made from funds already in the Treasury and did not create a new and additional medium of currency. However, under the proposed plan of issuing Treasury certificates the national currency would be expanded $2,200,000,000, and thus more money would actually be put into circulation. The volume of currency in the United States would be increased—a result not obtained from previous loans.

Some of those who have spoken in opposition to the pending bill seem greatly alarmed because they fear the proposed law will result in the issuing of fiat money. Fiat money may not be altogether desirable, but it is far better than none at all. If those who are alarmed will only study some of the statements which frequently come from the Treasury Department to their offices, they will find we already have considerable fiat money in circulation. I have before me the statement for June 17, and find on that day we had 501,073,250 silver dollars in circulation. What is the commodity value of that amount of such currency? About 28 cents per dollar, or $140,300,510. The difference between this commodity value and the currency value is $360,772,740, and must be considered purely and simply fiat money. Is it good money? Yes. The credit of the Federal Government is back of it. Why are not these cautious Members alarmed concerning this condition? If they are disturbed, there is still more cause for alarm.

Look at the Federal reserve bank notes as listed. We find $2,791,931,000 in this kind of money. At the end of the line we find the letter "a," which designates the security back of the issue. What do we find it to be? It is $519,313,000 in commercial paper. Does anyone believe this security rises to the dignity of fiat money? We know it does not. Then, again, we find as additional backing, $401,700,000 in United States Government obligations, the same character of security proposed for issuance of Treasury notes with which to pay compensation certificates, and also $1,879,307,000 in gold. Who can say this should not give as much cause for fiat-money alarm as does the pending bill? Again we find listed $737,484,014 as a class of money in national-bank bonds. Part of this is secured by United States bonds held by the Treasury and part assumed by the United States on deposits of lawful money for their retirement. More fiat money, but all of it good currency because the credit of the United States is back of it.

The aggregate value of all property in the United States, exclusive of public highways and Government buildings, is estimated at more than $300,000,000,000 and constitutes the credit basis of our Government; for from our Nation's wealth income is derived. The outstanding obligations of the Government do not exceed $20,000,000,000. Who, then, can say that an issue of $2,200,000,000 Treasury certificates will endanger the credit standing of our Government? It is silly to say that it will.

It is evident that a very large portion of those who oppose payment of the adjusted-compensation certificates must feel as I do regarding solvency and ability of the Government to pay, or they would not favor the issuance of Government bonds in such large sums for other purposes. Illustrating this point, I call attention to an article appearing in Monday's issue of the Washington Herald, carried on its front page, wherein it is said that some half dozen Senators or more—naming them—who voted against payment of the so-called bonus certificates now propose to enact legislation at this session of Congress to put over a public-works construction plan to be financed by Federal bond issue in the amount of five and a half billion dollars—more than twice the amount necessary to pay the adjusted-compensation certificates. We are pleased to know the Senate has rejected this extravagant proposal.

The paper also states that this five and a half billion dollar proposition is to be offered as a substitute for the $2,000,000,000 program contained in the Wagner bill, sponsored by the President of the United States. Perhaps some one would like to know where the President, and these distinguished Senators, who could not find funds with which to pay the acknowledged debt owing to ex-service men, discovered so much money over night with which to finance such programs as the Herald indicates they intend to do through governmental agencies. The answer is simple. In principle they propose to do it in the same way which we, who advocate payment of soldier obligations, would finance the scheme. It is sometimes very easy to finance propositions when we are inclined to do so, but hard when we are not in favor of them.

Some of us who would now pay the suffering and destitute veterans remember the generosity of many who now oppose payment when they were dealing with foreign governments, bankers, and big corporations of this Nation. They were very willing some five years after the war, and when the Nation owed some $10,000,000,000 more than it owes to-day, to adjust pay of the railroads to the amount of something like $1,600,000,000; also to adjust pay of war contractors, who were fattened on profiteering contracts while our soldiers were wading in the mud of France and Belgium, some $2,000,000,000.

Many of these same Members who oppose payment to the soldiers at present were highly in favor of canceling foreign debts, money which we had loaned European nations. The cancellations proposed amounted to approximately $11,000,000,000. Oh, there is plenty of money to pay, to give, to lend, and for everything, until it comes to payment of the obligations due these poor boys who defended the Government and made its credit standing in the eyes of the world what it is to-day.

During the present session of Congress the Reconstruction Finance bill was enacted into law, obligating the Government to pay $2,000,000,000, all of which funds are to be loaned to insurance companies, banks, railroads, and so forth. I voted for this bill myself because I thought it was better for the Government to aid our life-insurance companies, in which the small savings of so many million citizens are invested, than to see them lost; because I thought it better to aid them than to see farms upon which the companies have loaned money sold from under the owners who now occupy them and are producing food and clothing for our Nation. I was willing to aid the Federal banks which have loans on so many farms and homes throughout the country to extend loans rather than see mortgages foreclosed and property sold. I deemed it better to protect large transportation companies than to permit them to be junked and our means of transportation, necessary to commerce and agriculture, destroyed.

I also recently voted for the Garner bill, which would bind the Government for $2,300,000,000 to be used in a building program throughout the United States, for loans to aid unemployment, and so forth. This bill was considered of sufficient importance by my own Democratic party for it to call a caucus and bind members to support it, regardless of individual views as to the advisability of such legislation.

But, Mr. Speaker, in voting for this legislation, I did not feel that my action would bind me to vote against any proposal which would enable the Government to pay just debts owing to other citizens in distress and without employment.

The present situation reminds me of an old poem, written almost a hundred years ago, entitled "The Moneyless Man." In those days human nature must have been about the same as it is to-day, for that sweet-singing poet, H. T. Stanton, wrote:

Is there no secret place on the face of the earth
Where charity dwelleth, where virtue has birth,
Where bosoms in mercy and kindness will heave,
Where the poor and the wretched shall ask and receive?
Is there no place at all where a knock from the poor
Will bring a kind angel to open the door?
Oh! search the wide world, wherever you can,
There is no open door for a moneyless man.

Go look in your hall where the chandelier's light
Drives off with its splendor the darkness of night;
Where the rich hanging velvet, in shadowy fold,
Sweeps gracefully down with its trimmings of gold;
And the mirrows of silver take up and renew,
In long-lighted vistas, the 'wildering view,
Go there at the banquet, and find, if you can,
A welcoming smile for a moneyless man.

Go look in the banks, where Mammon has told
His hundreds and thousands of silver and gold;
Where, safe from the hands of the starving and poor
Lie piles upon piles of the glittering ore;
Walk up to their counters—ah! there you may stay,
'Til your limbs shall grow old and your hair shall grow gray,
And you'll find at the bank not one of the clan
With money to lend to a moneyless man.

This philosophy is as true to-day as it was then, and may shed light on the motives of those who would indict the proponents of this bill.

AGRICULTURAL SITUATION

Mr. LARSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the agricultural situation.

The SPEAKER. Is there objection?

There was no objection.

Mr. LARSEN. Mr. Speaker, in his 1928 acceptance speech as presidential nominee of the Republican Party, Mr. Hoover declared:

The most urgent economic problem in our Nation to-day is in agriculture. It must be solved if we are to bring prosperity and contentment to one-third of our people directly and to all our people indirectly. We have pledged ourselves to find a solution.

If any solution of the agricultural problem which then existed has been found, it certainly has not been applied. I believe the agricultural marketing act may be regarded as the major agricultural effort of his administration. I was a member of a committee which framed this bill, and I am sure that, so far as members of the committee could ascertain, it was drafted and enacted to meet his approval. The Federal Farm Board, charged with administration of the act, was of his own selection, and all funds which he has requested have been made available for its operation, yet the situation to-day as regards agriculture is worse than it was when he entered office. Surely the condition of the country as a whole is no better, for the army of unemployed has increased from 4,000,000 to not less than 8,000,000.

The farmer's trouble began with the inauguration and secret arbitrary policy of the Federal Reserve Board, which deflated values of all farm products in 1920. At that time, in addressing one of the farm groups, I called attention to this policy and predicted its ultimate effect on agriculture. Within a short period cotton declined from 40 cents to 10 cents per pound. Decline in all farm commodities was marked and disastrous. Products were reduced to a price below cost of production. It is estimated that approximately $30,000,000,000 was the loss to agriculture and not less than $18,000,000,000 to merchants and business in farm communities as a result of this policy.

The War Finance Corporation, which was then in existence, undertook to check disaster, and by liberal loans restored prices to about one-half their former level. As the war had ended, however, the corporation did not long remain in existence, and without its aid agriculture soon again fell into evil hands.

The Esch-Cummins Act of 1920 proved another hamper to agriculture, in that its administration increased transportation charges on farm products about 60 per cent. This act not only resulted in great loss to the farmer—amounting to several billions of dollars—but I doubt whether these increased rates on farm commodities greatly benefited the railroads, since its tendency has been to divert freight from rail transportation to motor trucks.

American loans to, and investments in, foreign countries are said to total about $30,000,000,000. These loans and investments tend to deplete capital for our own domestic needs. They also increase our burden of competition with foreign countries, reducing the earnings and purchasing power of our own citizens. Thus, the consumption of our farm products has been decreased and the commodities reduced in price.

Agriculture has also suffered its portion of the burden resulting from extensive, expensive, unnecessary, and ofttimes wasteful and useless activities maintained and carried on, not alone in the Federal Government but in State and municipal organizations as well. While Congress has made considerable headway and progress during its present session in reducing and eliminating Federal expenses and abuses, there still remains much which should and must be done by Congress and the States before conditions conducive to general prosperity will prevail.

American citizens should realize that American capital is the result of American labor and resources. They should be patriotic enough in so far as American interests require, or necessities demand, to invest it and use it for American institutions and enterprises. Debts due the Government by foreign countries should be collected as quickly as possible. Foreign investments by American citizens should not be encouraged or financed by American capital, except in so far as may be necessary to our public welfare.

Congress and the States should enact legislation which will encourage agriculture and prevent manipulation of the markets and speculation in farm commodities when such practices prevent the producer of farm commodities from receiving the cost of production.

The House Committee on Agriculture, of which I am a member, favorably reported to the House at the present session of Congress a bill designed to accomplish these results. It was sponsored by the leading organized farm groups—the National Grange, American Farm Bureau Federation, and the Farmers' Union—and would have been passed by the House except that a Republican-controlled Senate, refusing to consider the bill, returned it to the Senate committee to die an ignominious death. This act on the part of the Senate makes it impossible to pass the only farm legislation which has been favorably considered by these farm organizations sponsored and insisted upon by their representatives in Washington.

During the present and preceding sessions of Congress large sums of money have been appropriated to aid the farmers in crop production, and so forth. As a temporary aid and emergency relief to agriculture such legislation is all right, but it is only palliative. The farmer should have substantial and permanent relief. Conditions created by legislation and otherwise which do not give to farmers the cost of production with reasonable profits do not afford opportunity to meet obligations or to remain in business very long. Legislation alone will not solve the problem. The farmer must realize that much of this burden rests upon him—that without aggressive and economic efforts and methods he can neither hope nor expect to successfully meet present-day competition. He needs not so much an opportunity to borrow money as to pay debts, a condition which will enable him to receive cost of production with a reasonable profit, and nothing less will meet his legitimate demands. In addition to all this we might also profit throughout the Nation from the exercise of more frugality, honesty, and a high conception of moral and spiritual life and obligation which characterized the boundaries of our country and brought peace and prosperity to our forefathers.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bonus bill.

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, because of the curtailment of the general debate on the bonus bill, which was caused by the death of our distinguished colleague from Tennessee, Mr. Eslick, on the floor of the House while he was eloquently advocating the passage of this bill, which made it impossible to obtain time to speak before the bill was passed, I am availing myself of the privilege granted me to extend my remarks in the RECORD. In view of the fact that all my Colorado colleagues in both the Senate and the House have voted against this bill, I feel that it would be appropriate for me to give my reasons for supporting the measure.

I am in favor of paying the adjusted-service certificates of the World War veterans. It is not a bonus. It was an obligation of the Government even before those certificates were issued. The boys who served in the World War received one dollar a day for service in this country and one dollar and a quarter a day for serving abroad. During that time the young men who stayed at home and took no risks and experienced no hardships received from $3 to $10 a day, and they quite largely took the jobs of those who entered the service to defend our flag. The 500,000 Federal employees with annual salaries of $2,500 or less received an average of $1,000 adjusted or additional pay for their war services; and they were paid cash at the time their services were rendered. That was a bonus in addition to their salaries. And that is practically the same as the veterans are now asking for—the payment of cash of $1 and $1.25 a day—that has been acknowledged by law as being due them.

The railroad owners were paid nearly $2,000,000,000 in addition to their regular pay for their war services, and they were paid in cash at the time the services were rendered and shortly thereafter. Yet the opponents of this bill would compel the veterans to wait for their payment 26 years after the services were rendered.

About $3,000,000,000 were paid to war contractors shortly after the war.

The foreign governments are using the nearly $11,000,000,000 of their indebtedness that we have canceled toward paying their own soldiers and providing for the hungry and destitute of their countries, as well as also preparing for another war.

I was in Congress that tragic day of April 5 and voted at 3.30 o'clock in the morning of April 6, declaring war against Germany and forcing 3,600,000 of our boys into the service. We were all supremely proud of those boys, and we cheered them, both in this country and as they went abroad, and we promised to retain their jobs for them and give them whatever they wanted when they returned. At the close of the war when they came home we gave them $60 apiece, which was scarcely enough to buy them a new suit of clothes.

In 1922 and 1924 Congress decided that, inasmuch as they had only received one dollar or one dollar and a quarter a day during their services in the Army, that they were entitled, as a just compensation for actual loss of time and service, and very largely losing their positions, to the payment of an additional dollar a day for service in this country and one dollar and a quarter a day for those who served abroad; and that was figured up, and they were given a certificate of indebtedness.

Uncle Sam issued them his promissory note for the payment of that amount of money; but it was made payable in 1945, with 4 per cent interest from that time till 1945. Now, owing to the tragic crisis which our country is now passing through and owing to the fact that one-third of all of those men who were in the service—1,200,000 of them—are to-day without employment and without means of any kind, many of them with families, many of them with homes partially paid for, they come to Congress and ask our Government to fund that indebtedness and pay them the face value of those certificates now. It does seem to me that that is a fair and honest request. It is not increasing the Government's indebtedness, because it is now an official and acknowledged indebtedness.

Under the bill, as now amended by the provisions written by former Senator Robert L. Owens, of Oklahoma, who was one of the coauthors, if not the main author, of our Federal reserve system and one of the most profound fiscal students of the United States, the Government can, in my judgment, pay this $2,400,000,000 without any injury to our credit or without affecting the balancing of the Budget in any degree whatever. These men never needed this money so much in their lives, and the communities in which they live have never needed this money so much during the history of our country as they do now.

Regardless of the causes of this condition, the results are that money has been practically doubled in value and commodities have been cut down from 50 to 75 per cent, and before we can ever return to prosperity in this country we have got to deflate the dollar from nearly 200 per cent and inflate property values accordingly.

The payment at this time of that money in actual cash to these ex-service men would, I believe, be the greatest boom of anything that could possibly be done by Congress. It would increase the money circulating throughout this country approximately $18 per capita. It would go into the most remote nooks and corners and crossroads of our country. It would not be wasted. It would be economically expended, and would probably pass through from 10 to 20 hands in the first 90 days, and revive business in every community and greatly help the whole country. But, more particularly, it would enable these ex-service men to pay their grocery bills and to pay off the mortgages on what little they have, if they have anything. It would benefit every storekeeper and everybody in every community.

When the payment was made on these certificates some two years ago, an exhaustive investigation showed that only 7 per cent of all that money was wastefully expended, and under existing conditions I doubt if 1 per cent of it would be wastefully expended. So that in fairness to the boys who defended our flag and our national honor and who are now without jobs and are destitute, we are abundantly justified in redeeming those certificates at this time; and for the welfare of the country, as a step toward readjusting our contracted currency and giving something like fairness to the values of farm products, I feel that it is not only fair but necessary to take some such step as this.

It is significant that most of the people opposing this settlement with our veterans are those who most vigorously urged the cancellation of about $11,000,000,000 of the just indebtedness of the foreign countries to our country. I thought those cancellations were an infamous outrage upon the taxpayers of our country, and I voted against every one of them excepting the adjustment with Belgium. Likewise the Members of Congress who recently sponsored and voted for President Hoover's moratorium, relieving foreign countries from paying us $252,000,000—which I voted against—are now vigorously fighting this appeal of the ex-service men, and they are holding up their hands in horror at the financial disaster and fiscal catastrophe that this would bring to our country. I voted against those debt cancellations not only because I thought it was unfair to the American taxpayers but also because I thought that we should be just to our own citizens before we should be generous to aliens. I have always felt that the executive branch of our Government and that Congress should first be just to those who left their homes and risked their lives and health in defense of our country and its honor before being so solicitous about the welfare and so generous to all the foreign nations, and especially to the big-business interests of this country. They were not concerned about any catastrophe to our country in making payment of hundreds of millions of dollars of not legal but what they called "equitable claims" on railroads and large corporations after the war, and those payments were made promptly in cash.

I do not question the good faith of those who say that because we have 10,000,000 or more people unemployed in this country, we should not single out the ex-service men and give them this much relief without affording adequate relief to the other unemployed. And while I am voting and doing everything I possibly can to relieve the tragically sad condition of all the unemployed in our country—and I hope we may yet devise some way of doing so—nevertheless, we have not worked out any system yet of accomplishing that, but in the meantime we can and should justly extend this relief to the ex-service men. They hold Uncle Sam's promise to pay this amount, which no other people do, and the payment of these obligations will go a long way toward relieving the distress of many millions of people besides the ex-service men.

During the past 12 years that I have been a member of the Budget Appropriations Committee of Congress, which handles all the appropriations our Government makes, I have necessarily learned something about our fiscal relations and the financial capabilities of our Government, and I can not with any degree of patience look upon the claims of dire disaster which some gentlemen assert will be occasioned by this relief.

The passage of this bill would not increase taxes a dollar and would impose no burden upon the public. Those certificates will be paid by the issuance of new currency in a manner which is declared by the highest authorities in our country to be perfectly sound. Our currency has become contracted, and much of it is now being hoarded. Our dollar is so high and commodities are so low that we can not have prosperity in this country until that condition is changed.

The dollar and commodities have both got to be stabilized and that is one of the great purposes of this bill, to bring back both the dollar and commodity prices somewhere near the basis that existed in this country in 1926. In fact, the debasing of commodity prices has gone very much farther even than the inflation of the dollar, which is estimated all the way from $1.60 to $2 nowadays. Corn, wheat, hogs, cattle, cotton, and practically all farm products are down to about one-fifth of what they were a few years ago, and neither the farmers nor anyone else can now possibly pay their debts that were contracted in those times when products were bringing from four to five times as much as they are now.

We have absolutely got to reduce the purchasing power of the dollar, and to do that we must expand the currency, and no method could possibly be devised, in my judgment, that would bring about—at least to a certain extent—a wider and more equitable extension of the currency than to pay these certificates to our World War veterans. This bill provides for the conversion of nonnegotiable Government obligations into negotiable obligations and puts them into immediate circulation throughout the country. It would not only be a godsend to all our 3,600,000 ex-service men but I believe it would turn this tide of deplorable depression back toward prosperity again, without imposing any new obligations upon the taxpayers, and would save the Federal Government $112,000,000 a year from now until 1945, which amount is required under existing law to create a sinking fund to liquidate those adjusted-service certificates.

Our Nation is now in the throes of the most terrible economic and social cataclysm in its history. This Congress has been devoting its time to furnishing aid to industry, but has not given sufficient attention to the people, the consumers. Congress has aided banks, railroads, insurance companies, and big business; and while it has helped them some, business failures continue and commodity values are still rapidly decreasing, along with increasing unemployment and starvation. It is not a question of overproduction in this country; it is because the consumers have nothing to buy with. We can not restore normalcy by trying only to repair our financial structure from the top; we have got to pay some attention to the foundation.

As above stated, this bill will not increase our indebtedness; it will cancel that much indebtedness. Some one has said, "We sent tens of billions of dollars to Europe without destroying the gold standard, but when it comes to paying a very small per cent of that amount to the men we sent to Europe, that is different." I believe the passage of this bill will reduce rather than increase taxes, and will largely tend to eliminate discontent; will instill confidence in the consumer and the general public; will hasten the return of prosperity, and it will be a general blessing to all of our people. We have enough gold as a reserve to warrant the issuance of these additional Treasury notes, and this money will be just as good a currency—as sound and as stable—as that issued by the Government or the banks against bonds. The law states that the gold reserve at any time must be at least 40 per cent of the notes in circulation. Our bullion reserve is about 60 per cent of the total amount of currency in circulation.

Under this bill as now amended sufficient claims will be issued to make the payment in the form of Treasury certificates. No one can honestly call Treasury certificates flat money or printing-press money. There is approximately $5,600,000,000 in currency in the United States to-day. The redeeming of these certificates in Treasury certificates would increase the currency of our country to about eight billion dollars. The Treasury Department would issue $2,400,000,000 in Government bonds bearing interest at 3½ per cent payable in 20 years with an option to pay after 10 years. These bonds would be placed in all the Federal reserve banks with instructions to the Federal Reserve Board to sell these bonds whenever deflation becomes necessary—that is, when the buying power of the dollar goes downward to the point at which it was in 1926. When that point is reached sufficiend bonds will be released and currency correspondingly taken up to hold the value of money at a fairly stabilized position. When that condition is reached, our panic would be over.

If this bill would, as many eminent financiers predict, bring our country back to normal conditions, it would be worth many times more than the amount paid to the veterans. The currency issued for this purpose is controlled currency and is fully protected as to parity under the gold standards act. Prof. Irving Fisher, one of the Nation's foremost economists, testified before the Ways and Means Committee of the House, and said that this was a perfectly sound method.

In my own State of Colorado it will place into immediate circulation $21,513,379.07. Of that amount $2,939,827.34 would be paid the veterans living in my congressional district. The following table shows the amounts which would be paid to veterans residing in each of the counties of the State of Colorado:

Adams	$420,488.65
Alamosa	178,663.54
Arapahoe	470,378.19
Archuleta	66,547.08
Baca	219,538.90
Bent	189,713.18
Boulder	674,111.12
Chaffee	168,777.02
Cheyenne	77,326.71
Clear Creek	44,759.35
Conejos	203,608.31
Costilla	120,029.83
Crowley	123,249.18
Custer	44,115.48
Delta	295,017.08
Denver	5,978,872.97
Dolores	29,327.24
Douglas	72,653.46
Eagle	81,501.48
Elbert	136,666.60
El Paso	1,029,568.90
Fremont	392,469.92
Garfield	207,180.75
Gilpin	25,173.24
Grand	43,783.16
Gunnison	114,795.79
Hinsdale	9,325.73
Huerfano	354,377.74
Jackson	28,787.22
Jefferson	452,993.70
Kiowa	78,635.22
Kit Carson	201,988.25
Lake	101,752.23

La Plata	$269,490.75
Larimer	688,255.49
Las Animas	747,886.16
Lincoln	163,044.50
Logan	414,278.42
Mesa	538,109.16
Mineral	13,292.80
Moffat	100,962.97
Montezuma	161,964.46
Montrose	243,881.34
Morgan	379,758.68
Otero	506,580.30
Ouray	37,053.68
Park	42,620.04
Phillips	120,403.69
Pitkin	36,762.90
Prowers	306,606.74
Pueblo	1,371,609.26
Rio Blanco	61,894.60
Rio Grande	206,723.81
Routt	194,241.04
Saguache	129,812.50
San Juan	40,189.95
San Miguel	45,361.68
Sedgwick	115,896.60
Summit	20,499.99
Teller	88,008.57
Washington	199,205.07
Weld	1,352,064.69
Yuma	282,742.01
Total	21,513,379.07

If the benefits provided in this bill were to accrue only to those who served in the Army, the Navy, and the Marine Corps, the measure might be subject somewhat to the objection of being class legislation. But this measure will go vastly farther than that; it would not only directly benefit at least 20,000,000 people in our country, but it would provide a needed expansion of the currency in a practical, plain, sound, businesslike, and sane way which will benefit every part of our country from Plymouth Rock to the Golden Gate.

As everyone knows, money is subject to the economic laws of supply and demand; when it becomes scarce, its value increases and the prices of commodities fall. That is the condition which now confronts our country. Less than half of the total money in the United States to-day is in actual use.

It was shown before the Ways and Means Committee in the hearings on this bill that it would be not only possible but perfectly safe to issue as much as $3,500,000,000 of new currency against our present gold reserve of the United States without bringing that gold reserve below the 40 per cent minimum required by law. It was shown in the hearings that the total amount of money that does not do any actual business is $2,900,000,000, and that the active money is only about $2,500,000,000. Of the money that is inactive, it was testified that about one and three-quarter billion dollars is hoarded, and that there is about a hundred billion dollars estimated to have been destroyed in various ways. In other words, the testimony before the Ways and Means Committee was that less than half of the money which should be in circulation through the channels of business is now in circulation.

It is not surprising that the large financial interests of our country are very vigorously opposing this bill, because it would tend, they fear, to break their grip on the control of money in our country. There is no possibility of the farmers of our country being able to pay their debts with 25-cent wheat, 20-cent corn, 3-cent hogs, 11-cent butterfat, 9-cent eggs, which means that a dollar is from two to three times more difficult to obtain to-day to pay off these debts than when the debt was contracted. In fact, the debt of $1,000 has now become a debt of twenty-five hundred dollars or $3,000 as measured in terms of the commodities received by those who have to pay these debts. It is often said that the prices of some commodities to-day are the lowest they have been in 300 years.

An expansion of the currency and a corresponding cheapening of money is the only way of raising the prices of the products the farmer has to sell. This plan of inflation of the currency is not only practical but it is just. It has a tendency to make our money honest money and to make the American dollar an honest dollar.

It is estimated that the present deflation has cost the United States from $150,000,000,000 to $200,000,000,000, while the cost of the World War itself to our country was about $35,000,000,000. Both parties have declared in their platforms in favor of an honest dollar. Every citizen of our country wants an honest dollar, and it should be a dollar that would purchase as much commodity one year as it does another. A few years ago the total indebtedness of the United States was about $207,000,000,000, but this amount has been increased by the growing value of the dollar to about $400,000,000,000 at the present time. There is no way in which the American people can escape bankruptcy or repudiation except by increasing the prices of commodities. With 9,000,000 people out of employment and with farmers everywhere unable to sell their products, our country has absolutely got to resort to some measure that will to some extent restore commodity prices.

Our country is entirely without sufficient money to meet business demands. Our country has been drained of its money by high finance and stock speculation. Big business has been in the saddle for the past 12 years and has ridden the American people almost to death. Something must be done to relieve this condition. Our shrunken values in the wealth of the United States during the past three years have amounted to nearly $200,000,000,000. Our country has been bled until it is practically white. Those loudest in opposition to this relief are among the class who reaped enormous profits under war conditions when prices were high, and to whom have been refunded in income taxes something over three billions of dollars.

This is the class who rush to buy tax-exempt securities, and loan and invest abroad, and urge cancellation of foreign loans to the United States so that their private loans may be enhanced in value, and they cry out loud against "fiat money." I have supreme contempt not only for the international bankers' attitude in this matter but for all public officials who aid and abet them and assist their propaganda trying to put the entire burden of the cost of the World War onto the backs of the taxpayers of America. I feel that every official of our Government, from the highest to the lowest, who is advocating or indirectly encouraging the propaganda for the cancellation of the European war debts, should be put out of office as a disloyal friend of the American people.

I have always had a feeling of resentment against the propaganda, and what seemed to me disloyal cant of the international bankers and others about saving Europe, and I have never had any confidence in the efforts of the eminent officials of our country and big business appealing to Congress to pour out large sums to stabilize big business. We have had too much gigantic financial racketeering in this country, and splitting up stock, fake market regulating, blue-sky salesmanship to our inland banks, and investors of worthless European and South American securities which went on unchecked; and, in fact, encouraged in high places from 1921 to 1929 until it burst in ruin all over the country. I confidently feel that the period from 1921 to 1929 will go down in history as the most infamous chapter of exploitation of the American people the world has ever known.

EXTENSION OF REMARKS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short petition from a temperance organization in my district.

Mr. STAFFORD. I object.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a brief editorial from the Manikato Free Press commending the work of Congress.

Mr. STAFFORD. I object.

Mr. MANLOVE. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address made by General Harbord at the graduation exercises at West Point.

Mr. BLACK. I object.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and incorporate therein a brief article.

Mr. STAFFORD. I object.

THE REVENUE ACT AND RELIEF

Mr. GARBER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and incorporate therein a brief table showing the rates in the tax bill.

There was no objection.

Mr. GARBER. Mr. Speaker and Members of the House, the reduction in the cost of Government, both Federal and State, the lavy of taxes to balance the budget and their equitable apportionment, the restoration of the purchasing power of farm products, and jobs for the unemployed have been the main subjects under consideration by the present Congress and still remain the most important questions before the country to-day.

WE MUST RETURN TO THE SOIL TO FIND PROSPERITY

In an address delivered in the House on June 18 of this session, I endeavored to show that inasmuch as prosperity originated in the soil, we must return to the soil to find it; that before we could furnish jobs for the unemployed, we would have to find a market for the products of labor; that in view of the existing world-wide depression, with diminishing markets abroad, such market was to be found on the farms of the country, with their 40,000,000 consumers, producing the foodstuffs for the Nation; that a restoration of their purchasing power would mean not less than an annual increase of $6,000,000,000 to the market for the products of labor here at home; that with such a market thus assured, capital would employ labor to resume its operations in the mines, mills, and factories of the country, and thus jobs for the unemployed would be furnished in the natural and normal channels of trade. The farmers would again resume the payment of taxes, interest, and mortgage indebtedness, the debtor class generally would be given an opportunity to pay their debts, which otherwise would never be collected, the dollar would be brought back home for the use of the common people, to its normal level, to facilitate trade in vindication of the common saying, "When money is plentiful we have good times, and people can pay their debts."

1932 REVENUE LAW

In this address I propose to furnish to the country and the citizens of the eighth congressional district of my State information relative to the main provisions of the 1932 revenue law, passed at this session of Congress to provide sufficient revenue to balance the budget.

The following table gives the rates, sources, and estimated amounts of revenue provided by the act:

HOW THE NEW TAX LAW WILL BALANCE THE BUDGET

Additional revenue for the fiscal year 1932-33 will come from the following items. The new income taxes are payable in 1933 on 1932 incomes. The other taxes become effective June 21, except as otherwise noted.

INCOME TAX	
Individual—normal, 4 and 8 per cent; exemptions, $2,500 and $1,000	$63,000,000
Surtax—1 per cent over $6,000 to 55 per cent over $1,000,000	88,000,000
No earned income credit	27,000,000
Total	178,000,000
Corporation, increased from 12 per cent to 13¾ per cent	22,000,000
Exemption eliminated	16,000,000
Consolidated returns, 14½ per cent	3,000,000
Total	41,000,000
Limitation of security losses and other administrative changes	80,000,000
MANUFACTURERS' EXCISE TAX	
Lubricating oil, 4 cents a gallon	33,000,000
Brewers' wort, 15 cents a gallon; malt sirup, 3 cents a pound; grape concentrates, 20 cents a gallon	82,000,000
Tires and tubes, 2¼ and 4 cents a pound	33,000,000
Toilet preparations, 10 per cent; dentifrices, 5 per cent	13,500,000
Furs, 10 per cent	12,000,000
Jewelry, 10 per cent on amounts over $3	9,000,000
Automobiles, 3 per cent	$32,000,000
Trucks, 2 per cent	3,000,000
Parts and accessories, 2 per cent	7,000,000
Radio and phonograph equipment, 5 per cent	9,000,000
Mechanical refrigerators, 5 per cent	5,000,000
Sporting goods and cameras, 10 per cent	5,000,000
Firearms and shells, 10 per cent	2,000,000
Matches, wood, 2 cents the 1,000; paper, ½ cent the 1,000	4,000,000
Candy, 2 per cent	4,000,000
Chewing gum, 2 per cent	1,000,000
Soft drinks, various rates	7,000,000
Electrical energy, 3 per cent on domestic and commercial sales	39,000,000
Gasoline, 1 cent a gallon	150,000,000
Total	450,500,000
TARIFFS	
Oil, ½ cent a gallon; coal, 10 cents 100 pounds; lumber, $3, 1,000 feet; copper, 4 cents pound	6,500,000
MISCELLANEOUS	
Telephone, 10 cents between 50 cents and $1, 15 cents, $1 and $2, 20 cents over $2; telegraph, 5 per cent; cable and radio, 10 cents	22,500,000
Admissions, 1 cent per 10 cents on admissions over 40 cents	42,000,000
Oil pipe-line charges, 4 per cent	8,000,000
Safe-deposit boxes, 10 per cent	1,000,000
Checks, 2 cents each	78,000,000
Boats, various rates (July 1)	500,000
Total miscellaneous	152,000,000
STAMP TAXES	
Issue of bonds or capital stock, 10 cents per $100	$6,500,000
Stock transfers, 4 cents per $100 par or 4 cents per share no par, 5 cents for shares selling over $20	20,000,000
Bond transfers, 4 cents per $100 par	5,000,000
Conveyances, 50 cents on $100 to $500, 50 cents per $500 in excess	8,000,000
Produce sales for future delivery, 5 cents per $100	6,000,000
Total	45,500,000
ESTATE AND GIFT	
Estate tax (June 6, 1932, collections begin June 30, 1933)	
Gift tax (assuming tax effective June 6, 1932)	5,000,000
Total estate and gift tax	5,000,000
Total, all additional taxes	958,500,000
POSTAL	
Increase first-class to 3 cents (July 6); various second-class increases (July 1)	160,000,000
Grand total in bill	1,118,500,000

The sudden collapse of the revenues from incomes, by reason of the tremendous shrinkage in values and resultant losses, made it necessary to raise additional revenues to balance the budget, and the provisions set forth in the table above for the fiscal years 1932 and 1933 are estimated to yield a total revenue of $1,118,500,000.

INCREASE TAX ON INCOMES

The first major increase is that in relation to the taxes on incomes, the normal tax being 4 per cent on the first $4,000 of net income and 8 per cent on the remainder. The surtaxes are 1 per cent on incomes between $6,000 and $10,000, increasing to a maximum of 55 per cent on incomes in excess of $1,000,000, whereas the maximum under the old law was 20 per cent. It will be noted that the exemptions are $1,000 for a single person and $2,500 for married persons, and $400 for each dependent. The act requires every single person with a net income of $1,000 a year or more, and every married individual with a net income of $2,500 or more, and every individual with a gross income of $5,000 or more, regardless of the amount of net income, to file a return. It requires husband and wife living together with an aggregate net income of $2,500, or a gross income of $5,000 each to make a return, or to include their joint increment in a joint return.

This increase in these income rates at least will not directly affect either the farmers or the laboring men. Under the preceding act, only one person out of every fifty in the United States had a net income of sufficient amount to require him to pay a tax upon it to the Federal Government,

or only about 2 per cent of the population paid any income tax, representing a total of about 2,500,000 persons paying income taxes, leaving 98 per cent without income sufficient to pay.

We cite these figures for two purposes: First, to show that the increase of income taxes will be upon those having the capacity to pay, upon those being fortunate enough to make incomes in excess of the exemptions; and, second, as tending to show that the income-producing wealth of the country is concentrated in the hands of the few. Of course, the incomes may be and often are the result of the industry, the good judgment, and the foresight of those who make them, instead of being attributable wholly to the properties they own.

The war-time rate during the calendar year 1921 for surtaxes ran up as high as 65 per cent on amounts of income over $1,000,000. Successive general tax reductions reduced this high rate down to 20 per cent, and stopped the graduation of incomes at $100,000. However, high as even such taxes were in fact, they were low in comparison with the British. In 1929 and 1930, 130 persons returned incomes in excess of $500,000 in Great Britain. Their average income was $930,000. We had 1,471 in this group in 1929, with an average income of $1,250,000. The total net income of the 1,471 was $1,848,585,793, on which they paid a tax of about 16 per cent, or $291,337,965. Under the British rates then effective they would have paid a tax of about 48 per cent, or approximately $900,000,000.

CORPORATION TAX INCREASE

The second major provision of the act increases the rate of taxes on corporations to 13¾ and 14½ per cent on corporations filing consolidated returns for affiliates. It exempts the usual nonprofit corporations, associations, and civic organizations, but it requires every corporation to make a return, as the exemption of $3,000 in the existing law is repealed.

ESTATE TAX WILL REDISTRIBUTE ACCUMULATED WEALTH

The third major provision increases the tax imposed on net estates, starting with a tax of 1 per cent and graduating upward with a maximum of 45 per cent. The exemption in the existing law is reduced from $100,000 to $50,000; the tax thus increased is more than double the levy in the 1928 law, and the excess is not subject to any credit for inheritance taxes paid to the various States. We believe this to be among the most important of the major provisions of the law. It is a new departure and a much-needed one. The increase, in time, will not only produce a large amount in revenue from sources having the capacity to pay, but to some extent will afford a means of redistributing the enormous estates of the country, and put a check to the concentration of wealth in the hands of the few.

THE CONCENTRATION OF WEALTH SHOWS INEQUITY OF DISTRIBUTION

The 504 largest income-tax payers, according to the 1929 returns, had an aggregate net income for taxation purposes of $1,185,000,000. It is estimated that these 504 persons could have purchased with this income virtually the entire wheat and cotton crops of 1930—the two chief cash crops of the Nation, representing the labor of 1,300,000 wheat farmers and 1,032,000 cotton farmers. It is further stated that 85 of the wealthiest of the group returned a net income of $538,664,187, an amount in excess of the wages received by the 421,000 workers in the clothing industry, said amount being $475,318,677. According to a report from the Industrial Relations Commission, it is estimated that 2 per cent own about 60 per cent of the accumulated wealth of the country, 33 per cent own about 35 per cent of the wealth, and 65 per cent own 5 per cent of the wealth.

This rapid and enormous accumulation of wealth in the hands of the few is unanswerable evidence of the inequity and injustice of our distributive system, a system that should be entirely overhauled and reorganized in the interest of the producing masses of the people. The heavy increases in the income-tax rates and the inheritance-tax rates are important counter moves against such concentration, placing the burden of the cost of government upon those having the capacity to pay, and redistributing the estates by requiring the payment of such distribution to be made into the Treasury for the benefit of the people.

In a message to Congress in 1906, President Roosevelt advocated a heavy increase in death duties for the purposes, he stated, of putting an increasing burden "on the inheritance of those swollen fortunes which it is certainly of no benefit to this country to perpetuate." In his Gospel of Wealth, Andrew Carnegie said, "Of all forms of taxation, this seems the wisest. It is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the State." Prof. Thomas S. Adams, of Yale, said, "We should raise from this source enough revenue to measurably relieve the farmers and the general taxpayers."

THE GIFT TAX TO PROTECT THE ESTATE TAX

In order to prevent the evasion of the inheritance tax the fourth major addition provides for a gift tax, so that a person can not escape his inheritance tax by the giving away of his property before his death. It provides a tax ranging from three-fourths of 1 per cent to a maximum of 33⅓ per cent, with an exemption of $50,000.

The three major provisions of the act, viz, the heavy increases of rates in the higher income brackets, the heavy increase in the inheritance tax, and in the gift tax to protect it, while necessary to raise revenue, are equally beneficial as a check upon the ever increasing concentration of wealth, and as a means of redistribution of such accumulations with payment into the Treasury to measurably relieve the burdens of taxation of the masses of the people, and it is generally conceded that they deal effectively with one of the most perplexing and menacing problems of the country.

TAX OF PETROLEUM IMPORTS

The act provides for a tax on the imports of crude petroleum, fuel oil, gas oil, and of liquid derivatives of crude petroleum, except lubricating oil and gasoline, or other motor fuel, of one-half cent per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound. The Tariff Commission made two investigations, both of which disclosed a difference in the cost of production here and abroad in an amount that would have permitted the above rates to have been more than doubled in order to afford adequate protection against the cheap imports of monopolistic companies exploiting foreign fields, and crushing out the independent producers in this market, with their wells already capped by proration to prevent the accumulation of domestic surpluses. Such are the sinister influences of monopolistic companies rapidly acquiring control throughout the world.

THE MENACE OF MONOPOLY IN THE OIL INDUSTRY

By United States Supreme Court decision in 1911 affirming a decree of the circuit court of the United States, the holding company of the Standard Oil Companies, was then found to be monopolistic and inimical to the public interest. Since the separation of the companies by such decree, they have been gradually returning to a common control by combination and merger, until they will finally find shelter again in a common holding company, daily fixing the price of gasoline, oil, and its refined products at the filling stations to the helpless consumers of this country. They will only permit the few independents to act as pioneers in the discovery of new fields, where the hazard and risk is too great to insure satisfactory returns upon the capital invested. We have continuously opposed the combination and merger of such monopolistic companies as being against the public interest. In fact, we oppose the general trend of mergers and combinations of corporations creating monopolies specializing in mass production as permitting the accumulation and centralization of power in trade and commerce destructive of competition essential to protect the people from undue exactions and exorbitant profits. It was such monopolistic influence, with its cross currents running in all directions, through all kinds of business and sections of the country, that defeated our efforts to secure adequate protection for the preservation of such competition. But a start in the right direction has been made, which, under

more favorable conditions, will increase the duties so as to represent the difference between the costs of production.

Under normal conditions the oil industry contributes in excess of $500,000,000 of new wealth annually to the State of Oklahoma, not including the rentals and royalties paid to farmers on their lands.

TAX ON LUBRICATING OIL AND GASOLINE

The act provides for a domestic tax of 4 cents per gallon on lubricating oil and 1 cent per gallon on gasoline.

The States have already preempted the field of taxation on gasoline, and incurred obligations dependent upon such taxes. We opposed the additional imposition of 1 cent a gallon by the Government. The tax on gasoline in the several States is in many instances already greater than the market price of the product. The States should have been permitted to have reduced and standardized such taxes and limited the use of the revenues strictly to the building and maintenance of the public highways, including farm to market roads, and to their extension and upkeep in a good state of repair. In other words, the gasoline tax should provide revenues for the States to build and maintain their respective systems of highways.

TAX ON ELECTRIC ENERGY

The act provides for a tax of 3 per cent of the amount paid for electrical energy for domestic or commercial consumption, "to be paid by the person paying for such and collected by the vendor." This is the most indefensible provision in the act. It shows the inordinate greed and boldness of the power companies. They had to be assured that the tax "would be paid by the person paying for such and collected by the vendor." What brazen effrontery! Such provision was written in the bill in the Senate, where the changes in votes became so frequent as to attract the attention of the entire country. The provision should have been, "to be paid by the producing companies and not to be passed on to the consumer." The power companies are among the very few companies whose charges to the consumers have not been reduced and whose profits from them have survived this depression.

IMPORT TAX ON LUMBER NOT JUSTIFIED

We also opposed the tax of $3 per thousand on the imports of lumber, provided in the act. Early this year the Tariff Commission made a thorough investigation and found that lumber was not entitled to a tariff duty. The existing tariff law makes the commission the umpire to determine all such questions of controversy arising between the producers and consumers, and each industry should be required to abide by the rules of the game. It was upon such consideration that I supported the existing tariff law, knowing that there were many rates too high and many too low, and many inequities and discriminations in the bill, all of which could be eliminated and revised by the Tariff Commission established for that purpose. Subsequent events have proven the correctness of our views.

The Commission has received 164 applications for readjustments under the flexible provisions of the law. Based on the Commission's work, the President has proclaimed 31 tariff changes, 13 increases and 18 decreases, leaving rates on 42 commodities unchanged. The articles coming under these rate-adjusting investigations comprise about 11 per cent of the dutiable imports of 1931, or $75,000,000. Duties were decreased on nearly $14,000,000 and increased on $9,000,000. Rates were left unchanged on the balance of $52,000,000.

The Commission is a bipartisan one, provided with experts to thoroughly investigate and determine each case upon the facts. The President is then authorized to either increase or lower rates to the extent of 50 per cent.

We believe that the lumber industry, as with other industries, should be compelled to abide by the rules of the game. Their unwillingness to do so and their demand for the undeserved rate shows that all hogs are not in the pens on the farm. For over 10 years the farmers of the country have been unable to purchase even sufficient lumber to make necessary repairs. Their actual lumber needs are greater than those of any other class. With a restoration of the purchasing power of farm products, their market would be the greatest market for lumber in the world. Under normal conditions agriculture consumes in excess of 50 per cent of the lumber and lumber products of this country. To impose a tariff duty of $3 per thousand on lumber at a time when the farmers are unable to purchase lumber at present prices, would seem to be an attempt on the part of the lumber interests to hold up the lumber dealers, knowing that they in turn will be unable to secure higher prices from the consumers. We do not say that the tax of $3 will be added to the cost; but where the production is in the control of a monopoly and the tax is sufficient to shut out imports, as in this case, you may rest assured that the monopoly will impose as much of the tax on the existing price as it will be able to exact from its trade.

IMPOSITION OF TAXES, THE UNPLEASANT DUTY OF CONGRESS

To vote in favor of a bill carrying such increases in taxes was the unpleasant duty of the membership of the House, but it was recognized as being absolutely necessary to balance the budget and maintain the credit of the Government. It was supported by a large majority of the Members of both parties as a duty to the Government, coupled with the determination to reduce the expenses of government to the lowest limit, in order that the nuisance taxes provided in the act might be repealed at the earliest moment, the vote in the House being 327 for and only 64 against. When the final vote was taken it was on the conference report, which prohibited any amendments.

THE MOUNTING COST OF GOVERNMENT MUST BE REDUCED

The per capita cost of all Government has increased as follows:

In 1890 it was	$13.56
In 1903 it was	19.39
In 1913 it was	30.24
In 1923 it was	88.94
In 1929 it was	107.37
In 1932 it will be, approximately	124.00

The first thought will be that the war did it—the war itself and the aftercosts of war in such things as veterans' relief, pensions, and the increased outlay for national defense. But these are Federal expenditures, and they have much less to do with the rise in the cost of government than you would suppose. By the figures of the National Industrial Conference Board, which are standard, the rise in the cost of (a) Federal Government, (b) State government, and (c) city and local government, separately stated, has been as follows:

	Year	
	1913	1929
Cost of Federal Government, per capita	$7.17	$32.36
Cost of State government, per capita	3.97	16.38
Cost of city and local government, per capita	19.10	58.64

Half the total cost of all government is the cost of city and local government, and that per capita cost in 1929 was three times what it was in 1913.

The second question of major importance was the reduction of the expenses of government. Before proceeding with discussion of this question, it may be well to definitely ascertain the fixed charges of the Government, from which no reductions can be made. According to the latest figures issued by the House Appropriations Committee, the following table will show for what purpose the Federal dollar is being expended:

War-debt retirement	$0.13
War-debt interest	.16
Pensions, hospitals	.27
National defense	.16
Total for war and its consequences	.72

Buildings, sites	$0.03
Roads	.03
Rivers, harbors	.02
Flood control	.01
Total for public improvements	.09
General administration	.04
Civil functions, including foreign relations, immigration, science and research, territories, law enforcement, Indian affairs, public domain, etc.	.05
Promotion and regulation of commerce, industry, transportation, agriculture, fisheries, labor, public health, and education	.05
All other costs	.05
Total	1.00

From the above, it will be seen that 72 cents out of the Federal dollar goes to pay for war and the direct consequences of war. While we believe that our national policy should be adequate for our national defense, yet such policy should not include the building and maintenance of expensive battleships which modern warfare from the air will render helpless in actual conflict. We believe that our agencies for national defense should be limited to fast modernized cruisers, submarines, and bombing planes, with a sufficient number of aircraft carriers. We have steadfastly refused to support appropriations for increased numbers of battleships, and believe that great savings can be made in the further limitation of such agencies. The program of public works to furnish jobs in buildings now approved, roads, rivers, harbors, flood control, has been enlarged to absorb the labor slack as much as possible and yet at the same time promote the public interest in furnishing competitive transportation for heavy farm products. Subtracting the fixed charges, and those for work projects and needed improvements, leaves a balance of $1,700,000,000 from which the immediate reductions in the cost of Government must be made.

PRESIDENT AUTHORIZED TO REORGANIZE GOVERNMENTAL AGENCIES

In view of the fixed charges resulting from the war, to what extent can reductions in the expenses of Government be made? The average chamber of commerce would say, "Reduce your expenses at least to the amount of your revenues and balance your Budget." The average citizen would say, "If I were in control, I would direct a wholesale firing of useless Government clerks and a slaughter of boards, bureaus, and commissions, and reduce salaries, including those of Members of Congress, to the all-commodities basis." This expresses the views of a large majority of the Members of Congress; but when you come to tackle the job, the difficulties begin to multiply.

Undoubtedly a material saving could be effected by a thorough overhauling and reorganization of all of the departments of the Government, cutting out all duplication and unnecessary overlapping of functions. Congress can not overhaul and reorganize the departments of government; it can not select from the enormous personnel of Government employees those whose services could be dispensed with. When drastic cuts were suggested for a department, it immediately resisted the efforts. It was in favor of reorganization, yes, but only for the other departments and not for itself. So Congress wisely delegated this power to the executive branch of the Government, the President of the United States, who can call in his appointees and insist upon such reorganization as will cut out unnecessary duplication and weed out unnecessary employees.

REDUCTION OF FEDERAL SALARIES INCLUDES ALL

Drastic cuts in the cost of government must be made. The expenditure of every unnecessary dollar must be prohibited. All unnecessary boards, bureaus, and commissions must be abolished. It was with this program in view that at the very beginning of this session, on December 11, 1931, before a reduction of salaries was mentioned or even considered in the reduction of the cost of Government, I introduced a bill to reduce the salaries of all employees in the Government service, including the Navy, the Army, the judiciary, the members of the Cabinet, and all Members of Congress. This bill, I thought, was conservative. It provided for a graduated scale of reduction of salaries, beginning with a 10 per cent cut of a salary of $1,200 and reaching the Members of Congress and the higher salaries with a 25 per cent reduction. This bill would have cut the expenses of the Government $131,169,571.95.

The Democratic committee, however, in its wisdom laid the bill on the table with a view of a report to be made from the newly created Economy Committee providing for salary reductions. The report of such committee provided for a flat reduction of only 11 per cent on all salaries exceeding $1,000 per annum, refusing to recognize the equity and justice of the principle that the higher the salary, the greater the reduction should be. This, however, was remedied to some extent by the conference committee of the House and Senate, which finally reported out the economy bill as amended with the cut and furlough provisions, estimated to reduce the annual cost of government $100,000,000.

Under this plan employees, excepting those determined to be indispensable because of their specialized service, are to be furloughed for one month without pay, and even those who are held to be indispensable by reason of their specialized service must contribute from their salaries the equivalent of the month's furlough, without pay, the reduction being equivalent to 8⅓ per cent of the salary, beginning with $1,000, with a graduated upward scale as salaries increase. In speaking of the furlough plan the President said:

> The furlough plan is the application of the stagger system, the 5-day week or equivalent symbol of indicating the shortening of the hours of labor for the purpose of giving some employment to the maximum number of people.

In speaking of the delegation of power to the Chief Executive to reorganize the departments, he said:

> It is one of the most important avenues for economy in Government that has been proposed for an immediate reduction of expenditures.

PRACTICAL ECONOMY IN GOVERNMENT

The reduction in departmental appropriation bills as they passed the House was $571,106,955.95 less than the total sum carried in such bills for the preceding fiscal year, or a reduction of 15.23 per cent. This amount of reduction in appropriations, coupled with the reductions made by the Economy Committee and to be made by the Executive in a reorganization of the several departments, should total a substantial reduction in the cost of Government, when we take into consideration the twofold program of improvements for their need and to furnish employment to labor.

THERE CAN BE NO PROSPERITY UNLESS THE FARMER IS INCLUDED

I can not conclude this address without again reminding the Members of this House, and especially those of the majority in control, that until the purchasing power of farm products is restored to its normal economic level of, say, 1926 or 1928, they can not purchase the products of labor, and you will be unable to furnish jobs to the unemployed. Thus far the main objective of this session has been to liberalize the laws to facilitate the extension of credit in all directions. The Federal reserve act has been amended. In the administration of the act, the Federal Reserve Board, with its policies of deflation and restriction of credit, has exercised a power for the destruction of values and reasonable prices for the producers far beyond that which should ever be entrusted to any human agency without a penalty of life imprisonment or death for the wilful violation of such a sacred trust.

As yet the many laws enacted liberalizing the credit currency of the country are not perceptible in the improvement of conditions. It is true that they have protected the depositors in many banks throughout the country that would have closed, and liberated the deposits in many closed banks reopened. It is now generally conceded that if the trade activities below do not demand and use the credit facilities afforded, the results will be disappointing. You can not compel the use of credit and the investment of money by legislation. Unless we supplement the remedial legislation enacted with basic legislation to restore the purchasing power of farm products, the depression may continue indefinitely.

THE PURCHASING POWER OF FARM PRODUCTS MUST BE RESTORED TO ESTABLISH MARKET

I am just in receipt of the following letter from the Chief of the Bureau of Agricultural Economics:

DEAR MR. GARBER: In response to your request of June 16, we are pleased to supply the following price-index numbers.

Our index of prices received by farmers averaged 136 per cent of pre-war in 1926, 139 per cent in 1928, and 56 per cent in May, 1932. Our index of prices paid by farmers for the same dates averaged, respectively, 156, 156, and 112. These two indexes indicate that the purchasing power of an average unit of farm products had an exchange value in 1926 of 87 per cent of its exchange value in the five years 1910–1914, 90 per cent in 1928, and 50 per cent in May, 1932.

Sincerely yours,

NILS A. OLSEN, *Chief of Bureau.*

This letter shows what is the matter with the country and why the legislation enacted has not relieved us from this depression. Measured in terms of the Bureau of Labor Statistics index, the value of farm products has fallen 52.9 per cent since July, 1929, but the value of farm implements has fallen only 13.4 per cent. With their purchasing power gone, the market is gone for over 40 per cent of the products of labor. Restore their purchasing power and you will restore the market, with jobs to labor. The people on the farms must not only be placed in a position to produce at a profit to furnish a market for the products of labor but to enable them to pay off their indebtedness with a purchasing power equal to that of the indebtedness when incurred. In fact, the debtor class of the country and the home owner in the city must be rescued from the inequitable increased exactions of the gold dollar. The farmer who mortgaged his farm prior to 1929 for $5,000 when measured in wheat received 5,000 bushels, but when measured in wheat to-day, at the market price of 30 cents, it represents more than 15,000 bushels; and the same is true when measured in the terms of bales of cotton or other farms products. With prices ranging from 50 to 100 per cent above the prices to-day, thousands of farms were mortgaged, thousands of little home-building loans incurred in the cities, office buildings and apartment houses were erected, vast public utility enterprises were created, and indebtedness incurred which can never be paid with the 50-cent dollar; and unless the purchasing power is restored and the dollar brought back home to the people upon its normal economic level to be used in the channels of trade and commerce as formerly such debts never will be paid.

Several months ago the major farm organizations, through their accredited representatives, appeared before the committees of Congress with many witnesses. They agreed upon a major measure for agriculture, even to the extent of formulating and agreeing upon the terms of the proposed act. They insisted that such legislation was necessary to restore the purchasing power of farm products. And now we are approaching the closing day of the session, and as yet the legislative program of the farmers has never been presented. As yet we have never been afforded an opportunity to even consider it, much less vote for it. Surely the majority in control will not adjourn until the legislation proposed by the farmers can be considered.

If you are not in favor of such legislation, you should frankly say so. But how can you expect the farmers to continue to produce at a cost of 50 per cent below the price they receive? How can you expect them to pay their debts with a 50-cent dollar? If your leaders will not approve the bill proposed by the farmer organizations, then give us something. Or take my suggestions: With the same amount of credit we extended to the banks to protect the depositors and to the railroads to protect the employees with jobs, we could refinance the farm mortgages as they come due over a long period of years at a low rate of interest and save the farm home from foreclosure proceedings.

In addition to that, we could invoke for a period of, say, two years, the emergency powers of the Government as we did during the war, and guarantee a minimum price for the basic farm products used for domestic consumption, and establish a selling price for domestic consumption sufficient to take care of the price to the producer. The minimum price for the now 30-cent wheat should be at least $1 per bushel, and the same is true with reference to the now 5-cent cotton, which should be at least 12 or 15 cents per pound.

With such prices for farm products, the market of 40,000,000 people on the farms would be restored, and your mills and factories would reopen and furnish jobs to the unemployed. It would start up the trade activities throughout the country, in all directions. Instead of continuing to depend upon relief extended to the top, to trickle down to the producers, let us extend our relief direct to them, so they will get the full benefits, instead of the few crumbs which may fall under the table.

GIVE AGRICULTURE A CHANCE

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address over the radio by my colleague [Mr. LAMBERTSON].

There was no objection.

Mr. McGUGIN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of my colleague Mr. LAMBERTSON, delivered under the auspices of the National Grange program on the farm-and-home hour over the National Broadcasting hook-up June 18, 1932:

Ladies and gentlemen of the radio audience, it is a pleasure to greet you from the Nation's Capitol in the closing days of this long session of Congress. I appreciate the courtesy of the National Broadcasting Co. and the National Grange in giving me an opportunity to address the great nation-wide audience which I know is listening in at this hour.

As a farmer and a citizen, I consider it a high honor to be a member of the Grange, which is the oldest general farm organization in America. Those of us who are affiliated with Indian Creek Grange, located in Shawnee County, Kans., still remember with pleasure that happy evening last summer when our splendid national master, Louis J. Taber, Vice President CURTIS, and Senator ARTHUR CAPPER were all in attendance.

I believe in the principles and policies of the Grange, which stands for the greatest good for the greatest number, and which is animated by the spirit of live and let live. I also believe in Fred Brenckman, the Washington representative of the National Grange, whom I consider one of the most competent and trustworthy men that any farm organization ever had in Washington.

While there is a considerable number among the Members of Congress who own farm property, comparatively few of the 533 who make up the membership of both Houses of our National Legislature actually till the soil. Farming has been my only occupation.

Four years ago, when the people of my district chose me to represent them in Washington, I cherished the hope that I might have a hand in the promotion of policies which would bring equality to agriculture. My connections with farm and cooperative organizations and my experience as a member of the committee of 22 associated with the Corn Belt committee, which backed the McNary-Haugen bill, helped to give me some conception of the difficulties to be encountered in securing fair play for the farmer, particularly in the national arena.

President Hoover manifested a real interest in correcting the inequalities confronting agriculture when he called a special session of Congress, which convened a few weeks after his inauguration. The President's purpose in calling this special session was to secure the enactment of legislation establishing better marketing facilities for the farmer and to revise the tariff so as to put agriculture on a parity with industry under our protective system.

The agricultural marketing act was not exactly what the farmers wanted, but it was the best they could get. It was recognized from the beginning by farm leaders that this legislation did not make adequate provision for handling the agricultural surplus. We have been trying ever since to amend the marketing act in such manner as to include the equalization fee, the debenture plan, or some form of the allotment plan, but thus far without success. We still hope to be able to accomplish something in this connection before the close of this session of Congress.

If the agricultural marketing act was not exactly in accordance with the specifications that the farmers had in mind, the same is equally true of the Hawley-Smoot Tariff Act. While the work of tariff revision was undertaken primarily to meet the needs of agriculture, other industries were not slow to take advantage of the opportunity thereby presented. Notwithstanding the copper-riveted protection which most of these industries already had, as one of my colleagues expressed it, their spokesmen came before the Ways and Means Committee on wheel chairs and crutches, asserting that they were meeting insurmountable competition from abroad, and asking for higher rates, which were granted. In this manner the benefits accruing to agriculture were nullified. As is well known, the reaction in other nations was anything but favorable, and we have paid the penalty in the diminished volume of our exports.

William McKinley has been one of my ideals, and sentiments expressed by him in the memorable address which he delivered

at the Pan American Exposition at Buffalo on the day preceding his assassination I accept as my tariff views exactly. He said:

"By sensible trade arrangements which will not interrupt our home production, we shall extend the outlets for our increasing surplus.

"We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible, it would not be best for us nor for those with whom we deal.

"We should take from our customers such of their products as we can use without harm to our industries and labor. A policy of good will and friendly trade relations will prevent reprisals. If, perchance, some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?"

Agriculture had not yet recovered from the effects of the deflation which began in 1920 when the present depression set in, following the stock-market crash of 1929.

Since then we have gone on down faster than the rest. According to the price index of the Department of Agriculture, the average price of farm commodities is now 56 per cent of the pre-war level. The price of things the farmer must buy is at 112 per cent of the pre-war level. The purchasing power of the farm dollar stands at 50 per cent of the pre-war level, and not taking into consideration taxes.

As a farmer I saw good in the Reconstruction Finance Corporation, but I could not overlook the fact that the legislation which brought this giant corporation into being largely left out those who had needed help the longest and had suffered the most.

Other legislation which has been enacted at the present session primarily for the benefit of our financial institutions seems only to have given our large banks a greater incentive to hoard. Is it not about time for the heads of these institutions to give some thought to meeting the legitimate needs of industry and business, the purpose for which they were created? Such a step would go far toward dispelling the depression.

As Federal revenues began to fall off, it was easy to foresee as early as last summer that one of the biggest battles in the present session of Congress would be fought to determine who should be taxed to make up the deficit, the rich or the poor. In due time, the forces of organized greed launched a campaign of propaganda in favor of a general sales tax, a measure to which we did not resort even during war times. It was worthy of note that among the principal backers of this tax proposal were those who had advocated a sales tax prior to 1929, when there was plenty of money in the Treasury, and who wanted it to take the place of the income and inheritance taxes.

A general sales tax, falling heavily upon the necessities of the people, would be the most unfair of all taxes, particularly under prevailing conditions. While there are many taxes in the new revenue act which will prove irksome and burdensome, I am glad that we escaped a general sales tax, to which I was strongly opposed.

A great American whose body rests in Arlington, just across the river from Washington, once said that there were just two schools of political thought in this country. The one school, he said, believes that this Government hangs from the top, while the other believes that it is built up from the bottom.

I have heard the exponents of these two conflicting philosophies argue the subject in the cloakrooms of Congress when they were at ease and could freely speak their minds. Those who believe that everything begins at the top, and that everything important and worth while trickles from there to the bottom, hold that, after all, there is nothing we can do for those engaged in agriculture nor for those who toil in industry; that we must simply let needed economic readjustments work themselves out; that we can not lift ourselves by our boot straps; and that it is pure demagoguery to state anything else.

Let me say with all the emphasis at my command that I do not believe in this doctrine. If it is possible for Congress to enact legislation for the benefit of business, commerce, and finance, it stands to reason that legislation can also be passed that will help the farmer, the workingman, and the average citizen.

Having levied the taxes to balance the Budget, and having passed the legislation deemed necessary for the welfare of big business, the metropolitan press and the spokesmen for big business now say to Congress, "Adjourn, go home, and give business a chance!"

There is never a time when anything constructive for the benefit of agriculture comes from these spokesmen of special privilege. That is one of the reasons why we are in such a predicament to-day. If we had been willing to pass prosperity around and give the farmer a fair chance along with the representatives of other groups, the whole country would now be infinitely better off. If the purchasing power of the 30,000,000 people on our farms could be restored, the revival of industry would follow as a matter of course.

I assert boldly that it is not sufficient that Congress should enact legislation to save the railroads, the banks, the insurance companies, and similar institutions. It is the solemn duty of Congress before adjournment to do all that lies in the power of the Government for agriculture. We need legislation for monetary stabilization in harmony with the plan contained in the Goldsborough bill, which passed the House but struck a snag in the Senate Banking and Currency Committee; we need more liberal credit facilities, backed by the Federal Government, to save many thousands of farmers from losing their homes through mortgage foreclosure; and we need a policy of protection that will give us an American price for our products consumed in America, as advocated by the grange and the other farm organizations of the country.

May God give Congress the vision to conceive and the courage to formulate and make effective now, and yet, measures that will keep alive the spirit of hope in the breasts of those who dwell in our farm homes.

OUR ANCIENT AND UNSCIENTIFIC MONETARY SYSTEM MUST BE REFORMED OR ELSE REVOLUTION WITH ALL OF ITS HORRORS IS INEVITABLE

Mr. CROSS. Mr. Speaker, the monetary system of a nation is its financial heart and when that system is materially defective the nation will at irregular intervals suffer great economic distress, and unless corrected will inevitably sooner or later, result in national dissolution.

Mr. Speaker, this Congress is the only physician that can correct the disorders of the financial heart of this Nation and restore it to prosperity, and yet, with the exception of having applied a few makeshift experimental remedies, we are preparing to adjourn, leaving our patient to writhe in his agonies and perchance to die.

Mr. Speaker, through the years every industry as well as every science has made wonderful progress, except that of our monetary system, and I suspect the reason for its not having progressed is that legislative bodies, imbued with the idea that it was a mysterious science incapable of being understood save by the major banking fraternities, have let these high priests of finance dictate laws giving them power to control and manipulate, inflate, and deflate, and these things they have not always done with an eye singular to the welfare of the country.

Mr. Speaker, not so many years ago the doctors in their ignorance bled people when they were in dire need of more blood and not less blood to regain their health, and for any physician to question this vicious practice so long established meant professional ridicule and ostracism. Finally, however, there were those who did have the temerity to question it and condemn it and ultimately convince the profession it did not help but hurt their patients. But since our superfinancial medicine men consist of our so-called international banking groups, who often profit by bleeding their patient, the public, I am afraid if they are to correct the evil, will continue to be bled.

Does anyone doubt that our unscientific, vicious monetary system is the cause of our present economic tragedy? Mr. Speaker, in theory, barter furnishes an ideal system of traffic, and if such a system was practicable, with all our farms and ranches amply stocked with all the animals that go to fill the smokehouse, with all our barns filled with all the grains that go to feed, and all our warehouses stored to capacity with all the materials that go to clothe mankind, with all of our obligations contracted and payable in commodities, and therefore easily discharged, would we not be enjoying an era of wonderful prosperity rather than being as we are, "crucified on a cross of gold"? [Applause.]

Mr. Speaker, the things that possess real or intrinsic values are those things that feed and clothe and shelter and add to the comforts and welfare of mankind. And while their value may vary from time to time in relation to each other as the result of supply and demand, yet in the aggregate they are as valuable to-day as they were five or a hundred years ago, and will be as valuable five or a hundred years hence. The common commodity used as a medium of exchange, and which we call money, whether it be the shells used by the tribes of Africa, the silver tael of the Chinese, or the gold dollar of America, has but little intrinsic value, but as the medium of exchange it becomes the token of the values of property, and if properly adjusted, controlled, and regulated, would, like a mirror that reflects the true image of an object, reflect the true values of commodities as well as that of all other property; neither magnifying nor minimizing those values. Or, if I may personify an honest or stabilized dollar, it is one that holds in its hands a pair of scales, a measuring cup, and a yardstick that give correct weights and measures; while those carried by the dishonest or unstabilized dollar give false weights and measures, registering pounds as ounces, quarts as pints, and yards as feet, or vice versa. Such is the record of the American un-

stabilized dollar, and its photograph ought to be hanging in every rogues gallery in the country.

Mr. Speaker, it is estimated that the sum total of the public and private debts of this country exceed $203,000,000,000. This stupendous amount of money is nearly twenty times greater, according to the recent report of our mint, than the entire stock of gold in all the world. With the exception of an insignificant minor fraction, this vast sum represents an equation, in purchasing power of the dollar at the time it was borrowed and of the purchasing power of the dollar at present of one to four. That means, translated into commodity values, that the borrower is to pay back four times as much as he borrowed, since it will take four times as much wheat, corn, cotton, wool, livestock, farm or ranch land, or other real estate to purchase as many dollars to-day as when the loan was made. It means that the taxpayers, in order to discharge the bonded indebtedness of the Nation, the States, the counties, and municipalities must pay back four times in property values what they borrowed, and that the wealth of those who hold the bonds have been trebled. In other words, through the trickery of the unstabilized dollar, the debtor classes of this country are being hijacked out of two to three additional dollars for every dollar they received.

Mr. Speaker, is it not inevitable that such injustice must lead as surely to revolution as that "the night follows the day," and no amount of patriotic appeals to men whose wives and children are hungry can prevent it.

Mr. Speaker, every country in the world has gone off the gold standard, either officially or unofficially, except the United States. Every country in the world is permitting its citizens to pay off their debts in a currency having practically the same purchasing power as the money they borrowed. That is, they have stabilized the purchasing value of their money on a parity with property values. For instance, France, in 1928, stabilized her franc practically at par with commodity and other property values, and when the American dollar is at par with property values, $1 is equal to about 5 francs, but with the present abnormal purchasing power of our skyrocketing dollar, it takes 25 francs to equal in purchasing power $1. The same may be said of the Italian lira, as well as the money of other countries.

Mr. Speaker, Canada, Mexico, and this country produce only 24 per cent of the gold of the world while these same countries produce about 75 per cent of the world's silver. The world's gold supply has for years been on the decline The world's yearly average production of gold from 1908 to 1917, inclusive, was 21,908,270 fine ounces, while the world's yearly average production from 1918 to 1930, inclusive, was only 18,296,742 fine ounces or an average yearly decline of the last period of 3,611,528 fine ounces. In 1915, according to the report of our mint, this country produced 4,887,604 fine ounces of gold, while in 1930, being the last year reported, only 2,285,603 fine ounces, or a decline of more than 53 per cent in 15 years. Gold-producing areas in Africa controlled by European countries furnish more than 58 per cent of the world's supply. A fraction more than 22 per cent of the world's annual production is consumed industrially. The United States mint reports the total gold coin and bullion in the treasuries and banks of the world, authenticated and unauthenticated, at $10,975,311,000.

Mr. Speaker, this country's future foreign trade does not lie across the Atlantic but across the Pacific. The major part of Asia including China is now on a silver standard, and if this country would but take the step, every country in the Americas would gladly follow her. It would mean tremendous trade advantages for us approaching a monopoly. Mr. Speaker, if we are to bring about a more equitable distribution of the wealth of this country and save it from revolution, we must get off the gold standard and stabilize the purchasing power of our dollar at par with the average commodity value index line over a period of normally prosperous years such as from 1925 to 1928, inclusive, and this can be accomplished by the Treasury issuing stabilization certificates backed up by bullion or coin, dollar for dollar, these certificates to be put in circulation by the Federal reserve banks through means of its member banks.

This stabilization currency to be supplied, without interest, to the Federal reserve banks and to be furnished by them to their member banks at a nominal rate of interest, but the Treasury reserving the right to withdraw a certain per cent at stated periods. Thus in this way its ebb and flow can be so regulated as to keep the purchasing power of the dollar constantly stabilized at par with the average commodity value index line.

Mr. Speaker, with the exception of having patted big business on the back, I regret that this Congress is to adjourn without doing aught to help our stricken country out of its tragical plight, and God grant that we may have the privilege of again meeting before the lightning strikes and the storm destroys the temple. But, of course, Mr. Speaker, I fully realize that it would have been utterly futile to have attempted to bring about any such reform during this session of Congress when those occupying key positions with the Government and in high authority have been reared as worshipers at the shrine of "the golden calf" and whose judgments I fear have been shaped, though maybe unwittingly, by itching palms.

"But och! mankind are unco' weak
And little to be trusted;
If self the wavering balance shake,
It's rarely right adjusted."

[Applause.]

COL. WILLIAM CRAWFORD

Mr. MOUSER. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MOUSER. Mr. Speaker, I ask for this short time to direct the attention of the House to a resolution which I am introducing, and which I hope will be adopted. It is short, and I am going to read it to you:

House Resolution 275

Resolved, Whereas Col. William Crawford, an American soldier, native of Virginia, and assistant surveyor to Gen. George Washington, lost his life in the service of his country; and

Whereas he accompanied Braddock's luckless expedition against Fort Duquesne in 1775 and in 1776 was appointed colonel of the Fifth Virginia Regiment; and

Whereas in 1782, at the request of Col. George Washington, he assumed command of an expedition against the Delaware and Wyandot Indians near the Sandusky River in Ohio, and on June 4 of that year he encountered a combined force of about 300 Indians and British soldiers who had been dispatched from Detroit; and

Whereas he was captured by a band of Delaware Indians and burned at the stake approximately 3 miles from Carey, Wyandot County, Ohio; and

Whereas there has been erected to his memory a monument on rural route No. 1, approximately 3 miles east of Carey, Ohio; and

Whereas his valiant memory has never received recognition from a grateful country for this valiant and heroic service to his country: Now therefore be it

Resolved by the House of Representatives, That the Postmaster General be, and he hereby is, authorized to cause to be printed a series of stamps, the design and number of which is to be decided by the Postmaster General, to be known as memorial stamps in recognition of the great service and martyrdom of Colonel Crawford.

I may say that the people in Ohio and likewise, I am sure, the people of Virginia, and all those who reverence the name of George Washington, would like to see some belated recognition of the wonderful life, statesmanship, and character of this illustrious citizen of Virginia.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FREAR, for one week, on account of business.

To Mr. GIBSON, for the balance of the week on account of important business.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 111. An act for the relief of Rosa E. Plummer;

S. 157. An act for the relief of Sarah Ann Coe;

S. 217. An act authorizing adjustment of the claim of J. G. Shelton;

S. 224. An act authorizing adjustment of the claim of Lewis Semler;

S. 229. An act for the relief of Don C. Fees;

S. 248. An act authorizing adjustment of the claim of the David Gordon Building & Construction Co.;

S. 250. An act authorizing adjustment of the claim of the Sun Shipbuilding & Dry Dock Co.;

S. 258. An act authorizing adjustment of the claim of H. E. Hurley;

S. 478. An act for the relief of Cicero A. Hilliard;

S. 860. An act for the relief of William Girard Joseph Bennett;

S. 943. An act for the relief of John Herink;

S. 1028. An act for the relief of W. Stanley Gorsuch;

S. 1216. An act for the relief of the owner of the barge *Mary M;*

S. 1280. An act for the relief of National Ben Franklin Fire Insurance Co.;

S. 1436. An act for the relief of the Copper Ridge Mining Co.;

S. 2159. An act for the relief of the Columbia Casualty Co.;

S. 2364. An act to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555);

S. 2909. An act for the relief of Ross E. Adams;

S. 3119. An act for the relief of J. D. Stewart;

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands; and

S. J. Res. 182. Joint resolution amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

EXTENSION OF REMARKS

OFFICIAL SPENDTHRIFTS

Mr. DISNEY. Mr. Speaker, as this session of the Seventy-second Congress is about to draw to a close, I desire to make certain observations upon the work of this session and to comment on the problems that have confronted us.

When the history of the American Congress is written this Seventy-second Congress, coming into existence, as it did, with a deficit of more than $2,000,000,000 facing it, and with the problem of a foreign-debt moratorium confronting it, the moment the Speaker was sworn in, will be classed as the most hectic since the Civil War, with its attendant problems.

Ever since the World War—for a dozen years—this Government has been in the hands of three administrations noted for corruption, extravagance, and inefficiency. The greatest orgy of official extravagance that the world has ever known has taken place in the United States Government in the last 10 years; part of the time with Calvin Coolidge, so-called economist, at the helm. Since 1924, governmental expenses have increased on an average a billion dollars a year. During that period of time the people were interested in making money, and they and their spokesmen, the newspapers, were sound asleep as to what a vast scale governmental expenses were growing and to what an alarming extent the Government was getting into competition with private business. Every once in a while some one would visualize the matter and make some suggestion about economy, but the word was somewhat taken out of the Nation's dictionary, only to be rediscovered by this Congress, when Democratic Congressmen started offering resolutions looking toward economy, shocked as they were by the awful spectacle of a deficit of from two to four billions of dollars.

VOTED TO CUT HIS OWN SALARY

In this session of Congress I voted to cut my own salary, first on the so-called McReynolds amendment, which would have reduced the salaries of Congressmen to $7,500 a year. When this failed I followed by voting for the salary cut in the economy bill, which, as it passed the House, cut my salary 11 per cent. After the Senate worked on the economy bill, and powerful influences set in motion the so-called furlough plan and as the bill was changed, I voted for a cut of 10 per cent in my salary. This became the law. I was not so much interested in the loss of 10 per cent of my salary as I was to show the people of my district and the Nation, that my heart was with them in this awful calamity and depression, when industry, labor, agriculture, and all other activities have each taken a deep cut.

NO RELATIVES ON THE PUBLIC PAY ROLL

Mr. Speaker, I have never had any relatives on the public pay roll. I served two terms in Muskogee County as county attorney, and three terms in the Oklahoma Legislature, and this term in Congress. Not once during that entire time has a relative of mine, either by blood or marriage in any degree, ever drawn a penny from the Public Treasury. The practice of nepotism is abhorrent, because it is looked upon by the people as a species of bribery, whereby the official takes unto himself an undue advantage on account of his official position, to the benefit of himself and his kinsmen and to the detriment of the people who placed him in office.

CUT APPROPRIATIONS $627,422,101.42

Mr. Speaker, I have always been the foe of useless expenditures. Any useless expenditure is a moral wrong. The tax bill of this Nation is unreasonably and outrageously high because of unscientific and log-rolling methods in making appropriations. During this session of Congress I voted for a decrease of $627,422,101.42 in appropriations for 1933, as compared with the appropriations for 1931 passed by the preceding Congress. This indicates how the taxpayers can be saved if there is the will on the part of the Congress and the Executive to save it. The bills for which I voted in the House of Representatives during this session were $161,000,000 less than the Budget estimate submitted by the President at the convening of Congress last December. This proves that the way to cut appropriations is simply to cut them, regardless of what or where it hurts.

To be more specific, I voted to cut the following amounts from the following bills:

House Office Building repairs, proposed appropriation $780,000, voted to cut to $60,000, a saving of	$720,000.00
War Department, voted to cut under 1931 appropriation, or an amount of $24,000,000 under estimate of President	56,000,000.00
First deficiency bill	15,171,120.00
Department of Agriculture	10,834,591.00
State, Justice, Commerce, and Labor	5,568,144.56
Treasury and Post Office	22,797,742.00
Independent offices	55,463,610.00
Legislative	2,293,973.00
District of Columbia	4,173,109.00
Navy Department	15,323,991.00
Interior Department	6,258,930.00
Abolishing Army and Navy transport service, approximately	2,000,000.00
To consolidate Army and Navy, approximately	100,000,000.00

These are vast sums, which the taxpayer should carefully study and inquire about.

INTRODUCED BILL TO REPEAL DESTRUCTION OF VALUABLE BUILDINGS

During the Seventy-first, the preceding, Congress, a law was passed by Congress and signed by the President providing for the demolishment of four valuable buildings in the District of Columbia, namely, the State, War, and Navy Building, the Southern Railway Building, the Post Office Building, and the Municipal Building. These buildings cost millions to build. Their destruction would simply be wantonness, only benefiting the building-contracting clique. Consequently I introduced a bill to repeal that statute. I am fortified in the judgment that these buildings should not be demolished by the fact that, in the District of Columbia, right at this time, in spite of the vast acreage of public buildings, the Government is paying rent on privately owned buildings. It appears to me to be little less than criminality to even contemplate the demolishment or change in the State, War, and Navy Building particularly, as it is a landmark in the history of this Republic.

MORATORIUM ON FOREIGN DEBTS

At the beginning of the session we were confronted with the President's moratorium granted last July on foreign war debts to this country. I voted against this as ill-advised and as a step in the wrong direction, for I was certain that it would lead to ultimate cancellation of the debts, and the current news of to-day proves that judgment to be correct. International bankers who have milked the American public for billions of dollars appear to have been back of the move, and that suspicion has not been removed. Approximately $12,000,000,000 are yet due on the foreign war debts; but if we pursue a vacillating policy, we will never collect the balance. Imagine Andrew Jackson or Grover Cleveland yielding to the importunities and false propaganda of the international bankers!

Since the World War and up to 1925, the United States had canceled, remitted, or lost the enormous sum of $10,705,618,006.90 in war debts, counting interest at 4½ per cent, and now it is proposed that we lose approximately the same amount by the present policy being pursued.

This Government settled those debts with Italy at 24 cents on the dollar and with France at 46 cents on the dollar, and yet by the news of last week, France proposed to repudiate the balance of the European debts to the United States. This at the expense of the already overburdened American taxpayer!

VOTED AGAINST $2,000,000,000 FINANCE CORPORATION

When the Reconstruction Finance Corporation was before the House I voted against it and gave my reasons, chiefly that this did not provide for assistance to the rank and file, but only took care of the immense corporations, banks, railroads, life insurance companies, and others, to the exclusion of the average of the people. Almost before the bill was signed tremendous loans were made to the railroads so that they might pay off notes to Morgan & Co. Yes; there was relief in that bill, assistance to the creditor class, but not to the people.

EXCISE TAX ON IMPORTED CRUDE OIL

The Oklahoma delegation appointed me House leader in the fight for a tariff on crude oil. The public knows how successful that fight was. The flood of cheap foreign crude oil produced by foreign labor in competition with labor in America had all but destroyed the independent oil producer. I made this subject my night and day religion, and when the bill left the House it carried an excise tax of 42 cents a barrel on crude oil. This ought in the nature of things to be of assistance to the oil industry, notwithstanding the fact that the Senate cut down the tax to 21 cents a barrel, but the tax on imported gasoline was raised.

THE GENERAL SALES TAX

A general sales tax would have raised about $650,000,000 by taxing every article that the people of my district have to buy, from the cradle to the grave. Whatever the citizen should turn his hand to would bear this sales tax. I opposed this as a matter of principle, for once placed upon the backs of the people the sales tax is never removable, when we take into consideration its history in other nations. As extravagance in Government grows, so the sales tax is enlarged until it becomes unbearable. The chief proponents of the sales tax advocated it as a substitute for the income tax, which to my mind is the fairest tax ever devised. They hope to finally completely supplant the income tax with the sales tax, and their vow is to drive out of Congress every man opposed to a general sales tax. The revenue bill carries some nuisance taxes, such as enlarged postal rates, stamps on checks, and electric power. I opposed these also, but they are preferable to the general sales tax, for these nuisance taxes only last until 1934, then automatically expire. If they did not expire automatically by law, the interests affected would fight them to a repeal, but the general sales tax would always go on undisturbed, because it is in the nature of an invisible taxation.

REVENUE BILL HAD TO BE PASSED

The people are entitled to complain about the revenue bill. It is preposterous that it was necessary to pass it. It is the result of a long debauch in governmental expenses and extravagance. When this session of Congress came into being we were confronted with a deficit of more than $2,000,000,000 and which has grown to nearly $4,000,000,000. Not a dime of this $2,000,000,000 was appropriated by a Democratic Congress, but it had to be passed in order to balance the Budget and to save the Government from bankruptcy, as the result of governmental corruption, extravagance, and inefficiency, which have in turn characterized the last three Republican administrations.

VOTED TO CONSOLIDATE ARMY AND NAVY

When the question of the combination of the Army and Navy was before the House, I voted for it. Chairman BYRNS, of the Appropriations Committee, stated, and it was undenied, that this item alone would save $100,000,000 per year. This bill was defeated by lobbyists from the Army and Navy Departments, by Cabinet influence, and by the President's own private secretary, an ex-Congressman, lobbying against the bill on the very floor of the House! Whence comes the talk for economy!

INCREASED GIFT TAXES, INHERITANCE TAXES, AND ESTATE TAXES

The country has long demanded that gift taxes, inheritance and estate taxes be increased, in order to take power from the tremendous estates that have grown up. For an illustration, an immensely wealthy man could dispose of his estate by gift and avoid any inheritance tax, and his heirs would take the property upon his death free of any tax except an inheritance tax. This Congress raised inheritance taxes, gift taxes, and estate taxes so as to prevent such subterfuges. My vote aided.

FOR SOLDIERS' BONUS

The veterans of the World War were settled with in 1924 with adjusted-service certificates. England gave her veterans a bonus of $1,427, Belgium $492, Canada about $750, France $249, while the United States, the richest Government under the sun, gave her boys a bonus of $60. Since the debt was adjusted in 1924 and the soldiers are now in need, they demand the payment of their certificates now in full instead of waiting until 1945. There was no issue as to the existence of the debts or its justice. The only question was whether it should be paid now. I supported this measure and signed the petition to bring it to the floor of the House. It would not have added one penny to the public debt, for the debt already exists. It would not have required a dollar of appropriation, for under the plan proposed by ex-Senator Robert L. Owen and incorporated in the Patman bill, new money would have been issued by the Federal reserve system, based upon bonds into which the certificates would have been converted. This two and one-quarter billion dollars going into every nook and corner of the Nation would have created a currency expansion and circulation that economists have all been clamoring for. It would have paid bills at the store, notes at the bank, and fed hungry mouths and clothed worthy people.

No greater financial mistake was ever made by the Government of the United States than the defeat of this measure by the Senate. The President had declared he would veto it, the Senate saved him the trouble. Big business declared against it, so that the administration and the Treasury Department, representing big business in official life, obeyed their master's voice. There was the cry of "The Nation's credit will be ruined" and "it means fiat money" and "it will drain the Treasury"—each one was false. But we did not hear those cries when Congress was appropriating two billions for the Reconstruction Finance Corporation for the banks, railroads, and internationalists.

VOTED FOR TAX ON STOCK-MARKET OPERATIONS

The curse of this country has been the stock market and the way it has been handled and managed. It created a mania for stock-market gambling that existed until 1929; and, when the bubble burst, those who had made the money slunk into darkness and, with their money, went into seclusion and hoarding. The Democratic House of Representatives passed a bill taxing all sales on the stock market one-fourth of 1 per cent and sent it to the Senate. Again big

business was horrified, and again it cried out that the credit of the country was about to be ruined and that the Nation was on the brink of despair, and again the administration and the Treasury soft pedaled and again the Senate yielded to its master's voice, and the stock market escaped unscathed. This would have produced from one to three hundred million dollars per year and would have been of vast assistance in balancing the Budget. But we heard little about balancing the Budget when this bill was suspended mid-air in the Senate.

VOTED FOR LAME-DUCK AMENDMENT

I supported the so-called lame-duck amendment, as a progressive step in governmental affairs. A newly elected Congressman should not have to wait 13 months before the issues upon which he was elected should be expressed. Every genuinely progressive issue during this session has received my support.

PHILIPPINE INDEPENDENCE

There never has been any sound economic, financial, or racial reason for our retention of the Philippines. None was developed at the hearings before the committee on the subject, so in the House I voted for freeing the Philippines and their 13,000,000 in population at the end of eight years.

ANTI-INJUNCTION BILL

To prevent abuses in labor disputes, the Norris-LaGuardia anti-injunction bill was presented to the House, and I voted for this on the ground that labor should not have to bear the brunt of indiscriminate injunctions. This legislation remedies the injustice that has heretofore existed.

OLD-AGE PENSIONS

I introduced a bill providing for old-age pensions. This subject is more and more becoming a matter of public importance; and thoughtful persons are looking forward to the time when a system shall be devised looking to the assistance of the elderly, deserving, and indigent of our Nation.

CURRENCY EXPANSION

Everyone has agreed that what this country needs is a sound expansion of the currency; the only disagreement is on the question of methods and means. I voted for the Goldsborough currency expansion bill, the object of which is to restore the 1926 price level, but the Federal Reserve Board and the Treasury Department would have none of it, because big business was against it. Consequently it stopped in the Senate and there it will stay. It will never be brought out of that body until there is a new order of things, until big business is released of its hold on the executive department and the Treasury as well as upon the Senate.

BANK GUARANTY LAW

Every public officer, under a penalty of prison sentence and removal from office, is required to insure the deposits of public money before he may place them in a bank, by means of a surety bond furnished and paid for by the depositary bank. There can be no sound reason why the money of the ordinary depositor should not be protected by a similar system. This plan has been tried by several States but never by the Federal Government, so when the bill came before the House it was passed by an overwhelming majority. I voted in the affirmative. The bill went to the Senate, where it will either be killed or will stay until the old order passeth and a new order of things takes place, if that time ever comes.

INDIAN LEGISLATION

I voted and worked earnestly on legislation pertaining to the Pawnee, Cherokee, and Osage Indian Tribes and was successful in procuring the passage of the Osage civilization tribal fund bill, which means much to the Osage Nation. I was instrumental in assisting Congressman HASTINGS in his advocacy of the Cherokee jurisdictional bill for Cherokee claimants and have a similar bill pending for the Pawnees. I procured the passage for the Pawnees of a bill permitting the reinvestment of funds from restricted lands condemned by municipalities in lands that would again bear the restricted feature.

ADDRESS OF THE MINORITY LEADER AS PERMANENT CHAIRMAN OF THE REPUBLICAN NATIONAL CONVENTION

Mr. SNELL. Mr. Speaker, under unanimous-consent request to extend my remarks in the RECORD, I beg to print the speech I delivered on June 15, 1932, as permanent chairman of the Republican National Convention.

The speech is as follows:

Fellow Republicans, you have done me the honor of asking me to preside over the convention that is about to name the next President of the United States.

I thank you for the trust thus imposed and shall try to merit it by dealing fairly with all.

You have heard the note of exultant Republicanism as sounded by the distinguished chairman, Senator DICKINSON. I have heard your enthusiastic response. I congratulate Senator DICKINSON upon his eloquent and accurate presentation of our cause.

I congratulate our great party upon the selection of a body of delegates whose solidarity and militant enthusiasm insure the nomination of candidates and the formulation of a platform that will command the support of the Nation.

The Republican Party is accustomed to victory. From Abraham Lincoln, our first Republican President, who was nominated in 1860 not far from the stadium in which we are assembled, the Republican Party has elected 11 of the 13 Presidents down to and including President Hoover.

Victory has come to the Republican Party because victory has been earned.

Our doctrines and policies have been hammered out on the anvil of experience.

We have never shirked responsibility.

We have never become a disorganized mob under the pressure of great emergencies.

We have never offered quack remedies for national disorders.

By long trial in the actual responsibility of conducting the Government, the Republican Party has become capable of governing. From Lincoln to Hoover, our Republican Presidents have met the shock of war and the storms of depression and weathered every gale.

The Nation has been safe when the Republican Party has been in control of the Government. It has never been safe when Republicans were not on guard.

The Republican platform of 1860 to which Abraham Lincoln gave his allegiance declared that the perpetuation of the Republican Party was necessary for the national existence. That declaration is as applicable to-day as it was then. The national welfare demands the success of the Republican Party.

Everywhere, outside of the Republican Party, is confusion and chaos. The only sound and united public sentiment of the United States is represented in this convention.

The Democratic Party is fatally weak because it does not command the support or confidence of the Nation and because it is utterly lacking in teamwork.

The Democrats have a minority complex which they can not change. As a fault-finding, cavilling minority opposition they are 100 per cent perfect. As a driving, constructive majority they are 100 per cent failure.

As proof of this I need not recall to your mind the false gods they have pursued for over a century; the panaceas they have proposed and a wise people have rejected. Events of the past five months furnish abundant evidence of their failure.

Accepting their promises at face value, the country placed them in charge of the House of Representatives. They had assured the Nation that if given this power, they would restore economic equilibrium. This much must be stated to their credit: As long as they followed the leadership of the one man in America who has furnished leadership in this great crisis—Herbert Hoover—they functioned in splendid fashion.

But when they set out to carry forward their own program they exhibited collossal incapacity, hopeless division, and disintegration, with the result that there was a complete collapse of their party machinery.

As tragic as is the breakdown of a great political party, had the party alone suffered the situation would not have been so bad. But it was the country—the whole people of these United States—who suffered. In a few months the confidence of the country in the House of Representatives, which had been lifted to a high degree during the past 13 years under progressive, forward looking, constructive Republican leadership, was utterly destroyed.

And with what consequences? Uncertainty about the future increased; confidence all but disappeared; business continued to slow down. The country was thrown into a state of mind approaching chaos. No one could foretell what the Democratic majority would propose or would do next. There followed a period of anxious waiting, of trembling inactivity.

This was a natural state of things for the Democrats came into control of the House of Representatives without any definite program. They had the good judgment, at first, to follow the lead of the President. So long as they did, all was well. When they started casting about for a program of their own they became mired. They began with a blaring of trumpets. They organized what they grandiloquently termed "a policy committee," which was to arrange a program to put the world back into joint.

This committee was made up of the Democratic leaders in both the House of Representatives and the Senate. They called in

for consultation and advice all of their defeated candidates for president and all their other master minds.

But not all of these geniuses combined were able to evolve a plan because no two of them could agree on any plan. And with this division among the generals it was not at all surprising that there was utter confusion—nay, open revolt—within the ranks.

With this record behind it in this grave hour of national distress, the Democratic Party is about to ask the country to accept a candidate whose identity is still unknown, standing upon a platform whose planks will probably contradict themselves. The Nation is to be asked to accept confusion as a national policy and disorder as a rule of government.

The Democratic Party has as many wings as it has candidates, and certainly its candidates are legion. These wings do not flap together, they flap against each other.

The Democratic Party is a mob of feuds and of factions unable to bring order out of the chaos in its own ranks. How can it be expected to maintain order in government?

An intelligent order in government is what the American people demand in this crisis. They want a party in control that has a program, knows where it is going, and has the courage, leadership, and the sense of responsibility to get to its destination. They want a party in control that knows what constructive legislation is and has the ability to enact it into law.

My countrymen, the solidarity of the Republican Party in this crisis means the salvation of the United States.

If this country is to be governed with judgment and prudence, the Republican Party must do the job.

Call the roll of the Presidents from Lincoln to Hoover. The illustrious names of Republican Presidents are an epitome of the history of the United States. Supported by the people and united in a responsible party they perpetuated the Union; they linked the coasts by railroads and opened the West to settlement; they preserved the honor and integrity of American currency; they liberated Cuba, and placed the Stars and Stripes over Alaska, the Philippines, Hawaii, and Puerto Rico; they built the Panama Canal; they created a Navy; they brought about a genuine regulation of interstate commerce and suppressed monopolies; they halted the mistaken attempt to involve us in European politics and wars; they ended the naval rivalry of the great powers and compelled recognition of the equality of the Navy of the United States; they dealt generously with foreign debtors while protecting American taxpayers; they provided that the United States Army should always be ready for mobilization on a scale sufficient to repel any enemy; they prevented the invasion of hordes of immigrants pauperized by the World War; they protected the American farmer, manufacturer, and workingman against ruinous competition in the American market; they have fought with stout heart the dreary battle against world-wide depression, and thank God, they are on the way to win it.

We can not pause to enumerate to the full the list of Republican accomplishments. Our task is to continue the process of achievement. We point to the past as evidence of work well done. We face the future with eagerness to grapple with its problems.

We know that Republicans and Republican principles have brought safety and national well-being out of very trial.

We do not offer experiments as candidates.

We do not offer quack remedies and exploded theories as a platform.

We offer to conduct the Government on tried principles, to be administered by men who have met the supreme test of intrepid leadership.

In Lincoln's day the people stood loyally by their President, who brought them out of the shadow of disunion. In Hoover's day the people stand loyally by their President, who is bringing the country out of the shadow of vast economic adversity.

The people will not strike down the pilot who keeps eternal vigil on the bridge of the ship of state.

And Herbert Hoover, courageously and determinedly, has kept this vigil for three years.

No man, living or dead, has had to grapple with such gigantic problems at home and abroad.

No man, living or dead, has fought world-wide economic adversity with so stout a heart and so deep an understanding.

No man, living or dead, has had such tremendous calls from home and abroad upon his energies and his unusual resources.

No man, living or dead, has given so unreservedly of his experience, intelligence, and leadership as has Herbert Hoover.

A government that does not protect its people is not in fact a government. The American people, after forming the Union and insuring justice and public order, declared that their first object was to provide for the common defense.

The Republican Party holds that common defense means protection of the people in their livelihood as well as protection against armed invasion. Our Union is a union against economic invasion and all other forms of aggression. Our national resources and advantages are useless unless they are defended.

We hold that a protective tariff is necessary for the common defense. The Democratic Party refuses to provide this protection, although I could name Democrats by the score who eagerly seek such protection on the sly for their own States and districts, while denying it to the Nation at large.

The tariff was revised by the Republican Party just in time to avert a catastrophe. This tariff law has been the bulwark of the common defense against world-wide depression. But for that law the United States would have been inundated with foreign imports and vast additional numbers of workers would have been unemployed. That law has kept over 40,000,000 American citizens at work in spite of world-wide adversity. Americans have had the advantage of a monopoly of their own market, the greatest consuming market in the world. This market belongs to them, and the Republican Party protects it for them.

What would be thought of an army that defended every frontier but one and left that one open to invasion? Yet that is what the Democratic Party does when it refuses to defend the economic front.

Against all falsehoods, all sophistries, and all sectional selfishness, the Republican Party moves triumphantly forward in the common defense of all the people in all sections, for the protection of their livelihood against any form of foreign aggression.

We meet here in this bicentenary year of the birth of George Washington.

Washington, as an engineer, solved stupendous and vexatious problems for the benefit of mankind.

It was said of Washington then, as it is said of Hoover to-day, that he was not a politician. In the baser sense he was not, but in the higher sense he had the profound political instinct of statesmanship and his statesmanship was good politics. The substratum of Washington's statesmanship was his engineering experience, his practical accomplishments, and his profound human sagacity.

President Hoover's mind is the mind of an engineer. He first gets his facts and then he acts. No engineer has attained success by deciding his problems on a basis of expedience. Equivocation is directly contrary to the fundamentals of the profession. Sureness of decision, solidity of formation and enduring construction by using tested materials is ingrained in the education and thought processes of an engineer. These traits are governing in all decisions on all questions.

Herbert Hoover, the engineer President of the United States, is solving and will solve stupendous and vexatious problems, as did our first engineer President, for the benefit of all mankind.

We are now engaged in a war of defense. We are fighting under the leadership of the most capable citizen in the United States. Already he has gained many battles, and the victorious end of the war is nearly in sight.

Our enemy is the invisible but ghastly pestilence of world-wide economic depression. It is the ghost of the World War stalking over the earth. It is the reaper that gathers the harvest of 10,000,000 lives and the destruction of $10,000,000,000 of hard-earned wealth.

In its present gigantic form this is a new enemy, and our people have been mystified and terrified in trying to defend themselves. Fortunately our President was well prepared for the task of generalship in fighting off this enemy.

You know the record. You know the battles he has already won.

He solidified labor and capital against the enemy.

He avoided the deadly pit of the dole.

He rescued the drought victims.

He beat off the attacks upon railroads, agriculture, banks, and public securities.

He mobilized the Nation's financial resources.

He warded off the stealthy approach of panic by way of Germany.

He preserved the integrity of the gold standard.

He had the manhood and courage to tell the people that their Government's revenues were depleted and must be replenished.

He fought and won the battle of the Budget, by resolutely lopping off extravagance and by instituting severe economies. Throughout this war the American dollar has been as stable as the American flag.

The Republican Party is conscious of its responsibility and realizes its stewardship. Under the wise leadership of President Hoover the Republican Party is functioning with solidarity to the satisfaction of the country, but to the confusion of those who offer no constructive ideas.

During the entire world-wide depression every civilized nation has looked to America for leadership. They have looked to us to lead them out of their economic and financial morass and to place their feet once more upon solid ground. And out of it all, and through it all, the one man who to-day stands head and shoulders above any leader among the nations of the world is the Republican President of the United States, Herbert Hoover.

As Lincoln once said: "The occasion is piled high with difficulty." Nevertheless, the Republican Party is equal to the occasion. That party has its plow to the furrow and is not looking backward. It is now, as ever, the party of rehabilitation.

The way to resume specie payments after the Civil War was to resume, and the Republican Party accomplished it; the way to restore prosperity following Democratic free-trade depression was to open the mills, and the Republican Party did it; the way to establish the gold standard was to establish it, and the Republican Party did it, and now, the way to restore good times is to restore them, and the Republican Party has set itself resolutely upon that course.

With indomitable courage and confidence, with faith in our Commander in Chief and with a comradeship of purpose to meet every foe of the Republic, foreign or domestic, let us press onward, shouting the great American battle cry:

"Forward to victory!"

ZIONISM AND AMERICANISM

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my speech before the conven-

tion of B'rith Sholom, held at Atlantic City, N. J., June 19, 1932.

The speech is as follows:

Zionism in the United States is compatible and consistent with American ideals and traditions. Although I am not a Jew, I am a convinced Zionist, and more so to-day than when I introduced the joint resolution in 1922 in favor of a homeland for the Jewish people in Palestine, which was unanimously adopted by the Congress and signed by President Harding.

I deem it an honor to serve in an executive capacity on the recently organized American committee, composed of non-Jews, to further the aims and purposes as expressed in the joint resolution and to encourage the actual work now being done to rehabilitate Palestine. It is only just and fair that the Jewish people be afforded an opportunity to help build up that ancient land of their fathers and of their faith given to Abraham by Jehovah, and which they maintained until driven out by Titus and the Romans 1,900 years ago.

The Balfour resolution was a definite pledge given during the critical days of the World War to the Jewish people of the world, and indorsed by practically all the allied nations, that Palestine would once again be restored to the Jewish people as a homeland, and an opportunity afforded to them to reestablish a center of Hebrew culture and training. The Jews of the world look forward with religious fervor to this long-sought opportunity to carry on their glorious traditions and ideals founded on justice and righteousness as handed down to them by the great pioneer lawgiver and liberator, Moses, the immortal prophet statesmen of Israel, the wisdom and religious genius of the judges, and the valor and brilliant leadership of the princes of the house of David.

The American people are sympathetic toward a rehabilitation of Jewish thought, culture, and education in Palestine and will gladly cooperate with the Zionist movement headed by the distinguished scholar, Dr. Nahum Sokolow, to build up Palestine through Jewish energy, genius, and funds and make it once again a land of milk and honey and a homeland for those Jews who are oppressed and persecuted wherever they may be. We in this country should in the midst of our tribulations and afflictions take to heart the following words of Theodore Roosevelt: "The foes of our own household shall surely prevail against us unless there be in our people an inner life which finds its outward expression in a morality not very widely different from that preached by the seers and prophets of Judea when the grandeur that was Greece and the glory that was Rome still lay in the future."

There is no better or more loyal citizen than a religious Jew. We do not anticipate that many American Jews will return to live in Jerusalem, but that they will make it possible for their coreligionists in central Europe, where they are discriminated against and are in great distress, to enter Palestine, from whence they were brutally driven out centuries ago to endure centuries of persecution in many climes and in many foreign lands. The Jewish immigrants in the last 10 years have already developed the waste places of Palestine from Dan to Beersheba into fruit orchards and fields of grain. They have erected hydroelectric power stations and built modern cities like Tel Aviv, and brought the newest attainments of science and research to that most ancient of lands that gave birth to three of the world's greatest religions. They have built a university at Jerusalem and established hospitals and homes for the aged and other charitable institutions, as they have done all over the world. They have merely scratched the surface; the future of Palestine is secure just as long as we Americans uphold the pledges given in the Balfour resolutions, backed by the heart and mind and the religious faith of millions of Jews throughout the world.

The matchless oratory and intellectual genius of Isaiah rings true to-day with added force, in view of the recent shameful disclosures of stock-market manipulation by small groups of rich men at the expense of the public. Isaiah arraigned the unjust business practices of men of wealth and leaders in the economic life of his day who were above the law and who oppressed the poor and betrayed the common welfare in the following expressive words: "The spoil of the poor is in your houses; what mean ye that ye crush my people and grind the face of the poor?" We still have much to learn from the prophets and seers of Israel; and what would be finer and nobler than to help revive the ancient faith of the prophets and lawgivers in their ancient and sacred homeland for God and humanity?

In this day of turmoil, and attempts to array class against class, and loss of religious faith, I commend the words of the courageous Hebrew prophet Micah, who loathed shams and hypocrisy, to both Jew and gentile: "What doth the Lord require of thee but to do justly and to love mercy, and to walk humbly with thy God?" We need a revival of religious faith in the world, and anything that will tend to revive and spread the wise principles of the Hebrew prophets will be for justice, righteousness, and happiness, and for the fatherhood of God and the brotherhood of man.

No one can honestly impugn the loyalty of the American Jew. He has participated in all our wars since the American Revolution. The people of Jewish origin in this country have contributed freely their share of blood and treasure in defense of our free institutions and republican form of government. There were 27 Jewish officers in the Revolutionary Army. Among our most distinguished patriots were Maj. Benjamin Nones and Hayim Solomon, of Philadelphia; the latter supplied the finances to keep Washington's army in the field. After the victory had been won Washington received numerous congratulatory addresses, among them one from the Jewish congregation at Newport, R. I., to which he replied as follows: "It is now no more that toleration is spoken of as if it were by the indulgence of one class of people, that another enjoyed the exercise of their inherent natural rights, for happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance requires only that they who live under its protection should demean themselves as good citizens in giving it on all occasions their effectual support. May the children of the stock of Abraham who dwell in this land, continue to merit and enjoy the good will of the other inhabitants, while everyone shall sit in safety under his own vine and fig tree, and there shall be none to make him afraid."

The people of the United States are in the midst of celebrating the two hundredth anniversary of the birth of George Washington, and we can well pause in the midst of our present-day difficulties and take to heart and for our guidance those characteristics of Washington that made him the greatest figure in American history. When the Declaration of Independence was written by that great Democrat, Thomas Jefferson, it was a mere scrap of paper until George Washington, through his leadership, courage, determination, and faith, translated it into a political actuality, our republican form of government—the Government of the United States. My message to you in the midst of this economic depression and the afflictions that go with it is to uphold the same principles as shown by Washington under more trying conditions, and above all, to maintain your faith in the traditions and ideals that have been handed down to us and in our free institutions and our republican form of government.

There was never a time when there was more need for faith in America than at the present time. Men and women of radical persuasion, communists, socialists, pink intellectuals, and college professors have been going around this country in the last few years talking to groups of young people, and particularly to women, telling them that everything was wrong and rotten and corrupt in our democratic institutions, and that our economic system was brutal and oppressive to the wage earners, that religion is the opium of the people, and that everything that had been handed down to us by Washington, Jefferson, Lincoln, and Roosevelt was wrong and should be scrapped for some temporary form of foreign dictatorship—socialism, communism, or fascism.

In answer to all these charges, made by those who would undermine the faith of the American people in their own institutions and Government, is that for the last 50 years our wage earners have been the best housed, the best fed, the best clothed, and the most contented in the world, and that at any time within the last 50 years, if we had let down our immigration barriers millions upon millions of foreigners would have flocked to the United States, and if Soviet Russia, where these American visionaries, without any experience in business or government, find everything beautiful and peaceful, should let down her barriers to-morrow one-half of her terrified population would try to get out within 30 days.

Fifty years ago American labor worked 12 and 14 hours a day on a pitiful wage scale and standard of living. Step by step the various State legislatures and the Congress of the United States, at the demands of the American people, have gradually brought about shorter hours for labor, provided better wages and more sanitary working conditions, and have enacted child labor laws, workmen's compensation laws, and now old age pension laws. We still have in America the same capacity, the same intelligence, and the same patriotism to solve all our economic problems as we have done in the past, for the best interests of all the American people without recourse to socialism, communism, or fascism, and we propose to continue to solve our problems as we have in the past, along purely American lines. We do not propose to surrender our civil, economic, and political liberties, including freedom of speech and of the press, for any foreign form of dictatorship.

When we emerge from this depression—as emerge we will through the courage, hard work, and faith of the American people—I hope and urge that prosperity will be passed around to a greater degree than it has been in the recent past; that labor shall be given larger benefits and a greater share of the fruits of their labor. The rank and file of the American people, including the unemployed, have been loyal and faithful to our institutions in the midst of this depression, because they know from past experiences that under them they have been better off than the people in any other nation in the world.

I urge more specifically that when we get back to normal times the American wage earner be provided with security insurance in their industrial life by requiring corporations in the various States employing labor to provide adequate health, life, and retirement insurance for all their employees. One of the greatest tragedies of our economic collapse is that men who have worked 25, 30, and 35 years for the same corporation to build up the wealth and greatness of our Nation have been let out on a day's notice without any pay or retirement to maintain their family or home. In these days of mass production and industrialization we must take steps to see that such a situation as exists now shall not happen again. If security insurance had been in effect for the last 30 years the economic situation in the country would not be one-half so appalling.

I do not deny that there are still evils and abuses in our economic system, but they can be corrected and remedied just as they have been in the past for the best interests of all the American people. My message to you is not to be led astray by false remedies that seek to destroy both our political and economic system, but rather to use your influence and abilities to stabilize and improve our economic system, which is erroneously called "capi-

talism" by its opponents as a word of reproach and opprobrium. In the United States labor as well as capital are both "capitalists." A man who owns his house, car, and garage is just as much a capitalist as the man who owns a bank. The difference between our economic system and communism or socialism is the difference between individual liberty and compulsion.

Let us make every effort to wipe out any abuses and evils that exist in both our political and economic systems by further liberalization of our laws, and make changes where necessary for the public good. Let us make the fight within our own American institutions rather than follow the revolutionary and false doctrines advocated by Karl Marx in Germany in 1848 at a time when labor had no civil, economic, or political rights. I agree with Theodore Roosevelt when he said: "The more we condemn unadulterated Marxian socialism the stouter should be our insistence on thoroughgoing social reforms."

RELIEF MEASURE PASSED BY CONGRESS DURING THE SEVENTY-SECOND CONGRESS

Mr. FREAR. Mr. Speaker, it is asserted that Congress has done little or nothing during this session to relieve the depression. Any such statement is untrue, so far as legislative authority could be exercised.

During a service of nearly 20 years I have never known, with one exception, any Congress that put aside partisanship or worked harder to meet demands, considering world-wide economic conditions. That exception was the war Congress in 1918, when both branches and the Chief Executive were all under the same political control and without any pending political campaign to arouse suspicion of motives for legislation.

Not in 20 years, or possibly in double that period, has Congress, in committees and in legislative debate, worked more exhaustively, sometimes from 9.30 a. m. with committee hearings to midnight in the legislative Chamber. Twenty deaths during the year, of which 17 were Members of the House, double the usual number, give only a limited understanding of strenuous labors by those directly engaged on the most important committees.

Constitutional limitations, governmental difficulties of financing, administration and scope of possible relief were problems to be debated and overcome. Divergent views of employing expenditures that would not involve the Government's credit in a battle with world-wide conditions were also factors on which opinions and judgment necessarily varied.

Not all of the hoped for program was carried out, but Congress gave the best it had and with a Democratic House, close Senate, and a Republican President, no equal record for performance, I submit, can be found during the century. It might have been better. It could have been far worse. Here are a few of the relief laws passed.

Mr. Speaker, the World War left Europe topsy-turvy, depending on an alleged "vengeance" Versailles treaty, impossible of performance, German reparations that Great Britain, France, Italy, and other Governments insisted by military force should be paid. These conditions threatened a European financial crash last year that would have disastrously affected European and American economic conditions. Congress granted a one year's moratorium for its first world-wide act providing only that Germany must be given a like postponement as a condition for postponing an annual $252,000,000 debt payment from European $11,000,000,000 debtors.

In that first month of December, 1931, Congress also extended a $100,000,000 fund, authorizing extension of installments on mortgages held under the Federal farm loan act. Seed loans to insolvent or needy farmers and other relief measures were among minor items Congress also authorized by law.

When it was realized an economic war, second only to the World War, was to be faced, a Reconstruction Finance Corporation of $500,000,000, to be increased to $2,000,000,000 if need be, was authorized by Congress and immediately it furnished money to save 4,000 banks and other semipublic institutions from failing. Over 60 per cent of these were in small cities under 5,000 inhabitants with many hundreds of thousands of small depositors and others clamoring for that aid. This act was necessary to prevent a crash that could not be accurately measured but was certain to injure both debtors and creditors and affect the stability of the Nation.

Over 2,000 banks had closed in 1931. The reconstruction act furnished liquid credit, and it helped save the 4,000 banks and other companies with frozen assets, if possessed of sufficient security. When funds so advanced were paid to the banks and investment associations the money was held by them for their own self-protection and not reloaned as intended by Congress to meet needs of individuals and industrial concerns, but it helped save the situation. Congress set aside $50,000,000 in the reconstruction act to make loans to individual farmers for production purposes. The same privilege of extension to $150,000,000 additional, or $200,000,000 in all, was made a direct aid to agriculture.

Congress next extended power to the Federal Reserve banks to buy Government bonds and undertake the issuance of credit to the extent of $700,000,000 thus far reached in additional currency circulation so as to meet a known deflation in prices alleged to have occurred through a restricted currency.

A $50,000,000 credit to the Secretary of Agriculture to loan to agricultural credit corporations was next in order, closely followed by a 40,000,000-bushel wheat contribution to the Red Cross to save hungry people. Of this wheat and flour, over 65,000 families in Wisconsin received relief but calls from the unemployed not yet fully met caused Congress to appropriate 50,000,000 additional bushels of wheat or a total of 90,000,000 bushels of grain was given the Red Cross. Held by the Farm Board in its effort to stabilize farm prices—an experiment in agricultural relief attempted by Congress, only partially successful, it could serve no better use.

Responding to calls from the unemployed, the House appropriated $120,000,000 for extraordinary highway construction to be met by an equal amount from the States, affording practically a combined quarter of a billion dollars for new constructive highway work to help the unemployed.

The Federal farm loan act was amended by authorizing the appropriation of an additional $125,000,000, to enable the Secretary of the Treasury to subscribe to additional stock in the bank to replace extensions made to farmers.

Mr. Speaker, believing deflation in agricultural prices was largely responsible for prevailing conditions, the House passed the Goldsborough stabilization of money bill that proposed to issue more currency secured by a bond reserve, to inflate money price values, equal to those current during normal times. A $250,000,000 home building Federal loan act was among other relief laws passed by Congress.

A relief appropriation reaching approximately $2,000,000,000 for the Garner (House) bill and the Wagner (Senate) bill met with serious question as to the Government's ability to handle either amount without serious economic injury, but both branches of Congress passed their respective bills to be ironed out in conference. The latter Senate bill included a $300,000,000 item for Federal loans to municipalities to aid unemployment. This amount was conceded to be needed for emergency aid.

Another $500,000,000 bill to cover bonds for public construction was also given right of way, although two other bills or amendments, one for $3,500,000,000 and another for $5,500,000,000, for public works and other relief work offered in the Senate failed to pass that body.

In addition to this direct aid sought to be given agriculture, as briefly noted, Congress, by protective tariffs through the Ways and Means Committee, of which I was a member at the time, endeavored to prevent the importation of food products, including dairy competition from Denmark, Canada, and New Zealand.

A Philippine independence bill passed by the House laid the ground for protection against large free imports of sugar and of vegetable oils used in oleomargarine.

Agricultural tariff rates, with additional rates fixed by the President under the flexible tariff provision where needed, also helped retain to our own industries their home market. This home market is by far the greatest asset in the world

now possessed by American agriculture. Although the Farm Board's effort to stabilize wheat prices failed after costing several hundred million dollars, much of which was lost by the experiment, some protection has occurred by holding surplus wheat and cotton from the market.

The experiment was approved by Congress, based on the advice of reputable farm experts, many of whom differ to-day on the relative values of the debenture, equalization fee, allotment system of restriction, and other proposed remedies for overproduction of home market agricultural needs. Bills to embrace all these methods were introduced this session in both House and Senate together with a proposed remedy for handling farm loans through the Frazier bill method of financing. Strong arguments in their support were based on the necessities of our greatest industry.

Had these bills been passed by the Senate in a way to give substantial relief I believe they would have been approved by the House, but the proposals did not get senatorial sanction during this session. They are on the program for additional agricultural relief when Congress again meets. A reason advanced why full consideration could not be given several other proposed relief bills was found in the necessary passage by Congress of a dozen great appropriation bills to run ordinary expenses of the Federal Government.

Mr. Speaker, some of these bills, numbering hundreds of pages and including many hundreds of items, under the rules, as we know, must all be read in the House and thereafter in the Senate. Numerous amendments were offered and debated which added or deducted from the amounts set forth in these bills. To illustrate the character of this legislation it should be understood that the amounts requested were originally recommended by Cabinet officers at the head of that particular branch of government.

Recommendations were then scrutinized and materially reduced by a Budget official provided under law by Congress to limit Government expenditures to the amount of revenues collected. When both Houses took up the carving knife they lopped off many millions more in efforts to economize.

National expenditures, like those of States and smaller municipalities, have increased since the war, but expenditures and taxes by the States and local governments have increased more than twice as fast as those incurred by the Federal Government.

Increased Federal Government expenditures may be traced to the national debt and veterans' relief directly due to the World War.

The record will nowhere hold me accountable for our entrance into that conflict. Once in, we had to win, and every effort was to that end, but though ready to defend national honor, I was not one of those who believed in advance it was necessary to sustain an enormous financial loss, now estimated at possibly $50,000,000,000, with an indirect loss of far more than that amount.

A loss of life of 100,000 American boys killed or died in Europe and several hundred thousand disabled by casualties or sickness was of far more importance. National honor is cherished by every American, but it was not to be expected that warring nations would permit noncombatants to travel in a recognized war zone, especially if lending aid and munitions to the enemy. These matters, with evidence, I have heretofore presented to the House in detail.

We should never again make Europe's quarrels ours. This war burden reaches an economic form because while the direct war costs may have been less than $50,000,000,000 in actual cash, the ultimate direct cost through pensions and debts is now a national burden and will reach double that enormous amount.

In its Budget of Federal expenditures, the following large annual items of approximately $4,000,000,000 annual expenditures now are paid by the taxpayer:

Veterans' pensions, hospitalization, etc	$1,000,000,000
War bond interest and sinking fund	1,000,000,000
Army and Navy	750,000,000
	2,750,000,000

Leaving a balance, broadly speaking, of only 30 per cent for actual Federal increases, which latter amount includes appropriations for local highway aid, local food-control aid, and various other local relief, reducing costs of actual Federal Government activities to less than 25 per cent of its total expenditures.

Mr. Speaker, with war items deducted, Federal expenditures are practically no more than normal increases.

Two major bills have occupied much time of Congress this session. A proposed economic bill or reduction in Federal expenditures has been buffeted like a medicine ball from the House to the Senate, thence to the President, and thence back again, traveling forward and back over the road of "furloughs without pay," direct salary cuts, and various other controversial items in order to cut from net annual Federal expenditures of $1,000,000,000 not covered by the 70 per cent war and national-defense items an amount of $200,000,000 if practicable—below figures recommended by the Budget officer.

A second bill of equal importance and accompanied by long debates in both House and Senate was a tax bill that also was intended to balance the new relief expenditures added to the Budget. This latter tax bill occasioned bitter resentment because the House committee without notice reported an obnoxious general sales tax for $600,000,000, or one-half of the $1,200,000,000 additional annual tax alleged to be required to balance the Budget.

This general sales tax was discussed before the committee so reporting in only 15 pages out of a couple of hundred pages of its tax hearings. Not one expert tax witness supported a general sales tax which would collect $600,000,000 from the American public by a "painless" raise in prices on their necessities and luxuries bought by the average individual but so inequitable that a farmer or laborer with a family of five or more would pay five times as much for the necessities of life as Mr. Rockefeller, senior, or others in his class of multimillionaires.

Although slight exemptions were named, it was a tax distinctly opposed to the principle of paying according to ability and was favored particularly by those who purposed shifting their income and estate taxes over to the average layman now paying direct taxes on his farm, home, and other property for State and local taxes. This layman ordinarily pays no direct tax for the support of the Federal Government, but his local taxes are extremely heavy.

Those advocating the sales tax based their demands on a shift of income taxes which now will furnish nearly one-half of the total required Federal Government revenues. Having good incomes, they should pay like Congressmen, all of whom have accepted without question a cut in their own pay and also a heavy income tax as their part of the economy program.

The tax bill now in force contains bank-check stamps, higher postage, and other items that I opposed, offering substitutes therefor, but by the defeat of the general sales tax, upward of $50,000,000 was saved to the people of Wisconsin annually. Tax experts generally agree that a consumption tax on necessities heavily oppresses the poor and is unjust and merciless. It was defeated.

In offering this brief statement of accomplishments by Congress in one session I have not referred to a possible thousand other measures on the private or committee calendars out of many thousands introduced every session, all of which have served to keep Congress on the jump morning, noon, and night.

Mr. Speaker, business recovery may continue slow and results may not meet one-half of demands, but next Congress will take up the work where this one left off and also pass other emergency relief which will save suffering to those in greatest need.

I have not sought to trace the present world-wide depression with the World War, because apparent to every student of events and history, but our entire economic system has now undergone a change. That too, due to the war. We were told to produce, produce, and produce more. This we did until we were providing food, clothing, and war materials in 1918 for armies numbering 30,000,000 men or more in addition to caring for our own people. When we overproduce in peace times the result is to destroy our own

markets and prosperity. A supply now in store of one year's foodstuffs and clothing is reported due to that quantity production.

The Department of Commerce is quoted as saying that 120,000,000 people in the United States compose only 6 per cent of the total number in the world, yet we lead the world in production and consumption to almost unbelievable proportions. Our 6 per cent consume 15 per cent of world's wheat supply, 17 per cent of world's wool supply, 23 per cent of world's sugar supply, 26 per cent of world's cotton supply, 51 per cent of world's coffee supply, 61 per cent of world's oil supply, 66 per cent of world's rubber supply, 72 per cent of world's silk supply, 75 per cent of world's automobiles.

Thus, we live far better than any other people in the world.

Yet we have 8,000,000 or more unemployed. The Government's entire wealth is estimated around three hundred and twenty billions; private company bond debts reach forty-seven billions; municipal bonds twelve billions; Federal bonds eighteen billions, but a credit against the latter of Europe's eleven billions has a cash value of less than six billions. We may never collect half or even any of that amount from ungrateful debtors who urge repudiation.

Bank deposits in this country were recently reported at $56,864,000,000, while deposits in the family stocking may add ten billion or more to the bank balance. Currency and gold of $18,500,000,000 is only a small part of the exchange medium offered by bank checks.

These statistics are interesting, but to the man with an unpaid mortgage, unpaid interest, or threatened unemployment they are valueless to aid his needs. Yet they indicate a sound Government that must speedily be righted and placed on the road to complete recovery. There can be no other result.

ENORMOUS WORLD WIDE LOSSES DELAY RECOVERY

It has been said that apart from the $50,000,000,000 or more we shot away or wasted during the war we have also lost since that time $70,000,000,000 in deflation of speculative securities. Securities that have been punctured and are now flat. Agriculture through deflation has suffered many billions of dollars and yet people wonder why Congress in one short session of unprecedented grind while feeding the hungry millions now in need can not set the world aright in one session. Never before has Congress given so much to aid the States in meeting a national emergency.

How much the world has lost no man knows but every country is badly in debt, every municipality in our own country is in debt, and with few exceptions every individual is in debt. Business is depressed because people are not able to pay or to buy.

Mr. Speaker, a people who possess all the estimated national billions and have wasted or lost $70,000,000,000, must sacrifice a portion of their pleasures and supercomforts found nowhere else in the world. Those who groan over taxes, not half as heavy as those in the average European country, are now enjoying all the privileges of this country in which free education for their children, opportunity for themselves, and comforts in dress, food, and leisure for their families, are to be found as nowhere else in the world.

Congress is now expected to provide immediate relief for communities that spent their substance and bonded themselves for public buildings, schoolhouses, highways, and for innumerable individual expenditures.

Every dollar expended by Congress must be raised by taxation or by borrowing. Congress is made up of men 75 per cent of whom have been in humble circumstances, worked hard for their education and living, often in the same school of hard knocks and sacrifice. I receive letters which indicate writers seem to think Congressmen believe they are of different clay from the average mortal. A brief survey would convince to the contrary. Suffering of their fellow man whether due to his own folly or extravagance finds its counterpart in the experience of those in Congress.

Responsibility to their country and constituencies may make them more deliberative and investigating of facts presented and they employ the best experts to be found in reaching conclusions, but within its field of labor Congress is ready to lend all Government aid permitted under the Constitution which governs its activities like it does the course of every other official.

In olden days Congress was never expected to aid local conditions. Due to present economic and industrial changes the national body has been subject to constant appeals. In so far as Federal finances and governmental activities permit, as one of the 435 Members of the House which, with 96 Senators, are in part responsible for the welfare of our people, I am sure every such official is anxious to extend all possible aid to those in need.

Those who unjustly criticize or fail to understand the limitations of legislative power to cure economic ills are often impelled to hold Members individually and collectively personally responsible for failure to meet all demands.

Mr. Speaker, others familiar with legislative procedure and not influenced by political or personal motives will not be deceived nor misled by unjust criticism. Speaking personally, I have sought to present fairly and frankly a situation that confronts Congress and the country as I understand it. Without offering apologies for failure to extend more adequate relief or measure up to expectations of those who do not understand or fairly consider many problems to be faced in securing agreements and concessions when drafting laws, I modestly offer my judgment of the record during the session.

Based on a fairly long service in State and national legislative bodies, some valuable experience is afforded in such schools that constantly seeks to separate good from impracticable legislative proposals. I do not rely upon personal judgment alone in meeting unwarranted criticisms which are the lot of practically every other Member, but during that legislative work those best acquainted with efforts and results have generously expressed confidence in my judgment particularly in the field of agriculture, labor, economic, and tax legislation. Such opinions I can not here offer except possibly by brief reference to two outstanding agricultural legislative authorities whose recent letters afford full answer to constituents who seek the truth. One is from Senator FRAZIER, author of the "Frazier bill," whose work in agricultural relief and other legislative fields, notably Indian welfare, is outstanding because of his close study of such needs. It came to me without personal solicitation near the close of the session and is as follows:

UNITED STATES SENATE,
June 23, 1932.

Hon. JAMES A. FREAR,
House Office Building.

DEAR CONGRESSMAN FREAR: You have proven yourself to be a real representative of the people. I especially appreciate your fight in behalf of the farmers and labor.

You are to be congratulated on your success in helping to defeat the sales tax which was so strongly advocated by the great financial interests; also on the fearless fight you have made toward reducing Federal expenditures in general and especially in the Army and Navy.

The progressive voters of your State and of the Nation appreciate the good work you have done.

Wishing you success in your coming primary election, I am,

Yours truly,

LYNN J. FRAZIER.

One of several letters received from heads of agricultural organizations and from an acknowledged able national organizer and student of the farm problem is as follows:

THE FARMERS' EDUCATIONAL AND
COOPERATIVE UNION OF AMERICA,
Washington, D. C., June 11, 1932.

Hon. JAMES A. FREAR,
United States Representative,
Washington, D. C.

DEAR MR. FREAR: As the end of this session of Congress approaches I want to thank you for the assistance you have given the measures introduced in the House of Representatives and indorsed by the National Farmers' Union.

I have watched your record in Congress for nearly 20 years. I assure you that I approve of practically every position you have taken on public questions, including war times and all, during that 20 years.

I sincerely hope you will be successful in your campaigns, both in the primaries and general election, and thus the farmers have your services in Congress another two years.

Yours very truly,

JOHN A. SIMPSON, *President.*

These letters speak for themselves. That Congress met all demands would be idle to assert, but in response to savage and easily understood motives for criticisms by certain metropolitan papers I suggest it is unjust to write scathing attacks in the safe confines of an editorial chamber.

Next Congress will have further work to do along the line of direct aid to those in need, because it is unreasonable to believe that a long reign of national and individual extravagance which ignored world-wide war suffering and economic conditions can be corrected by any brief legislative treatment. It is equally certain that the most wealthy country in the world, both in national and natural resources, possessed of the best minds in this or any other country, will bend every effort to a quick and complete recovery in our present business conditions.

Until that result has been reached it is well to face the future with optimism instead of pessimism, because what the country needs most in the present emergency is faith in its form of government. Better to recognize the wonderful possibilities, privileges, and opportunities found in our land over those of any other people in the world and seek to maintain and protect those rights and privileges than to lose faith in a government handed down to us by brave pioneers who met far greater sufferings and difficulties when making certain the rights we now enjoy.

SOME RECENT FEDERAL AIDS TO AGRICULTURE

Mr. DAVENPORT. Mr. Speaker, many Federal activities are carried on primarily to benefit farmers. This is true of much, though by no means all, of the work of the Department of Agriculture. Research in the department develops ways of reducing farm costs of production, discovers new uses for farm products, promotes the adjustment of agriculture to market requirements, and through standardization, grading, and commodity inspection protects farmers in their marketing operations.

Other branches of the Federal Government do work of great importance to agriculture. The Federal Farm Board fosters agricultural cooperation and conducts important marketing functions. The Federal Reserve Board, Federal Farm Loan Board, and the Reconstruction Finance Corporation exercise great influence upon credit in ways that reduce the cost and widen the area of efficient financial service for agriculture. With the consuming public generally, farmers benefit from the administration of regulatory laws by the Federal Government. Many regulatory laws benefit them also in their capacity as producers, as, for example, the food and drugs act, which widens the market for farm products by enforcing standards of purity and honest measure.

The Federal Government has made notable advances in recent years in its service to agriculture, particularly in economic planning, in research tending to increase the dependability of crop growing and livestock breeding, in the extension of useful information to producers, in agricultural credit, and in agricultural marketing. Following are a few typical accomplishments of the last two years:

UNITED STATES DEPARTMENT OF AGRICULTURE

LAND UTILIZATION

A definite, constructive land policy for the United States is rapidly coming into the agricultural picture as a result of the lead recently taken in this all-important field by the Secretary of Agriculture.

Almost from its inception the Department of Agriculture has been pointing out the need of a national policy of land use. In the domain of lands for forest use and for game preserves the department has partially translated its ideas into action. In these fields we now have a sound national policy.

Eight years ago the department suggested in broad outline a national land policy. A few States took up the idea but real progress languished. Farmers continued to suffer from the mistakes of the past, mistakes based on the assumption that all cultivated land is destined to be used in the production of food and fiber, and that the sooner it could be put to use the better. Ours has been a policy, not of land use but of land exploitation.

Agricultural leaders cooperate with department: Realizing that a reversal of this policy was needed, that many important problems of the farm, such as overproduction, could not be permanently bettered until the Nation as a whole established a sound program for the use of its land resources, the Secretary of Agriculture called a national conference at Chicago, November 19 to 21, 1931. This was the first national conference on land use ever held. Some 350 agricultural leaders attended, discussed the multitude of problems involved, and approved 18 recommendations, one of which authorized the creation of two national land-use committees. In this way a continuance of the progress made was provided for. Immediately renewed interest in this vital problem sprang up in all the States. Indicative of this interest was the recent national meeting of the American Association for the Advancement of Science which devoted its entire program to a study of the land-use problem.

Objectives of a land program: Broadly speaking, a national land-use program has seven principal objectives. They are: (1) A scientific classification of our land resources, so that crop, pasture, and forest requirements may be most efficiently met; (2) a definite and immediate check upon acreage expansion and a contraction in some areas; (3) all public agencies—local, State, and Federal—should divert tax-delinquent lands or lands obviously submarginal for farming purposes to other uses; (4) our national reclamation policy should be reconciled with the need of restricting farm production; (5) reforestation should be encouraged; (6) our public-domain policy should equally serve the interests of the local farming and grazing industry, the interests of agriculture as a whole, and the interests of the Nation; (7) information should be made available to guide private enterprise in land settlement.

SOIL EROSION

Just three years ago Congress placed upon the department the responsibility of checking the appalling national losses that are occurring through soil erosion. Much has already been accomplished. The department has aroused farmers to a realization of the cost of this insidious form of land depreciation. And it has started practical methods of slowing down the wastage. In many respects this is one of the most important agricultural programs undertaken in recent years.

More than a million acres of crop land were terraced in the State of Texas alone during 1931. A system of comparatively inexpensive strip cropping has been developed. The rapidity with which farmers have taken hold of this practical method indicates that it is going to be extensively used in many localities, not only for checking erosion by water but for controlling wind erosion in the dry regions.

A machine has been developed which digs 10,000 holes per acre on fallow land, each excavation having a capacity of about 5 gallons of rain water. This scarification process, which can be done as cheaply as ordinary cultivation, holds back not less than 50,000 gallons of rain water per acre, thus enormously increasing the absorption of water and at the same time reducing erosion. The loss of rain water from areas in western Kansas cultivated with this machine has amounted to only 1.5 per cent of the total precipitation, as against 34 per cent for untreated areas immediately alongside. This machine will find an important place in the Nation's program of soil conservation.

An inexpensive method of controlling small gullies has been worked out and is being rapidly adopted by farmers. This consists of filling old fertilizer sacks, no matter how rotten they may be, with soil and grass roots and placing them in the bottom of the washes. The roots go through the sacks, take hold of the ground, and quickly establish effective grass dams.

Accurate measurements have shown that soil is being lost from moderately steep slopes of the Corn Belt at the rate of 1 inch annually where the land is used continuously for corn. This means the removal of the entire depth of fertile topsoil within a period of about 10 years and the exposure of comparatively infertile subsoil, such as produced in the good corn year of 1931, only 14 bushels of corn as against 51 bushels from land still retaining its topsoil. In the great cotton-producing belt of central Texas one rain in 1930 washed off 23 tons of soil per acre.

It is obvious that farming can not withstand such losses. Already in excess of 21,000,000 acres of land formerly in cultivation in this country have been rendered essentially useless largely by gullying. The impoverishing effects of sheet erosion are far greater than those of gullying. This slow process, which takes a part of the soil during every heavy rain, is gradually whittling away the productivity of 75 per cent of the crop land of the United States. Department investigations indicate that no nation in history has permitted its agricultural lands to suffer as rapidly as those of the United States. Many thousands of farmers are trying to make a living on erosion-pauperized land, where there is little real opportunity for success even when prices are good. Our good land is largely in cultivation, and this is being cut into by unrestrained erosion. The move made by the Federal Government to stop this devastating waste will in the future be recognized as a move to save for agriculture its basic resources.

ADVANCES IN PLANT INDUSTRY

The development of new varieties of plants and the introduction of foreign varieties to American soil make it possible better to utilize our land resources. Pima cotton, for example, was developed by selection from cotton originally brought from Egypt. It is of great length and strength and is now grown in the Salt River Valley of Arizona. Other plant research accomplishments help to reduce production costs and to meet market demands. Here are some examples of the last two years:

Seed of the Jersey Queen, a newly introduced variety of cabbage resistant to yellows, has been selected from the Early Jersey Wakefield variety. The Jersey Queen has proved highly resistant to yellows under conditions where the ordinary Early Jersey Wakefield variety has developed 50 per cent infection.

The Blakemore strawberry, introduced commercially in 1929, has met the requirements anticipated for it. During the spring of 1931 in the tidewater region from New Jersey to North Carolina, it commanded a premium on the market as compared with the older commercial varieties commonly grown there. Another superior strawberry selection, the Redheart, has been introduced in the Pacific Northwest. It has proved to be a superior early market berry for the region and desirable for canning. It is adapted to many different soil types.

The Katahdin potato, recently released for extensive cooperative tests, is the result of many years of critical hybridization and selection of different varieties, conducted in different potato regions of the United States. It is resistant to mild mosaic diseases. Among other good qualities, it is remarkable for the uniformity in size and shape of the tubers and for uniformity in cooking quality.

In tomato breeding, an outstanding recent achievement is the dissemination of the variety Break o' Day. This variety has been widely tested for the past three years and has given unusually good results.

The yields of crosses developed in a corn-breeding program cooperative with the Iowa Agricultural Experiment Station exceeded the yields of the best open-pollinated varieties in each of the 12 districts of the Iowa corn-yield test. The average excess-acre yield of the crossed seed was 8.7 bushels, or 13.2 per cent.

A new variety of oats, Brunker, originated in cooperative experiments at the Akron, Colo., field station as a selection from Burt, is proving very promising throughout the central spring-sown redcoat region. This variety is very early, uniform, and awnless, and is of the red-kerneled type.

In the north-central hard red spring wheat area the breeding program is centered around hybrids between the Hope variety and the best commercial varieties, Ceres, Marquis, and Reliance. Certain selections from these crosses have been entirely free from rust under all conditions where tested, and in addition are resistant to stinking smut.

During the dry season of 1930 the Korean lespedeza, an early-maturing species (Lespedeza stipulacea), introduced by the United States Department of Agriculture, showed unusual capacity to resist drought conditions. In some sections it was the only plant left in pastures during midsummer.

The development of strains of sugar beets resistant to curly top has reached a point where extensive field trials of the resistant stock can be carried out in the important curly-top areas to determine the commercial possibilities.

The acreage planted to sugar-cane in Louisiana is still short of that planted before the epidemic of mosaic, but the performance of the varieties introduced by the department has restored confidence in the cane crop and there is a tendency to gradual resumption of planting upon sugar-cane lands that have long been idle.

In February, 1930, the first two strains of lettuce which are highly resistant to both brown blight and mildew, or "double resistant," were distributed.

Bison, a new variety of wilt-resistant flax, selected and distributed by the North Dakota station, is now widely grown. It is estimated that approximately 250,000 acres of this variety were grown in 1930. The 1931 acreage of the bison variety was considerably greater.

Conditions during the past year indicate that citrus canker will be entirely eradicated from the United States. The eradication of this disease, which 15 years ago threatened to destroy the citrus industry of the South, is the result of the intensive campaign conducted by the department in cooperation with the Gulf States.

Through an investigation of the car-reicing requirements of precooled and preiced shipments of California oranges, a modified icing service has been found practicable, making possible a saving to shippers in excess of $30 per car on through shipments to points on the Atlantic coast. The annual saving to producers through this is estimated at from $500,000 to $1,000,000 per year.

The department has completed the third year of the campaign for the eradication of the phony disease, an infectious virus confined to the root system of peach or nectarine trees and to other trees grafted or budded on these roots, which causes them to become dwarfed and to produce abnormally small and poorly flavored fruit. The campaign is succeeding.

The so-called blue stain of sapwood is caused by fungi that enter logs and lumber before they are seasoned, and is particularly prevalent in the Southern States. With the increasing proportion of sapwood in lumber and the growing insistence of buyers that lumber be free from defect, blue stain has become a factor of great importance, particularly in southern pine and gum. With the cooperation of the lumber industry, a successful preventive treatment has been developed which costs from 9 to 12 cents per thousand board feet for application.

In connection with the campaign to control white pine blister rust in New England and New York more than 7,000,000 acres of land were included in Ribes-eradication work during 1930. Since 1918 control work has been performed on approximately 8,500,000 acres of land in this region.

Stem-rust epidemics on wheat and other small grains in the spring-wheat region have decreased with steady progress in the elimination of the common barberry and with wide dissemination among farmers and city people of information concerning the principles of rust control. In the case of wheat, for example, the average annual loss for the period from 1916 to 1920 was estimated at 57,000,000 bushels, while for the 5-year period, 1926 to 1930, after millions of barberry bushes had been destroyed, the average annual loss attributed to this disease was estimated at less than 10,000,000 bushels.

A new method for determining the boron content of irrigation waters has been developed. The findings with respect to the occurrence of boron in irrigation supplies is being utilized by farmers and irrigation companies to minimize losses from this cause, in some cases by eliminating the sources of boron from the irrigation supplies and in others by blending these sources with larger supplies so as to dilute the boron concentration to the point of safety for general use.

AIDS IN FIGHTING INSECT PESTS

Two methods were recently developed for sterilizing citrus fruits infested by the Mexican fruit fly. One involves the utilization of heat and the other the utilization of low temperatures. The latter method was effectively used in connection with moving a small part of the citrus crop in the lower Rio Grande Valley in the spring of 1932.

A new poison-bait spray has been developed to aid in the control of the Mexican fruit fly. This spray is fully as effective as sprays heretofore used on fruit flies and has no detrimental effect.

An economical and effective method of controlling citrus thrips by sulphur dusts has been perfected.

Chemically treated bands were developed recently which greatly aid in reducing the numbers of the overwintering brood of the codling moth. These bands are economical and effective and have been brought to the attention of the apple growers throughout the United States.

During the seasons of 1930 and 1931 grasshopper outbreaks occurred in many areas previously affected by drought. Specialists of the department predicted these outbreaks and aided States in planning campaigns for grasshopper control. During late summer and autumn of 1931 a survey was conducted to furnish accurate information as to egg deposition in order to aid in control of the anticipated outbreak for 1932.

Real progress has been made in controlling insects affecting cured tobacco by advising tobacco companies on methods of fumigation. Millions of dollars worth of cured tobacco in storage has been protected.

A method has been developed for controlling the tobacco flea beetle in areas where tobacco is grown under shade.

Methods have been developed for controlling the gladiolus thrips, an insect which has recently caused excessive losses to the floral industry.

Investigations on the control of sand flies have developed an effective, economical insecticide. It will probably soon be practicable to control the pestiferous sand flies and mosquitoes of the Atlantic coastal plain.

A method has been developed by which nursery stock can be safely and economically treated with lead arsenate to eliminate infestations by grubs of the Japanese and Asiatic beetles. And it is now possible to fumigate small perishable fruits such as blueberries, blackberries, and so forth, to remove infestations by the Japanese beetle.

Specialists have developed a method of preventing the Japanese beetle from injuring sweet corn.

The Mexican bean beetle at first caused almost complete destruction of the bean crop. This pest has now been brought under commercial control as a result of the work of the department's entomologists.

Here is an attempt to place a money value on research. An analysis was recently made of 20 continuing projects in pest control, the projects cost $300,000 a year, they result in saving crops that are worth about $70,000,000 a year.

AIDS TO THE BEE INDUSTRY

By standardizing shipping cages for package bees there has been a very material reduction in express rates and this has enabled fruit growers to purchase with distinct savings bees for pollinization purposes.

Investigating the spore content of commercial honeys proves conclusively the inadvisability of subjecting honey to inspection. These investigations have apparently forestalled legislation contemplated by many States requiring certification of honey. These investigations have thus prevented unnecessary restrictions on its interstate movement.

PLANT-QUARANTINE WORK

The pink bollworm of cotton, an insect equally as destructive to cotton as the boll weevil, has been eradicated from extensive areas of Texas and Louisiana, resulting in the complete freedom of the main Cotton Belt from this pest. An infestation in Arizona has been reduced to negligible proportions with hope for a successful conclusion.

The gypsy moth, an important pest of fruit and shade trees, was completely eliminated from an area of over 400 square miles in New Jersey, the department withdrawing from this work after the inspection season of 1932.

The Mediterranean fruit fly, perhaps the worst known fruit pest, was discovered at Orlando, Fla., April 6, 1929, and subsequently found in 20 counties in that State. An intensive eradication campaign conducted by the department and the State of Florida in cooperation, was apparently successful as no specimens have been found since July 25, 1930.

The port-inspection service is constantly intercepting dangerous insect pests and plant diseases, many of which are new to this country. Among these are the Mediterranean fruit fly, West Indian fruit fly, Mexican fruit fly, citrus black fly, melon fly, pink bollworm of cotton, turnip gall weevil, avocado weevil, sweetpotato weevil, gypsy moth, brown-tail moth, gold-tail moth, dagger moth, European tussock moth, sawflies, Lima-bean pod borer, citrus canker, rice smut, and red rot of sugar-cane.

The Mexican fruit worm, a serious pest of grapefruit and oranges in Mexico, has been prevented from becoming firmly established in the United States. The occasional local outbreaks in Texas since 1927 have been stamped out as they arose and have been prevented from spreading to other fruit-growing sections of the United States.

The number of palms infested with the parlatoria date scale in California and Arizona has been reduced from 1,590 in 1929 to 232 in 1931. Total eradication is anticipated by 1935. This pest is so serious that the success of the promising young industry of date culture in the United States is believed dependent on the insect's total extermination.

SOME ANIMAL-INDUSTRY ACHIEVEMENTS

Increased economy in meat production: Department investigators recently announced improved means of raising and fattening domestic animals and safeguarding them from diseases and parasites. One recent finding is that beef and lamb of high quality can be produced on pastures. For maximum gains beef animals should have a small amount of grain in addition to good grazing pasture, but with lamb a supplementary grain ration has no material advantage so far as the quality of the meat is concerned. These results point to increased economy in meat production. In a swine investigation pigs on somewhat restricted rations were more efficient in utilizing their feed than those given all they would eat. These results indicate a means of further reducing swine-production costs.

America can export Wiltshire sides: American production of satisfactory Wiltshire sides for export is foreshadowed by a comparative study of this commodity as produced in Denmark, Sweden, Poland, Ireland, and the United States. Wiltshires produced from American-grown hogs were noticeably lean compared with those produced in the other countries. Chemical analyses, however, showed the American Wiltshires to be more heavily cured than those from the other countries, yet the latter Wiltshires, though milder, were in sound condition. The study suggests a milder cure of Wiltshires intended for the English markets.

New disinfectants discovered: In combating many diseases that threaten domestic animals, dips and disinfectants that are economical as well as efficient are needed. Tests of common, cheap, readily available substances, such as sodium hydroxide and sodium carbonate alone and in combination with other substances, have disclosed new economies in this field. For general disinfection, even in the presence of organic matter, a 2 per cent solution of sodium hydroxide is effective. The same inexpensive chemical also makes certain other disinfectants—commonly applied hot—effective at ordinary temperatures. These investigations showed the

chemical orthophenylphenol to be practically odorless as well as effective in disinfecting dairy barns and stables in connection with tuberculosis eradication.

Aiding the poultry raiser: A simple test for detecting pullorum disease in poultry has been favorably received by the poultry industry which has needed a rapid yet accurate means of diagnosing this destructive malady. In poultry research, investigation has shown that, contrary to general opinion, high egg production during the breeding season is apparently conducive rather than detrimental to good hatchability. Inbreeding tends to decrease the hatchability of eggs, whereas the breeding of unrelated parent stock tends to increase it.

A program of controlling liver flukes in sheep, based on previous scientific investigation, has helped sheepmen in California and other Western States to restore flocks that had previously been devastated by the destructive parasites. This work has again placed sheep raising in affected areas on a safe basis of production.

Foot-and-mouth disease stamped out: In conducting the eradication of destructive livestock diseases, in supervising public-livestock markets, in the inspection of meat, and in maintaining preventive quarantines the department performs services often taken for granted but that would be sorely missed if suspended. The outbreak of the foreign-livestock scourge, foot-and-mouth disease, occurring in southern California April 28, 1932, was effectively suppressed in 10 days—the shortest time for an achievement of this character. The United States Bureau of Animal Industry, which conducted this work in cooperation with local and State authorities, used the drastic but proved method of promptly slaughtering and burying all affected and exposed animals, thereby destroying all centers of infection before the highly infectious virus could spread. This is the only large livestock country in the world free of foot-and-mouth disease.

The campaign against bovine tuberculosis has gone forward at moderate expense and with noteworthy effectiveness. On June 1, 1932, more than 46 per cent of all counties in the United States were officially recognized as modified accredited areas, signifying the practical eradication of bovine tuberculosis in those counties. The estimated extent of bovine tuberculosis for the entire country is now 1.4 per cent as compared with 1.7 per cent in 1930, and 4 per cent back in 1922. Practically all livestock diseases are now being eradicated or effectively controlled by scientific methods or suitable regulations in which there is excellent cooperation on the part of stockmen, State officials, transportation companies, and others interested. The definite economic benefits of this work are well recognized.

Commission rates reduced: Savings even more tangible have occurred recently in the administration of the packers and stockyards act which provides for supervision by the Secretary of Agriculture over commission rates and various stockyard charges. Through recent official action, estimated savings to shippers at the Kansas City market are approximately $250,000 annually and at the South St. Joseph market about $100,000 a year. Protective features, such as bonding of market agencies, supervision of trade practices, inspection and testing of scales, and investigation of complaints also have resulted in substantial savings to producers.

DAIRY INDUSTRY AIDED DURING THE PAST YEAR

The department recently developed methods for determination of the suitability of casein for paper coating and for eliminating some of the defects which occur when inferior casein is used.

A process of which milk sugar can be removed from skimmed milk without affecting the casein has been perfected. This will make it possible to increase the amount of milk solids not fat in ice cream by about 20 per cent without danger from the defect known as sandiness. This additional quantity of milk solids improves the quality of the ice cream and increases its nutritive value.

A method has been developed by which milk may be held in a frozen condition as long as three weeks and restored to its normal state without impairment of the flavor or physical properties. This process offers possibilities for the shipment and storage of milk when fresh milk is not readily available.

Equipment has been devised by which the albumen can be separated from cheese whey without impairing its physical properties. The powder obtained by this process, added to cow's milk, gives it the approximate composition and physical properties of human milk.

Scientists have found that certain of the minor ingredients of milk act as auto-oxidants and that by insuring the proper distribution of these ingredients in certain dairy products their keeping qualities can be materially increased.

Work has been completed on a process by which American cheese can be ripened in cans without molding or the swelling of the cans due to gas generated in the normal ripening of the cheese. This permits the marketing of unprocessed cheese in an attractive package and eliminates waste due to loss of moisture and the formation of a rind.

Herd improvement: The Bureau of Dairy Industry cooperates with the State agricultural colleges in promoting dairy herd improvement associations, organizations which keep production and feed records of dairy cows. By means of these records unprofitable cows may be eliminated and only the best cows retained in the herd. During the past year there were nearly one-half million cows on test and the individual cow records were sent to the bureau for tabulation and study. These records show that cows which freshen in the fall and winter months produce more milk and butterfat, consume more feed, and return a larger profit over feed cost than cows that freshen in the spring and summer months. The records also show that the large cows within the breed are better producers and more profitable than smaller cows in the breed.

The bureau also assists the States in organizing cooperative bull associations, which enable the dairy farmers to cooperatively own registered dairy bulls, of high quality at a low cost per herd. During the year 1931 there were 1,852 such bulls owned by 8,024 farmers. These bulls were mated with more than 68,000 cows. On an average the cows produced 387 pounds of butterfat, yet the daughters sired by association bulls produced an average of 412 pounds, an increase of 6.6 per cent.

The department has demonstrated that dairy cows will produce milk and butterfat profitably when fed exclusively on cheap, home-grown roughages, such as alfalfa hay alone, or alfalfa and silage, either with or without pasture grass.

Investigations have also shown that the best hays are made from plants cut at a somewhat immature stage and cured with the retention of the natural green color and without the loss of leaves. Artificially dried hay is superior to field-cured hay in color and in certain substances that are essential for perfect nutrition of dairy cattle. Work is in progress to perfect the methods of drying so as to bring the artificial hay dryer within the reach of a larger proportion of dairymen.

In many regions of the United States pasture grass is the salvation of the dairyman. And yet perhaps no farm crop is so badly neglected. The department has found that the application of manure or fertilizer, and the practice of rotation grazing, greatly increase the carrying capacity of pastures as well as the nutritive value of the grasses. All of which leads to the more economical production of milk.

Recent results prove that many dairymen could milk their cows three times a day with increased profits, especially on farms where milking machines are used.

Dairy research has definitely shown that milk secretion takes place between milkings, that it is more or less continuous, and that practically all of the milk is present in the udder when milking is commenced, instead of being secreted chiefly during the milking period as was previously supposed by many. This explains why heavy-milking cows yield more milk when milked three or four times daily than when milked twice daily.

A distant contribution to the knowledge of reproduction was made recently through the location and study of the fertilized ovum as found in the Fallopian tube of the cow. This should throw some light on the best time to breed to

obtain conception and on the reason for frequent failure of conception.

Improving quality: The department recently developed programs for improving the quality of milk produced in this country. One of these is an area plan whereby the quality of the milk will first be improved in a small area, after which the improved area will be used as a demonstration area from which quality improvement may radiate over the remainder of the State. The department assists in inaugurating and developing the project in the first area within the State. After the project is well established and the quality of the milk has been improved, the project is turned over to the State for further promotion. Improving the quality of milk not only maintains the dairyman's present market but it extends his market. In addition to this, it prevents losses due to off-flavored and sour milk and from poor-quality dairy products. The dairy farmers of this country could increase their annual receipts millions of dollars if only milk of high quality were produced.

Recent investigations have shown milk dealers how to hold down costs of processing and distributing milk and thus reduced the spread between the farmer and the consumer. This enables the average market-milk producer in the United States to receive nearly 50 cents of the consumer's retail dollar, which is a high average for an agricultural commodity, especially in view of the services rendered, the quality supplied, and the perishable nature of the product.

Eighteen Ohio and six Wisconsin cheese factories recently cooperated with the department in the use of the culture method of making Swiss cheese. The quality of Swiss cheese made has been greatly improved in a number of these cooperating factories, and more quality cheese has been made than before the adoption of department methods.

Domestic casein improved: At a casein-tariff hearing held a few years ago several domestic consumers of casein testified that the quality of domestic casein was inferior to that of the imported Argentine. On June 9, 1932, at a similar hearing the consensus of testimony was that domestic casein was much improved in quality and equal if not superior to the imported. Much of this improved quality has resulted from the work of department specialists. Some 150 casein factories have been visited during the last two years and improved and new methods of making casein demonstrated and introduced into a number of these factories in the principal casein-producing sections.

ENGINEERING AND IRRIGATION

The department has developed a vertical drier for seed cotton, which is simple to build and to operate, and which by improving the ginning quality both of green and rain-soaked cotton increases the capacity of the gins and raises the market value of the lint much more than the cost of drying.

For the benefit of the landowners in irrigation and drainage districts in financial difficulties, and of the purchasers of securities of such districts, the department has formulated principles of refinancing such enterprises with minimum losses to landowners and to investors based upon the amount that the lands can produce for repayment of investment.

Mechanical means have proved the most effective in combating the European corn borer. The department has devised simple and inexpensive attachments for plows by which practically complete coverage of stalks and trash is obtained, also low-cutting devices for harvesting the whole stalk for ensiling or destruction, and rakes particularly adapted for cleaning the field of débris.

To lower the cost of producing sugar beets through substitution of mechanical methods for imported labor the Bureau of Agricultural Engineering has, by altering and rearranging the tools on an ordinary beet cultivator, devised a simple and effective cross-blocking implement that greatly reduces the amount of hand labor required for growing the crop.

For efficient and safe use of commercial fertilizers the Bureau of Agricultural Engineering has devised improvements in mechanical distributors which will measure the applications accurately and place them in correct relation to the seed, thus avoiding injury to the seed and obtaining maximum yields. The improvements are being incorporated in a new commercial distributor.

A fertilizer attachment for beet, cotton, and potato planters has been devised by the bureau's engineers for placing the fertilizer in various locations with respect to the seed. With this attachment the fertilizer is so placed as to give the maximum benefit to the crop as weather, soil, and crop conditions may dictate.

The methods of uniformly distributing poison grasshopper bait by mechanical means have been worked out. One is a reconstructed end-gate seeder and the other an attachment for a lime spreader.

A cottonseed planter with a variable-depth attachment has been invented by the engineers. It tends to insure a fair stand of cotton by placing at least part of the seed at the optimum depth which is determined by weather and other conditions.

Cheap nitrogen from air produced by a synthetic ammonia process in many American plants is a reality in large part because of research in the department. This successful development has resulted in the collapse of the foreign monopoly in nitrogen fertilizers; and the United States is well on the road to independence in its requirements for fertilizer raw materials. Indeed, the department's fertilizer studies have been extraordinarily conductive in the last two years, and as a result we have better and cheaper fertilizers than ever before. They have developed improved methods for phosphate production from United States deposits and have resulted in greatly increased methods for producing phosphoric acid by the use of the electric furnace and the fuel-fired blast furnace, the product being suitable not only for fertilizer production but also for food and technical products. They have shown the advantage of fertilizers containing higher percentages of plant food than heretofore ordinarily used and new products of this character are now available to farmers. They have shown how profitable crops can be grown on certain nonacid soils by the application of manganese sulphate and other heavy materials. Areas of apparently fertile land in the Florida glades failed to respond to ordinary commercial fertilizers. Our chemists found that these soils were deficient in manganese. When this was supplied in the proper amounts, profitable crops of tomatoes, potatoes, beans, and other vegetables resulted.

A few triumphs of the past two years:

The basic facts necessary for the economical conversion of ammonia into urea have been determined and made available to the industry for use in establishing urea manufacture in the United States. American producers are thus put on a fair footing to compete with foreign producers.

Investigation of the corrosion resistance of the various metals suggested for use with phosphoric acid was recently completed and the results made available to the fertilizer and chemical industries. This will help in improving the production of phosphate fertilizers costing the farmers some $80,000,000 annually.

A detailed study of the composition of all the commercial types of domestic phosphate rock was recently completed. Special attention was given to the occurrence of such elements as manganese, chromium, vanadium, iodine, copper, zinc, and arsenic, which may affect the growth of plants. These investigations have shown the influence of fluorine on phosphate availability in fertilizer and suggest new methods of fertilizer manufacture.

Work on the treatment of superphosphate with ammonia and the availability to plants of the water-insoluble phosphate thus formed has resulted in a change in the official laboratory method for the determination of available phosphoric acid in such a way as to permit a 100 per cent increase in the direct use of ammonia. This possible increase

would normally amount to 80,000 tons of ammonia, valued at about $8,000,000.

Fundamental studies of conditions affecting potash volatilization from Wyoming leucite (wyomingite) have definitely demonstrated that complete recovery can be accomplished with the aid of promoters, preferably calcium chloride, at fusion temperatures easily attained in the blast furnace. Blast-furnace smelting of wyomingite has been conducted on the small pilot plant scale with the commercially complete volatilization of the potash, indicating a practicable process to be applied to the manufacture of agricultural potash from the great leucite deposits of Wyoming.

Investigations of Utah alumite, a potash ore of importance, have advanced the technology of its utilization in the manufacture of potassium sulphate, an important fertilizer salt, essential for certain crops, and of alumina, an essential by-product obtainable from that ore. These investigations have effected the recovery of the valuable sulphate constituent of that ore and the purification of the by-product alumina.

The extraction of potash and by-products from Wyoming leucite, with nitric acid as the extracting agent, has been demonstrated on a laboratory scale, yielding potassium nitrate, a highly concentrated, double fertilizer salt and high-grade alumina as product. As a process it is new and offers excellent promise of becoming adaptable to the commercial utilization of those vast deposits.

A new process has been developed and successfully tested whereby, with the use of ammonia and carbon dioxide, potash and ammonium sulphate can be easily manufactured from polyhalite, the potash mineral recently found in large subterranean deposits in western Texas.

Economic surveys have shown that coal gas and blast-furnace gas, by-products of the blast-furnace smelting of Wyoming potash ores, can be applied in various collateral operations in the development of a well-rounded chemical industry for that section.

HELPING THE FARMER THROUGH SOIL IMPROVEMENT

Field studies with pecan soils show that to produce this desirable nut successfully the orchards must be tilled and fertilized. Tillage and fertilizers influence pecan-tree growth, nut yield, and size and quality of the nut.

Cotton-root rot investigations in Texas reveal that the rational use of fertilizers and a practice of modified tillage, in conjunction with crop rotation, soil conservation, and other fertility-maintaining or restoring measures, will control cotton-root rot in the black-land region of Texas.

As a result of soil fertility and fertilizer investigations with sweetpotato soils in the Southeast, growers are profiting by using a higher-potash fertilizer and by applying fertilizer broadcast over the row after the plants have been set.

Fertilizer investigations on prominent soil types with cotton show the fertilizer requirement for cotton varies for different soil types. In general, nitrogen, phosphoric acid, and potash are required for best results, the proportion varying with the different soil types. Nitrogen is the important fertilizer element in cotton production.

Investigations with strawberry soils on the Atlantic coastal plains reveal that quickly available fertilizer materials applied in late summer result in healthier and more thrifty plants in early spring, which produce larger yields of good-quality berries than when fertilizers are applied in winter or early spring in several applications. This change in practice of fertilizer has netted berry growers considerable profit.

Manganese sulphate is effective in improving the vigor of citrus trees, character of foliage, color and quality of fruit, investigations in Florida show.

Large areas of truck lands, which formerly were unproductive, have been made to produce profitably by the use of manganese sulphate.

Fertilizer experiments on sugar cane soils show that increases of 12 to 16 tons per acre may be obtained with nitrogen fertilizers alone.

Fertilizer experiments on sugar beet also show that with 20 to 40 pounds of phosphoric acid as superphosphate an increase of 3 to 7 tons of sugar beet per acre can be obtained.

Commercial fertilizer is used extensively in the United States on soil types devoted to general and specialized crop production. From ten to twenty million dollars is lost annually owing to improper distribution and placement of commercial plant food. Recent experimental studies indicate the importance of applying the fertilizer properly. Direct contact of fertilizer with the seed or seed piece should be avoided. Manufacturers of fertilizer distributors are utilizing these results to develop their machinery.

A method for utilizing peat for the production of fertilizer material of accredited quality has been developed. The peat is treated by a comparatively simple chemical process which may be a part of a process employed in the preparation of other fertilizer materials, such as the concentrated fertilizer salts of commerce. This has been patented as a public-service patent.

CHEMICAL AND RELATED DISCOVERIES

Rotenone, the chief insecticidal ingredient of the East Indian plant derris and the South American plant cube, is the most promising weapon recently developed by the chemists of the United States Department of Agriculture for warfare against insects. Rotenone has been tested against a variety of insects and has been found to be among the most potent poisons known.

It is both a contact and a stomach insecticide, and has the added advantage of being nonpoisonous to man and animals. When sprayed upon some aphids it is at least ten times more toxic than nicotine. This means that 1 pound of rotenone is equivalent to not less than 25 pounds of the 40 per cent nicotine solution now on the market. Tests have also shown rotenone to be thirty times more toxic than lead arsenate to certain caterpillars. Because of the undesirable residue which is left on fruit sprayed with lead arsenate, which is the only effective control for the ravages of the codling moth in apple orchards, and because of the cost of its removal, chemists have long been seeking a substitute for it. Rotenone rivals pyrethrum in toxicity to many insects, and its use as a substitute will make the United States independent of foreign source of supply.

Utilizing wastes: Sweetpotatoes constitute the second largest vegetable crop in the United States, but a large proportion of the crop grown in the commercial producing sections of the South is thrown out as culls due to rigorous grading. The present means of utilization, which consist chiefly of canning and of feeding to stock, are entirely inadequate. The department has succeeded in working out a procedure whereby a high-grade starch can be produced from any of the commercially grown varieties of sweetpotatoes that is suitable for sizing of cotton textiles, and can, therefore, be substituted for fine white imported potato starch, of which in 1929 over 28,000,000 pounds were imported into the United States from Holland and Germany in spite of the duty of 1¼ cents per pound (recently increased to 2½ cents per pound). If the market now enjoyed by imported starch could be displaced by sweetpotato starch of equal quality, utilization of culls for starch production would result in an estimated extra return to the growers of about $3,000,000 a year. This project has now reached the stage where it is ready for commercial development. In fact, one factory designed for the production of starch from sweetpotatoes has already been placed in operation.

The loss in stored eggs is estimated to be over $15,000,000 annually. The Bureau of Chemistry and Soils has developed a method by subjecting the eggs to a vacuum and then treating them with a colorless, tasteless, and odorless mineral oil, which gives promise of effecting a great saving in the handling of eggs.

Preventing spoilage: The value of the foods which are subject to spoilage by rancidity is considerably over $1,000,000,000. Feeds and industrial products likewise subject to rancidity amount to several hundred millions more. The department recently discovered that certain wave lengths of light play an important rôle in hastening the spoilage of

foods by rancidity. The foods most easily affected are oils and fats, nuts, biscuits and crackers, pretzels, potato chips, self-rising flour, phosphated flour, corn meal, whole-wheat flour, mayonnaise, and so forth. Besides the foods just enumerated, certain feeds and industrial fats are subject to spoilage by rancidity. Experiments by the department with biscuits and crackers, wheat germ, potato chips and pretzels, and certain oil-bearing feeds have shown that when these products are wrapped with black paper, which excludes all light, or with a certain shade of green, these products remain fresh and free from rancidity for weeks and even months longer than when they are kept in the original commercial package. This discovery is of the utmost practical importance to the various industries utilizing fats in the manufacture of foods, feeds, and industrial products.

Huge savings in checking dust explosions: Losses from dust explosions in grain-handling operations have been reduced, and also a saving of human life has resulted from research in the department. The average loss for each grain-dust explosion has decreased from $520,000 in 1921 to approximately $28,000 in 1931, a net reduction of almost $500,000 in each individual case. The yearly losses have dropped from $4,160,000 in 1921 to $1,100,720 in 1931. This result may be largely assigned to the application of facts determined by research.

Grain-threshing operations in certain sections of the country have been so improved and the hazard of dust explosions so much reduced, due to the research work of the Bureau of Chemistry and Soils, as to make possible a direct saving in the form of reduced insurance. This saving, practically $9.50 on a hundred dollars of insurance, or a potential saving of $570,000 annually in the Pacific Northwest alone, is credited to the work of the department on machines valued at $7,500,000.

The potential saving on cotton-gin insurance, on gins properly equipped with grounding systems for fire prevention developed and advocated by the department, has been estimated at $300,000 annually.

The rare and expensive biochemical product, asparagin, formerly obtainable only by importation from Europe, can now be produced in the United States on a commercial basis as a result of research in the department. Dr. M. Dorset, chief of the biochemic division of the Bureau of Animal Industry, reported the successful production of asparagin in the division's laboratory and the receipt of a shipment of the chemical as produced by the first firm to undertake its manufacture commercially.

Bagasse is the pulp of the sugar-cane left after the extraction of the cane juice. The sugar mills formerly used it as fuel for the mills. Not long ago the idea was conceived of manufacturing this bagasse into insulating board. To-day an enormous business stands as a monument to that idea, to the ingenuity of private business, and to the cooperation of the United States Department of Agriculture and the capacity of its scientists. The chemists of the department found that by the use of low-priced nitric acid a high-grade cellulose, the base material for rayon, may also be produced from bagasse. The process is important to rayon producers as it indicates a large new source of raw material available each year.

FORESTRY AND THE FARMER

In 1931, 400,749,000 acres of land were protected from forest fires; 1,608,000 more acres of State and privately owned land were protected from fire under the Clarke-McNary Act in 1931 than in 1930. There were 9,000 less fires on the protected area in 1931 than in 1930.

Benefits to stockmen: A 50 per cent reduction was made in the fees for grading domestic livestock on the national forests during 1932. The President's authorization for this decrease was made in recognition of the emergency situation facing stockmen as a result of last year's drought, the unusually heavy snows, and the prevailing hard winter. In reducing the fees an average of 50 per cent for the year 1932 more than 26,000 ranchers and stockmen will benefit.

In 1931, 25,510,000 trees were distributed to farmers by the States cooperating under the Clarke-McNary Act.

During the biennial period ending June 30, 1932, the national forests east of the Great Plains were increased by a total of 884,702 acres at an average price of $3.77 per acre. The total acreage which has been purchased upon recommendation of the department and approval by the National Forest Reservation Commission now aggregates a net area of 5,011,777 acres, for which an average price of $4.48 per acre has been paid.

Help for the unemployed: 26,814 acres of open national-forest land were planted with small trees during 1931, and about another 10,000 acres were planted in the spring of 1932. This work not only put idle acres back into production but also gave opportunities for work in the early spring and late fall when such opportunities were scarce. The work gave employment for a total of at least 35,000 man-days, exclusive of the small amount of labor required in nurseries throughout the growing season.

With an emergency appropriation of $2,000,000 for national-forest roads and trails, made available on December 29, 1930, the Forest Service constructed 1,824 miles of simple, inexpensive, and low-standard roads and motor ways; improved the standard on 862 miles; and maintained 5,767 miles. Of trails 1,210 miles were constructed, 280 miles bettered, and 17,477 miles maintained, providing employment to residents of national-forest communities in 35 States. A maximum number of individuals was given employment through the rotation of crews; the neediest and most deserving cases were reached by cooperating with the Red Cross and other social agencies.

Subsistence camps for the unemployed were maintained on national forests in the West during the past year. Financed partially from State funds and with the cooperation of many other organizations and individuals, the camps were established, equipped, and managed by forest officers. Men qualified to construct firebreaks and to do other forest-protection and improvement work were selected from an apparently unlimited number of volunteers anxious to leave charity soup lines to work for a period each day in return for shelter and meals. Starting in California, this system of relief has spread to other sections of the West, the most active camps at the present time being located in Colorado.

CONTROL OF INJURIOUS ANIMALS

During the past two years a total of approximately 37,560,000 acres in the United States have been treated for the control of injurious rodents in cooperation between the Bureau of Biological Survey and more than 220,000 stockmen and farmers. The estimated savings to the farmers and stockmen as a result of these operations is placed at approximately $9,500,000.

The Biological Survey assisted in protection of the public health through the control of rodents that are carriers of such diseases as tularemia, bubonic plague, spotted and typhus fevers. The brown rat not only affects the public health but is probably our most destructive rodent.

In the eastern United States during the past two years rat-control work has been done in 21 States in which 333 county-wide campaigns have been instituted in cooperation with 134,000 citizens, mainly farmers. These cooperators estimate the damage by the rat to these areas at over $5,000,000 annually. Since the bureau's specific development and improvement of raticides, the foremost of which is red squill, it has become the leading agency in effecting rat-control measures. Rat control in cities, as well as on farms, has been given attention through publicity and demonstrations.

Control of the larger predators such as the coyote, the bobcat, the mountain lion, and the wolf has made the growing of livestock and poultry less hazardous in the far western country particularly. Numerous areas abandoned as poultry-producing sections because of heavy predator infestation have again taken up the work of poultry production because of the increased control effected in the interval mentioned.

For several years the Biological Survey has been acquiring lands for wild-life refuges and now has approximately

350,000 acres under control. This enterprise has contributed toward solving some problems of the farmers by withdrawing submarginal lands from agricultural competition. The more abundant bird life is also beneficial in the control of injurious farm pests.

RESEARCH IN THE STATE EXPERIMENT STATIONS

The agricultural appropriation act for the fiscal year 1932 includes $4,357,000 for payments to the agricultural experiment stations in the States, Hawaii, and Alaska under the Federal acts providing for the establishment and endowment of agricultural experiment stations. Here are a few examples of recent results from research supported partly by these Federal funds:

Examples of aid to the livestock industry: Scientists of the Texas State Experiment Station discovered this season that "sore mouth" of sheep and goats is an infectious disease and have developed and demonstrated a vaccine for its control. By resolution sheep and goat raisers recently declared that this one discovery is worth more to ranchmen in southwest Texas than the several hundred thousand dollars expended for the development and maintenance of their ranch experiment station since it was established in 1915.

Through their research the stations have found that fowl pox, a destructive disease of poultry, may be transmitted to baby chicks by mosquitoes and may be prevented by screening the runs and houses. Effective vaccines for preventing the disease have been developed, demonstrated, and put into commercial use.

Effective means of preventing rickets and anæmia in swine have been discovered, demonstrated, and are now in extensive use.

Recent advances in the control of plant diseases: A number of new developments from research at the stations are assisting producers in their battles against plant diseases which annually are a heavy toll through actual losses and increased cost. Wilt-resistant greenhouse tomatoes have been developed and introduced by the Illinois station. The Indiana station has found varieties of wheat resistant to leaf rust, and the Nebraska station has developed strains of red winter wheat resistant to stinking smut and black stem rust. The New York station has produced raspberry hybrids which show outstanding resistance to mossaic. The discovery of a simple method of identifying carriers of cotton-root rot, announced by the Texas station, will greatly aid in the control of this destructive disease. The Alabama station has found nematode-resistant pole snap beans which give high yields and compare favorably in quality with commercial standard sorts, thus offering possibility of avoiding losses from nematode injury which is widespread and serious in the South.

Reducing the cost of production: American farmers pay more than $2,000,000 annually for sugar-beet seed, mostly to foreign seed producers and distributors. The New Mexico station, cooperating with the United States Department of Agriculture in a study of the possibility of developing domestic production of seed, has found that under the mild climatic conditions prevailing in the Rio Grande Valley seedlings from seed planted in the fall may be overwintered in the field and brought to satisfactory seed production the succeeding year, thus greatly speeding up and reducing the cost of seed production.

Research by the Connecticut station has shown that the cost of fuel for curing tobacco may be reduced fully 40 per cent by substituting coke for charcoal, with a resulting saving to the tobacco growers of the Connecticut Valley of about $200,000 annually.

In reducing production costs and improving market quality the main aids from station research continue to be development of improved crops and varieties to replace less suitable older ones. Work of this nature can not be "chopped off" by calendar or fiscal years. A great number of improved varieties of field crops, fruits, and vegetables have been developed which are rapidly replacing older varieties extensively grown. Such new varieties, together with continued improvement in general farm practices, enable the farmer to produce better crops on fewer acres of their best lands. Through farm management and other economic studies the stations are assisting farmers daily in the difficult task of adjustments to find uses for the less productive areas.

AIDING THE HOME MAKER

During the winter of 1930–31 many agricultural communities faced the problem of feeding their families from a larder depleted by drought. To help them meet this situation the Bureau of Home Economics prepared a bulletin on food selection for the use of extension workers located in these districts and later issued the same material in popular form for home makers.

Low-cost food budgets: The increase of unemployment in cities indicated the need of similar material for urban groups; so leaflets were prepared listing the food materials required for adequate feeding of families of different sizes. To facilitate the use of the food suggested, a weekly news service—The Market Basket—has been sent to some 6,000 papers since January, 1931. In times of falling incomes the only way to maintain a standard of living is by more careful spending and by "making at home" where time is available. To help in this, typical family budgets meeting varying conditions have been collected and sent on request. To supplement these budgets, material on wise buying of various commodities has been prepared.

Every effort has been made by the department to develop a farm-production program which would supply adequate food for the family. This meant not only a production program based on family needs but preservation of the surplus for "off seasons." The Bureau of Home Economics has prepared directions to help the housewife preserve the food produced on the farm for use throughout the year.

Cooperative studies on meat production have shown not only how to produce the quality of meat most desired but how to use the less desirable cuts most satisfactorily, thus spreading out the cost of production and increasing the return to the producer.

To increase the consumption of cotton and wool, special studies have been made by the Bureau of Home Economics to develop new and more satisfactory materials specially suited to household needs. A cheap cotton fabric has been produced to take the place of burlap as a backing for hooked rugs. Suggestions for draperies made from cheaper cotton fabrics have bettered the appearance of the home and increased the yardage sale of these materials. Designs for children's clothes have shown more satisfactory uses of cotton and woolen materials and introduced to the homemaker certain new fabrics.

GRAIN FUTURES

Under the provisions of the grain futures act close supervision has been maintained over speculative transactions on the commodity exchanges. While the operations of large-scale speculators have been on the short side of the wheat market most of the time for more than two years, close supervision of their short selling, together with the support given to the market by agencies of the Federal Farm Board, has resulted in wheat prices being maintained above a world parity. The grain futures act does not contain authority to deal fully and effectively with the matter of speculative short selling. Investigation of numerous complaints by customers regarding the improper execution of orders has led to the uncovering of several cases of irregularities resulting in loss to the customer. Several suspensions of board of trade membership privileges have already been made as a result of these irregularities and other cases are pending.

RECENT SUCCESSES IN FOOD AND DRUG ENFORCEMENT

The department, through the enforcement of the food and drug act, the import milk act, and the insecticide act, brings benefits not only to all the people as consumers but also brings additional benefit to farmers as producers. During the last two years special attention has been given to those features of the laws which are of economic benefit to the agricultural industries.

Spray-residue problem: The amount of spray residue remaining on fruits has been reduced to the point that removes the danger of having domestic and foreign markets closed to the products of the orchards of the United States. The

department has developed methods for washing apples and pears and the industry has applied the methods so that the fruit will now meet the world tolerance for spray residue and thus remove restrictions on its sale either in the domestic markets or in foreign countries. Without this action several foreign countries would have barred the sale of apples shipped from the United States.

The improvement in the quality of canned foods brought about by the enforcement of the pure food law has increased greatly the consumption of canned foods and thus made a wider market for the fruits and vegetables produced on the farm. The Mapes amendment to the pure food law, passed in 1930 with the indorsement of the department, served to improve still further the quality of canned fruits and vegetables. During the past year the department has formulated a number of standards which are now being applied by the canning industry.

American farmers and ranchers annually spend millions of dollars on veterinary preparations of one kind or other. Unless such preparations will do what their manufacturers say they will, this expenditure is a great financial loss. Even more serious is the false sense of security thus attained. Although the need for legal action to prevent fraud of this sort will doubtless continue indefinitely, rapid strides in ridding our markets of falsely labeled veterinary preparations have recently been made through cooperation with the industry.

Enforcement of the import milk act has made it necessary for all milk and cream imported into the United States to meet rigid sanitary requirements, thus enabling the domestic producer to compete on even terms.

COOPERATIVE EXTENSION

The rapidly changing agricultural situation caused by world-wide depression, the existence of burdensome crop surplusses, and the effects on production of the widespread drought of 1930, and the more limited drought of 1931, necessitated vigorous action by extension agents. They brought to the service of farmers every source of information helpful in a solution of their problems, which were more numerous, more complex, and more widespread than ever before.

The year 1931 opened on a territory refreshed with some rains but still bearing the marks of the country's most severe drought. In many areas feed supplies and food were depleted or totally lacking. In the 18 States embracing the area most severely affected extension workers strove to assist farmers in establishing quickly usable feed crops, in planting gardens with a view to obtaining food for their families at the earliest possible time. Extension workers outside the area cooperated in locating good seed stock of varieties that would grow and mature in the drought area. They gave many hours to necessary relief work.

In general the effort to augment farm incomes and maintain farm living standards, home-demonstration agents aided farm women and girls in preparing and selling surplus garden, poultry, and dairy products, and in the development of home industries. They helped in the economical buying of supplies, the preservation of foods, the making and remodeling of clothing, the refinishing of furniture, and in home beautification.

Vigorous efforts were made to acquaint farmers with the objects and business possibilities of cooperative associations and with the requirements of membership. Extension agents presented technical and economic facts bearing upon the production and marketing of farm commodities.

PERISHABLE AGRICULTURAL COMMODITIES ACT

Supported by the fresh fruit and vegetable industry, the perishable agricultural commodities act approved June 10, 1930, regulates through a licensing system commission merchants, dealers, and brokers who handle fresh fruits and vegetables in carload quantities in interstate and foreign commerce, with a view to suppressing certain unfair and fraudulent practices from which producers and distributors formerly suffered without adequate remedies.

While failure to deliver or to accept goods in accordance with the terms of a contract have always entitled the injured party to a judgment in the courts, this remedy has not been adequate in most of the disputes arising between parties separated by long distances. Failure properly to account or settle for goods handled on commission, or purchased, or the making of fraudulent or false or misleading statements concerning the quality, quantity, disposition, or condition of the market for any of these products when received in interstate commerce are also offenses for which the Secretary of Agriculture may issue reparation orders or may suspend or revoke the licenses of offenders.

Nearly 4,000 complaints have been received since the approval of the act. Nearly 3,000 have been successfully closed without proceedings, and approximately 1,000 cases are now in process of handling.

In the relatively short time the act has been in operation, it has demonstrated its usefulness as an authoritative medium for prompt settlement of disputes. It is regarded generally as a wholesome influence in the marketing of these perishable commodities under highly competitive conditions.

FEDERAL-AID ROADS AND UNEMPLOYMENT

In Federal-aid and forest-road construction the period since December, 1930, has been marked by a greater activity and a larger result than any other period since the inauguration of these important works under the administration of the Department of Agriculture in 1916.

Aside from the benefit that has resulted in every State from the improvement of the main interests and intercounty roads with the financial aid of the Government, these important public works have given employment directly and indirectly to large numbers of workers.

It was for the purpose of giving work and useful employment to thousands of men otherwise idle that Congress, in December, 1930, as an emergency measure, appropriated $80,000,000 to be advanced to the States and used by them in addition to the regular Federal-aid road appropriation for an augmented program of construction to be carried out in the first eight months of 1931.

Six months before, the regular appropriations authorized for the ensuing three years had been increased from $75,000,000 to $125,000,000 annually.

The combined results of these two constructive measures have been manifested in a great increase in the Federal-aid road-building program and in the mileage of improved roads completed. In the fiscal year 1931, ended a year ago, improvements were completed on more than 11,000 miles of road—a performance that had been slightly exceeded in only one previous year; and in the fiscal year 1932, just ending, all previous records have been broken by the completion of projects totaling more than 15,000 miles in length.

Two hundred and sixty million dollars paid to States: In these two fiscal years the Federal Government has paid into the several State treasuries a total of more than $260,000,000 as its share of the cost of completed road-construction work, to which has been added nearly $80,000,000 advanced during the emergency which will be deducted in annual installments from future allotments. Throughout these two active years the cooperative road-building program of the Federal and State Governments has involved a total cost ranging from a minimum of nearly $200,000,000 to a maximum of more than $388,000,000, including at all times a Federal share amounting to nearly 45 per cent.

Throughout the calendar year 1931 the augmented road program in which the Federal Government participated gave direct employment to an average of nearly 100,000 men. The number employed varied seasonally from a minimum of less than 20,000 in January to a maximum of nearly 165,000 in July. These figures include only the men employed on the roads, and do not cover the larger army of workers required to supply and transport the materials and equipment employed in the construction.

The tangible and lasting benefit of the effort put forth so steadily since 1916, and lately with increased vigor, is shared by all—farmer and city dweller alike—who for business or pleasure make use of the Nation's most important highways. It is these highways to the extent of nearly 200,000 miles which constitute the Federal-aid highway system upon which the Federal-aid road appropriations are expended.

AGRICULTURAL LOANS THROUGH THE SECRETARY OF AGRICULTURE

Loans for crop production were made in the spring of 1931 to 385,000 farmers in a total amount slightly in excess of $47,000,000. Severe drought in the Northwestern States in 1931 necessitated the making of loans during the succeeding fall and winter to enable farmers to maintain their breeding herds. These loans were made to 57,000 farmers in a total amount slightly in excess of $8,860,000. In the spring of 1932, under a provision of the Reconstruction Finance Corporation act, the Secretary of Agriculture made loans for crop-production purposes to 510,000 farmers in a total amount of slightly less than $65,000,000. These loans have enabled many farmers to continue their operations following periods of extreme drought and crop failure at a time when local credit was not available.

As a result of the decline of bank deposits and the impairment of credit facilities in agricultural communities, a large number of agricultural credit corporations and livestock loan companies have been established in recent years. These organizations, if properly capitalized and capably managed, are able to rediscount agricultural paper with the Federal intermediate credit banks in an amount equal to several times their capital. More than 400 of these organizations are now financing farmers in various parts of the country.

To assist in the capitalization of local organizations of this character, Congress last year provided a fund to be administered by the Secretary of Agriculture in making advances or loans to individuals in the drought-stricken or storm-stricken areas of the United States, for the purpose of assisting in organizing or increasing the capital stock of agricultural credit corporations and livestock loan companies. From this fund loans amounting to $1,421,036 were made to 936 individual stockholders of 50 corporations located in 21 States. So valuable was this form of Government aid that Congress provided for its perpetuation through Public Resolution No. 11, Seventy-second Congress, which was approved March 3, 1932.

NEW CAPITAL FOR THE FEDERAL LAND BANKS

While the funds which the Federal land banks have loaned to farmers on the security of first mortgages on farm lands have been obtained principally through the sale of bonds in the general market, they have received substantial financial assistance from the Federal Government. When they were organized in 1917, the Federal Government subscribed the principal portion of their initial capital stock in an amount aggregating $8,892,130. Since this date all but $175,939.25 has been retired in the manner required by the Federal farm loan act.

One hundred and twenty-five million dollars new funds: In an amendment to the Federal farm loan act dated January 23, 1932, the Congress again authorized the subscription of capital stock in the Federal land banks and an appropriation of $125,000,000 was made for this purpose. The proceeds from the subscriptions made from this appropriation have greatly strengthened the position of the banks and will be of material assistance to them in continuing their operations. The amendment also authorized the Federal land banks to extend obligations of borrowers that may be or have become unpaid under the terms of their mortgages when, in the judgment of the directors, conditions justified such extensions, and the amendment specified that $25,000,000 of the amount appropriated was to be used only for the purpose of supplying any bank with funds to use in its operations in place of amounts of which such bank may be deprived by reason of the extensions authorized and granted. Through this latter provision $25,000,000 becomes immediately available to aid worthy farmers who have been unable to meet their obligations to the banks.

THE NORBECK-STEAGALL BILL

During the period of financial stringency in the fall of 1931 and spring of 1932 the Federal intermediate credit banks found great difficulty in marketing their debentures. As the debentures are their chief source of funds, the banks were faced with the prospect of having their lending power substantially limited. Indicative of this development, the rates at which the Federal intermediate credit bank debentures could be sold rose so much that the lending rates of these banks increased from an average of 3.81 per cent in September, 1931, to 5.44 per cent in March, 1932. On January 15, 1932, an issue of $13,965,000 was offered at 5 per cent. Only $4,115,000 could be sold on the market, and the Federal reserve banks, to alleviate the situation, took the remaining $9,850,000.

The principal market for Federal intermediate credit bank debentures has been large banks and other financial institutions. During this period these institutions were suffering from such large demands for funds that they were loath to acquire any form of investment which could not be readily sold. Federal intermediate credit bank debentures fell in this category; hence the market for them was substantially narrowed.

The Norbeck-Steagall bill was passed with the intention of increasing the salability of Federal intermediate credit bank debentures; thus improving their market among banks and other financial institutions. To accomplish this purpose, the bill provided that the debentures could be used as collateral for 15-day advances of Federal reserve banks to their members.

This permitted member banks to use the debentures as a means of obtaining immediate funds even if the market of the debentures was seriously impaired. The Norbeck-Steagall bill was approved May 19, 1932, and almost immediately there was an improvement in debenture rates. As a consequence, the lending rates of Federal intermediate credit banks have declined from their high point of 5.44 per cent in March, 1932, to the following rates on June 15, 1932: 3½ per cent in seven banks, 3¾ per cent in one bank, 4 per cent in three banks, and 4¼ per cent in one bank.

Under the regulations of the Federal Farm Loan Board no paper on which the farmer has been charged a rate of interest in excess of 3 per cent above the discount rate of the Federal intermediate credit banks may be discounted by these banks. A great many of the local agricultural credit corporations and livestock loan companies which offer this paper for discount at Federal intermediate credit banks charge the full spread allowed them. This makes it of great importance to the farmer that the lending rates of the Federal intermediate credit banks be maintained at low levels. Farmers consequently will be greatly benefited by this provision of the Norbeck-Steagall bill which has assisted in lowering the rates at which they may borrow from the Federal intermediate credit system.

The credit granted by Federal land banks and more especially by the Federal intermediate credit banks during the past year or two has been of unusual benefit because of the abnormally small supply of credit available to farmers from other lending institutions growing out of the closing of many country banks, the restricted loaning policies of others, and other factors limiting the volume of credit.

THE RECONSTRUCTION FINANCE CORPORATION AND SOME RESULTING BENEFITS TO AGRICULTURE

The bill creating the Reconstruction Finance Corporation was approved January 22, 1932, and the corporation began business almost immediately thereafter. The corporation was capitalized at $500,000,000, and was given power to expand its resources through the sale of debentures or other obligations to a total of $2,000,000,000. This immense pool of credit, in part supplied and in remaining part guaranteed by the Government, was established to liquidate frozen assets and increase the availability of credit throughout the Nation.

Provision was made for farmers, railroads, and depositors in banks that have failed. A fund of $50,000,000, with possible increase to $200,000,000, was set aside for direct loans to farmers. This fund is administered by the Secretary of Agriculture. Furthermore, a sum not exceeding $200,000,000 may be used for loans to banks that are closed or in process of liquidation. This is intended to avoid preventable loss to depositors and liquidate the purchasing power that is tied up in suspended banks. Provision was also made for assistance to railroads, whose obligations are held by thousands of private and corporate investors.

From February 2 to March 31, 1932, inclusive, $192,346,306 had been advanced to 935 institutions. Eight hundred and fifty-eight were banks and trust companies, including closed banks; 30 were building and loan associations; 18 were insurance companies, 2 were joint-stock land banks; 3 were livestock loan companies and agricultural credit corporations; 8 were mortgage loan companies; and 16 were railroads, including receivers. Of these institutions, 119 were located in Northeastern States, 343 in North Central States, 249 in Southern States, and 153 in the Mountain and Pacific States.

Bank suspension had reached enormous proportions at the time the corporation was established. The failures for the four months from October, 1931, to January, 1932, inclusive, were, respectively, 522, 175, 358, and 342. In February, after the corporation had opened for business, the number was reduced to 124. It was reduced in the following months to 46 in March, 71 in April, and 77 in May.

Agriculture has benefited immeasurably from the corporation's activities. Every bank or other financial institution that has been protected from suspension is a credit resource saved. The purchasing power represented by the deposits of banks that would have failed without the corporation's help has supported the markets for agricultural goods as well as for the products, services, and so forth, of urban industries.

Up to June 4, 1932, the corporation had loaned approximately $500,000,000 to 4,000 banks, agricultural credit corporations, and life insurance companies, and about $170,000,000 to railroads. Of nearly 3,000 borrowing banks, more than 70 per cent were located in towns of 5,000 population or less, and 84 per cent in towns of 25,000 population or less. Only 4.5 per cent of the money was loaned to banks in cities of more than 1,000,000 population. More than 10,000,000 bank depositors benefited. A large majority of the loans were made to small banks serving agricultural sections. One hundred and twenty-five closed banks were reopened or their depositors paid.

Bank failures which amounted to nearly 100 a week when the Reconstruction Finance Corporation began, February 2, are now down to normal casualties. Two hundred and fifty building and loan associations have borrowed from the corporation to make routine payments to their depositors and participants and to avoid foreclosures of mortgages.

In agriculture the corporation has underwritten or subscribed for issues placing $68,000,000 of the Federal intermediate credit bank debentures, the whole of which sums were loaned directly to farmers for production and marketing purposes.

Loans are made to a number of agricultural, market, and livestock corporations which have continued loans upon livestock and loans to farmers.

Seventy-five million dollars were set aside to be loaned directly to farmers by the Department of Agriculture for seed purposes. Four hundred and fifty thousand farmers obtained loans and 1,000,000 individual farmers were directly or indirectly helped.

The corporation agreed to make loans to Federal land banks amounting to $30,000,000 to ease the farm-credit situation. Authorized loans to railroads aggregating $170,000,000 have increased employment by continuing necessary construction work, preventing receiverships, and safeguarding the great investments of trustee institutions, such as insurance companies and savings banks. More than $30,000,000 of the money loaned has been repaid.

BENEFITS FROM THE GLASS-STEAGALL BILL

The Glass-Steagall bill, approved February 27, 1932, was passed largely as a result of one of the most devastating drains that the banking institutions of this country ever have sustained. At the end of August, 1931, the monetary gold stock of the United States was about $4,995,000,000. Two months later it had been reduced by approximately $700,000,000, and at the end of May, 1932, the reduction was approximately $845,000,000. In the same period, which was characterized by a tremendous number of bank failures, hoarding and the increased need for a circulating medium arising out of bank failures caused the money in circulation—that is, money outside of the Treasury and the Federal reserve banks—to increase approximately $500,000,000. The deposits of reporting member banks fell from about $31,000,000,000 to slightly more than $25,000,000,000. In country banks the proportionate decline of deposits was even greater.

With gold rapidly leaving our shores, bank deposits falling precipitously, and money in circulation increasing at a rapid pace, it was necessary for the Federal reserve system to step into the breach with aid to sorely stricken member banks. From August to October, 1931, the Federal reserve banks increased their average volume of credit by nearly $1,000,000,000, chiefly by purchasing bills and discounting for member banks. About two-thirds of this expansion was represented by the increase in Federal reserve notes, most of which had to be collateraled by gold. This used up so great a part of the reserve banks' gold resources that their power of future expansion was severely limited. The Glass-Steagall bill was passed to remedy this situation. Its most important provision was to permit the Federal reserve banks to use direct obligations of the United States Government as collateral for Federal reserve notes, thus releasing gold for other purposes. Other provisions gave the Federal reserve banks power to make advances to member banks on paper which was ineligible for discount.

Clothed with this power, the Federal reserve banks began purchasing United States securities in large amounts, so that from October, 1931, to May, 1932, their holdings of United States securities increased by nearly $700,000,000. To June 24 the increase was more than $1,000,000,000. The effect of these purchases was to place additional funds at the disposal of banking institutions throughout the country, by that means enabling these institutions to meet the tide of withdrawals, reduce their borrowing at the Federal reserve banks, and improve their reserve positions.

So far this policy, rendered possible by the Glass-Steagall bill, has not caused any substantial increase in the volume of credit made available to farmers and business men. It has relieved much of the pressure on the banks, however, and placed many of them in a position to increase the volume of their loans whenever business prospects warrant such action. Together the Reconstruction Finance Corporation and the Glass-Steagall bill probably prevented a wholesale collapse of the financial institutions of this country.

WHAT THE FARM BOARD IS DOING FOR AGRICULTURE

The inequality between business and agriculture, growing up over a long period of years and accentuated by readjustments at home and abroad following the war, brought about the passage of the agricultural marketing act and the creation of the Federal Farm Board. The avowed purpose was to restore to agriculture equality of economic opportunity.

The Farm Board had scarcely been organized when the market for farm products was totally undermined by an unprecedented economic crisis.

Neither the organization of farmers nor production readjustments could prevent a drastic decline in farm prices. But farmers organized in sound cooperative marketing associations occupy a much stronger position than do unorganized farmers. The board therefore used its resources to develop and keep intact farmer-owned and farmer-controlled marketing organizations. As a result, no major failure of a farmers' cooperative association has occurred during the past three years. Moreover, disorderly liquidation of farm commodities which would have accelerated bank failures and financial panic in rural areas has been prevented to a large degree. While most lending institutions were sharply reducing credit, the Farm Board increased its advances.

By the end of May, 1932, the board had made net loan commitments from the revolving fund of $1,016,006,161.55. Loans outstanding on that date totaled $469,225,738.58. On the average, banks and other private investors have supplied $2 of credit to cooperatives as primary loans for every dollar of credit that the Farm Board has supplied as secondary loans. The cost of administering Farm Board loans has averaged less than three-tenths of 1 per cent.

From June 15, 1929, to May 31, 1932, inclusive, approximately 3,700 cooperative-marketing associations, with more than one and one-quarter million farmer members, have benefited from Farm Board loans amounting to $351,749,392.74, which were made either directly to the association or to the central cooperative-marketing agency with which the association is affiliated. Of the money borrowed the cooperatives had repaid $185,576,904.25, leaving balances outstanding of $166,172,488.49. Direct loans were made by the Farm Board to 152 national, regional, and local cooperatives.

For stabilization purposes the Farm Board had made loans totaling $633,546,034.50, of which $330,492,784.41 had been repaid, leaving balances outstanding of $303,053,250.09. Of the balances outstanding the Cotton Stabilization Corporation had $98,477,531.33 and the Grain Stabilization Corporation had $204,575,718.76.

ASSISTANCE IN DEVELOPMENT OF COOPERATIVE ASSOCIATIONS

The board's assistance in the development of cooperative marketing has included (1) aid in the organization of cooperatives; (2) improvement in marketing methods and business practices; (3) coordination of marketing through assistance in the federation of local and regional units to form national cooperative agencies; (4) loans from the revolving fund.

About one-third of the farmers in this country are now active members of cooperative organizations. The board has record of about 12,000 cooperative associations, with a total volume of business of $2,400,000,000 in 1930–31. This season the business of cooperative organizations will maintain or increase the relationship to farm income which obtained during the previous year.

Cooperative marketing of all products increased on the average 41 per cent between 1927–28 and 1930–31. Cotton increased 137 per cent, dairy products 28 per cent, poultry products 195 per cent, fruits and vegetables 28 per cent, grain 43 per cent, livestock 20 per cent, wool and mohair 614 per cent. The cooperative marketing of tobacco declined 35 per cent.

The board assisted in establishing national or regional cooperative organizations to handle practically all of the major agricultural products, including cotton, grain, livestock, wool and mohair, dairy products, fruits, vegetables, nuts, poultry, and poultry products. Some of these organizations, such as the American Cotton Cooperative Association and the Farmers National Grain Corporation, provide a complete marketing service for their members, which reaches every important market in the United States and abroad. Through a subsidiary finance corporation the National Livestock Marketing Association now extends production credit to ranchmen and farmers.

BENEFITS OF STABILIZATION OPERATIONS

The agricultural marketing act authorized the use of stabilization corporations to purchase, store, and handle agricultural commodities for the purpose of controlling surpluses. World supplies of wheat and cotton were already burdensome when the board was created; prices of these products were among the first to give way. Early in the course of the depression Congress, cooperatives, and other groups called upon the board to use its powers to protect farmers from disorganized markets for their products. The board acted, first by assisting cooperatives to make loans to producers to help them to avoid dumping commodities on already weakened markets; and later by recognizing the cotton and wheat stabilization corporations and lending them funds to purchase and hold stocks of the commodities off the markets. This procedure moderated the decline in prices and shielded farmers from the worst effects of price demoralization.

The stabilization activities protected the farmers, both directly and indirectly, by moderating the price decline and deferring the full shock of the depression from one to two years. Farmers' incomes were increased $150,000,000 from wheat, probably better than $200,000,000 from cotton, and about $35,000,000 from wool and mohair, above what they would otherwise have received—indirect benefits amounting probably through cooperative marketing associations, local banks, and other financial institutions.

LEGISLATION ENACTED BY CONGRESS SINCE DECEMBER, 1930, OF INTEREST TO AGRICULTURE

An emergency construction act (Public, No. 550, approved December 20, 1930) appropriated $80,000,000 as advances to States for the construction of Federal-aid highways and various sums for the construction of fire-protection roads, highways within the national forests and within Indian reservations, and roads and trails in the national forests. The act also appropriated funds for control work on the Mississippi River and its tributaries.

Under an act (Public, No. 551, approved December 22, 1932), Congress appropriated an additional $150,000,000 to carry out the provisions of the agricultural marketing act of June 15, 1929. This money became part of the Federal Farm Board's revolving fund. Another appropriation of $100,000,000 for carrying into effect the provisions of the agricultural marketing act was made under the independent offices appropriation act for the fiscal year 1932 (Public, No. 720, approved February 23, 1931).

Advance planning and regulated construction of public works in such a manner as to assist in the stabilization of industry and employment, was provided for in an act—Public, No. 616, approved February 10, 1931. This measure established the Federal Employment Stabilization Board consisting of the Secretaries of the Treasury, Commerce, Agriculture, and Labor. It authorized the President to transmit to Congress, whenever circumstances warrant, supplemental estimates for emergency appropriations to be expended in authorized construction.

Legislation previously passed for the relief of drought-stricken areas was amended by an act—Public, No. 112, approved December 20, 1930—providing that the funds appropriated might be used for the purchase of feed for "other livestock" as well as for workstock. This same measure appropriated $20,000,000 for advances by the Secretary of Agriculture for two purposes: First, for loans to individuals to assist in forming local agricultural credit corporations, livestock loan companies, and similar financial institutions, and for the purpose also of increasing the capital stock of existing corporations of that character, and second, to make advances to farmers for crop production and for agricultural rehabilitation.

The agricultural appropriation act for the fiscal year ending June 30, 1932 (Public, No. 117, approved February 23, 1931) carried a total of $215,578,862. This amount included $137,500,000 for Federal aid and forest road construction.

Benefits of the Federal highway act were extended to Hawaii under an act (Public, No. 722, approved February 23, 1931) amending the Federal highway act.

An act (Public, No. 776, approved March 2, 1931) authorized the Secretary of Agriculture, in cooperation with States, individuals, and public and private agencies, to conduct a 10-year cooperative program for the control of predatory and other wild animals. For this purpose it authorized an appropriation of $100,000,000 for the fiscal year 1932 and a similar amount annually for each of the fiscal years from 1933 to 1941, inclusive.

Benefits of the Smith-Hughes Vocational Education Act of 1917 were extended (by Public, No. 71, approved March 3, 1931) to Puerto Rico for the fiscal year 1932 and annually thereafter. Another act (Public 846, approved March 4, 1931) extended the benefits of the experiment stations act and the extension acts to Puerto Rico. These measures are the Hatch, the Adams, and the Purnell Acts.

Congress provided (Public, No. 798, approved March 3, 1931) that on contracts for the construction or repair of Federal public buildings the rate of wages for all laborers and mechanics employed by the contractor or by any subcontractor shall not be less than the prevailing rate of wages for work of a similar nature in the city, town, or village in which the construction is located.

For the relief of farmers in drought, storm, and hail stricken areas Congress authorized an appropriation (Public,

No. 112, approved December 20, 1930) of $45,000,000. This money was made available for the purchase of seed, fertilizer, feed for work stock, fuel and oil for tractors, and for other purposes incident to crop production.

The Reconstruction Finance Corporation act (Public, No. 2, approved January 22, 1932) set aside $50,000,000, plus 10 per cent of whatever additional debentures might be issued by the corporation, for loans to farmers for the purchase of seed, feed, fertilizers, and so forth. This provision, should the maximum authorized amount of debentures be issued, would make $200,000,000 available for such loans to farmers. The Secretary of Agriculture was authorized to administer the fund. He issued regulations enabling individuals to obtain loans from it up to $400. Other help to agriculture through the Reconstruction Finance Corporation act was made possible by its general financial provisions.

The corporation was authorized to make advances on approved security to commercial banks, agricultural credit corporations, livestock loan companies, Federal intermediate credit banks, joint-stock land banks, Federal land banks, mortgage loan companies, and life insurance companies. Since all these institutions serve agriculture in varying degrees, the support they get from the corporation tends to rehabilitate agricultural credit facilities.

Congress authorized an additional appropriation of $10,000,000 for loans to individuals for the purchase of stock in agricultural credit corporations, livestock loan companies, and so forth. This authorization (Public, No. 11, approved March 3, 1932) was designed to continue the plan tried out under the provisions of the act (Public, No. 112, approved February 14, 1931) which covered emergency loans to agriculture, and, as noted above, included a special arrangement for loans to individuals for the purchase of stock in financial institutions. At this writing, however, Congress has not yet appropriated the $10,000,000 authorized in Public Resolution No. 11.

Additional capital for the Federal land banks was provided by legislation (Public, No. 30, approved January 3, 1932) amending the Federal farm loan act. By this measure the Secretary of the Treasury was authorized to subscribe for capital stock in the Federal land banks. For this purpose the measure authorized an appropriation of $125,000,000. It also provided for extensions of overdue mortgages held by the Federal land banks.

The distribution of Government-owned wheat to the American Red Cross and other organizations for the relief of distress was authorized (Public, No. 12, approved March 7, 1932). This measure directed the Federal Farm Board to deliver wheat to the National Red Cross and to any other organization designated by the Red Cross for use in providing food for the needy and depressed people and for providing feed for livestock in areas that suffered crop failure in 1931.

Agriculture benefited through legislation (Public, No. 44, approved February 27, 1932), improving the facilities of the Federal reserve system for the service of commerce, industry, and agriculture. This act authorized the Federal reserve banks to make advances to groups of five or more member banks on their time or demand promissory notes in cases in which the borrowing institutions lacked the rediscountable paper which would otherwise have been necessary. Other clauses in the bill widened the rediscount privileges of member banks in the Federal reserve system. Specifically the reserve banks were authorized to accept the direct obligations of the United States Government as collateral security for advances to their member institutions.

Provisions for strengthening the Federal intermediate credit banks were adopted (Public, No. 138, approved May 19, 1932). The act authorized Federal reserve banks to discount notes payable to and bearing the indorsement of any Federal intermediate credit banks covering loans made by that bank. Another clause in the act contained provisions for action in case the paid-in capital of any Federal intermediate credit bank should be impaired. It authorized the Federal Farm Loan Board to determine and assess the amount of the impairment against the other Federal intermediate credit bank on an equitable apportionment.

A RETROSPECTIVE SURVEY

Mr. HALL. Mr. Speaker, I desire briefly to discuss some of the outstanding measures enacted during the first session of the Seventy-second Congress, particularly emergency relief legislation.

First, I want to say a few words about the adverse criticism and abuse which has been and still is being heaped upon Congress. For a month or longer congressional critics have been urging in the press that Congress adjourn so as to permit the economic recovery of the Nation, implying, if you please, that Congress has done nothing to relieve the economic situation, and that Congress is blocking the return of better times. To that I merely wish to say that none of these invective utterances were heard prior to the enactment of the Reconstruction Finance Corporation act and the Glass-Steagall credit expansion bill, designed primarily to aid the banks, railroads, and other institutions identified with big business. While I am glad to have had the privilege of supporting those measures, I can not aquiesce in adjournment until legislation to help the rank and file is approved, especially since one of the first measures approved postponed payment to the United States of $252,000,000 of European war debts.

Because I believed it was a step toward scaling down or eventually canceling $11,000,000,000 of European war debts due this country, thereby saddling the burden upon American taxpayers, I could not conscientiously support the President's moratorium. Reopening upon his recommendation the war-debt question was thwarted only by incorporating in the moratorium resolution a blunt amendment declaring against further reduction of these debts. Notwithstanding, these debtor nations are now clamoring for revision of their obligations, funded on an average of about 50 cents on the dollar and to be paid over a period of 62 years. I am glad that a majority of Congress is opposed to such a proposition, and besides I want to say that I shall never vote to reduce these just obligations one red cent.

May I say to those charging that the current session has done nothing to relieve the economic situation that emergency relief has not only been the keynote of the session, but the keystone of the Democratic legislative program. Except annual appropriation measures and private bills, practically every measure was designed to dissipate the prevailing economic panic. Motivated by that one purpose, we have worked like Trojans, with partisan politics largely subdued. However, I contend that the President has not played entirely fair. Though we Democrats have collaborated with our Republican colleagues in enacting his legislative program virtually in toto, he has persistently denied us credit for a single legislative act. He even vetoed the 1932 tariff bill, drafted by the Democrats, because it stripped him of the arbitrary power to regulate tariff rates.

Notwithstanding the enactment of numerous relief measures, there has been scant, if any, improvement in the economic situation. Not a solitary bill heretofore signed by the President affords genuine relief to the farmers or unemployed industrial workers. If, indeed, such a measure is enacted, it will be the Garner-Wagner unemployment relief bill, threatened by a veto because it provides jobs for the idle.

A man commencing a chimney at the top would at least be dubbed foolish. In my judgment, the main trouble with the administration's emergency relief program is that it starts at the top instead of the bottom. I contend, and many of my colleagues concur, that the economic recovery of the Nation must begin with our basic industry, agriculture, and work upward. As it was in the case of the Federal Farm Board, however, the President insisted upon having his own way; consequently he alone is responsible for the outcome.

So much already has been said about the deplorable plight of the farmer that I would like to pass it up altogether; but a plain statement of fact is relevant to the question of farm relief.

The status of agriculture is self-explanatory. During the last decade the value of farm lands shrank from $66,000,-

000,000 to $44,000,000,000, and the farm income dropped from $16,000,000,000 to $7,000,000,000. The average price of farm products is hardly 50 per cent of the pre-war figure—utterly insufficient to pay the cost of production. On the other hand, there has been very little decline in the price of articles the farmer has to buy. And farm taxes are exorbitant.

Between 1910 and 1928 it is estimated that the farm-mortgage indebtedness soared from about $3,000,000,000 to more than $9,000,000,000. With the great disparity between monetary and agricultural commodity values, it goes without saying that the farmers can not pay off their mortgage indebtedness. As a consequence, thousands of farm mortgages annually are being foreclosed. During the last five years nearly 700,000 farms are estimated to have been lost through foreclosure. That is alarming. It is high time our financial and industrial leaders were realizing that their own salvation depends largely upon their refraining from deflating and impoverishing the Nation's basic industry. The Goldsborough bill, passed by the House, was designed to restore normal commodity price levels and stabilize the purchasing power of the dollar. However, Senate approval is doubtful, and, besides, the President is represented as being ready to veto it when and if it reaches the White House.

Despite the claim of the administration to the contrary, agriculture under the present tariff law is not on a parity with industry and labor. The tariff on agricultural commodities is ineffective; consequently the farmer sells in an unprotected market and buys in a protected market. In other words, the Government is protecting one half of the people at the expense of the other half. But the Government went too far when it set up the Hawley-Smoot embargo, which not only shut out practically all imports but goaded other countries into adopting retaliatory duties that have shut out practically all American exports; and consequently world commerce is paralyzed.

During the present session we Democrats drafted and Congress passed a tariff bill paving the way for rectification of the present tariff muddle, but the President elected to veto it.

Furthermore, the House passed the Hare bill granting independence to the Philippine Islands, which would have stopped the entrance into this country, duty free, of huge quantities of Philippine products, such as coconut oil, hemp, tobacco, and sugar, in direct competition with domestic agricultural commodities. Besides, we long ago promised the Filipinos their independence, and we ought to live up to our agreement. This measure doubtless escaped a veto because it was shelved by the Senate.

That the Government made a serious mistake when it undertook to stabilize the price of farm products is obvious. True, it has pegged prices, but at the lowest figure in the history of American agriculture. And the farmer finds himself in this dilemma: While the Department of Agriculture is urging him to make two stalks of cotton grow where but one grew before, the Farm Board is urging him to plow under every third row.

What is the proper solution to the farm problem?

In my judgment, it consists largely in according to agriculture the same degree of protection as that accorded to industry and labor; in fact, placing agriculture on an equality with industry and labor. The farmer will, if given an even break, take care of himself. He never has asked for a "hand-out," nor is he seeking one now.

I believe the farm-relief measures passed at the present session would, if wisely administered, tend to alleviate the hardships of the farmers. The Reconstruction Finance Corporation act allocated $200,000,000 to the Secretary of Agriculture for loans to individual farmers unable to borrow elsewhere, thus enabling them to produce a crop this year. Because of arbitrary rules and regulations promulgated by the Secretary, who is not in sympathy with this provision of the act, it became necessary for the House to adopt a resolution directing him to negotiate these loans in accordance with the intent of Congress. Why we do not have a genuine "dirt" farmer at the head of the Department of Agriculture is a mystery to me.

Mr. Speaker, I heartily indorse the act directing the Secretary of Agriculture to aid in the organization of agricultural credit corporations. This eventually will enable the farmers to finance their operations as well as control the marketing of their crops. The Secretary is empowered to loan from a $10,000,000 revolving fund up to 75 per cent of the par value of the capital stock of a corporation; that is, a farmer desiring to join a credit corporation could borrow $750 on ten $100 shares of stock. The Secretary subsequently will announce the regulations governing these loans.

By another act, the Secretary of the Treasury was authorized to subscribe to $125,000,000 of farm-loan bonds as a means of strengthening the Federal land bank system, and also to enable the banks to grant extensions to farmers unable to meet their farm-mortgage payments. But, in my opinion, all of those relief measures will go for naught unless normal commodity price levels are restored. This should be made the unfinished business of the next session.

The Reconstruction Finance Corporation also is benefiting the banks and railroads in my district, as well as throughout the country. This is evidenced by the decline in bank closures since the law became effective. Had not those bank failures been checked, confidence in our financial system soon would have been utterly destroyed. It is significant that a great number of the banks saved by the Reconstruction Finance Corporation are rural banks, serving agricultural districts.

Moreover, the Glass-Steagall credit expansion bill has by liberalizing their discount facilities enabled the Federal reserve banks the better to take care of the needs of member banks. Administered according to the intent of Congress, this act also would permit through expansion of the volume of currency in circulation the restoration of normal commodity price levels.

Mr. Speaker, the most disagreeable job of the session was the enactment of the billion dollar tax bill. The administration had piled up a huge Treasury deficit, and it behooved the Democrats to help pull Uncle Sam out of the hole. The deficit for 1931 aggregated $900,000,000, while that for 1932 totaled $2,885,000,000, both of which were met by bond issues. It is hoped that additional revenue to be raised under the emergency tax bill will offset the estimated deficit for the current fiscal year. Had not Secretary Mellon in 1924 insisted upon drastically reducing the income taxes of his wealthy friends, the chances are that the Budget would now be balanced.

However, we Members of the House nipped in the bud an attempt to force approval of a general manufacturers' sales tax which would have placed the big end of the burden upon the common people. Although the imposition of many excise taxes was necessary in order to balance the Budget, the rates on gift and income taxes, and surtaxes, were raised to the extent that the wealthy will contribute their pro rata share of the Federal revenue.

Faced with the aforementioned deficit, Congress recognized at the outset the necessity of reducing the overhead expenditures of the Federal Government. Instead of economizing on governmental expenditures at the outset, the administration for two years had been sitting idly by, waiting for prosperity to round a certain corner. Due largely to Democratic leadership in both House and Senate, upwards of $600,000,000 was pared from appropriation bills, and besides it is estimated that additional savings approximating $150,000,000 will be made under the provisions of a special economy bill, originated by Democratic leaders—approximately half a billion dollars, all told, under the Budget estimate submitted by the President in his annual message to Congress. The economy bill authorizes a substantial reduction in salaries of Members of Congress, their secretaries and clerks. Saving upwards of $750,000,000 in one year is, in my estimation, a good start toward great economy in government.

Recurring to the question of relief for the masses, Congress authorized distribution by the Red Cross, out of Government-owned stocks, of 85,000,000 bushels of wheat and 500,000 bales of cotton for feeding and clothing the needy. Besides relieving the distressed, this will help get the Gov-

ernment out of business as well as remove from the market large quantities of wheat and cotton that are now adversely affecting the prices of these commodities.

The Garner-Wagner emergency relief bill, originated by Democrats, passed by both Houses and approved in conference, authorizes $100,000,000 as a "mercy fund" to be administered by the President in relieving distress in all parts of the country; $200,000,000 to be loaned to the States on a population basis for relief purposes; $300,000,000 for financing a public-works program; and $1,500,000,000 to be loaned by the Reconstruction Finance Corporation for the prosecution of self-liquidating construction projects that will provide work for the unemployed. By and large, it should tend to stimulate business throughout the Nation. When President Hoover dubbed this measure "pork barrel" legislation, Speaker GARNER retorted:

To serve the special interests is statesmanship; to serve the people is pork.

Mr. Speaker, I supported the Almon emergency highway construction bill to relieve unemployment, and which would have allocated to the various States $120,000,000 for road building during the current fiscal year. Matched by the States on a 50-50 basis, this measure would have relieved unemployment to the extent of $240,000,000. It would have made available to my own State approximately $5,000,000. That would have helped out in a big way, for, according to the Bureau of Public Roads, 85 per cent of every dollar spent in highway construction goes for labor.

I also voted for the Patman bill authorizing immediate payment of the World War veterans' adjusted-service certificates, approximately $2,400,000,000. As paying this debt now would not place any additional tax burden upon the people, it seems to me that we might as well pay it now and have it over with. Briefly, this bill authorizes use of the adjusted-service certificates as the base for the issuance of Federal reserve notes for paying the former service men. In my judgment, distribution of $2,400,000,000 throughout every State in the Union would not only relieve the veterans and their families but sufficiently expand the volume of currency in circulation to start a general business revival. Opponents of this measure argue that it is not due until 1945. On the other hand, it must be borne in mind that Congress waited seven years before granting these certificates to the veterans. What is more, every civilian employee of the Government drawing less than $2,500 a year during the period of the war was granted a bonus of $20 a month. Our soldiers were paid $1 and $1.25 a day. Commercial workers received from $5 to $15 a day. Meantime, the Treasury must set aside each year until 1945 $112,000,000 for paying the certificates when due. Hence it could not cost any more in the long run to pay them now.

I am happy to congratulate the delegates to the Democratic National Convention on their selection of Governor Roosevelt, of New York, and Speaker GARNER, respectively, as candidates for President and Vice President. By remaining in Washington during the convention, Mr. GARNER demonstrated that he is more interested in the Nation's welfare than his own political advancement. With this pair of aces running on a straight-from-the-shoulder platform, the Democratic Party will sweep the country next November.

RESTORE THE FARMERS' BUYING POWER

Mr. SELVIG. Mr. Speaker, at no time as now since I have been a Member of Congress has there been such concern expressed by people in all walks of life regarding what the future holds in store for our beloved country. There is little to be gained merely by reviewing in great detail what transpired in the past to bring about the conditions which now prevail. I shall not attempt that.

Some would place the blame for the present world depression upon Congress. Others blame the international bankers who peddled foreign bonds, many of them now valueless, which drained our country of billions of dollars. Others blame the world-wide system of embargo tariffs, stifling trade among the nations of the world. Others have emphasized monetary problems. All of these have contributed beyond doubt, but we must agree that underneath there lies a more fundamental cause of the discord and distress which prevails in the world.

All recall we had a World War some 15 years ago, and that between 1914 and 1919 billions upon billions worth of property, representing accumulated savings and wealth of millions of people, were shot away and wantonly destroyed. It was like a great conflagration that consumed everything. The losses entailed millions of lives, billions of wealth, structures, and ships without end.

As a Nation we were set back by that war the stupendous sum of $26,000,000,000, including loans, very few of which have come back to us. We are still fondly expecting and hoping to get some of these billions back, but conditions do not appear to be very promising.

Let me say here in passing that the only path that will lead to salvaging our foreign loans must come through disarmament. The President's epochal appeal for reducing armaments points the way. A reduction of one-third, at least, below the present world expenditures for military and naval budgets of four billions a year is one of the most important of all world problems to-day.

Then after the war we entered into temporary occupation of "rainbow" land. The American people began to buy expensively printed slips of paper with the idea of becoming suddenly rich. Stock speculation and the purchase of foreign securities literally siphoned off American wealth from its producers and from savings into other channels. These words tell the story: World War, inflation, speculation, gambling in securities.

Everything was offered for sale on time and the American people bought with an ardor that defies description. Everything was sold on the installment plan. Huge credits were extended based on conditions as they then existed. There is no need to go on with this story. Recent events are too well known to need repetition here.

Much as present conditions are to be deplored, we must not fall into the error of thinking that the United States has been displaced from its preeminent position in the world's economic affairs. With but 6 per cent of the world's population living in the United States, we consume 15 per cent of the wheat consumed in the entire world. We consume 23 per cent of all the sugar consumed in the world. We drink 51 per cent of the coffee drunk in the world, use 20 per cent of the cotton, 72 per cent of the silk, 17 per cent of the wool, 66 per cent of the rubber, 43 per cent of the pig iron, 36 per cent of the lead, 35 per cent of the zinc, 46 per cent of the tin, 39 per cent of the coal, 61 per cent of the petroleum, 35 per cent of the water power, 40 per cent of the electrical energy.

We, the 6 per cent of the world's population, own three-fourths of the autos in the world. We use 60 per cent of all the telephones. We send 25 per cent of the telegrams. We mail 35 per cent of the pieces of mail delivered all over the world. We handle 38 per cent of the freight tonnage.

There was never a time when our people more urgently needed to remember our preeminent position in the world's economic structure. The figures I have just given you bear eloquent testimony to our fundamental economic status. We shall recover. I have faith in our country's future.

But something has gone wrong in our economic life. I have previously stated that the war and the postwar frenzy of mad speculation must bear a part of the onus of blame for what has happened. Nationalistic points of view prevailed in international affairs. An orgy of selfish exploitation and profit seeking was permitted in domestic affairs. To-day we are reaping the harvest of this insane policy.

I come from an agricultural State. For three terms I have been intrusted with the responsibilities of Congressman from a strictly agricultural district in that State. We felt the cruel blow which struck agriculture through the deflation policy inaugurated by the Federal reserve bank in 1920, and have suffered through the events and circumstances which followed since that date.

The devastating conditions which now prevail everywhere in this country, in industry, in transportation, in mining, in

finance everywhere were inevitable when the purchasing power of our farmers was curtailed. Time does not permit full amplification of this fact. The interdependence of the city people and of the farmers has been stressed so often that it would seem unnecessary to say more about it here.

It is necessary to maintain equality of income between agriculture and industry. George Washington recognized that in one of his first messages to Congress. Abraham Lincoln cited it repeatedly. It has become a commonplace in speech. This equality of income is necessary for the prosperity of both.

There can be no permanent prosperity as long as money does not flow both ways, but concentrates on one side. The effect is like the blood stream flowing out of the heart, and only part of it returning. This soon causes trouble.

The recent conditions in the United States are largely due to the concentration of wealth in industry and the impoverishment of agriculture that have been going on since 1920.

The Members of Congress from agricultural States—and let it be said, some with vision and foresight from industrial districts—have stated and reiterated the plain philosophy of the interdependence of industry and agriculture. We appeal again for equality of income as between those two great groups. It must be done. There can be no permanent prosperity until it is accomplished.

When the prices of farm products are high and the wages of labor are high the country is prosperous. When the contrary conditions exist we have poverty and distress. That has always been true, and probably always will be true. It follows that the big problem before the Nation, and before Congress, so far as it can aid, is to reestablish higher price levels for the products of the farm, the mine, and the factory. In comparison with this all our other problems fade into insignificance. We must get back to higher price levels.

It is pertinent right here to examine data in regard to costs of production of farm products in order to understand what needs to be done. The United States Department of Agriculture has furnished me with information covering these costs.

The estimated average cost of producing wheat during the 5-year period 1925–1929 was $1.24 per bushel. The cost figure includes interest on investment or a rental charge on a cash-rent basis and going wages for the farmer and working members of his family. If the cost just equals the price paid to the farmer, he is being reimbursed for his cash expenses and for return on his investment and wages for his work. The cost at present may be somewhat lower than in the above 5-year period. For instance, for 1930 the estimated cost of raising wheat is $1.09 per bushel. But the reduction is mainly in allowance for labor and seed. The cash-outlay items are almost as high as they were during the above 5-year fiscal period.

For corn during the 1925–1929 period the cost estimate is 71 cents per bushel. Oats cost 52 cents a bushel to produce during the 5-year period. Barley during the 5-year period cost 80 cents a bushel to produce. Flaxseed had a production cost per bushel of $2.16. It cost the cotton grower $81 to produce a bale of 500 pounds during 1925–1929, or an average of 16.2 cents a pound.

Cottonseed was produced at a cost of $26 per ton during the 5-year period mentioned. Potatoes had a cost production of 61 cents per bushel during the 5-year period 1925–1929.

Beef cattle were produced at an average cost of $8 per hundred pounds during the 5-year period, paying wages and fixed charges. The cost of producing hogs during 1925–1929 was $5.60 and of sheep was $7 per hundred pounds.

Eggs during 1925–1927 showed a production cost of 27 cents per dozen. The cost of producing butterfat varied greatly in different localities, but these are typical: In Polk County, Minn., the cost for 1926, 1927, and 1928 averaged 44 cents and in Pine County, Minn., for 1925, 1926, and 1927 the average cost was 41 cents per pound.

The problem of "farm relief" is to bring the price level above the cost of production. Nothing else will help materially. Whenever the farmers are able to pay their way there is employment for labor, plenty of business for the merchant, plenty of traffic for the railroads, and a general forward movement in every line of endeavor. Let every citizen who has the welfare of the Nation at heart keep that in mind.

It is generally agreed that some powerful force reacting with cruel certainty on the price of nearly all commodities on a world-wide basis brought them down to the present levels. I have not the time to go into causes in detail, but we know the tragic conditions which this price deflation brought to the producers of raw materials everywhere. Our problem is to remedy this condition.

The foremost remedy which has the sanction of serious-minded students and leaders everywhere is a moderate and controlled inflation of the currency. Gold has become too high priced the world over as measured in all other commodities. There should be an attempt also to secure the recognition of silver as a basis of money, especially in India, China, and other parts of the world, with their teeming millions of people, where silver has always until recent years been the basis of currency. This would decrease the demand for gold and make it cheaper, as measured in other commodities, and cause farm products to increase in price.

To secure a higher price level for basic commodities, including farm products, is of paramount importance. It is absolutely necessary in order that people may pay debts based on the same value as they were contracted.

A great deal has been said during recent months about an "honest dollar." We ordinarily think of the dollar as being an accurate measure of value, as the yard is an accurate measure of length and the pound an accurate measure of weight. This has been seriously questioned by the proponents of the "honest dollar." It is because the dollar is such an uncertain measure of value that the whole economic machine gets into trouble now and then.

The value of every product depends on supply and demand. That is just as true of money as it is of wheat and hogs. When the price of hogs goes down while other prices are stationary, the reason is that there are too many hogs in proportion to the demand for pork. But when the average level of all prices drops one-third, that is not due to the supply and demand of goods. The cause in such a case is a change in the supply of money and credit. The price of money can not change, for it is fixed by a law at 22.23 grains of gold to the dollar. So when the supply of money and credit changes the effect can only be shown by a change in the price of goods. Commodity prices not only must change to compensate for changes in their own supply and demand but also to compensate for the changes in the supply of money and credits and the demand for them.

Leading economists differ widely in discussing this problem. I have given it serious study and am convinced that Dr. G. F. Warren, of Cornell University, has reached the nub of the problem when he states that the supply of gold has not equaled the demands of trade, that gold is too "dear."

By whatever means it can be accomplished, a moderate and controlled inflation of the credit and the currency is needed.

We have a method of measuring changes in the purchasing power of the dollar by what is known as the wholesale commodity price level. This is determined each month by the United States Bureau of Labor Statistics by taking the average of the wholesale prices of some 500 commodities, each figured according to its own importance. This wholesale commodity price level is expressed by a percentage figure called an index number.

"Restore the wholesale commodity price level to a point somewhere near that at the beginning of the present inflation; then keep it there by fitting the volume of money and credits to the volume of business, instead of having to close down factories and farms and throw men out of work every now and then in order to fit the volume of business to an arbitrary volume of money," say the proponents of the "honest" dollar.

In addition, agriculture must be financed during the next few years on a more favorable basis than ever before in order to regain its losses. How to do this has engaged the atten-

tion of Congress, but nothing far-reaching enough has yet been done. Debts contracted when farm products were twice as high can not be repaid at the present level of prices. The years and years when the farmer was compelled to sell his produce below the cost of production has impaired his capital. These losses must be regained in order that our farmers may become firmly established by ownership in full of the land by its occupants.

Taxation must be reduced by rigid economy in all parts of our governmental structure, from the township up to the Central Government in Washington. During the flush years of prosperity, and they really did exist here in the East, our different governmental units—local, State and Federal—took on a good deal of weight in the way of new activities, new extensions of old activities, and larger pay rolls. We are now in the position of a fat person trying to reduce, and it is not easy. But it must be done.

When Washington became President there were three distinct tax systems in the United Colonies. In New England, where everyone worked and saved and owned property, there was a direct levy on real estate and personal property. In the South tax money was raised by levies on imports and exports. In the New York and Philadelphia area they had the Dutch system of excise taxes on goods bought and sold. When it came to divide the taxing powers between the States and the Government, the New England system was adopted for State and local taxation and the other two sources left largely for Government taxation. There has been very little change in this arrangement since. Thus we have inherited a local tax system that bears very heavily on land.

Taxation on farm land must be reduced by an equalization process whereby the capacity to pay, rather than the visible property, shall be the basis in sharing the costs of government, either National, State, or local.

Before I close I wish to point out another factor in our present economic life which must be considered. I shall refer to it as mass production by machinery. Displacement of men by machines began on an appreciable scale in 1923. Reliable figures estimate the number of unemployed in 1923 to be 1,300,000, 1,775,000 in 1925, 2,000,000 in 1927, 3,000,000 to 5,000,000 in 1929. Presumably the 3,000,000 measures the unemployment in the early part of 1929, before the plunge into cyclical difficulties.

We developed the machine to the point where in 7 months we can just produce everything we can consume in 12 months. Mass production came and with it the replacement of man power by machine power.

The machine age brings the new problem of fitting people into employment. Here is a problem we must frankly meet and solve. It stands as a challenge to America and modern civilization. It must be recognized as an imperative duty of the Government to see that all citizens are given a place in our economic system whereby they may, by reasonable contribution in work, secure a decent and comfortable living and security for old age.

The benefits of invention and of machinery must not be used for the enrichment of the few and the enslavement of the many, but these benefits must be made to reach all people, from the greatest to the humblest in the land, and equally distributed.

I realize it is relatively easy to state what American industry should do. It is more difficult to indicate how the necessary steps might be accomplished. A serious study is being made, and there are favorable indications that the leaders in government and industry will solve the problem.

America can do what it must to protect itself and its people against the weaknesses of its own man-made economic system. An economic system 150 years old has come to an end. It is for this reason chiefly that this depression is so heartlessly cruel and serious beyond its immediate effects.

I believe a wise solution will be found. In this our farmers will gain in common with all the other elements of our population. Merely to produce goods and food with no one able to buy simply spells continued disaster.

Production can and will develop in the future as in the past. From now on, however, production must depend on the growth of consumer demands, and these are stimulated by new inventions, financed by new methods, and, finally and most vital of all, increased by a more effective and equalized distribution of purchasing power. National economic planning, in which an able government cooperates with understanding business managers, looms before us. America can and must save itself. Are we equal to this stupendous task?

To my mind, the first approach must come by Congress in recognizing the necessity of restoring the purchasing power of agriculture. I repeat what has been said so often before: Until farm prices rise prosperity can not and will not return.

THE SOLDIERS' BONUS

Mr. YATES. Mr. Speaker, this House of Representatives, on the 24th day of June, granted my request, when I asked unanimous consent to extend my own remarks in the RECORD, the daily CONGRESSIONAL RECORD. Accordingly, in consequence of that gracious consent, I hereby insert in the RECORD a very short statement, a very few lines.

I have received five letters from friend and foe, reproaching me, for voting wrong on the soldiers' bonus bill, meaning the so-called Patman bill, to pay to all veterans of the World War immediately the balance of their bonus certificates; in other words, to pay in cash their unpaid adjusted compensation, and to do it immediately.

At the last general election, November, 1928, I was running for Congressman at large on the Republican ticket, receiving 1,000,000 votes; to be exact, 1,673,000, and was elected, my majority or plurality being, to be exact, 502,442.

Out of that 1,000,000 and more voters who voted for me in November, 1928, five are now heard from, complaining; the remaining number, 1,672,995, being silent.

Again, in the general State-wide voting for the nomination, Republican nomination, for Congressman at large, which occurred last April—April 12, 1932—three months ago, the vote for me was 436,000, while the vote for my chief contender for the nomination was 160,000, there being 16 other contenders for the nomination.

From and out of these 436,000, plus 160,000, plus many others in far-flung divisions of the field—out of all these votes only five have criticized me by letter.

I am well content with such a situation.

Whatever reasons other Members have or had, and whatever other reasons I may have had at the time, myself, there was in this case one thing, one intensely dramatic magnetic thing, that, in particular, was a compelling thing, that made it impossible for me to vote against Representative PATMAN's bill (H. R. 7726), or for that matter, against any law or statute, promulgated to be a good veterans' bill.

That powerful reason was a positive, unlimited pledge, or rather oath, delivered by myself with full approval of the dictates of my own conscience and delivered verbally, at least a hundred times, in 1917 and 1918.

I can never forget, and I never will,
The promise that I made to Bill.

These are the words, the closing words of a war-time poem which I heard recited one afternoon in this hall, in 1920, by a Member of the House from Michigan, namely, Hon. Joseph W. Fordney, of Saginaw, Mich. I felt then I could never forget.

Just so, I can never forget or evade or apologize for my pledge which I gave, from June, 1917, to November, 1918, on many occasions. Well do I recall a certain one.

The place was the county seat of one of our beautiful little Illinois counties, a prosperous, powerful, progressive, and patriotic smaller county of Illinois. The words and deeds of that occasion are burned in my memory. The feeling and animus and mental attitude of the public was tense.

When I mounted the platform to speak for the Liberty loan, the Red Cross, and the other sublime causes of the day, I saw, on that platform, the city officers, the county officials, the post-office force and other Federal employees, the clergy of the community, the principals and teachers of the schools, the veterans of the Spanish War, the veterans of the Civil War, and one veteran of the Confederacy, while the whole courthouse yard was filled by the people. Oh, yes, the people, and what a people!

The children were there, singing; there was a vocal quartette, there was a quartette of trumpeters, there was a drum corps, and a chorus, and a brass band.

And the young sweethearts were there; and the young mothers and all the babies; and boys and girls—another battalion of youth—and the mothers and fathers and the Rotary and Kiwanis and the Lions and all the secret fraternities, and the women, from a thousand homes, with all the members of their clubs and organizations.

As I stood there, I found myself saying to myself, I must make some pledge or promise.

And as I stood there wondering, every fiber of my being vibrating to all this patriotism, I saw 250 young men, and when I said, "Who are these?" the judge, who was presiding, said, "These are the 250 who go away to-day; it is going-away day," and there came to me, as if from above, the words of this pledge: "We will build a bridge of sympathy and support from Yankee land to no man's land, and when you come back you can have what's left."

All I can say now, when asked why we must forever be grateful to our veterans, is, "They are entitled to what is left—' and if this be treason make the most of it.'"

ADJUSTED-COMPENSATION CERTIFICATES

Mr. SMITH of Idaho. Mr. Speaker, under leave granted by unanimous consent of the House I wish to insert in the RECORD the following letter, which I have addressed to Hon. H. K. Wiley, of Springfield, Idaho, explaining my reasons for voting for the payment of the adjusted-compensation certificates of the World War veterans:

HOUSE OF REPRESENTATIVES,
Washington, June 21, 1932.

Hon. H. K. WILEY,
Springfield, Idaho.

MY DEAR SENATOR WILEY: I am in receipt of your letter of the 18th, criticizing my recent vote on the bill providing for the payment of the adjusted-compensation certificates of the World War veterans, issued under the law providing for the payment to them of $1 per day for each day of service in this country and a dollar and a quarter for each day's service abroad.

I feel that your criticism is based on a misunderstanding of my attitude in the matter and the reasons which impelled me to vote as I did. Six weeks before this measure came up for a vote, and before there was any indication of a "bonus army" en route to Washington, I publicly outlined my attitude, at which time I stated that I would not vote for the present payment of the soldiers' certificates if the money was to be raised by a further increase of taxes or by a bond issue, but that I was seriously considering and probably would support a proposal to expand the currency. My stand on this question has not altered since that time.

I voted against the rule to bring up the legislation for consideration by the House of Representatives, as the report of the Committee on Ways and Means on the bill was adverse. However, a sufficient number of Members of Congress voted for the rule to permit the bill to be brought up, and I then voted for its consideration. An amendment to the bill was proposed which provided for the payment of the bonus by funds raised through the expansion of the currency. I voted for this amendment, which insured that the payment of the bonus would not further increase the deficit in the Treasury, would not increase taxes, and would not be a further strain on the credit of the country. This amendment to the bill was adopted, and when the bill as amended was voted upon, I cast my vote in favor of it.

My support of this measure was based on my conviction that the expansion of the currency is the only remaining means by which the Federal Government may materially aid in overcoming the present depression and restoring normal trade and business relations throughout the country.

It is the opinion of many prominent economists that the primary cause of the present depression was the overinflation of credit, and speculation, and that the reason for the continuance of the depression is the shortage of currency or money to pay the debts so easily incurred prior to the fall of 1929. Credit largely took the place of currency, and so long as this condition prevailed, commodity prices remained high and prosperity continued. Money was spread too thin, and when debts began to be called, and credit sharply contracted, there was found to be an insufficient supply of money to pay the debts. This does not necessarily mean that there is actually less currency in the country than there was in 1929, it means that the money is concentrated in fewer hands and that the average person—forming the great mass of consumers as well as producers—has much less money and consequently has a greatly reduced purchasing power.

The major panics of 1837, 1873, 1893, and 1907 were due to speculation and overextension of credit, with a resultant contraction of credit and a shortage of currency. As in the present depression, the result of the shortage of money was that the price of commodities sharply declined, and the price of the dollar correspondingly increased. The farmer and business man who incurred a debt in 1928 or 1929 must pay that debt from the proceeds of the sale of farm commodities, or from the profits of his business. If he received greater prices for his commodities, he could more readily pay his debts. An expansion of the currency would necessarily raise the price of commodities, relieve credit, and materially speed up the economic recovery of the country. At the present time, banks are afraid to extend credit, individuals are afraid to spend their money, corporations are afraid to expand their activities—the shortage of money and credit is paralyzing the normal business and trade relations of the Nation.

Congress has tried many plans with the view to restoring normal business conditions. Up to the present time, none of these attempted solutions has proved of material benefit. It is my firm conviction that only by increasing the currency of the country can credit be loosened and purchasing power returned to the great mass of consumers. No other plan proposed to the Congress offered as great an opportunity for the immediate distribution of a new supply of currency throughout the country as did the proposal for the payment of the soldiers' bonus. This proposition would have released over $2,000,000,000 of money among those people who most need it. It would not benefit the veteran alone. Every dollar which the veteran would spend in his community would have been of value in releasing credit and increasing the price for commodities.

I believe that the placing in circulation of the money which was to have been paid to the ex-service men would immediately have resulted in its expenditure in a way that would give employment to the millions now out of work. There is no other proposal before Congress which would be so apt to relieve the unemployment situation as the bonus bill. The great problem confronting Congress at this time is to find work for the six or eight million men who have been idle for months and a large proportion of whom have been living on charity. Will those of you who are criticizing my vote suggest a better plan which will meet this unfortunate situation?

Congress is given the power by the Constitution to regulate the currency of the country. This power includes the power to prevent the dollar from becoming too dear by increasing the number of dollars; it also includes the power to prevent the dollar from becoming too cheap by withdrawing dollars from circulation. It was in the exercise of this power that I voted for the payment of the soldiers' bonus by funds raised by the expansion of the currency, as provided by what is known as the Owen plan, which was incorporated in the bill as it passed the House.

This plan provided for the issuance of a sufficient supply of currency to pay the bonus. This currency was to be secured and backed by bonds issued in an equal amount, which bonds were to be placed in the custody of the Federal reserve banks, to be sold only in the event that the increased supply of currency should unduly inflate commodity prices to a point above that of the 1926 level. If commodity prices went above that level, the Federal reserve banks were to offer the bonds for sale and retire a sufficient amount of the new currency to lower commodity prices.

We have as much wealth and as much of the circulating medium in existence as we had three years ago, but credit has collapsed and the money is being hoarded by banks, corporations, and individuals, and has not been enticed from under cover by any opportunities for investment offered. However, the sale of bonds by the Federal Reserve Board in the case of an emergency would doubtless induce the holders of money to invest in such safe securities as Government bonds.

In short, the currency needs to be expanded to take the place of that which is now hoarded. In addition to the provision for the expansion of the currency, the Owen plan provided for the recall of the new currency should commodity prices rise too high. The final object was the stabilization of the balance between the value of money and the value of commodities at a level conducive to the return and maintenance of normal economic conditions.

Of course I resent the suggestion or insinuation that my vote for this legislation was cast with the hope of political advantage, but it is not an uncommon thing for men in legislative bodies to be charged by those who are dissatisfied with their vote with considering only the effect their vote would have on their continuance in office. I know of no man in either branch of Congress who has escaped a charge of that kind at one time or another, because a legislator can not please all of the people all of the time. Probably you, as a member of the State legislature, may have incurred the criticism of some of your constituents, who may have suspected even yourself of voting with a view to aiding in your continuance as a member of the legislature. This is one of the penalties which every member of a legislative body has imposed upon him, but I hope that my record in Congress during the last 20 years has been such that but few people will fail to give me credit for being conscientious and patriotic in the discharge of my legislative duties, and having in mind always the best interests of the country in any votes which I have cast for or against pending legislation.

I would not object to a criticism of my conclusion or of my vote on economic grounds, as I realize that there is a very great divergence of opinion as to the most beneficial and proper legislation for the relief of the country. But your criticism that my vote was based on political grounds is not warranted, as I had in mind only what I considered to be the best interests of the country when I voted as I did.

Yours very truly,

ADDISON T. SMITH.

ADJOURNMENT

Mr. VINSON of Kentucky. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 5 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, June 27, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

621. A letter from the Secretary of the Navy, transmitting a request that letter of December 8, 1931, be canceled, and that no further consideration be given to the bill H. R. 5354; to the Committee on Naval Affairs.

622. A letter from the Secretary of the Interior, transmitting a list of files in the Office of Indian Affairs which are not needed or useful in the transaction of the current business of the department and have no permanent value or historical interest; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CONDON: Committee on the Judiciary. House Joint Resolution 443. A joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; with amendment (Rept. No. 1714). Referred to the House Calendar.

Mr. WARREN: Committee on Accounts. House Resolution 273. A resolution authorizing an appropriation of $10,000 for investigation of Post Office Department (Rept. No. 1715). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CHRISTGAU: Committee on Claims. H. R. 8256. A bill for the relief of William Thomas; with amendment (Rept. No. 1716). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 11994. A bill for the relief of James Evans Monroe; without amendment (Rept. No. 1717). Referred to the Committee of the Whole House.

Mr. PATMAN: Committee on the District of Columbia. H. R. 12768. A bill to authorize the closing of a portion of Virginia Avenue SE., in the District of Columbia, and for other purposes; with amendment (Rept. No. 1718). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MALONEY: A bill (H. R. 12782) to prohibit a maximum age limit on eligibility to appointment in the classified civil service; to the Committee on the Civil Service.

By Mr. JOHNSON of Texas: A bill (H. R. 12783) to amend the revenue act of 1932 by repealing section 751, imposing a tax on checks; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H. R. 12784) to provide fees to be charged by the recorder of deeds of the District of Columbia; to the Committee on the District of Columbia.

By Mr. CURRY: A bill (H. R. 12785) to provide for enlistments in the Army, Navy, or Marine Corps of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. LaGUARDIA: A bill (H. R. 12786) to prohibit the appointment of corporations as trustees in bankruptcy; to the Committee on the Judiciary.

Also, a bill (H. R. 12787) to amend the Judicial Code prohibiting the appointment of corporations as receivers in equity; to the Committee on the Judiciary.

Also, a bill (H. R. 12788) to prohibit the appointment of corporations as receivers in bankruptcy; to the Committee on the Judiciary.

By Mr. SHALLENBERGER: A bill (H. R. 12789) to abolish the Federal Farm Board, the United States Tariff Commission, and the United States Shipping Board, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. JAMES: A bill (H. R. 12790) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. CURRY: A bill (H. R. 12791) to provide for a 5-day week, for the use of man power on Government construction projects, and for other purposes; to the Committee on Labor.

By Mr. BLACK: Resolution (H. Res. 274) for a conference on hours of labor; to the Committee on Labor.

By Mr. MOUSER: Resolution (H. Res. 275) authorizing the Postmaster General to cause to be printed a series of memorial stamps in recognition of the service and martyrdom of Colonel Crawford; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN: Joint resolution (H. J. Res. 446) to suspend for one year the authority for the acquisition of privately owned land pursuant to the act entitled "An act to provide for the enlarging of the Capitol Grounds," approved March 4, 1929, as amended, and to revoke the unobligated balance of the appropriation allocated for such acquisition; to the Committee on Public Buildings and Grounds.

Also, a joint resolution (H. J. Res. 447) relating to evidence in condemnation proceedings in the District of Columbia; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 12792) granting a pension to Nelle M. Jones; to the Committee on Pensions.

By Mr. BOWMAN: A bill (H. R. 12793) for the relief of Jessie D. Bowman; to the Committee on Claims.

By Mr. COYLE: A bill (H. R. 12794) granting an increase of pension to Elizabeth Starner; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 12795) for the relief of Cecil Evans; to the Committee on Military Affairs.

By Mr. FIESINGER: A bill (H. R. 12796) granting a pension to Mary Miller; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 12797) for the relief of Amos Bennett; to the Committee on Military Affairs.

By Mr. GILLEN: A bill (H. R. 12798) granting a pension to Roy White; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 12799) granting an increase of pension to Caroline Lowery; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 12800) granting a pension to Lucy Lesher; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 12801) granting an increase of pension to Carrie Sturdevant; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12802) for the relief of Genevieve S. McKibbin; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 12803) granting an increase of pension to Amanda B. Thomas; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 12804) granting a pension to Louie William Skala; to the Committee on Pensions.

Also, a bill (H. R. 12805) granting a pension to Clarinda Stevenson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12806) granting a pension to Daisy Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12807) granting an increase of pension to Tamandra Beals; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12808) granting an increase of pension to Cynthia Spicknall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12809) granting an increase of pension to Melissa E. Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12810) granting a pension to John J. Boesl; to the Committee on Pensions.

Also, a bill (H. R. 12811) granting an increase of pension to Fannie F. Wilson; to the Committee on Invalid Pensions.

By Mr. SWANSON: A bill (H. R. 12812) granting an increase of pension to Bridget Epperson; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12813) granting a pension to Jane Davis; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 12814) granting a pension to Bernard M. Baer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12815) granting a pension to Malisa J. Boyer; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8430. By Mr. CARTER of California: Petition of the California Citrus League, relating to regulation of motor transportation; to the Committee on Interstate and Foreign Commerce.

8431. By Mr. CRAIL: Petition of many citizens of Los Angeles County, Calif., offering suggestions for a reduction of governmental expense and a saving in taxes; to the Committee on Ways and Means.

8432. By Mr. CULKIN: Petition of Anna M. Kennedy and 32 other citizens of Cazenovia, N. Y., urging the immediate repeal of the eighteenth amendment and a levying of taxes on the resultant liquor traffic; to the Committee on the Judiciary.

8433. Also, petition of Sarah Swift Wendell and 19 other citizens of Cazenovia, N. Y., urging the ending of prohibition and a tax on legalized liquor as a means of relieving the present tax burden; to the Committee on the Judiciary.

8434. By Mr. GILCHRIST: Petition of citizens of Boone County, Iowa, and other counties, asking the President and the Congress to enact legislation that will enable small farmers to retain ownership of their farms and homes, and demanding the passage of Senate bill 1197, known as the Frazier bill; to the Committee on Agriculture.

8435. Also, petition of 80 citizens of Duncombe and Lehigh in Webster County, Iowa, asking legislation to provide lower interest rates on farm mortgages as provided in the Frazier bill; that the agricultural marketing act be amended to make available the principles of the equalization fee, the debenture plan, and the domestic allotment plan; that the Goldsborough "honest dollar" bill be passed; and that gambling in agricultural commodities be brought to a halt; to the Committee on Agriculture.

8436. By Mr. JOHNSON of Washington: Petition of the Unemployed Citizens' League, favoring the enactment of legislation for the relief of unemployment; to the Committee on Ways and Means.

8437. By Mr. RUDD: Petition of New York Library Association, office of the president, Frank L. Tolman, Albany, N. Y., favoring Federal loans for construction of library buildings projects; to the Committee on Banking and Currency.

8438. Also, petition of Edith S. Grimm, vice leader Queensboro League of Women Voters, Queensboro, Long Island, N. Y., favoring the passage of Senate bill 4860 for unemployment relief; to the Committee on Banking and Currency.

8439. Also, petition of Mrs. Frank Clark, treasurer League of Women Voters, Fourth Assembly District, Queens County, N. Y., favoring the passage of Senate bill 4860, unemployment relief bill; to the Committee on Banking and Currency.

8440. Also, petition of Carol M. Wilde, New York League of Women Voters, Queensboro, Long Island, N. Y., favoring the passage of Senate bill 4860, for unemployment relief; to the Committee on Banking and Currency.

8441. Also, petition of Mary B. Waterbury, vice chairman New York City League of Women Voters, favoring the passage of the Wagner bill, for the relief of unemployment; to the Committee on Banking and Currency.

8442. Also, petition of Mrs. E. L. Greenwald, vice chairman Fourth Assembly District, Queens County, N. Y., favoring the passage of Senate bill 4860, unemployment relief bill; to the Committee on Banking and Currency.

8443. By Mr. TEMPLE: Petition of Albert W. Lyons, 11 East Walnut Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8444. Also, petition of K. L. Gilmore, George Washington Hotel, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

SATURDAY, JUNE 25, 1932

(Legislative day of Friday, June 24, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kean	Robinson, Ark.
Austin	Couzens	Kendrick	Robinson, Ind.
Barbour	Dickinson	Keyes	Sheppard
Black	Fletcher	King	Shortridge
Blaine	Frazier	La Follette	Smoot
Borah	George	McGill	Steiwer
Bratton	Goldsborough	McKellar	Stephens
Broussard	Hale	McNary	Thomas, Idaho
Bulow	Hastings	Metcalf	Thomas, Okla.
Byrnes	Hatfield	Moses	Townsend
Capper	Hawes	Norris	Trammell
Caraway	Hayden	Nye	Vandenberg
Carey	Hebert	Oddie	Wagner
Connally	Howell	Patterson	Walsh, Mass.
Coolidge	Johnson	Pittman	Watson
Copeland	Jones	Reed	White

The VICE PRESIDENT. Sixty-four Senators have answered to their names. A quorum is present.

HOUR OF MEETING AND CALENDAR FOR MONDAY

Mr. McNARY. Mr. President, I desire to ask unanimous consent that when we shall have concluded our session today we adjourn until Monday at 11 o'clock a. m., at which time we shall proceed to the consideration of unobjected bills on the calendar under Rule VIII, beginning with the calendar number at which we left off on yesterday.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon?

Mr. JONES. Mr. President, I would like to make just a brief statement before that request is acted on.

Mr. McNARY. Has the Senator any objection to the proposal?

Mr. JONES. No; but I desire to call the attention of the Senate to a situation which I am afraid many of us have overlooked. We have only four legislative days left before the 1st day of July. Of course the matter of final adjournment by the 1st day of July is not important, but the matter of getting our appropriation bills passed by the 1st of July is extremely important. If we should fail in getting any appropriation bill through by the 1st of July, so it could not take effect at the beginning of the next fiscal year, it would immediately disrupt the Government organization. It would necessitate the passage of a joint resolution continuing the appropriation for the current year instead of passing the bill upon which we have worked and curtailed in the interest of economy and all that sort of thing.

I think practically all of our time should be devoted to the consideration of and action upon appropriation bills, so as to get them through and into effect by the 1st day of July.

I want to beg of the Senators that this situation be carefully considered by them. I do not ask that they do away with any unnecessary discussion in connection with the bills, but I do ask that no unnecessary discussion be had with reference to appropriation bills, that we meet in a spirit of harmony, seeking to harmonize any differences in connection with the conference reports so that we may act efficiently, and also very promptly indeed.

If the Senator from Oregon thinks it is consistent with some policy along the lines I have suggested to adjourn from to-day until 11 o'clock on Monday, I shall not make any objection, but I do believe if we are going to adjourn until Monday we ought to adjourn until 10 o'clock, so as to get through with the morning hour by 12 o'clock, and then proceed to the consideration of the appropriation bills and dispose of them just as rapidly and expeditiously as it is possible for us to do.

Mr. McNARY. The objection I have to that is that over Sunday there is a great accumulation of mail and Members should have an opportunity on Monday morning at least to endeavor to answer their correspondence. I think the hour the Senator is endeavoring to save would be lost here which might be profitably spent in their offices by Senators.

Mr. JONES. I do not think the Senator from Oregon knows any more about an accumulation of mail over Sunday and by Monday morning than I do. However, we can put off the disposal of that mail until night, or delay it even longer than that if necessary. But this is an imperative situation that confronts the Senate. The Senator knows as well as I do, and probably better, that we must get the appropriation bills disposed of before the 1st of July. If one appropriation bill is left undisposed of, it disorganizes the Government activities along the lines covered by such a bill.

Mr. McNARY. I suggest the following compromise, that we meet at 11 o'clock on Monday. Then when we conclude our session on Monday I shall be very happy to ask the Senate to come back on Tuesday morning at 10 o'clock.

Mr. JONES. We need to do that. We need to get back to the 10 o'clock hour of meeting.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was reduced to writing, as follows:

Ordered, by unanimous consent, That at the conclusion of its business to-day the Senate adjourn until 11 o'clock a. m. Monday, at which time it shall proceed to the consideration of unobjected bills on the calendar under Rule VIII, beginning with order No. 863.

SUPPLEMENTAL ESTIMATE—OIL PORTRAIT OF FORMER PRESIDENT COOLIDGE (S. DOC. NO. 127)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting an estimate of appropriation for the fiscal year ending June 30, 1932, amounting to $2,500, for payment of an oil portrait of former President Calvin Coolidge for the Executive Mansion, which has been procured pursuant to law, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITION

Mr. ASHURST presented a telegram in the nature of a petition from R. C. Bower, of Phoenix, Ariz., praying for the passage of pending legislation creating Federal home-loan banks, which was ordered to lie on the table.

REMONETIZATION OF SILVER

Mr. KING. Mr. President, I present a large number of petitions signed by many hundreds of individuals, members of the Farmers Educational and Cooperative Union of America, the headquarters of which are in Oregon, I think, in which they ask for the restoration of silver to its proper monetary status. I request that one of the petitions may be printed in the RECORD, without the names, and that all of them may be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, that order will be made.

The body of one of the petitions is as follows:

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA, WASHINGTON COUNTY (OREG.) UNIT,
Sherwood, Oreg., April 12, 1932.

We, the following citizens of the United States, desire to return to the silver standard of Washington, Jefferson, Jackson, and Lincoln. We request that the Wheeler bill, S. 2487, for the free coinage of silver, as well as gold, on the 16 to 1 basis, now before Congress, be put through immediately for the relief of the American people.

Since the adoption of the gold standard about 50 years ago panic has followed panic, ending in the total collapse of our whole economic system in 1929, from which there is no sign of recovery. There is no law enforcement to-day. Crime is unchecked. The gold standard has failed miserably.

To-day we are the only people in the world on the gold standard. France has depreciated her currency 75 to 80 per cent. England, Canada, and Germany are all beginning to recover now that they have thrown off the gold standard. Industrial United States can not recover until there is enough money in permanent circulation, uncontrolled by the international bankers, to permit us to do business among ourselves and with the rest of the world.

We therefore urge the immediate passage at the present session of Congress of the bill introduced by Senator BURTON K. WHEELER, of Montana, S. 2487, for the remonetization of silver. This will put billions of money into circulation among the citizens of the United States without further taxation.

CERTAIN LEGISLATION OPPOSED AND URGED

Mr. COOLIDGE. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD and appropriately referred a telegram from 200 workers of Gardner, Mass., protesting against the Dies bill; a telegram from the Independent Lock Co., of Fitchburg, Mass., supporting House bill 9921, relative to Government contracts and subcontracts; and two telegrams from Walter E. Doherty, president of the Foreign Commerce Club, of Boston, one protesting against the economy bill, which provides for the retirement on July 1 of all Government employees over 70 years of age; and the other protesting against the elimination of the office of appraiser at Boston.

There being no objection, the telegrams were ordered to be printed in the RECORD and referred or ordered to lie on the table, as indicated below:

FITCHBURG, MASS., *June 21, 1932.*

Hon. MARCUS A. COOLIDGE,
United States Senate, Washington, D. C.:

As a Massachusetts corporation, manufacturers of hardware, we appeal to you to support House bill No. 9921, relative to Government contracts and subcontracts. This bill will eliminate the practice of contractors to do more bid shopping among the subcontractors, who are usually the manufacturer, to reduce prices further after being awarded a Government contract on a low bid, with the results that the contractor will make a larger profit, but forcing the manufacturers' prices to a point where there is no profit for anyone. This bill is a just one and will stop such process. Please support this bill.

INDEPENDENT LOCK CO.

To the Committee on Expenditures in the Executive Departments.

FITCHBURG, MASS., *June 21, 1932.*

Hon. MARCUS A. COOLIDGE,
Washington, D. C.:

Two hundred workers gathered at a strikers' relief affair at Holmes Park, Gardner, Mass., June 15, 1932, emphatically protest against the Dies deportation bill, which is aimed against the foreign-born workers who dare to demand the right to exist. We demand that the bill be killed immediately.

N. H. HALTTUNEN.

BOSTON, MASS., *June 21, 1932.*

Hon. MARCUS A. COOLIDGE,
Senate Office Building, Washington, D. C.:

Economy bill compels retirement all Government employees over 70 years of age on July 1. Understand provision in bill allows President authority to retain any employee proved to be indispensable to the service. To discharge such men as Robie G. Frye and Charles F. Gilman, deputy collectors of customs at Boston, would be a calamity and the Government would be the sole loser. Boston importers and everyone doing business at customhouse urgently request asking President not to discharge these men. Can not appeal too strongly.

WALTER E. DOHERTY,
President Foreign Commerce Club of Boston (Inc.).

BOSTON, MASS., *June 23, 1932.*

Hon. MARCUS A. COOLIDGE,
Senate Office Building, Washington, D. C.:

Understand Treasury appropriation bill has been reported to Senate, eliminating offices of appraiser of merchandise at all ports

except New York. Strongly urge these offices be restored, as they are relatively important as that at New York. Appraiser is only one who can appraise foreign merchandise, and his duties have always been separate from those of collector. Think it would be mistake to put both classification and appraisement of merchandise into hands of collector. Amount to be saved by abolition of these offices is very small, and in my opinion not enough to justify change in practice and administration. Elimination of all appraisers other than New York might lead putting control of other ports under New York appraiser, and in case of Boston and other Atlantic ports would practically make them subports of New York for appraisement purposes, making New York appraiser dominant. Have telegraphed all New England Senators.

WALTER E. DOHERTY,
President Foreign Commerce Club of Boston (Inc.).

Ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 249) to pay to Louise Becke a sum equal to six months' compensation of the late Edward Becke, reported it without amendment.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (H. R. 5561) for the relief of Oscar R. Hahnel, reported it without amendment and submitted a report (No. 925) thereon.

Mr. HOWELL, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 650. An act for the relief of Joe Andrews Co. (Rept. No. 926);

H. R. 1279. An act for the relief of Frank Kanelakos (Rept. No. 927);

H. R. 1931. An act for the relief of Ned Bishop (Rept. No. 928);

H. R. 2927. An act for relief of George M. Peed (Rept. No. 929);

H. R. 3536. An act for the relief of Viola Wright (Rept. No. 930);

H. R. 5053. An act for the relief of Clyde Sheldon (Rept. No. 931); and

H. R. 5998. An act for the relief of Mary Murnane (Rept. No. 932).

Mr. HOWELL also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

H. R. 1230. An act for the relief of Chase E. Mulinex (Rept. No. 933);

H. R. 5922. An act for the relief of W. A. Peters (Rept. No. 934);

H. R. 6797. An act for the relief of Samuel Weinstein (Rept. No. 935); and

H. R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum*, for damage to said vessel (Rept. No. 936).

Mr. HOWELL also, from the Committee on Claims, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

H. R. 1228. An act to adjudicate the claim of Knud O. Flakne, a homestead settler on the drained Mud Lake Bottom, in the State of Minnesota (Rept. No. 937);

H. R. 2841. An act for the relief of the owners of the steamship *Exmoor* (Rept. No. 938); and

S. 3633. An act for the relief of the State of New Mexico (Rept. No. 939).

Mr. SCHALL, from the Committee on Interoceanic Canals, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

H. R. 7518. An act to amend an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916 (Rept. No. 940);

H. R. 7519. An act to amend the penal code of the Canal Zone (Rept. No. 941); and

H. R. 7520. An act to amend the Code of Criminal Procedure for the Canal Zone (Rept. No. 942).

Mr. SCHALL also, from the Committee on Interoceanic Canals, to which were referred the following bills, reported them severally without amendment and submitted a report (No. 943) thereon:

H. R. 7498. An act to amend act No. 4 of the Isthmian Canal Commission entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904;

H. R. 7499. An act to amend act No. 3 of the Isthmian Canal Commission relating to the suppression of lotteries in the Canal Zone, enacted August 22, 1904;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 7501. An act to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914;

H. R. 7502. An act to regulate the carrying and keeping of arms in the Canal Zone;

H. R. 7503. An act to repeal the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor;

H. R. 7504. An act to provide for the extradition of fugitives from justice of the Republic of Panama who seek refuge in the Canal Zone;

H. R. 7505. An act to provide for the protection of birds and their nests in the Canal Zone;

H. R. 7506. An act to repeal an ordinance enacted by the Isthmian Canal Commission, August 5, 1911, and approved by the Secretary of War August 22, 1911, establishing market regulations for the Canal Zone;

H. R. 7507. An act to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone;

H. R. 7508. An act to provide for the inspection of vessels navigating Canal Zone waters;

H. R. 7509. An act to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials;

H. R. 7510. An act to punish persons deported from the Canal Zone who return thereto;

H. R. 7511. An act to regulate the operation of street-railway cars at crossings in the Canal Zone;

H. R. 7512. An act to amend section 5 of the Panama Canal act;

H. R. 7513. An act to provide for the appointment of a public defender for the Canal Zone;

H. R. 7514. An act in relation to the Canal Zone postal service;

H. R. 7515. An act to provide for the establishment of a customs service in the Canal Zone, and other matters;

H. R. 7516. An act in relation to the keeping and impounding of domestic animals in the Canal Zone;

H. R. 7517. An act to provide for the transportation of liquors under seal through the Canal Zone;

H. R. 7521. An act to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure; and

H. R. 7523. An act to amend sections 7, 8, and 9 of the Panama Canal act, as amended.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on June 24, 1932, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 111. An act for the relief of Rosa E. Plummer;

S. 157. An act for the relief of Sarah Ann Coe;

S. 217. An act authorizing adjustment of the claim of J. G. Shelton;

S. 224. An act authorizing adjustment of the claim of Lewis Semler;

S. 229. An act for the relief of Don C. Fees;

S. 248. An act authorizing adjustment of the claim of the David Gordon Building & Construction Co.;

S. 250. An act authorizing adjustment of the claim of the Sun Shipbuilding & Dry Dock Co.;

S. 258. An act authorizing adjustment of the claim of H. E. Hurley;

S. 478. An act for the relief of Cicero A. Hilliard;

S. 860. An act for the relief of William Girard Joseph Bennett;

S. 943. An act for the relief of John Herink;

S. 1028. An act for the relief of W. Stanley Gorsuch;

S. 1216. An act for the relief of the owner of the barge *Mary M;*

S. 1280. An act for the relief of National Ben Franklin Fire Insurance Co.;

S. 1436. An act for the relief of the Copper Ridge Mining Co.;

S. 2159. An act for the relief of the Columbia Casualty Co.;

S. 2364. An act to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555);

S. 2909. An act for the relief of Ross E. Adams;

S. 3119. An act for the relief of J. D. Stewart;

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands; and

S. J. Res. 182. Joint resolution amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. SCHALL, from the Committee on Post Offices and Post Roads, reported favorably several nominations of postmasters in the State of Minnesota.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters in the State of Tennessee.

Mr. JOHNSON, from the Committee on Commerce, reported favorably several nominations of officers in the Coast Guard.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILL INTRODUCED

Mr. WAGNER introduced a bill (S. 4934) granting a pension to Bridget Mumblo, which was read twice by its title and referred to the Committee on Pensions.

OPERATIONS OF THE FEDERAL FARM BOARD

Mr. BROUSSARD. Mr. President, by request, I ask leave to have published in the RECORD a telegram from John N. Stewart and Walter Parker, New Orleans, La., relative to the signers of a resolution concerning the operations of the Federal Farm Board, adopted at the south-wide meeting of the State cotton cooperatives held at New Orleans, La., March 3, 4, and 5, 1932, and published in the RECORD of March 10, 1932.

There being no objection, the telegram was ordered to be printed in the RECORD, and it is as follows:

NEW ORLEANS, LA., *June 13, 1932.*

Senator E. S. BROUSSARD,
Senate Office Building:

The CONGRESSIONAL RECORD of March 10, 1932, carries a resolution in support of the Farm Board and signed by 11 men. To the uninformed, these 11 men would seem to be suffering farmers who feel that the Farm Board is their only salvation. That resolution was read into the records of the Senate and into the CONGRESSIONAL RECORD by you. In order that the identities of the signers of that resolution may be known to the public and to Congress for just what they are, will you please read into the Senate record and into the CONGRESSIONAL RECORD the following:

"As a result of a careful investigation, the identities of the 11 signers of the resolution adopted at the March 3, 4, and 5, 1932, meeting of State cotton cooperatives held in New Orleans, which indorsed the Federal Farm Board and which resolution appears in the CONGRESSIONAL RECORD of March 10, 1932, are shown to be as follows:

"N. C. Williamson, chairman of the committee which signed the resolution, is president of the Louisiana Cotton Cooperative Association, drawing a monthly salary of $416.67.

"Gowan Jones, the second signer, is legal counsel of the Southern Irrigation Cotton Growers' Association, drawing a salary of $41.68 a month.

"B. L. Redwine, the third signer, is a member of the executive committee of the Georgia Cotton Growers' Cooperative Association, drawing a salary of $100 a month.

"A. D. Stewart, the fourth signer, may be either A. B. Stewart, secretary-treasurer of the Mid-South Cotton Growers' Association, drawing a salary of $333.33 a month, or A. A. Stewart, educational director of the Mississippi Cooperative Cotton Association, drawing a salary of $433.34.

"J. A. Smith, the fifth signer, is president of the executive committee of the Texas Cotton Cooperative Association, drawing a salary of $125 a month.

"E. L. Deal, the sixth signer, is secretary-manager of the Alabama Farm Bureau Cotton Association, successor to Allen Northington. Salary unknown.

"C. G. Smith, the seventh signer, of Blytheville, Ark., is an official of the Mid-South. Salary, if any, unknown. Mr. Smith is in the lumber business.

"Dr. B. W. Kilgore, the eighth signer, is one of the editors of the Progressive Farmer and a director of the North Carolina State Cotton Cooperative. Salary, if any, unknown.

"H. E. Woodworth, Bakersfield, Calif., ninth signer, is a director of the California State Association. Salary, if any, unknown.

"H. G. Bennett, Stillwater, Okla., tenth signer, is listed as one of the directors of the Oklahoma State Association, with the prefix 'Doctor.' Salary, if any, unknown.

"D. W. Watkins, Clemson College, S. C., eleventh signer, is a director of the South Carolina State Association. Salary, if any, unknown."

JOHN N. STEWART.
WALTER PARKER.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. GORE. Mr. President, I ask leave to have published in the RECORD a letter addressed by me to Mr. Daniel O. Hunt, Seminole, Okla., relative to payment of the soldiers' bonus.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C., June 24, 1932.

Mr. DANIEL O. HUNT,
Seminole, Okla.

MY DEAR SIR: I am in receipt of your letter of late date, in which you complain with more or less ill temper of my recent vote or "actions against the bonus." No one should lose his temper so long as he thinks his cause is just.

I can appreciate your point of view. When you were a soldier under arms, you placed your duty above self-interest. Now that you are a private citizen, you feel at liberty to place self-interest above the public interest. That is human nature.

You are now drawing $41.80 per month (55 per cent temporary partial disability). In addition to this, the custodian of your child is drawing $10.45 per month. This, of course, comes out of the Public Treasury, which means out of the taxpayers' pockets. Every time the sun rises and sets the American taxpayers cash in $3,000,000 out of their earnings to pay pensions and other compensations to the soldiers of our various wars. I know one man in Oklahoma, who is worth a million dollars, who is drawing a pension of $30 a month. Should we tax Lazarus to pension Dives?

In addition to your compensation you have already borrowed $661.50 on your adjusted-service certificate. In addition to this, you now demand that the balance of your certificate shall be paid in full, although it is not due until 1945. You demand $661.50 more, which is not due and which will not accrue until 13 years have elapsed.

In order to pay you this $661.50 the Government would have to pay all the other adjusted-service certificates, which aggregate $2,400,000,000. The Government would have to pay that vast amount out of an empty Treasury—a Treasury which is already yawning with a deficit of more than $2,500,000,000.

These certificates are not due and payable by their own terms until 1945. Is it not like this: If you had taken out a 20-year endowment policy in 1925 and had borrowed the cash value of that policy last year, would you feel justified in bringing suit against the company, demanding that it pay the full face value of the policy, although it did not mature until 1945?

The United States owes hundreds of millions of bonds due in 1946. What would you think if those bondholders should present them at the Treasury Department and not only demand that the

full face value be paid now, but should demand that all the interest which is to accrue between now and 1946 should be paid in advance at this time?

Of the $2,400,000,000 which you insist ought to be paid in cash now, about $750,000,000 represents the cash or surrender value of all the adjusted certificates and of the remaining $1,635,000,000 represent interest and other payments that are to accrue and that are to be made during the next 13 years. Whatever else may be said, if that billion six hundred million dollars be paid now, it would constitute, under the circumstances, a gift or a gratuity. It is not due now.

The trouble is it would be a gift out of the pockets of our distressed taxpayers. To pay the full face value of all these adjusted certificates in cash at this time would lay a tax or a charge of $20 apiece on every man, woman, and child in the United States—on every man, woman, and child in Oklahoma. It would cost every family in Oklahoma $100. Oklahoma's share would be $50,000,000.

There are farmers in your county to-day who are losing their farms because they can not pay the taxes that are already due. There are home owners in your town who are losing their homes, which represent the savings of a lifetime, because they can not pay the taxes that are already due. Ought we to tax the rags on babies' backs, and tax the crusts on babies' lips to pay a debt that is not due until 1945?

That is the question which I had to answer. It was an agonizing cross. Perhaps, as you say, I forfeited my political life. But I felt in conscience bound to place my duty above my interest. I did that once before. I opposed the war. I knew that the war would enslave our people with debts and with taxes. It has done so. Time, I think, has justified my fears and my foresight.

Notwithstanding your doubts, I have the deepest sympathy for all those who were disabled in the service of their country, for those whose bodies were marred or whose lives were ruined—for their widows and their orphans. Anyone who runs life's race with a handicap challenges my sympathy. There are now more than 880,000 disabled veterans on the pay rolls of our Government.

Believe me, very truly yours,

T. P. GORE.

RADIO ADDRESS BY ROBERT M. TOLSON ON FLAG DAY

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD copy of a radio address on the American Flag, delivered by Robert M. Tolson on Flag Day.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

To-day is Old Glory's day. It is the one day in the year we have set aside to pay homage to that cherished emblem of our national security, that flag which proclaims to the world in stars, its field of blue, and stripes of red and white that America is in truth "the land of the free and the home of the brave." The Star-Spangled-Banner is the living symbol of our national sovereignty, of our ideals, our institutions, and our independence. It is the sacred bond which unites more than a hundred million people into one Nation and one citizenship. The United States flag is the third oldest of the national standards of the world; older than the Union Jack of Britain or the Tricolor of France.

We are celebrating to-day the one hundred and fifty-fifth anniversary of the birth of that flag. The flag was first authorized by Congress June 14, 1777. This date is now observed as Flag Day throughout America. The making of the first flag is set in a pleasant romance which every schoolboy likes to hear told again and again. The old colonial home where the first flag was made is still standing in Philadelphia, wedged in between two pompous business structures, a quaint relic of a century and a half ago. It was here, according to our beloved traditions, that the deft fingers of Betsy Ross carefully fashioned our first American flag.

It is very fitting and proper to display the flag on several holidays during the year, but June 14 is the one day that is reserved exclusively for this purpose. In 1916, when Europe was in the throes of a seething mass of warfare and bloodshed, President Woodrow Wilson recognized the need for a general day for flag observance, a day when the people of America could turn their thoughts toward the internal welfare of the Nation.

Although Flag Day had been observed more or less generally as far back as 1861, the President by proclamation issued May 30, 1916, officially designated June 14 as National Flag Day and called upon all citizens to observe it with special patriotic exercises, at which means should be taken "to give significant expression to our thoughtful love of America and our comprehension of the great mission of liberty and justice to which we have devoted ourselves as a people."

There is nothing that will instill a greater love for the flag than military service in time of war. The men who have fought on the field of battle for the honor of their flag have acquired a solemn respect and reverence for the flag that can be gained in no other way. That is why the celebration of Flag Day has a deep significance to the men who belong to the American Legion. A little more than 15 years ago the men of the Legion were called from their peace-time occupations to go forth and defend Old Glory. It was the worst war of all history, and thousands of our young men laid down their lives in order that our country might continue to be free and that our flag should still wave from its pedestal of triumph.

The flag was first flown from Fort Stanwix, on the site of the present city of Rome, N. Y., on August 3, 1777. It was first under fire three days later in the Battle of Oriskany, August 6, 1777.

It was first decreed that there should be a star and a stripe for each State, making 13 of each; for the States at that time had just been erected from the original thirteen colonies.

The colors of the flag may be thus explained: The red is for valor, zeal, and fervency; the white for hope, purity, cleanliness of life, and rectitude of conduct; the blue, the color of heaven, for reverence to God, loyalty, sincerity, justice, and truth.

The star (an ancient symbol of India, Persia, and Egypt) symbolizes dominion and sovereignty, as well as lofty aspiration. The constellation of the stars within the Union, one star for each State, is emblematic of our Federal Constitution which reserves to the States their individual sovereignty except as to rights delegated by them to the Federal Government. The symbolism of the flag was thus interpreted by Washington: "We take the stars from heaven, the red from our mother country, separating it by white stripes, thus showing that we have separated from her, and the white stripes shall go down to posterity representing liberty."

In 1794 Vermont and Kentucky were admitted to the Union and the number of stars and stripes was raised to 15 in correspondence. As other States came into the Union it became evident there would be too many stripes. So in 1818 Congress enacted that the number of stripes be reduced and restricted henceforth to 13, representing the 13 original States; while a star should be added for each succeeding State. That law is the law of to-day.

The name "Old Glory" was given to our national flag August 10, 1831, by Capt. William Driver, of the brig *Charles Doggett*.

The flag was first carried in battle at the Brandywine, September 11, 1777. It first flew over foreign territory January 28, 1778, at Nassau, Bahama Islands; Fort Nassau having been captured by the Americans in the course of the War for Independence. The first foreign salute to the flag was rendered by the French admiral, LaMotte Piquet, Quiberon Bay, February 13, 1778.

The United States flag is unique in the deep and noble significance of its message to the entire world, a message of national independence, of individual liberty, of idealism, of patriotism.

It symbolizes national independence and popular sovereignty. It is not the flag of a reigning family or royal house, but of a hundred million free people welded into a nation, one and inseparable, united not only by community of interest but by vital unity of sentiment and purpose; a nation distinguished for the clear individual conception of its citizens alike of their duties and their privileges, their obligations and their rights.

It incarnates for all mankind the spirit of liberty and the glorious ideal of human freedom; not the freedom of unrestraint or the liberty of license but a unique ideal of equal opportunity for life, liberty, and the pursuits of happiness, safeguarded by the stern and lofty principles of duty, of righteousness, and of justice, and attainable by obedience to self-imposed laws.

Floating from the lofty pinnacle of American idealism, it is a beacon of enduring hope, like the famous Bartholdi Statue of Liberty enlightening the world to the oppressed of all lands. It floats over a wondrous assemblage of people from every racial stock of the earth whose united hearts constitute an indivisible and invincible force for the defense and succor of the downtrodden.

It embodies the essence of patriotism. Its spirit is the spirit of the American nation. Its history is the history of the American people. Emblazoned upon its folds in letters of living light are the names and fame of our heroic dead, the fathers of the Republic who devoted upon its altars their lives, their fortunes, and their sacred honor. Twice-told tales of national honor and glory cluster thickly about it. Ever victorious, it has emerged triumphant from all great national conflicts. It flew at Saratoga, at Yorktown, at Palo Alto, at Gettysburg, at Manila Bay, at Chateau-Thierry. It bears witness to the immense expansion of our national boundaries, the development of our national resources, and the splendid structure of our civilization. It prophesies the triumph of popular government, of civic and religious liberty, and of national righteousness throughout the world.

The flag first rose over 13 States along the Atlantic seaboard, with a population of some 3,000,000 people. To-day it flies over 48 States, extending across the continent and over great islands of the two oceans; and more than a hundred and twenty millions owe it allegiance. It has been brought to this proud position by love and sacrifice. Citizens have advanced it and heroes have died for it. It is the sign made visible of the strong spirit that has brought liberty and prosperity to the people of America.

The American Legion believes that the first lesson in patriotism should be respect for the flag. The blood of every red-blooded patriotic American should tingle with emotion when Old Glory passes by and he should rise up and salute that banner. The American flag is something more than a mere standard of the Nation; it is the living spirit of the Nation and its history is the history of the American people. When we salute the flag we pay a silent tribute to the valor and the sacrifices of the noble sons and daughters of the land who have made possible the freedom we now enjoy. It is Old Glory that safeguards and protects the liberty of every American citizen. This flag is the concrete embodiment of all the principles for which our ancestors fought and died, of all that we hold dear and priceless. It is a simple thing to salute the flag but it has a significance that speaks in deep terms of loyalty and devotion.

It is characteristic of the American people that they do not stand for much ceremony. This is in a sense unfortunate, for it

encourages the people to think lightly of our treasured patriotic traditions. If you are an American citizen, if you love the flag under whose protection you are permitted to live, do not hesitate to stand up and salute it. Do not be afraid of standing alone. Have no fear that others will criticize you. There is none who will dare criticize, for it would be nothing less than an affront against the flag. Stand up and your example will be the signal for others to stand up with you. Instead of criticism you will find that your action in taking the lead will be admired and respected. Those who remain in their seats will feel a wave of shame, and before the flag has passed by or before the last bars of the national song have sounded they, too, will be standing and cheering. You will be proud of your worthy example.

The American Legion has not only sought to promote love and respect for the flag but it has tried to bring about a more general understanding of the use of the flag and the proper ways in which it should be displayed. More than one veteran has been shocked at the use which has been made of the flag on public occasions. Misuse of the flag, the Legion has found, is not due to a lack of patriotism but to ignorance and oftentimes carelessness in its display. For instance, our flag should never be used as a drapery for a speaker's table. Bunting of blue, white, and red should be used for this purpose.

Our flag represents the heart and the life of the Nation, and we must forever cherish and preserve it. We can make this day memorable by taking advantage of the opportunity to renew our obligations of citizenship to our beloved country. Every man, woman, and child in the land should pause in reverence and mediate upon his individual responsibility and his oath of allegiance to the flag and to the country for which it stands. Freedom is the most sublime possession of any people. In our land our individual rights are fully protected. It is a land of equal opportunity for all.

Our Republic is the first real republic in the history of the world, because it was founded upon that principle which our Revolutionary forbears held more dear than life itself—the principle of the equality of man. Beneath our flag the people are free. We are proud of our country. We are proud of our flag. We have every right to be. The historic event we observe to-day should forever inspire us to greater achievements as a nation and as a people. Each year on this day we should rededicate ourselves to the Nation and pledge anew our allegiance to the flag.

It is the hope of the American Legion that this day will continue to be observed and that future generations will maintain it for all time.

It is the flag of all of us alike. Let us accord it honor and loyalty.

RADIO ADDRESS BY JOHN A. SIMPSON ON ECONOMIC RIGHTEOUSNESS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by John A. Simpson, president of the National Farmers' Union, entitled "Economic Righteousness."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is so little of economic righteousness to be found in this country and so much of economic unrighteousness everywhere that I find myself overwhelmed with the ugly conditions prevailing. Very few of our people are seeking economic righteousness. In the business world the golden rule is entirely forgotten. In Government, both State and National, there is not even an attempt to give the people a square deal. Economic unrighteousness has prevailed so long that the great mass of the people have ceased to think of it as wrong.

The people have taken the punishment of economic unrighteousness until their senses are numbed to the point that they no longer feel it. A friend of mine once told me of being lost in the swamps of the Mississippi River. Mosquitoes were all about him and the stings were very painful. In a few hours his face and hands were swollen beyond recognition, but there was no longer any pain. Like my friend, the people of this Nation have been stung with the poisonous insect of economic unrighteousness until they no longer feel it.

Not one farmer in a hundred has the least idea of what he is entitled to. Not one farmer in a hundred lives in as good a house as the merchant in his town. Not one farmer in a hundred drives as good an automobile as the banker in his town. Not one farmer in a hundred wears as good clothes as the preacher in his town. Not one farmer in a hundred gives his family as good medical and dental care as the newspaperman in his town. By every rule of right he should have as good as any of these. His service to humanity is much greater than merchant, banker, preacher, or newspaperman. The farmers' work is so vital to the welfare of the Nation that were he to stop, in 24 hours little children in the towns and cities would be crying for milk.

Were the farmers to stop, in 30 days every city in the United States would be out of bread and meat. Hasten the day when farmers everywhere shall awake to a realization of the importance of their occupation; shall awake to a realization that they are entitled to much more than they are getting; shall cease going on all fours, stand erect on their legs, and with their hands go take what righteously belongs to them.

THE STRIKE

Farmers in Iowa and other States have formed an organization called the Farmers' Holiday Association. They learned it from the bankers out in the Mid-West. In some places there are whole counties where the banks are operating on the holiday plan. They refuse to pay certificates of deposits; they limit the amount a depositor can withdraw per day from his checking account. The bankers are really on a strike in which they refuse to pay what they owe except on their own plans. Laborers for 50 years have used the strike successfully. I see no reason why farmers should not have the same rights as bankers and laborers in this matter.

BIG BUSINESS IS FRIGHTENED

Thursday night, June 9, I was invited by representatives of big business to a conference held in the Carlton Hotel in Washington, D. C. They told me conditions were such that it was necessary to reestablish war-time "councils of defense." They wanted me to join them in signing a petition asking the President to reestablish this hideous institution. They told me they already had about 100 signers, and they were to present the petition to the President the next day. Every indication in the last few months is that a dictatorship may be established when Congress adjourns. There have been articles by big business men arguing this would be necessary, and commercial reporting agencies have forecast this would be done. I warn you striking farmers that arrangements are being made to take care of you by the strong-arm methods used during the war. I was with these representatives of big business about two hours. I did most of the talking. They knew exactly how I felt before I left.

In Oklahoma during the war we farmers called it the "council of offense." I was President of the Farmers' Union of Oklahoma during the war under the council of defense authority. Farmers were taken out at the midnight hour and tarred and feathered on a confession that they had attended a farmers' union meeting that night.

I have worked mules in pairs, in fours, and in sixes; I have herded cattle on the prairies of the West without swearing; but six months in Washington has almost taught me to swear.

The next day, June 10, the petition was presented to the President. He refused to grant their request. The law still exists and when Congress adjourns the President can change his mind and in a week cover this Nation with town "councils of defense" just as they did during the war. Then they will tell you what you can say as well as what you can do. You are not safe until the "council of defense act" has been repealed. It is a disgrace that Congress has not repealed these old war-time laws a long time ago. You ought to demand of your Senators and Congressmen an accounting on this score. It is also a disgrace for Congress to adjourn with an increase of 3,000,000 in the army of the unemployed and all farm prices lower than when Congress convened.

UNRIGHTEOUS TAXATION

"Balance the Budget" has been a slogan in Washington for the last three months. Many there were who thought an economic crime justifiable if necessary to balance the Budget. Farm organizations fought for righteousness in taxation. They fought to make those pay who are able to pay. We maintained that net income was the test of ability to pay. Since the days of Alexander Hamilton there has been unrighteousness in taxation, especially in Federal taxation. In order to balance the Budget many Members of the House and Senate were willing to add to the unequal burden of taxation between the rich and poor already existing.

Congressman E. E. Cox, of Georgia, in his speech against the soldier bonus bill, eloquently described the fact that our system of taxation reaches down even to the paupers of the land. I quote from Congressman Cox's speech published in the CONGRESSIONAL RECORD of June 13 on page 12846.

"There is not a beggar that extends the hand of want but from whose tin cup there will be taken toll.

"Go and pass this law, fill the soldiers' pockets with this new-made money, ground out of the toil of the poor as well as all others, but when he goes back home and passes down a back alley, street, or out upon the public highway and sees standing in the doorway of a half-torn-down house a hollow-cheeked and sunken-eyed woman with four or five ragged and half-starved children tugging at her tattered dress and sees her give to the mouth of a crying baby an empty and flabby breast, let him be reminded that to the new-made money that jingles in his pockets that mother and those children were made to contribute."

SOLDIER BONUS

While more than 3,000,000 of the young men of this land were serving as soldiers during 1917 and 1918 big business furnished the Government with thousands of workers at the small sum of a dollar per year. These dollar-per-year patriots used their positions with the Government to make money for the business concerns they represented. They commercialized and grew rich because of the services of the soldiers of this Nation. During those two years millionaires became multimillionaires and 20,000 who were not millionaires at the beginning of the war were millionaires at the close of the war.

It is estimated that 2,000,000 of these ex-service men are now wholly, or at least partially, unemployed. Many of them are objects of charity. Ninety per cent of them have families. The Government has acknowledged financial obligation to these ex-service men in the total sum of two and one-fourth billion dollars, due in 1945.

With starving families, without work, and with nothing being done by the Government to relieve their condition, 20,000 of these ex-service men came to Washington from every State in the Nation asking the Government to pay its legal and acknowledged obligation.

Congressman PATMAN, of Texas, with the aid of Senator ELMER THOMAS, of Oklahoma, and ex-Senator Robert L. Owen, prepared a bill that provided for payment of two and one-fourth billion dollars to the more than 3,000,000 ex-service men on a basis of currency issued on non-interest-bearing bonds. The Government has sufficient gold to permit of such an issue of money. The bill passed the House, but failed to pass in the Senate. The power of the bankers was too great in this question between ragged veterans and bloated bondholders. The latter have the right of way here in Washington. Arthur Brisbane recently said bankers are unwilling to allow the Government to print any money unless they get a rake-off in the way of commissions and interest. The Patman bill money would have been free from bankers' graft. It would have been money over which bankers had no control. You can easily see why such a bill failed to pass the United States Senate.

Every Congressman and Senator has publicly expressed the opinion in this session of Congress that there can be no return of prosperity until the dollar has been cheapened. What a wonderful opportunity these Senators had to cheapen the dollar by putting two and one-fourth billion of brand new money in circulation.

There is a combination of big business, the big newspapers, and the administration. This combination club Congressmen and Senators to their knees and make them vote as they tell them. You will understand what I mean by this when I tell you that it is political suicide for a Congressman or Senator to vote against the dictates of big business, as they control all the big daily newspapers. Congressmen know this. They know you common people are unorganized and get your information from the daily press. If you were organized and had your own official paper you could protect your Congressmen and Senators against assaults of big business. I have often told you over the radio that my only object in making these talks is to arouse the farmers of the country and other common people of the country to their duty in the matter of organizing and taking part in the running of the affairs of their Government.

Speaking of bonus marchers, there have been many marches of this kind on Washington before this one of the ex-service boys. I will only mention a few.

Right after the war the railroad bonus army came to Washington, and Congress sent them away with a bonus of $529,000,000 and a law that provided for the Government getting one-half their profits above the first 6 per cent. The one-half belonging to the Government soon amounted to $361,000,000, but up to date the railroads are keeping it as an extra bonus.

When the President called a special session of Congress in 1929, a group of bonus seekers marched on Washington with claims against the Government. These claims had little of justice in them. The claims of the ex-service men are entitled to one hundred times the consideration as were those of the bonus marchers of 1929. In 1929 it was a group of eastern manufacturers that came to Washington demanding a tariff bonus. There is some difference in the two armies. The ex-service men came on foot, by truck and box cars. The tariff marchers came in Pullmans and by private car and even special train. The ex-service men came in rags and without money or food. The tariff army came with clothes for travel, clothes for morning, clothes for afternoon, and clothes for evening. They came with pockets bulging with money and check books handy when needed. The soldier group slept in the open in Anacostia camp on the banks of the Potomac with a little straw for a bed and the sky for cover. The tariff army had rooms and suites of rooms in the Willard Hotel. The ex-service men came saying to Congress, "We did our bit in France in 1917 and 1918, now we want our bonus." The tariff hogs said to Congress, "We did our bit in 1928, we now demand our bonus." Senator Grundy, spokesman for the hogs, publicly stated that the manufacturers of his State had contributed $750,000 to the Republican campaign fund, which was their bit, and they were here and that they now came to collect. The ex-service men, 200 of them with war medals pinned to their ragged shirts, are police watched day and night. The tariff hog army had the right of way, even the policemen standing aside when they approached. Congress just turned down the request of the ex-service bonus army. In 1929 they graciously granted the tariff bonus army everything they asked.

In this session of Congress the big banker army came to Washington in just as grand style as did the tariff army in 1929. No policemen were put on their trail. Everybody tipped their hats to them. The President issued orders to Congress to grant every request of these high-powered robbers and racketeers. Both House and Senate meekly obeyed, and the banker barons left with $2,000,000,000 to the good and a promise of as much more as they might need.

UNRIGHTEOUS MONEY SYSTEM

Do you doubt the unrighteousness of our money system? If you do, listen to me while I read from the remarks of Congressman LOUIS T. MCFADDEN, of Pennsylvania, found in the CONGRESSIONAL RECORD of the 10th of this month and on page 12600. Mr. MCFADDEN said:

"Another Member of this House, Mr. BEEDY, the honorable gentleman from Maine, has questioned the accuracy of my statement and has informed me that the Federal Reserve Board denies absolutely that these figures are correct. This Member has said to me that the thing is unthinkable, that it can not be, that it is beyond all reason to think that the Federal Reserve Board and the Federal reserve banks should have so subsidized and endowed their favorite banks of the Federal reserve system. This Member is horrified at the thought of a graft so great, a bounty so detrimental to the public welfare as sixty and a half billion dollars a year and more shoveled out to favored banks of the Federal reserve system.

"I sympathize with Mr. BEEDY. I would spare him pain if I could, but the facts remain as I have stated them. In 1928 the Federal Reserve Board and the Federal reserve banks presented the staggering amount of $60,598,690,000 to their member banks at the expense of the wage earners and taxpayers of the United States. In 1929, the year of the stock market crash, the Federal Reserve Board and the Federal reserve banks advanced fifty-eight billions to member banks.

"In 1930, while the speculating banks were getting out of the stock market at the expense of the general public, the Federal Reserve Board and the Federal reserve banks advanced them $13,022,782,000. This shows that when the banks were gambling on the public credit of the United States Government as represented by Federal reserve currency, they were subsidized to any amount they required by the Federal Reserve Board and the Federal reserve banks. When the swindle began to fail the banks knew it in advance and withdrew from the market. They got out with whole skins and left the people of the United States to pay the piper.

"On November 2, 1931, I addressed a letter to the Federal Reserve Board asking for the aggregate total of member bank borrowings in the years 1928, 1929, 1930. In due course I received a reply from the Federal Reserve Board dated November 9, 1931, the pertinent part of which reads as follows:

"'MY DEAR CONGRESSMAN: In reply to your letter of November 2 you are advised that the aggregate amount of 15-day promissory notes of member banks during each of the past three calendar years has been as follows:

1928	$60, 598, 690, 000
1929	58, 046, 697, 000
1930	13, 022, 782, 000

"'Very truly yours,

"'CHESTER MORRILL, *Secretary.*'

"This will show the gentleman from Maine the accuracy of my statement. As for the denial of these facts made to him by the Federal Reserve Board, I can only say that it must have been prompted by fright, since hanging is too good for a Government board which permitted such a misuse of Government funds and credit.

"My friend from Kansas [Mr. MCGUGIN] has stated that he thought the Federal Reserve Board and the Federal reserve banks lent money by rediscounting. So they do; but they lend comparatively little that way. The real rediscounting that they do has been called a mere penny-in-the-slot business. It is too slow for genuine highflyers. They discourage it. They prefer to subsidize their favorite banks by making these $60,000,000,000 advances, and they prefer to acquire acceptances in the notorious open discount market in New York, where they can use it to control the prices of stocks and bonds on the exchanges. For every dollar they advanced on rediscounts in 1928 they lent $33 to their favorite banks for gambling purposes. In other words, their rediscounts in 1928 amounted to $1,814,271,000, while their loans to member banks amounted to $60,598,690,000. As for their open-market operations, these are on a stupendous scale, and no tax is paid on the acceptances they handle; and their foreign principals, for whom they do a business of several billion dollars every year, pay no income tax on their profits to the United States Government.

"This is the John Law swindle over again. The theft of Teapot Dome was trifling compared to it. What king ever robbed his subjects to such an extent as the Federal Reserve Board and the Federal reserve banks have robbed us? Is it any wonder that there have lately been 90 cases of starvation in one of the New York hospitals? Is it any wonder that the children of this country are being dispersed and abandoned?

"The Government and the people of the United States have been swindled by swindlers de luxe to whom the acquisition of American gold or a parcel of Federal reserve notes presented no more difficulty than the drawing up of a worthless acceptance in a country not subject to the laws of the United States by sharpers, not subject to the jurisdiction of the United States courts, sharpers with a strong banking 'fence' on this side of the water—a 'fence' acting as a receiver of the worthless paper coming from abroad, indorsing it and getting the currency out of the Federal reserve banks for it as quickly as possible, exchanging that currency for gold, and in turn transmitting the gold to its foreign confederates.

"Such were the exploits of Ivar Kreuger, Mr. Hoover's friend, and his hidden Wall Street bankers. Every dollar of the billions Kreuger and his gang drew out of this country on acceptances was drawn from the Government and the people of the United States through the Federal Reserve Board and the Federal reserve banks. The credit of the United States Government was peddled to him by the Federal Reserve Board and the Federal reserve banks for their own private gain.

"That is what the Federal Reserve Board and the Federal reserve banks have been doing for many years. They have been peddling the credit of this Government and the signature of this Government to the swindlers and speculators of all nations. That is what happens when a country forsakes its constitution and gives its sovereignty over the public currency to private interests. Give them the flag and they will sell it.

"The nature of Kreuger's organized swindle and the bankrupt condition of Kreuger's combine was known here last June when Hoover sought to exempt Kreuger's loan to Germany of one hundred and twenty-five millions from the operation of the Hoover

moratorium. The bankrupt condition of Kreuger's swindle was known here last summer when $30,000,000 was taken from American taxpayers by certain bankers in New York for the ostensible purpose of permitting Kreuger to make a loan to Colombia. Colombia never saw that money. The nature of Kreuger's swindle and the bankrupt condition of Kreuger was known here in January when he visited his friend, Mr. Hoover, at the White House. It was known here in March before he went to Paris and committed suicide there."

Again, let me quote from Congressman McFADDEN's speech made by him in the House on June 4 and found in the CONGRESSIONAL RECORD of that date, beginning on page 12032. These are tax cases, but in the long run the profits go largely to the big bankers.

"Although I was in possession of important information at the beginning of this inquiry, I have been amazed by the almost unbelievable situation which has been discovered to exist. Hundreds of millions, perhaps billions of dollars have been diverted from the public funds by practices which could not exist without the knowledge of the Secretary of the Treasury. It is not too much to say that the shortage is so great that it is directly responsible for the need for new revenue which is now absorbing the attention of the two honorable bodies meeting under this historic roof. If the tax laws had been enforced, there would be no need for new tax laws.

"I have called these discoveries to the personal attention of Mr. Andrew W. Mellon, former Secretary of the Treasury, and to Mr. Ogden L. Mills, the present incumbent of that office. I have not been able to discover in either of these gentlemen any disposition to correct existing evils, to collect back taxes, or to take any steps at all to bring this condition to an end.

"Individuals and corporations who should pay large taxes not only escape full payment of their just share of the expenses of Government but are also the recipients of huge tax refunds which return to them the greater part of the sums they do pay. There exists what amounts to an alliance between tax evaders, attorneys, certain public accountants, and Treasury officials which operates to exempt from taxation those best able to pay and shifts the burden of governmental expense to the shoulders of those least able to pay.

"Particularly odious are a group of cases in which the Treasury seems to be allied with the New York branch of an English accounting firm to cancel a vast sum of war-profit taxes levied years ago upon foreign steamship companies. Opinions of successive Attorneys General of the United States holding these taxes due and payable have been set aside in secret and unpublished proceedings in which the present Attorney General seems to have played an important part. Laws passed by Congress have been reversed by 'opinions' and 'regulations' and 'interpretations' promulgated by Treasury attorneys, and millions of dollars of refunds have been made to these foreign steamship companies, instead of collecting from them the unpaid taxes they owe under the law.

"All this has been done by edicts of the Treasury Department—edicts directly contradictory of laws passed by the Congress and signed by successive Presidents of the United States. These contributions to the shipowners of other countries are made in secret and behind smoke screen of foggy technicalities by the same department of the Government which now comes before our committees and tells us that we must increase taxes to replace the money that it has given away, that we must lay new imposts upon every step of our people's lives, from the baby's nursing bottle to the casket and tombstone of the last, final rest."

We have a money system so unrighteous that a handful of New York bankers can bring on such depressions as we now have at their own sweet will. Slaves of these bankers as well as their hirelings prate about the sound gold-standard money system. If a money system is sound that gets the people of a nation into the fix we are in now and the fix it has been in at various times in the last 50 years, then we had better look for something not quite so sound.

Real money should serve no other purpose than that of a medium of exchange. Any monetary system of money that makes money a commodity and makes bankers money merchants is unsound. To-day the value of a dollar is so high that it has ceased to be a medium of exchange. People can not buy a dollar that requires 25 pounds of cotton to purchase. That is what a cotton farmer has to give to-day for a dollar. To-day the value of a dollar is so high that farmers all over the mid-West must pay 10 pounds of butterfat to get one. To-day the dollar is so high that it takes 50 pounds of live pork to buy one. No wonder the dollar has ceased to be a medium of exchange, and people are on a barter basis.

I refer you to an article in the Saturday Evening Post of June 18 by Mrs. Evelyn Harris entitled "Farming without Money." It is a real story of how Mrs. Harris pays the barber, the merchant, even the taxes on her land by trading those with whom she deals products of her farm.

OUR BILLS

The Wheeler bill for remonetization of silver has reached no further consideration since the hearing before the subcommittee of the Finance Committee of the United States Senate last February.

Another silver bill introduced by Senator PITTMAN, of Nevada, may be voted on in the Senate and the House. Whether it will pass is problematic. This bill provides for the Government purchasing a certain amount of silver each month for the next five years.

The Wheeler bill is real economic righteousness. The Pittman bill is about half righteousness.

The Frazier bill got on the calendar of the Senate, but has not been taken up by that body for discussion and vote, and probably will not be. The grafting bankers of New York City have told their little boys in the Senate that it is unsound to issue any money that does not provide for graft to the New York bankers in the way of commissions and interest, therefore, the Senate does not vote on this economically righteous bill.

The McNary bill was the one unanimously agreed upon by the National Grange, Farmers' Union, and Farm Bureau. It was in the form of an amendment to the marketing act. Our friends in the Senate finally forced consideration of the bill. For three days it was debated in that august body and then recommitted to the Committee on Agriculture in the Senate, which probably means it is killed, although we have not given up and expect to fight to the end.

In the debate on the bill it was attacked by the constitutional lawyers. They picked at it as avariciously as a group of buzzards over a piece of carrion. After the constitutional lawyers had exhausted themselves, then the friends of grain and cotton exchanges bobbed up with misinterpretations of what the bill proposed. They could not understand it. They did not want to understand it. The best proof that the bill had merits was the fact that the speculators who name the price of our products were bitterly opposed to it. On the third day of the argument I hurriedly dictated a letter to Senator THOMAS, which he read into the RECORD. I now read it to you. Any listener who after hearing this letter read feels like you have an understanding of the allotment plan can congratulate yourselves on your intelligence, for half the Members of the Senate after three days of debate claimed they could not understand it.

"DEAR SENATOR: I have presented the allotment plan contained in the McNary bill to more than 200 farm audiences, ranging from a few hundred to a good many thousands and covering 21 States. I have presented the bill to chambers of commerce and other civic organizations. I presented it to the State board of agriculture in our State in one of their meetings. In all these presentations the plan was indorsed, and not one person in the multiplied thousands got such misunderstanding of the provisions of the bill as many Members of the Senate seem to have. The bill is so simple that if I had not been present and heard the remarks of Senators I would have not believed it possible for any man to get such conception of the bill.

"The bill provides, first, for getting cost of production for that portion of farm crops used in domestic consumption.

"Second, it provides that the remaining portion will take the world market at the time and place of any delivery by the producer.

"Third, the Government deals only with the purchaser and does this through a license-control system.

"Fourth, the licensee settles for each delivery by the producer on a basis of paying the Government fixed price for the portion needed for home consumption (which price is the same during the crop year) and the world price for the remainder at that place on that day.

"Fifth, there is no regulation of the farmer in this bill.

"Sixth, there is no expense to the Government except administration. The Government did this very thing for wheat of the 1919 crop at a very small expense.

"Farmers for wheat and cotton are not getting more than one-fourth cost of production. They are getting less than cost for every product they sell. If it is right for the home folks to pay the farmers cost for that portion of the crop the home folks use then this bill is right.

"Under present marketing conditions the farmer has nothing to say about the prices of his products. Speculators on the exchanges name the prices. This bill takes that authority away from the speculator in the portion used in home consumption. Senators, in the name of humanity, in the name of the general welfare of this Nation, rescue us from the price fixing of our products by the speculators on the exchanges.

"I suggest that if any amendments to the bill would make it read more clearly, as I have outlined above, that you offer such amendments."

FAMILY ECONOMIC RIGHTEOUSNESS

Ninety out of 100 American homes practice economic righteousness as between mother, father, and children. Father, because he is the biggest, because he is the strongest, does not wear better clothes than mother, son, or daughter. He does not eat a better grade of food than the other members of the family. He does not claim for himself more recreation and entertainment than the others have. The father who would practice such family unrighteousness would receive a call from the neighbors and one warning would be all those neighbors would give him. A second offense and action would be taken.

In the great national family, consisting of a hundred and twenty million common people, small individually, weak individually, and 10,000 ultrarich, who control big business, unrighteousness is practiced and prevails. Big business may be likened in the national family to the father. This daddy in the national family has lost all sense of what is fair to the other members of the family. He has become a selfish, greedy, avaricious old hog. He reaches out at the table, in the dressing room, and in the places of amusement and takes the best of everything in such quantities that millions of other members of the family go hungry, go ragged, go without any of the pleasures of life.

Such unrighteous conditions develop all the instincts of a Nero. In America big business men, clothed in such power as big business has, become as cruel as the emperors of Rome, whose highest standard of pleasure was torturing human beings. They were delighted to have human beings, their clothing soaked in oil, answer the purpose of a lighting system at their open-court entertainments by placing them at regular intervals and using them as human torches. It was a pleasure to these old emperors to see human beings thrown into the cages of wild animals.

A man in this country gets a million dollars by some means. He plans the next year to double that sum. He does this knowing that for him to get a million dollars in a year of the national income will mean that thousands of other members of the national family must work for nothing except the necessary food to keep them alive. He is successful and gains the extra million. He is now worth two million and he plans to double that, and he looks down on the picture of misery that he knows must be doubled if he doubles his two million with as much delight as Nero did on human torches.

Farmers listening in, as I close I appeal to you, I urge you, I beg of you get into your organization, the Farmers' Union, and help those who are in to dethrone the Neros, to dethrone the unrighteous economic system that has grown up in this country. This Nation can not exist with a small minority living in the midst of plenty, in the midst of luxury, even in the midst of riotous living, and a vast majority hungry and ragged. Oh, brother farmers, get into your class organization, the Farmers' Union, and help us to establish in this country justice, equity, the principles of the Golden Rule, and economic righteousness.

STATEMENTS OF APPROPRIATIONS—SEVENTY-SECOND CONGRESS, FIRST SESSION

Mr. McKELLAR. Mr. President, I ask unanimous consent that in the RECORD to be issued after the adjournment of Congress—I am hoping to leave this afternoon, and that is why I am making the request now—I may be permitted to file and have printed the usual statement of governmental receipts and the appropriations made at the present session of the Congress. Such a statement is always printed in the RECORD by members on both sides of the committee, and I should like to print my remarks in that regard in the RECORD that is to be published after the adjournment of Congress.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I understand the request applies to both sides?

Mr. McKELLAR. Of course, and I make the request for both sides now.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EMERGENCY RELIEF AND CONSTRUCTION LEGISLATION

Mr. WAGNER. On Thursday, Mr. President, the Senate passed the emergency relief and construction bill, the first and only measure to receive the approval of the Senate, which undertakes to launch a direct attack upon the difficulties of the depression. Directly and through the Reconstruction Finance Corporation we shall under the terms of the bill initiate and finance a $2,000,000,000 construction program, which must of necessity create a demand for commodities, and thus help check price deflation, stimulate trade and industry, and open jobs for a substantial portion of those who for three long years have been pounding the pavements in vain search of work.

The bill had been painstakingly prepared. It was thoroughly considered during a week of debate in the Senate. It emerged with the overwhelming approval of the Senate, practically in the form in which it had been introduced. Under the circumstances there would be no occasion for speaking upon it now but for the statement issued by the President, which must not go unrefuted lest the public accept as true and valid a criticism which is completely unfounded.

It is not my purpose to enter into controversy with the President over his claim to credit. It may well be that within the silence of his own heart he approved of legislation for relief of the country from the blighting effects of unemployment. If so, he very effectively concealed his purpose from Congress until after every item which constitutes the relief and construction bill had already been proposed in this body.

My purpose is to take issue with him upon those charges with which he attacks an essential and, indeed, an indispensable section of the bill which we have passed. His objections are primarily aimed at the provision of the bill which authorizes the expansion of the Federal construction program and the financing of that work by a Federal bond issue. Concerning that provision he makes the blunt declaration, "We can not restore employment in the United States by these methods."

Before we consider any of the details it seems to me entirely proper that we should appraise the record of the man who makes this generalization. Does his record entitle him to pass judgment upon what are proper or improper methods of dealing with unemployment?

Mr. Hoover was wrong on the agricultural problem when he contrived the Federal Farm Board and the stabilization corporations which to-day have, as far as I know, no defender inside or outside of the Senate.

Mr. Hoover was wrong on the tariff when he signed the Smoot-Hawley bill over the protest of the informed and expert opinion of the country.

Mr. Hoover has been continuously and invariably wrong on unemployment. He was wrong when he resisted the effort during times of prosperity to prepare for the possible day of depression. He was wrong when he announced on March 7, 1930, that within 60 days the depression would be over. He was wrong more recently when he declared that the Reconstruction Finance Corporation would contribute to the resumption of employment and the stabilization of prices, and that no more direct methods were necessary.

In view of this record I declare, Mr. President, that the public will do well to reject the criticism of one who has throughout the depression been wrong, late, and futile, and to rely upon the good judgment and sincerity of purpose of those who have been right.

To-day the informed and expert opinion of the Nation and the great body of its citizens approve and commend this legislation. And Mr. Hoover is again defying the light and the truth, obstinately resisting the persuasion of fact and logic and contributing to the despair which is all too prevalent.

Our object was to formulate a program which would relieve distress, stimulate trade, and provide employment. That we have done. The direct share of the Federal Government in that program is but a quarter of the $2,000,000,000 enterprise which the bill contemplates. That is not too large a share of the responsibility for the Federal Government to assume in helping the Nation to carry the burden of the depression and initiating the movement towafd recovery.

Instead of commending the program, instead of joining in this great effort and thus giving assurance to the Nation of a unified purpose in the Capitol to undertake the difficult task of rehabilitation, the President repeats the outworn and oft-refuted charges that this legislation unbalances the Budget, is wasteful, and will be ineffective in providing substantial employment. The high office from which these charges emanate makes it necessary once again to establish their invalidity.

The bill which the Senate has passed does not unbalance the Budget. On the contrary, it helps to balance it and to reduce the very heavy burden of current taxation by canceling appropriations of about $175,000,000 for permanent improvements. These improvements, together with about $325,000,000 of additional construction, will be financed out of a separate fund of $500,000,000 raised by a bond issue. These bonds no more unbalance the Budget than the debentures of the Reconstruction Finance Corporation, since both alike depend for their value upon the national credit, and both alike represent not expenditure of income but investment of capital.

The program of public construction provided in the bill is not wasteful but the essence of prudent economy. It is sound economy to build that which we need when costs are low, and to-day costs are low; indeed, too low. It is sound economy to put men to work instead of maintaining them in idleness as we are doing to-day in every city of the United States. The works projected in the bill are precisely of the same class and kind as those recommended by the President in his Budget. In many instances the identical projects are

merely to be hastened to completion so as to provide more work now when it is so badly needed.

Through the President's statement word has gone out to every citizen in the United States that the public work authorized by the bill is to be done "to a large extent in the localities where it is not needed." I say with all due respect to the President that there is no warrant whatever for that statement, and I defend my assertion by giving the conclusive reason that the choice of the specific undertakings to be constructed under the bill is left to the President and his departments. It is up to the President to select projects which will do the most good in localities where they are most sorely needed. Can it be that he is now in advance condemning the work he will do in exercising his authority under this bill?

From the day the bill was introduced the administration has been engaged in the petty effort to belittle its effectiveness in providing employment. It is disappointing to see the President join in that endeavor, the only effect of which can be to spread pessimism and discouragement when there is ample room for hope. The President states that the $500,000,000 Federal-construction program would "produce direct employment during the next year to an average of less than 100,000 men." With all the respect which is properly due to the President, I am nevertheless constrained to say that that statement, unqualified and unexplained, is not quite candid with the millions of our citizens who are prayerfully waiting for the final enactment of this legislation. The words "direct employment," the phrase "during the next year" contain mental reservations. It is not a statement of all the facts.

How many of the millions who will read his statement will realize that by using the words "direct employment" the President meant to exclude the men who make the bricks that are handled by the bricklayers on the site of construction; that he intended to exclude the steel workers, the iron workers, the quarrymen, the railroad employees, all of whom must necessarily be employed to prepare and transport the materials necessary for modern construction. For every man directly employed at the site of a project at least two men are employed behind the lines. Is the employment of these men of no consequence?

How many of those who read the President's statement will know that by using the phrase "during the next year" he probably meant that for unstated reasons, which I have not been able to discover, he proposed to postpone some of the construction authorized by the bill?

The President did not inform the American people that by reason of the 30-hour week which is provided in the bill we shall open 160 jobs for every 100 normally made available by a construction project.

I recall that the President has not always been so grudging with his estimates. On September 6, 1931, he announced to the press that the Treasury building program then under way would by January 1, 1932, provide work, directly and indirectly, to 100,000 men, and that program represented a total expenditure for the 11 months ending June 1, 1932, of but $76,248,946.

The fact of the matter is that on the basis of expert analysis it is conservatively estimated that the entire construction program made possible by the bill would provide jobs for a full year to 2,000,000 workers, and out of that the Federal public works would account for 500,000 jobs. In addition it should be remembered that these 2,000,000 wage earners would spend their wages upon food, clothing, and a multitude of other commodities, and thus put to work an endless chain of additional workers.

It will not do to accept the President's suggestion that in place of the Federal construction program we enlarge further the authorization to the Reconstruction Finance Corporation to make loans on self-liquidating projects. The amount of $1,500,000,000 now carried in the bill for that purpose was predicated upon an estimate of the demand. If and when the demand becomes greater in volume than anticipated, there will be ample opportunity for enlarging that authorization. That increase can only develop in time. It is consequently no substitute for the Federal construction which can go forward at once because it has already been fully investigated, approved, and planned.

The program now carried in the bill is well balanced and well distributed over the United States. It is a moderate and conservative program. By no other present method can we contribute as much to the resumption of employment, the checking of price declines, and the general stimulation of every branch of agriculture and industry.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from South Carolina [Mr. BYRNES] to the amendment of the committee, which will be stated.

The LEGISLATIVE CLERK. On page 18, line 21, in the committee amendment, after the word "board," the Senator from South Carolina proposes to insert the following:

Not exceeding $600,000.

So that, if amended, it will read:

All unexpended balances of appropriations for the Federal Farm Board, not exceeding $600,000, are hereby made available for the purposes enumerated in this paragraph.

Mr. SMOOT. Mr. President, the amendment is all right and I hope the Senate will agree to it.

Mr. NYE. Mr. President, the Senator in charge of the bill accepts the amendment to the amendment?

Mr. SMOOT. Yes, Mr. President. I see no reason why it should not go to conference.

Mr. NYE. Is the Senator aware of what would happen in the matter of employment in the Farm Board if it were accepted?

Mr. SMOOT. No.

Mr. NYE. I made inquiry this morning, Mr. President, and I am just in receipt of a letter from Chairman Stone, declaring as follows:

This amendment for a limitation of $600,000 will necessitate the following adjustments:

Dismissal of about 50 per cent of the employees, which will mean 150 to 175, plus a furlough of all the remaining employees, including board members and officials, for two months in addition to the proposed statutory furlough of one month. This is on the assumption that savings from statutory furloughs are impounded. If savings from statutory furloughs are not impounded, we would have to dismiss the same number and furlough all remaining employees one month in addition to the statutory furlough, or dismiss 120 to 160 and furlough remaining employees, board members, and officials two months additional.

Under the above plans operating expenses would be reduced to about one-third of the present expense.

I hope the Senator in charge of the bill will not accept that amendment.

Mr. BORAH. Mr. President, I hope the Senator will retain it.

Mr. SMOOT. Mr. President, if we are going to economize, we shall have to do it somehow and somewhere.

Mr. NYE. Yes; but do not do it in the case of the Army or the Navy. Do not let anything like that happen there.

Mr. SMOOT. The Senator need not charge that condition to me. I agree, perhaps not wholly, with the implication of the Senator's remarks in regard to the Army and the Navy. I know that it is well founded in many particulars. Here, however, I think there is a way to save money. I am perfectly willing, therefore, to allow the amendment to go to conference. Then we can work it out in detail; and that is why I accepted it.

The VICE PRESIDENT. Does the Senator from Idaho desire recognition?

Mr. BORAH. No; I was going to suggest an extension of the furlough.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina to the amendment of the committee.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment as amended.

Mr. NORRIS. Mr. President, I was out of the Chamber when that part of the bill was read. I desire to call the attention of the Senator from Utah to page 17, line 18. Did the Senator offer an amendment to strike out "newspapers and clippings"?

Mr. SMOOT. I offered an amendment there to strike out "clippings," not "newspapers." Not only that, but there are half a dozen other places in different appropriations where we have carried an appropriation for newspaper clippings, and the Committee on Appropriations has struck them all out as far as clippings are concerned, but not as far as newspapers are concerned.

Mr. NORRIS. I was not rising to complain. I am glad the Senator has made that motion; but yesterday I called the attention of some Senators to what seemed to me a very small thing, and yet a noticeable one to me, in the appropriation for the Federal Trade Commission.

Senators will remember that almost from the organization of that body there has been a continual fight every year to get appropriations to keep the commission going. Since it has been investigating the Power Trust it has been harder than ever; and it has suffered a shock that no other commission has suffered, commencing right with the White House, when the Budget was made up. I noticed, however, as the bill was reported here, that for the Federal Farm Board there was an appropriation, not exceeding $750, for newspapers and clippings, membership dues in organizations, and so forth. The words "newspaper clippings" were not struck out at that time; but when the committee came to report the appropriations for the Federal Trade Commission they very carefully struck out those words, although the appropriation in that instance was only $200.

Mr. SMOOT. Mr. President, I say to the Senator again that we did not notice this, and we have offered the amendment on the floor.

Mr. NORRIS. I am glad the Senator noticed it before I called the attention of the Senate to it.

Mr. SMOOT. I say again that wherever it appears in an appropriation bill this year it is going to be stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, as amended.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 19, line 8, after the word "of," to strike out "$12,000" and insert "$10,000," so as to make the additional proviso read:

Provided further, That no part of this appropriation shall be used to pay any salary in excess of $10,000 per annum, or any salary in excess of $6,500 per annum except to members of the board and the general counsel.

The amendment was agreed to.

The next amendment was, under the heading "Federal Oil Conservation Board," on page 19, at the end of line 17, to strike out "$12,500" and insert "$10,000," so as to read:

For the expenses of the Federal Oil Conservation Board convened by the President on December 19, 1924, and for each purpose connected therewith, to be expended by the secretary of the board under the supervision of the Secretary of the Interior, under general regulations to be approved by the board, $10,000.

The amendment was agreed to.

Mr. BLAINE. Mr. President, my attention was diverted when consideration was given to the amendment on page 18, striking out the $1,000,000 appropriation.

Mr. SMOOT. That has been passed over, Mr. President.

Mr. BLAINE. I thank the Senator.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Federal Power Commission," on page 20, line 1, after the word "exceeding," to strike out "$1,500 for press-clipping service" and insert "$1,000 for"; in line 3, after the word "periodicals," to strike out "$283,770" and insert "$250,000"; and in line 4, after the word "exceed," to strike out "$238,900" and insert "$210,000," so as to read:

For every expenditure requisite for and incident to the work of the Federal Power Commission as authorized by law, including personal services; traveling expenses, including expenses of attendance at meetings which in the discretion of the commission are necessary for the efficient discharge of its responsibilities; contract stenographic reporting services; reimbursement to governmental agencies of the cost of furnishing motor-driven passenger-carrying vehicle service, and not exceeding $1,000 for law books, books of reference, newspapers, and periodicals, $250,000, of which amount not to exceed $210,000 shall be available for personal services in the District of Columbia, including five commissioners at $10,000 each.

The amendment was agreed to.

The next amendment was, on page 20, line 8, to reduce the appropriation for all printing and binding for the Federal Power Commission from $5,500 to $4,000.

The amendment was agreed to.

The next amendment was, on page 20, line 9, to reduce the total appropriation for the Federal Power Commission from $289,270 to $254,000.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the Senator from Connecticut [Mr. BINGHAM] asked that the amendments relating to the Federal Radio Commission should go over. He is not in the Chamber now; and I should like to have them go over temporarily, until he returns.

Mr. KING. Mr. President, may I inquire of my colleague what the Senator from Connecticut desires to have done.

Mr. SMOOT. I do not know what objections he has; and I prefer that all of this subject matter should go over until the Senator returns to the Chamber. I will send for him.

The VICE PRESIDENT. Without objection, the Federal Radio Commission amendments will be passed over.

Mr. NYE. Mr. President, we have now reached the part of the bill dealing with the Federal Trade Commission. Knowing that there are a great many Senators who are not present in the Chamber, who want to be here when these items are discussed——

Mr. SMOOT. Mr. President, I ask that that matter may go over until we get through with the rest of the bill.

Mr. NYE. Very well.

The VICE PRESIDENT. Without objection, the amendment relative to the Federal Trade Commission will be passed over.

Mr. BLAINE. Mr. President, the next paragraph of the bill relates to the General Accounting Office. My colleague [Mr. LA FOLLETTE] was called from the Chamber. He is very much interested in this particular item; and I ask that it may go over temporarily.

The VICE PRESIDENT. Is there objection? The Chair hears none, and that order will be made.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "George Rogers Clark Sesquicentennial Commission," on page 23, at the end of line 24, to strike out "$500,000" and insert "$250,000," so as to read:

For carrying into effect the provisions of the joint resolution entitled "Joint resolution providing for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark and his army, and authorizing an appropriation for the construction of a permanent memorial of the Revolutionary War in the West, and of the accession of the old Northwest to the United States on the site of Fort Sackville, which was captured by George Rogers Clark and his men February 25, 1779," approved May 23, 1928 (45 Stat. 723, 724), as amended by the act of February 28, 1931 (46 Stat. 1459–1460), $250,000.

Mr. WATSON. Mr. President, if this were an original proposition, I would not urge it. I understand the stress we are under for economy, one in which we all fully share, and in which we should share, and each one should take his portion of the responsibility.

The appropriation, however, was authorized just four years ago of $1,000,000. Subsequently, half a million dollars more was authorized. Pursuant thereto contracts were entered into not up to the full $500,000 but aggregating a shade over $400,000. The Senator from Ohio [Mr. FESS] is the chairman of the commission; and before leaving the city he gave me a statement showing that actual, bona fide, legal, binding contracts for the full $400,000 had been entered into.

I am not going to ask to have the full $500,000 appropriated, but $400,000, because we would not save any money by doing otherwise. We would be subject to suit by contractors.

Mr. SMOOT. Mr. President, may I say to the Senator from Indiana that this matter will go into conference, and that is the reason why we put in the amendment. We have certain information on the subject, and I have received a number of letters since the Senate committee acted. If the Senator will allow it to go into conference, the whole matter can be thrashed out there.

Mr. WATSON. I am entirely willing; but, of course, this is one of those things that we started when we were in flush times and had money and thought there would not be any trouble about completing it. If it were an original proposition right now, desirable as I think it is from the historical standpoint, I would not ask for it; but we are in it now.

Mr. SMOOT. Let it go into conference.

Mr. McKELLAR rose.

Mr. WATSON. The Senator from Tennessee is a member of the commission and knows the situation.

Mr. McKELLAR. As I understand, the $400,000 is actually under contract.

Mr. WATSON. It is actually under contract now, and the Government would be subject to suit if this action were taken.

Mr. McKELLAR. I think it had better go to conference, anyway.

Mr. WATSON. That will be all right. I have no objection to that.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "George Washington Bicentennial Commission," on page 24, line 3, before the word "carrying," to strike out "For" and insert "To complete"; in line 18, after the word "acts," to strike out "$300,000" and insert "$200,000"; in line 19, after the word "expended," to insert "together with all balances remaining unexpended from appropriations previously made for the use of this commission," so as to read:

To complete carrying out the provisions of the public resolution entitled "Joint resolution authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington," approved December 2, 1924 (43 Stat., p. 671), and all other activities authorized by the act entitled "An act to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans," approved February 21, 1930 (46 Stat., p. 71), including personal services without reference to the classification act of 1923, as amended, and civil-service regulations, traveling expenses, furniture and equipment, supplies, printing and binding, rent of buildings in the District of Columbia, and all other expenditures authorized by the above acts, $200,000, to be available until expended, together with all balances remaining unexpended from appropriations previously made for the use of this commission for each and every object of expenditure connected with the celebration.

Mr. NORRIS. Mr. President, that amendment probably is all right; but it seems to me that on the face of it, it needs an explanation.

Mr. SMOOT. Mr. President, it is just a question of bookkeeping in keeping the account. There is no money involved in it, and it is recommended to the committee.

Mr. NORRIS. Who recommended it?

Mr. SMOOT. Mr. BLOOM recommended it.

Mr. NORRIS. I see this language, "together with all balances remaining unexpended from appropriations previously made for the use of this commission." It would be very interesting to know what those balances are, what years they are from, and how much they are.

Mr. SMOOT. I am very sure they are very small amounts.

Mr. NORRIS. That is something besides bookkeeping. If there are some appropriations which are not used, they would naturally go back into the Treasury, it seems to me, at the end of the fiscal year, and why have not these gone back?

Mr. SMOOT. More than likely the money was appropriated, not for any particular year but until expended. There is very little involved in it. If the Senator desires, I will find out just what the amount is.

Mr. NORRIS. I would like to have the information. There has been a great deal of money expended by this commission. It has been at it several years, and we have the celebration going on now, but none of us know it. There is nobody here to see it. Even Washington does not know that there is such a celebration going on, unless somebody tells the people about it. About the only time we are reminded of it is when we have an appropriation bill to pay a lot of money to somebody. I think in these days of economy we ought to be sure what we are doing.

Mr. SMOOT. I assure the Senator it is a very small amount, and when the statement is made, the whole thing will be cleared up. They will spend every dollar of it.

Mr. NORRIS. Of course they will spend every dollar of it.

Mr. SMOOT. They are just little amounts. I thought I had a statement of the exact amount, but I have not. There is nothing in it with the exception of a very few dollars.

Mr. BLAINE. Mr. President, I would like to ask the Senator from Nebraska a question.

Mr. NORRIS. I yield.

Mr. BLAINE. Does not the Senator know there is a big celebration and demonstration on to-day in the city of Washington?

Mr. NORRIS. What about?

Mr. BLAINE. I do not know; but there is a demonstration on.

Mr. NORRIS. There is one every day. There is a continuous performance, running all the year, as I understand it, and we have been providing for it with public money and paying for it, but I do not know what we are getting for the money.

Mr. BLAINE. There are bands, and there are men on horseback, and some in uniform, but few have come to town to see the parade. It is a dress parade without anyone to attend it, and I think the Senator has made a very excellent suggestion in saying that nobody knows about this bicentennial celebration. There was nobody on the streets except citizens going to and from their places of business, or on shopping trips.

The Senator from Nebraska, of course, knows there are right now some ten or twelve thousand former service men in town. Perhaps they came to town to observe the bicentennial. Maybe we have been mistaken as to what their mission may be in coming here. I do not know. I thought it was to put on a demonstration favorable to the passage of the adjusted-compensation or bonus legislation. Maybe the bicentennial was put on for the benefit of these veterans who came here. I suppose that is all they are going to get out of it, anyway. They get that, at least, if they can stand around the sidewalks and watch the bands go by, and the men on horseback.

Perhaps it is all right to appropriate a million dollars to put on demonstrations. Perhaps it is all right to spend a million dollars, and, on the other hand, let these men who fought the battles of this Republic in foreign lands go without adequate shelter, go without adequate sanitation facilities, go without food, many of them starving, or on the verge of starvation. I find young men coming to me and telling me that it goes against the grain for them to ask for food. They do not like to come and ask for a square meal, but they are in such a position that they must either solicit from their friends for something to eat, or starve.

I think if George Washington were to walk upon the face of the earth to-day, Washington would say that we should feed these hungry men—feed the men who are in hunger rather than spend a million dollars for whose benefit no one knows.

Mr. JONES. Mr. President, will the Senator yield?

Mr. BLAINE. In just a moment. Certainly George Washington does not need these parades in order to perpetuate his memory and his work. His memory and his work stand

as monuments, without all of the parades and glitter and the bands and the men on horseback.

On the one hand, I think it is an unusual spectacle to have these demonstrations here in the city of Washington in which the people of the United States are investing a million dollars, and then, on the other hand, to have eight or ten thousand men, 90 per cent of whom were overseas, without the proper food and the proper shelter and the proper sanitation. I think it is an exhibition of extravagance, an exhibition of ingratitude, an exhibition that is not worthy of the Congress of the United States, and I say that most frankly and most sincerely here this morning.

Mr. JONES. Mr. President——

Mr. BLAINE. I do not know that we can prevent the expenditure of this million dollars now. We have probably gotten in so deep that in order to save the reputation of a few men who want to occupy the public eye for a brief period we have to spend this million dollars. Perhaps we can not cut that off, but it does seem to me such a pathetic spectacle to see all of the bands and the uniforms and the horses and all their trappings and the horsemen in all their glory, when men are in distress and misery, and all of it here in the Capital of the United States. I think it is damning the memory of George Washington.

Mr. JONES. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. JONES. I just wanted to suggest to the Senator that I made some inquiries this morning as to the parade going on downtown to-day, and I find that the old Confederate veterans of the Civil War are holding a reunion, that the parade is in honor of them, and that is why the people are out.

Mr. BLAINE. I am not objecting to the parade in honor of the Confederate veterans.

Mr. JONES. I understand, but I just wanted to tell the Senator what the demonstration was about to-day.

Mr. BLAINE. I did not know what the parade to-day was for, and I am not concerned about that, but I am concerned about these demonstrations which are put on for the so-called purpose of celebrating the bicentennial of George Washington. This demonstration to-day may not be a part of that. That is not what I am talking about. We have demonstrations in the city of Washington such as I have described. I am speaking of those demonstrations particularly which are put on in connection with the program for this bicentennial celebration, and those demonstrations which have gone on in the past and which will go on in the future, the expense of which, or some of the expense of which, is to come out of the Public Treasury, when it would be much better and much more sensible to divert some of that money toward the relief of the distress and misery which all of us see on every hand as we come to the Senate Office Building and as we come over to the Capitol of the United States. I see these men, some of them in tatters and rags, with emaciated, drawn faces, men who were good enough to be called to the colors in 1917, men who were good enough then to be called heroes, men who were told that if they made a sacrifice, even unto the sacrifice of their lives, this great country of ours would not be ungrateful, that this country would show its gratitude toward those men.

Here in the city of Washington for the past several weeks these men have been among us. On every hand we see them. Many of those men we know. Some of them are our neighbors; and not one single penny has been appropriated by Congress to relieve those men.

I am not speaking about the passage of the soldiers' bonus proposal now; I am talking about the immediate needs and necessities of the men. They are here; they are without funds; they are practically without food. I noticed in the paper last night that the total amount of money available for their food was something like $3,000. It is gradually disappearing.

Mr. President, I do not condemn the Committee on Appropriations; but it seems to me that that committee might report out a bill—which ought to have the unanimous support of the committee—providing for food and clothing and proper sanitation for these men, providing the necessary funds where they desire to return to their homes and have no means by which to return, relieve some of this distress, and demonstrate to America that we are honoring the life and the works and the labors of George Washington by our actions.

Mr. President, I am in hopes that the Committee on Appropriations will report out a bill, that they will ascertain from the superintendent of police what may be necessary to provide for the essential clothing, shelter, food, and sanitation for these men so long as it may be necessary for them to remain, to ascertain what the cost would be to furnish transportation for men who desire to return to their homes and are without funds with which to pay their transportation.

I want to say, Mr. President, that if the Appropriations Committee would do that, I rather assume that the Congress of the United States would unanimously pass such a bill. We would in that way be paying a great honor and tribute to George Washington, the commander in chief of the men who fought the early battles of the Republic. I appeal to the chairman of the Committee on Appropriations now to call the committee together after we shall adjourn to-day, and to call into conference the superintendent of police, who is quite familiar with the whole situation and who would be able to give the necessary information. Then let the committee report a bill Monday morning providing for a sufficient appropriation to cover the essential items to which I have referred. If the committee will do that then the greatest possible tribute will have been paid to those who established the Republic.

Mr. JONES. Mr. President, I want to suggest to the Senator from Wisconsin in all sincerity that legislation of the kind he has suggested should come from a committee of which he is a member—that is, the District of Columbia Committee, which has charge of matters of this kind in the District. I want to say to him, as well as to the other members of that committee, that if they will recommend such legislation and it is passed, the Committee on Appropriations, of course, will comply with the provisions of that law just as promptly as possible. But the Committee on Appropriations, as I think the Senator from Wisconsin knows, and as all Senators should know, has no authority to report legislation of that kind. Its function is to take care of the matter after the legislation is enacted authorizing the appropriation.

I agree with nearly all the Senator has said with reference to what should be done, and I suggest that action along the lines he has referred to could very well be taken, if by anybody, by the District Committee, of which he is a member, which would give the whole situation its most careful consideration and which could then bring before the Senate and before the House of Representatives whatever legislation that committee deems to be wise and proper under all the circumstances.

In regard to the exposition, I have thought the Washington bicentennial exposition almost a farce. It has cost the Government nearly $1,500,000 of good money. I think that money has been practically wasted, except as it may have furnished employment, of course, to people in different capacities. At the last session a very great reduction was made in the amount for the exposition carried in the appropriation bill as that bill came from the House. We reduced it $200,000 or $300,000. My recollection is that in the pending bill we require the officials to complete the exposition, so as to bring about a stoppage of appropriations for it.

I understand there is a publication they are getting out, the printing of a history of some kind or of documents of some kind, that will extend beyond this fiscal year, but that is all they intend to do. I think I was so informed by the chairman of the commission, that that is all they intend to do, and that the work and the necessity for appropriations will stop with this bill, except as it may be necessary to complete the publication of that work, which can not be completed within this fiscal year.

Of course, as to work that is done and that has been carried on at considerable expense, it may be wiser to carry it on to completion than to stop it unfinished. By stopping it

in an incomplete form we waste everything we have put into it, while if we expend a little bit more we probably may save it all.

But I do believe that the exposition has been merely a farce. I think we have practically wasted a whole lot of money except as it furnished employment in these hard times. If we are going to appropriate the money principally for that purpose, of course, it may be justified on that ground, but I think that all appropriation of money for the exposition should be stopped immediately.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES. I yield.

Mr. KING. I think the Senator has overlooked in his statement some pertinent facts. My understanding is that there will be no loss whatever to the Government. Whatever expenditures are made the Government will be reimbursed therefor. From the sale of stamps and, as I recall, coins the Treasury will be reimbursed to an amount of hundreds of thousands of dollars. I am told by one who is charged with considerable responsibility in connection with the activities of the commission that the Government will realize a profit from the sale of books, stamps, and coins. At no small cost the commission has collected all the writings of President Washington that could be discovered in this country and for that matter in all countries.

The commission has found and obtained hundreds if not thousands of letters and documents written by Washington, the value of which is very great. Their historical importance can not be overestimated. This achievement is worth all that Congress has appropriated. There will be published a series of volumes containing all the writings and letters and correspondence of Washington. As stated, that will be of incalculable value not only to the present generation, but to the generations that are to come.

In addition to what I have just indicated the commission has distributed a vast amount of historic literature to public schools and libraries, the benefits of which all must admit. I have had many letters from teachers, professors, and colleges, and from high-school students, asking for data and information concerning Washington and important events connected with the Washington period; have turned some of those letters over to the organization, and the information desired has been supplied by the commission. I know it has furnished a vast amount of data of an educational character to the colleges and schools of the United States. My opinion is that when the work of the commission shall have been completed it will be found that the Government has been compensated for all appropriations made, and that our country has been enriched by its services—enriched politically and culturally and, indeed, patriotically.

Mr. JONES. Mr. President, I admit a great deal of what the Senator has suggested, but it does not seem to me that the Government ought to go into a celebration relating to George Washington for the purpose of making money out of it. While it is true that many of the documents have been printed and sold and probably in the end the Government may not lose any money, counting what is taken in from the sale of documents, I think the time has come when appropriations for the work should be brought to an end.

Mr. NORRIS. Mr. President, I think the Senator from Utah [Mr. KING] has made some very valuable suggestions. The probabilities are that when this work was begun several years ago no one anticipated we were going to be in such a crisis at this time. I do not want to be understood as criticizing the legislation, but this much we ought to know. The Congress and the country are entitled to a full explanation of how much money has been spent and for what purposes it has been spent. I understand that no explanation has been made of much of the expenditure of money recently that probably might have been avoided.

In other words, we started into this matter in good faith in days when we were more prosperous. Nobody anticipated we were going to get into such a depression. When we found we were in it we ought to have cut off all appropriations if we could, except for those projects which we were bound to carry to completion. For instance, we see almost every day somewhere a band in beautiful uniforms marching around the Capital streets with seven or eight boys following them. We inquire, "What is that? What is the matter?" "It is the George Washington Bicentennial." Where did the band come from? Are we paying for the band? Perhaps we are not. I am not saying that we are, but there has been more or less of mystery here in the Senate as to what is being done and how much it costs.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Florida?

Mr. NORRIS. I yield.

Mr. FLETCHER. May I interrupt the Senator to say that my understanding is that parades like the parade to-day, for instance, do not cost the Government a cent.

Mr. NORRIS. I understand it is entirely an independent parade this morning, and that we have nothing to do with it. It may be that the others are of the same kind.

Mr. FLETCHER. They are all voluntary organizations. They do not charge the Government anything.

Mr. NORRIS. If they are all organizations coming here for the purpose of seeing the city——

Mr. FLETCHER. They are, and at their own expense.

Mr. NORRIS. Then that is all right; but what has been done with the million and more dollars we have taken out of the Federal Treasury and handed over to this commission? Where has it gone? For what purpose has it been expended? Has it been possible for us to cease the expenditures at any time? Nobody would have thought of having a big affair here lasting a year if we had known four or five years ago we were going to be in this terrible financial condition.

What we are entitled to is an explanation. Let us get the facts and know what the facts are. Nobody tells us. When I ask the senior Senator from Utah [Mr. SMOOT] how much this will mean where we are appropriating and making available all unexpended balances for prior years, the answer is, "Oh, it is not much." But how much is it? Is it $10 or is it a million dollars, and what are they going to do with it when they get it? It is just ordinary common business sense and honesty, it seems to me, that we should know all about it.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. I agree with the suggestion of the Senator with reference to the appropriation of unexpended balances which are continued and perpetuated, but that has been our practice. I think there ought to be a law making it a misdemeanor, if there is an unexpended balance, not to cover it back into the Treasury of the United States.

Mr. NORRIS. I asked that question of the senior Senator from Utah [Mr. SMOOT] and called his attention to what I think is the law, but the Senator replied that probably it had a provision attached to it, which is sometimes put in appropriation bills, that it is to remain available until expended, which would enable the interested parties to carry the appropriation and its expenditure over a century if desired.

Mr. KING. I can conceive of appropriations made for public buildings where those buildings will take perhaps several years to construct and as to which there should be a provision that the amount appropriated shall remain available for the purposes indicated. But as to appropriations which are made for departments and departmental activities, for the Army and the Navy and the various governmental boards, if there are unexpended balances they should be covered back into the Treasury at the end of the fiscal year.

With respect to the bicentennial celebration let me say to my friend from Nebraska that I criticized it somewhat some time ago, and that prompted me to make an investigation as to the work of the commission. I talked with the senior

Senator from Ohio [Mr. FESS], and with Mr. BLOOM, who has given much of his time for several years to the activities of the organization. In the beginning I think the plan was to have an important and imposing celebration and pageants illustrating the life and achievements of George Washington and the development of our country. Later it took on a different and, I think, a broader and nobler spirit. The concept grew that the celebration should be educational and should seek to inspire the American people with love of country and devotion to the ideals of Washington and those who laid the foundation of this Republic. It was thought that an effort should be made to obtain and have published all letters and writings of Washington—to place them in durable form for all ages. Letters have been found in Great Britain and in France written by Washington—correspondence between him and Lafayette and other historical characters who were his contemporaries. There will be published a number of volumes—I do not know how many, but 15 or 20 at least—comprising all the correspondence of Washington from his immature years until the close of his life. The collection of those letters and their publication will constitute an important part of all appropriations made.

Mr. NORRIS. Mr. President, that is very likely; but we are spending a good deal more money than that. However, even taking the statement of the Senator, which I regard as perfectly proper and correct, when we find that we are in the midst of such a terrible depression, that cities and States and the Nation are almost bankrupt, that people are suffering for food all over the country, could we not, instead of printing these documents now, use all available money for the purpose of meeting this distressful condition, and postpone the publication even of this very valuable educational material which the Senator mentions? Why make the expenditure for printing it now?

Mr. KING. Mr. President, I will make no comment in regard to that. The Senator may be entirely right. I am merely trying to impress upon the Senate the fact that the work of this organization, I think, has been and will be productive of great good, that it will have an educational value and an historical value, and that when the final balance shall have been struck it will be found that the Government of the United States is not out a single dollar.

As to whether some of this work may be postponed, I have not sufficient information, any more than I have with respect to the request made by my friend the leader upon the other side with respect to the George Rogers Clark exposition in Indiana. He stated contracts had been entered into which may not be rescinded without subjecting the United States to moral if not legal obligations. There may be obligations in this instance in regard to printing; I have no idea as to that; but I join with the Senator, first, in contending that all unexpended balances ought to go into the Treasury; and secondly, that we ought to pretermit making a single dollar of appropriation for the next fiscal year that is not imperatively demanded.

Mr. SMOOT. Mr. President, I wish to say to the Senator that all balances of appropriations which are not expended go back into the Treasury unless they are specifically made available until expended, and I do not think there are three or four of such appropriations in a year.

Now, as to the amount of which we are speaking, I did not want to take a long time to go into the details; but, for instance, for printing alone, which is under way and partially finished, $154,813 of the amount provided in the bill is necessary. Part of that printing is on the press and it has to be finished. However, we have reduced the appropriation of $300,000 to $200,000—in other words, we took off one-third of the amount which Mr. BLOOM said was absolutely necessary to carry out the obligations already incurred. We thought, however, that if additional appropriations were absolutely necessary, when we came back here in December we could incorporate an item in a deficiency bill to cover them. We did, however, feel that we should make this reduction of $100,000, and we did it.

Mr. MOSES. Mr. President, may I ask the Senator under what authority has this commission entered upon these obligations?

Mr. SMOOT. Under the act approved December 2, 1924 (43 Stat. 671).

Mr. MOSES. Did that give the commission the right to run beyond the appropriations and involve the Government in all sorts of expenditures in the future?

Mr. SMOOT. No; but this appropriation is necessary to take care of the work that is partially prepared and partially printed, in order that it may be completed. The commission will have to have the amount of $154,813 in order to complete that work.

I can tell the Senator every document and the cost that will be incurred for printing.

Mr. MOSES. Both the Senator and I know much about Government printing, but I think this commission has run riot with the printing of material.

Mr. SMOOT. If they have, then, of course, we were wrong in making the initial appropriation.

Mr. NORRIS. Mr. President, of course it is always easier to look back than it is to look forward. I do not want to be critical, because I do not know all the facts, but we are entitled, it seems to me, to have information as to just what the amounts appropriated have been expended for, and the Senator ought to put the figures in the RECORD.

Mr. SMOOT. Mr. President, I ask that the table showing the printing requirements for 1933, appearing in the hearings at page 461, may be published in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Table showing printing requirements for 1933

Honor to George Washington and Reading About George Washington: 50,000 additional bound books containing the complete series of pamphlets Nos. 1 to 16, 208 pages and cover, size 9 by 12 inches, with buff-and-blue cover, for general distribution, at 25 cents each, total		$12,500
George Washington pageants and plays, to be furnished to schools, colleges, cities and towns, organizations and institutions, and the general public, in putting on George Washington pageants and plays, itemized as follows:		
20,000 catalogues of plays and pageants, at 5 cents each	$1,000	
50,000 plays and pageants at average of 5 cents each	2,500	
20,000 play and pageant costume books, at 5.7 cents each	1,150	
10,000 How to Produce a Pageant pamphlets, at 3 cents each	300	
		4,950
George Washington Memorial volumes, to be issued at the end of the bicentennial celebration, containing all the material published by the commission, statistics and reports of the nation-wide celebration, as memorials of the two hundredth anniversary of the birth of George Washington, estimated at		28,000
Miscellaneous printing, itemized as follows:		
50,000 copies of the final edition of the United States Congress on George Washington, prepared by the legislative reference bureau of the Library of Congress, containing references of all speeches made in Congress up to the date of publication, at 5 cents per copy	$2,500	
50,000 copies of Highlights of the Writings of General George Washington, for general distribution in response to a wide demand, at 5 cents a copy	2,500	
20,000 48-page books, Sermons on George Washington, for distribution among ministers of all denominations throughout the country, at 5 cents each	1,000	
20,000 catalogues of the National Historical Loan Exhibition, for general distribution, at 2 cents each	400	
50,000 suggested nation-wide programs, tabloid edition, for distribution to cities, towns, organizations, at 0.0098 cent each	490	
25,000 4-H Club booklets, for distribution to 4-H clubs throughout the country, at 4 cents each	1,000	
50,000 Daniel Webster Speeches on George Washington, for which there is a constant demand, at 0.011 cent	550	
50,000 Year by Year pamphlets, at 0.01 cent each	500	
50,000 pamphlets of Radio Speeches on George Washington, at 2 cents	1,000	
50,000 merchants' and department-store pamphlets, at 2 cents	1,000	

Miscellaneous printing, itemized as follows—Contd.		
100,000 reprints on single sheet of George M. Cohan song, at 0.0033 cent	$330	
20,000 pamphlets, Friend and Patron of Music, at 0.014 cent each	280	
20,000 tabloid edition of the George Washington Atlas, at 0.08 cent each	1,600	
30,000 Colonial Gardens books for general distribution, at 10 cents	3,000	
20,000 pamphlets, George Washington Every Day, at 5 cents each	1,000	
		$12,610
Publicity printing, consisting of regular and special clip sheets for distribution to the newspapers of the United States and for general distribution, furnishing cuts and mats for newspapers, and news releases, as itemized:		
Clip sheets, regular, 2 a month for 12 months, 100,000 each edition, at $5.55 per 1,000	13,320	
News-release books—		
Vol. II, 5,000, at 38½ cents each	3,850	
Vol. III, 5,000, at 38½ cents each	3,850	
Reprint on all 3 volumes of 5,000 each	7,500	
Mats, cuts, layouts, and art work in connection with publicity	3,500	
Printing and distribution of news releases, average of 1 a week, at $250 each, for 6 months	6,000	
		38,020
George Washington appreciation course, to be furnished to school-teachers in normal schools and colleges, as well as to libraries, consisting of handbook of the George Washington appreciation course, pamphlet of program papers and entire series of Honor to Washington pamphlets, itemized as follows:		
100,000 handbooks of the course	12,000	
100,000 pamphlets of program papers, one for each course	5,700	
100,000 complete Honor to Washington pamphlets, 1–16	25,000	
		42,700
Music of George Washington's time, to be used in connection with the celebration and to be furnished to schools, colleges, cities, towns, organizations, and the general public, itemized as follows:		
100,000 Music of Washington's time (tabloid), 3.3 cents each	3,344	
100,000 Father of the Land We Love, single sheets	390	
100,000 Father of the Land We Love, full four sheets	1,000	
10,000 Music of the Days of George Washington, at 16 cents	1,600	
5,000 marches, at 1.5 cents each	150	
5,000 dances, at 1 cent each	100	
5,000 toast to Washington, at ¾ cent each	75	
		6,659
Organization of cities, towns, fraternal organizations, county fairs, boys' and girls' clubs, to be used in a plan of cooperation with the bicentennial committees of cities, towns, and organizations, in formulating programs and plans for local celebrations; organization work, assistance, supplying material through this department which is in touch with all committees throughout the country		$5,874
Music, special creative work in connection with providing material and making concrete suggestions to various organizations, etc., with reference to the music of Washington's time		3,500
Grand total		154,813

EMERGENCY RELIEF FOR FORMER SERVICE MEN

Mr. BLAINE. Mr. President, if I may have the attention of the chairman of the Committee on Appropriations, I should like to reply to what he said respecting an appropriation for emergency relief for former service men who are now in Washington.

The Senator suggested legislation of that character should come from the Committee on the District of Columbia. I think that is taking an entirely too narrow view of the situation. This problem is largely a national problem, at least it is a national obligation. The District of Columbia is only incidentally involved; it is involved simply because the Capital of the United States is located within the District, but the problem and the responsibility are national in character. However, I am not going to quibble over technicalities; it does not concern me; I am sure it will not concern the men who are primarily interested whether the legislation comes from the District of Columbia Committee or the Committee on Appropriations. Eventually the proposal, if the District Committee should report a bill, would be before the Committee on Appropriations, and I think it is the proper time to take a short cut through technicalities and rules. They are only rules and technicalities, all of which the Senate and the Congress can waive. The rules are the rules of Congress. Congress can by unanimous consent suspend those rules, and I think the proper thing to do is to take a short cut and go right to this thing direct.

Mr. JONES. Mr. President, let me suggest to the Senator that he introduce a bill and have it referred to some committee; and if it shall be referred to the Appropriations Committee, that committee will act on it.

Mr. BLAINE. Mr. President, I will meet that proposition now. I do not think it is necessary to have action by a committee in order to secure action by the Senate and the Congress. The Committee on Appropriations is the committee that considers all matters relating to expenditures that are made out of the Public Treasury, but to get this matter before the Senate I will ask unanimous consent that the Committee on the District of Columbia be discharged from the further consideration of Senate bill 4781, introduced by the Senator from Colorado [Mr. COSTIGAN], which was referred to the Committee on the District of Columbia, authorizing an emergency appropriation for the relief of needy and distressed residents of the District of Columbia and for the temporary care of transient and homeless persons in said District. If my motion shall be agreed to, that bill will be placed upon the calendar for Monday.

Mr. President, in connection with this matter let me say that the bill does not go far enough——

Mr. McNARY. Mr. President, may I make an inquiry of the Senator?

Mr. BLAINE. Just a moment. But the bill provides a foundation upon which we can build and meet all the objections and supersede all the rules which ought to be superseded, and yet do it within the rules, and do it quickly, but not as quickly as we could if the appropriation came direct from the Appropriations Committee. Therefore, in order to bring this matter before the Senate, I ask unanimous consent that the Committee on the District of Columbia may be discharged from the further consideration of Senate bill 4781.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I am not familiar with the purposes of the bill; it is not on my desk, and it has not been read at the clerk's desk, and I should have to object at this time, in the absence of the chairman of the Committee on the District of Columbia. I have sent for him, and a little later, when he is present, it will be perfectly proper for the Senator to make his request.

Mr. BLAINE. Mr. President, I have very briefly explained the matter to the Senator. As I said, this bill does not go as far as it should go, but it lays the foundation for proper legislation to take care of the housing, the sanitation and the necessary food for the ex-service men who are here. The bill ought to go farther and provide the means of transportation for those who are without funds and who, for various reasons, are compelled to go back to their homes. I know of men here in whose families death has come. There ought to be a little bit of the milk of human kindness left in the Congress of the United States; there ought to be some consideration for men who are in immediate distress. This bill, if the committee were discharged, would lay before the Senate the entire proposition. It could be amended to provide for the essential housing, sanitation, food, and transportation, where necessary, in order to relieve the distress and agony that now exist within the District of Columbia among the men to whom I have referred.

There is nothing technical about it. It is a plain, simple proposition. It needs practically no investigation; ordinary common sense will dictate what the provisions of the bill ought to be. It will not require any legalistic ability to draft the necessary amendment; it will only take a few minutes to dispose of it; and we will then put something on its way toward passage. That something ought to be done and done

very quickly, and I hope the Senator from Oregon will not insist upon his objection. The bill, if the motion shall be agreed to, will go to the calendar and may be taken up and disposed of on Monday.

Mr. McNARY. Mr. President, I have no quarrel with the purpose of the bill; it seems to be laudable; but I certainly could not permit a bill to come up by a motion of this kind in the absence of the chairman of the committee. I have explained to the able Senator from Wisconsin that I have sent for the chairman, and upon his entrance into the Chamber, I shall be very happy to have the Senator renew his request, but in his absence I shall have to object.

The PRESIDING OFFICER. Objection is made.

Mr. KING. Mr. President, will the Senator permit me to interrupt him?

Mr. BLAINE. Mr. President, I accept the statement of the Senator from Oregon. I appreciate that when the chairman comes, in all probability there may be no objection to the unanimous-consent request.

Mr. KING. I am not sure about that, Mr. President.

I want to say that this bill came up for a hearing before the Committee on the District of Columbia, of which I am a member. Some testimony was taken. The Appropriations Committee, in harmony with this bill, added to the appropriation bill, as I recall, an appropriation of $350,000 or thereabouts for the purposes indicated in the bill. The bill calls for $675,000 to be available for expenditure by the Board of Public Welfare of the District of Columbia.

The District of Columbia appropriation bill carries an appropriation, as I stated, of $300,000 or $350,000 for the purposes indicated in this bill; and in view of the fact that it was certain that there would be carried in the appropriation bill a considerable sum for the purposes indicated in Senate bill 4781, the committee took no action.

Mr. COSTIGAN. Mr. President, the bill to which reference has unexpectedly been made by the Senator from Wisconsin [Mr. BLAINE] is one I introduced. It originally had two objectives: An appropriation of $600,000 for home relief for needy residents of the District of Columbia, and an appropriation of $75,000 for nonresident, homeless transients moving to, within, and through the District.

The appropriation for the District of Columbia which the able Senator from Utah [Mr. KING] has just mentioned, has been decided upon since my bill was introduced. It relates exclusively to residents of the District. The balance of the bill, to which the Senator from Wisconsin referred, is concerned with transients. If enacted, its terms would be applicable for the benefit of visiting veterans in need.

It is my understanding that, to hasten legislation and in the absence of another pending measure, the Senator from Wisconsin now desires to use the latter feature of the bill relating to transients for the consideration of a possible immediate appropriation to assist visiting veterans.

I make this statement solely to clarify this discussion. I believe it is fitting, if the Senate desires to proceed along that line, to use the bill with amendments to accomplish the objects which the Senator from Wisconsin [Mr. BLAINE] has in view.

Mr. BLAINE. Mr. President, I observe that the chairman of the Committee on the District of Columbia is now in the Chamber. I renew my unanimous-consent request, which is that the Committee on the District of Columbia be discharged from further consideration of Senate bill 4781, introduced by the Senator from Colorado [Mr. COSTIGAN].

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from Wisconsin to discharge the Committee on the District of Columbia from the further consideration of Senate bill 4781, and place it on the calendar?

Mr. CAPPER. Mr. President, the bill introduced by the Senator from Colorado included an appropriation of $675,000, of which $600,000 was for use in the District of Columbia for home relief and $75,000 was for relief of transient veterans within the District of Columbia.

The District of Columbia Committee had a hearing on this measure and the Senate has since approved an appropriation of $375,000 for relief for the needy people of the District of Columbia. I think the Senate should know that when this relief measure was before our committee the Commissioners of the District of Columbia appeared before us and reviewed the situation in some detail. The commissioners expressed emphatically the opinion that any appropriation made for the care of transients should not be made out of the funds of the District of Columbia; instead that it should be a charge against the Federal Government.

With that explanation of the matter, and asking the Senate to keep that phase of the problem in mind when the measure comes before the Senate, let me say that I myself have no objection to the bill being brought back to the Senate.

Mr. BLAINE. Mr. President, the Senator was not in the Chamber when I explained that my purpose was to redraft the bill. Inasmuch as the situation to which I refer is a national responsibility, I feel that the payment of funds should come out of the Federal Treasury and not out of the treasury of the District of Columbia.

Mr. CAPPER. I am in agreement with that idea. I think it would be unfair to load up the taxpayers of the District of Columbia with the cost of caring for these visiting veterans, if the Congress decides that it wants to appropriate money for that purpose.

Mr. BLAINE. I am in accord with the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. KING. Mr. President, if this matter is to receive consideration, it ought to receive consideration first at the hands of some appropriate committee.

The Senator from Kansas has just indicated that he is indifferent to his committee considering the matter. Indeed, he has disclaimed any responsibility, if I understand him correctly, upon his committee to consider this matter. He may be entirely right as to that. I make no comment; but I should be unwilling to have the committee discharged from the consideration of this bill with the purpose of using it as a basis for an appropriation without appropriate hearings by an appropriate committee.

I have no objection to the Committee on Military Affairs, the Committee on Appropriations, or any other committee receiving a bill on the subject if the Senator cares to introduce such a bill and have it referred to an appropriate committee for consideration by that committee and report at the earliest possible moment; but I object to the plan suggested by the Senator. If he will introduce an independent bill or redraft this bill—to use his expression—and introduce it and have it referred to the appropriate committee, I shall have no objection whatever.

The PRESIDING OFFICER. Objection is made to the proposed unanimous-consent agreement.

Mr. BLAINE. Mr. President, I do not want to take any advantage of the Senator from Utah, but I think this is a very grave emergency that exists. I give notice now that on Monday, at the proper time, I shall move to discharge the Committee on the District of Columbia from the further consideration of this bill.

Mr. COPELAND subsequently said: Mr. President, what became of the request of the Senator from Wisconsin?

The PRESIDING OFFICER. Objection was made.

Mr. COPELAND. The request was that the bill might be placed on the calendar, was it not?

The PRESIDING OFFICER. Objection was made to the discharge of the committee.

ATTENDANCE OF SENATORS

Mr. WATSON. Mr. President, I desire to make a statement for the benefit of the Senate as to the condition in regard to attendance that may confront us next week.

A large number of our Democratic Senators will attend the national convention. I think as many as 27 of their membership will be away practically all of them at the convention. I am not complaining at all about that situation. I am only making it the basis of the statement that if we are to have a quorum next week and to proceed with business, every Senator in the city must be within call of the Senate.

In addition to that, a number of Senators on this side have gone away for one reason and another. We are doing what we can to have them come back to the city; but with that many of our Democratic friends away at the convention, and with a number of our own Senators away on this, that, and the other mission, it will be necessary for all of us who can be in the city of Washington to be within call of the Senate unless the proceedings of the Senate are simply to be suspended or discontinued.

I am making that statement in order that we may be notified of the exact situation and govern ourselves accordingly.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. WATSON. I do.

Mr. ROBINSON of Arkansas. There probably will be no difficulty in maintaining a quorum.

Mr. WATSON. I hope not.

Mr. ROBINSON of Arkansas. Sixty-four Senators answered this morning to the call for a quorum; and while there are one or two others who expect to leave who have not yet gone, I think there will be no difficulty in maintaining a quorum.

Mr. WATSON. I want the Senator to understand that what I am saying has not been said in a complaining mood at all.

Mr. ROBINSON of Arkansas. I understand that fully.

Mr. WATSON. I am simply stating the fact, in order that we may govern ourselves accordingly.

PRIVATE NAVAL BILLS, ETC.

Mr. WALSH of Massachusetts. Mr. President, there are on the calendar 11 bills reported from the Committee on Naval Affairs by myself. In all probability I shall not be present when the calendar is called and when these bills are reached. They are all House bills, and, with the exception of one, are all bills that have been recommended by the Navy Department. They are not of major importance, though they are of importance to the individuals, and a few of these bills are of some importance to the Navy Department. In fact, they embody some changes in policy in minor particulars.

For the information of Senators I ask that there be printed in the RECORD at this point a brief explanation of each of the bills which I have prepared so that when they are reached, Senators, by turning to the RECORD, can see the reasons why they are reported favorably.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Without objection, the request of the Senator will be granted, and the publication will be made as indicated.

The matter referred to is as follows:

CALENDAR NO. 912. H. R. 1700, AN ACT FOR THE RELIEF OF WALTER S. WEST

The purpose of this bill is to grant West the rights, privileges, and benefits conferred by law upon honorably discharged marines. West was in the Marine Corps from 1897 to 1899. He was given a bad-conduct discharge for being drunk while on duty. West claimed there were extenuating circumstances in connection with his drinking while on duty, namely, the loathsome character of the work that he and others were assigned to do. West participated in two important naval engagements in the Spanish-American War, and after his discharge he was awarded a medal of honor for bravery while cutting cables at Cuba under infantry fire from the shore. He was also awarded the West Indian campaign medal.

This bill, in view of West's excellent record, is favorably recommended by the Navy Department.

CALENDAR NO. 913, H. R. 6735, AN ACT TO AUTHORIZE THE SECRETARY OF THE NAVY TO FIX THE CLOTHING ALLOWANCE FOR ENLISTED MEN OF THE NAVY

The law of 1889 authorized the issue of an outfit of clothing to enlisted men not to exceed $45 in value. This amount was increased in various appropriation bills until in 1920 it was made $120. Since 1929, $100 is the limitation on the value of the outfit. It is now possible to purchase these outfits for slightly less than $100. By adopting this proposal, the Government will save $24,071.72. Furthermore, it will put the Navy Department in a similar status to that of the Army. This legislation is recommended by the Navy Department.

CALENDAR NO. 914, H. R. 7939, AN ACT TO AUTHORIZE THE PRESENTATION OF A DISTINGUISHED-SERVICE MEDAL TO RUSSELL N. BOARDMAN AND JOHN L. POLANDO

This is recommended by the Navy Department. Boardman and Polando made a 5,011.8-mile nonstop trans-Atlantic flight from the United States to Turkey.

CALENDAR NO. 925, H. R. 6444, TO AUTHORIZE THE SECRETARY OF THE NAVY TO PRESENT THE SILVER SERVICE OF THE U. S. S. "MONTGOMERY" TO THE ALABAMA SOCIETY OF FINE ARTS

This is recommended by the Navy Department and is in conformity with similar special laws recommended by the Navy Department providing for the disposition of silver services presented to naval vessels by States and societies.

CALENDAR NO. 926, H. R. 6599, AN ACT TO AMEND THE ACT ENTITLED "AN ACT TO AUTHORIZE THE CONSTRUCTION AND PROCUREMENT OF AIRCRAFT AND AIRCRAFT EQUIPMENT IN THE NAVY AND MARINE CORPS, AND TO ADJUST AND DEFINE THE STATUS OF THE OPERATING PERSONNEL IN CONNECTION THEREWITH," APPROVED JUNE 24, 1926, WITH REFERENCE TO THE NUMBER OF ENLISTED PILOTS IN THE NAVY

The present law fixes the minimum of enlisted pilots employed in the Navy on aviation duty as 30 per cent of officer pilots. It is found from experience that a better ratio would be 20 per cent. This is the same ratio as in the Army. It is also believed that it will result in some saving and somewhat reduced expenses. The bill is recommended by the Navy Department.

CALENDAR NO. 927, H. R. 6860, AN ACT FOR THE RELIEF OF FLORENCE NORTHCOTT HANNAS

The son of Mrs. Hannas died in the naval service in line of duty. His beneficiary will be entitled to a death gratuity for six months. This bill makes the mother, Mrs. Hannas, the beneficiary if she can establish dependency. The amount which she will be entitled to receive if she complies with the conditions of the general law will be $475.20. This bill is recommended by the Navy Department.

CALENDAR NO. 929, H. R. 922, AN ACT FOR THE RELIEF OF JOHN HEFFRON

The purpose of this act is to grant to Heffron the benefits of the Spanish-American War pension law. The general law requires 90 days of service in the Spanish-American War. Heffron served only 53 days, but there are extenuating circumstances which prevented him from serving 90 days, namely, his disabilities received when the battleship *Maine* was sunk in Habana Harbor. Heffron was one of the survivors of the *Maine* and was given hospital treatment from the date of the sinking of the *Maine* to the date of his discharge on June 15, 1898. Heffron served in the Navy, in all, 13 years, 26 days, but, as stated, was actually in the Navy only 53 days during the period of the Spanish-American War through causes beyond his control.

CALENDAR NO. 930, H. R. 6334, AN ACT FOR THE RELIEF OF LIEUT. M. A. SPRENGEL

Sprengel, who is a Supply Corps officer, advanced $17.36 in mileage to another officer of the Navy, performed under regular orders of the Navy Department.

The Accounting Office stated that in carrying out the naval order issued to Lieut. C. P. Simard to proceed from Hampton Roads, Va., to Annapolis, Md., to participate in an athletic event, he "was not engaged in public business." The Navy Department took a different view, claiming that the Navy Department is the best judge of what constitutes public business of its own personnel.

The purpose of this bill is to authorize and direct the General Accounting Office to credit the accounts of Paymaster M. A. Sprengel, United States Navy, in the sum of $17.36, which amount represents payments made for mileage performed by another officer under orders of the Bureau of Navigation.

The Navy Department recommends passage of this bill.

CALENDAR NO. 931, H. R. 6336, AN ACT FOR THE RELIEF OF GEORGE W. STEELE, JR.

The purpose of this bill is to authorize the Comptroller General to credit the accounts of George W. Steele, jr., captain, United States Navy, in the sum of $1,674, being payments made by him to officers of the Navy for per diem expenses. This account was disallowed by the Comptroller General. Since 1927 it has been the practice of the Navy Department to order officers serving in the department of modern languages at the Naval Academy to temporary duty in cities in France and Spain during the summer months for instruction in the French and Spanish languages, in order that they might better fit themselves for their regular duties as instructors at the academy. The orders given these five officers allowed $6 per diem in lieu of subsistence. The Navy Department recommends passage of this bill and states it will involve no appropriation, but only a credit for money already expended, as the money has already been advanced to the officers. They further assert that the money was spent in good faith and that it was actually spent for living expenses of the five officers.

CALENDAR NO. 932, H. R. 6337, AN ACT FOR THE RELIEF OF CAPT. CHESTER G. MAYO

Captain Mayo, under orders from the Secretary of the Navy, in 1923 purchased wreaths in connection with the funerals of Representatives Padgett, Riordan, and Mann, amounting to $115. The Comptroller General disallowed these payments. As the money was actually expended in good faith, the Navy Department recommends the passage of this bill. It should be noted that the Navy Department has abandoned the practice of sending floral wreaths upon the death of members of the Committee on Naval Affairs.

CALENDAR NO. 933, H. R. 1383, AN ACT FOR THE RELIEF OF CERTAIN UNITED STATES NAVAL OFFICERS

Ten ensigns and six midshipmen were ordered to appear before State committees making selections for Rhodes scholarships ordered by the Navy Department, and expenses of $3,766.58 were advanced to them. On May 26, 1930, the Comptroller General ruled that the travel of these officers was not on public business. This bill will authorize the Navy Department to justify this expenditure, on the ground that the officers in question were performing public business. The Navy Department recommends that this bill be enacted. It is to be noted that now officers who desire to appear before State committees for selection for Rhodes scholarships must pay their own e penses.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment of the committee, which will be stated.

The CHIEF CLERK. On page 24, line 19, after the word "expended," it is proposed to insert "together with all balances remaining unexpended from appropriations previously made for the use of this commission."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, may I ask if the amendment offered by the Senator from South Carolina [Mr. BYRNES] was adopted also?

The PRESIDING OFFICER. It was.

Mr. McKELLAR. Mr. President, on yesterday, on page 14304 of the RECORD, the Senator from Washington [Mr. JONES] put in the RECORD a letter of Secretary of State Stimson quoting from a speech I had previously made, in which Mr. Stimson makes the following statement, among others:

There have not been made and there are not now being made from appropriations under the control of the department any expenditures for wines or other alcoholic beverages.

Later on he states that—

This is not the first time during the present session of Congress that statements have been made in debate in the Senate that appropriations requested by the Department of State for the legitimate expenses of carrying on the foreign relations of the Government and protecting American interests in foreign countries have been expended for the purchase of alcoholic beverages for representatives of this country abroad.

It seems to me that is rather a limitation on both statements.

Such unfounded statements, wholly contrary to the facts, are likely to mislead the public.

Mr. President, I find in the Budget estimate for 1933, page 471, the following:

To enable the President to meet unforeseen emergencies arising in the Diplomatic and Consular Service, and to extend the commercial and other interests of the United States and to meet the necessary expenses attendant upon the execution of the neutrality act, to be expended pursuant to the requirement of section 291 of the Revised Statutes, $400,000.

I will say that this appropriation is made annually and has been thus made for many years. The Hon. Wilbur J. Carr, in the House hearings of the Seventy-first Congress, had this to say in regard to it:

Beginning with the act of February 25, 1885, Congress has been making separate annual appropriations and has provided that the appropriations shall be expended pursuant to section 291 of the Revised Statutes.

The appropriation is under the personal control of the President and the Secretary of State, and every expenditure from it is personally authorized by the Secretary of State.

In regard to the necessity for the appropriation, unexpected conditions arise in connection with foreign affairs which it is not possible to foresee in time to obtain specific appropriations. Many of those conditions, which have to be met by the expenditure of public money, could not be discussed publicly without detriment to the public interest. It is essential to the furtherance and protection of the interests of the United States in foreign countries that there should be a fund from which extraordinary expenditures can be made without regard to the ordinary limitations upon the expenditures of public money and without the necessity of publicly reporting the nature of the expenditure. Yet, notwithstanding the fact that the expenditures from this appropriation are regarded as confidential, they are made with due care and are vouchered and recorded in the same manner as is true with expenditures from other Government appropriations. In further relation to the necessity of the appropriation, Mr. Hughes, then Secretary of State and now Chief Justice of the United States, stated to the Committee on Appropriations on November 10, 1922, as follows:

"There is our emergency fund, which we have in at $400,000, the same amount appropriated last year. Now, I want to emphasize as strongly as I can the absolute necessity of that emergency fund. From the foundation of the Government the Secretary of State has been intrusted with a confidential fund, the expenditures from which are to be vouchered over his signature, but to be entirely confidential and separate from the other appropriations to be expended. That confidential fund, however, must be expended by him under the direction of the President. I want to emphasize this in two aspects. In the first place, no responsible person, I assert, of any party could administer the office of Secretary of State without a fund of that description. It could not be done, and I would not undertake to do it for a moment, because the responsibilities of the undertaking are too great. That covers all of our intelligence work throughout the world; it is the particular thing which enables the Secretary of State to function in ways which can not, in the interest of the country, be made the subject of public comment or even of report.

"Now, it has always been assumed since the foundation of the Government, as I say, that this has been so, and it has always been assumed that the Secretary of State should be a man who could be trusted with that discretion, and if he can not be he ought not to be Secretary of State. As you know, every foreign office has to be equipped in that way; the secrecy of it is essential, and you have got to rely, when it comes down to the last analysis, upon what the Secretary of State tells you is his judgment as to the needs in the matter.

"* * * We never have been in the history of the department in a position where it is more necessary than to-day, because we have these anomalous conditions all over the world, largely as a result of the war, and we never know when we have got to have some ready money to use in a particular place.

"* * * You have got to have for the State Department's work some elasticity, and it is accomplished through this fund, and the two points of secrecy and emergency are met. * * * Before I sign the vouchers and warrants I examine them very carefully, and if there is any doubt I inquire into them."

It may be added that the watchfulness displayed by Secretary Hughes over the proper expenditure of the appropriation for emergencies has been continued by his successors.

Mr. President, in this connection, as it was made under the authority of section 291 of the Revised Statutes, 1878, I want to show that it is not necessary that this $400,000 be secretly expended at all. I read the provision of the statute:

SEC. 291. Whenever any sum of money has been or shall be issued, from the Treasury, for the purpose of intercourse or treaty with foreign nations, in pursuance of any law, the President is authorized to cause the same to be duly settled annually with the proper accounting officers of the Treasury, by causing the same to be accounted for, specifically, if the expenditure may, in his judgment, be made public, and by making or causing the Secretary of State to make a certificate of the amount of such expenditure as he may think it advisable not to specify; and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

In other words, Mr. President, there is nothing obligatory to keep that $400,000 secret, and yet for many years that expenditure has been made year after year without question, and that is the end of it, so far as the Congress knows.

Of course, what is done with this $400,000 was not stated to the committee. It has given rise to much speculation as to what is done with it year after year by the State Department. It has been openly charged in the Senate time and again that some of these funds were used for entertainment, and that wines were served in the entertainment, and this is the first denial of it. I recall on one occasion while these provisions were being considered by the Senate, the Senator from Washington [Mr. JONES], chairman of the Committee on Appropriations, stated on the floor that he understood that wines were included in the entertainment provided for. My recollection is that on that occasion the $400,000 item was referred to. Indeed, I know it was.

There are two other items in the bill that were under fire for the same cause. The next one is found also on page 471 of the Budget estimate:

To enable the President, in his discretion, and in accordance with such regulations as he may prescribe, to make special allowances by way of additional compensation to diplomatic, consular, and Foreign Service officers, and officers of the United States Court for China in order to adjust their official income to the ascertained cost of living at the posts to which they may be assigned, $100,000.

And again on page 472 of the Budget estimate:

For representation allowances, as authorized by section 12 of the act of May 24, 1924, $125,000.

The only information as to the expenditure of these items is a report as to how they are divided between our foreign representatives. There is no report as to how the items are expended. There is no report of any kind to the Congress as to the first item of $400,000.

The debates on the Senate floor, and especially the statement of the senior Senator from Washington [Mr. JONES] as to expenditures under one or more of these items, gives rise to the statement I made, that portions of these secret funds were used for the purpose of entertainment and were expended for liquors. Of course, there was no specific appropriation for the purchase of intoxicating liquors, but it was frequently stated that portions of these funds were used for entertainment.

Of course, I take it that the Secretary of State is perfectly sincere when he says that these appropriations were not made "for the purchase of alcoholic beverages for representatives of this country abroad."

That statement has never been made, as I recall. It has been stated that they were used for the entertainment of those with whom they were dealing.

I do not for a moment question his sincerity, but I do question his knowledge of and familiarity with the details of these secret expenditures.

The information that we had was that they were used in part for entertainment, and that the entertainment included liquors. Whether liquors are intoxicating or not is always a matter of controversy. Some claim that wine and beer are not intoxicating. Let us have a report from those who actually disburse the funds.

Mr. President, I do not believe in turning money over to any official of the Government to be expended secretly in any department, with no accounting thereof to be made to the Congress. I opposed these appropriations, and so did the senior Senator from New Mexico [Mr. BRATTON] in a very elaborate speech he made in the Senate on January 30, 1931, which appear on page 3604 of the RECORD. A number of Senators took part in that debate. It is strange that the Secretary did not mention the matter after that date. As I stated before, I do not doubt the sincerity of Secretary Stimson but I do think that in reference to the secret funds that he has had in his hands year after year, which have been appropriated as above stated, and about which there has been so much controversy, he should require those under him to make an itemized statement of what is done with the money, and the Congress should be informed as to what is actually done with it.

I take it that in order that the matter may be entirely cleared up, the Secretary will give to the Senate and the country in the same way his letter was published an itemized statement of what is done with these three funds above mentioned, and how they were actually expended. No doubt he will have to get that information from those under him, who actually used the funds, but I have no doubt that he can get that information, and I hope when he gets those reports he will send them up and have them placed in the RECORD. He has ample authority under section 291 of the Revised Statutes to make these items public. We have passed that stage in Government when it is necessary to have secret funds. The American people should know where, how, and for what purposes their taxes are expended.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. NORRIS. Mr. President, I would like to ask the Senator how much money is involved annually in this secret fund?

Mr. McKELLAR. Four hundred thousand dollars in the present year, and I am glad the Senator has asked that question, because I suspect that the trouble is not so much with statements that were made about this secret fund, but because Congress, in an effort to economize over the protest of the Secretary has reduced this secret fund. As I read the RECORD—and I have gone back several years—we have been expending $400,000 annually for this secret fund, but the House reduced it to $200,000, and the Senate committee reduced it to $130,000, and very properly. That is just as to the $400,000 secret fund.

In the next place, the post allowances by the act approved February 21, 1931, have heretofore been appropriated for; it was for but one year, but they amounted to $100,000.

Mr. NORRIS. What is that for?

Mr. McKELLAR. It is divided among our representatives abroad.

Mr. NORRIS. What for?

Mr. McKELLAR. It just shows the division, and no report is made, and I can not answer the Senator.

Mr. NORRIS. I wish the Senator would answer, because the RECORD will not put in the gestures he makes. We would have to have a kodak to record the Senator's gestures.

Mr. McKELLAR. I call the attention of the Senate to the fact that the House made this item $50,000, which was $100,000 last year, under the recommendation of the Secretary, and the Senate committee struck it out entirely, and very properly.

Let me talk about the representation allowances, concerning which the Secretary speaks. The House appropriated $25,000, instead of $125,000, as heretofore appropriated. The Senate committee struck out even the $25,000. I just suspect that the striking out of these last two items entirely, and the cutting down of the $400,000 secret item to $130,000, has brought about a little interest in the Department of State, and hence the letter of yesterday.

Mr. NORRIS. Let me ask the Senator further: In the hearings what reasons are given by the department for these appropriations?

Mr. McKELLAR. So far as the representation allowances are concerned, that our representatives abroad ought not to be required to entertain in foreign countries out of their salaries, and they have been allowed these additional sums, divided up.

Mr. NORRIS. If that is true, it is apparent that the reasons are given in the hearings that this money is to be used for entertainment and for social gatherings.

Mr. McKELLAR. So the committee understood, and I think every member of the committee will bear me out that that was our general understanding about it; but they were careful in what they said in the hearings.

I have just offered for printing in the RECORD a full statement, not only by Mr. Carr but by Chief Justice Hughes, who was at the time he testified Secretary of State, in reference to the $400,000 which has been carried so long. I believe either Mr. Hughes or Mr. Carr, I do not remember which, said it was started right after the formation of the Government; and it has just been increasing and increasing. I imagine it was just a few dollars in the beginning, and has wound up in the last few years at $400,000.

It is a secret fund; and I think officials of the American Government ought not to have secret funds, to be spent without knowledge of the details by Congress. The section of the Revised Statutes referred to gives the authority to withhold this information from the Congress, I take it, but, at the same time, provides specifically that unless there is some reason for withholding the information it should be given to the Congress.

Mr. President, I just express the hope, in all good humor and without any controversy with the Department of State at all, that Secretary Stimson will call on those who have actually expended these sums to give a report as to what has been done, say, within the last year, so that the American people may know how their secret funds are being used.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. McKELLAR. I yield.

Mr. NORRIS. I come now to the very purpose I had in mind when I interrupted the Senator. The other question I asked was only a preliminary one.

Mr. McKELLAR. I did not know the Senator wanted to pursue his inquiry.

Mr. NORRIS. The Senator's statement leads me right back to the object of the interruption. The Secretary will not give the information.

Mr. McKELLAR. After having made an attack of the kind he has made, I do not see how it is possible that the Secretary of State can refuse to give the Congress the information as to what was done with the $400,000.

Mr. NORRIS. We have not asked him to give it. The purpose of my interruption was to suggest to the Senator that he introduce a Senate resolution calling on the Secretary of State for the information about which he has been speaking.

Mr. McKELLAR. I shall most assuredly do so. I may not have time to do it before I leave to-day.

Mr. NORRIS. I hope the Senator will not forget it.

Mr. McKELLAR. I shall not; and I think it is entirely proper that I should do that. I am quite confident, however, that the Secretary of State, having raised the question as to the expenditure of this $400,000, will come forward not with a statement about it but with a detailed report of the facts as to what was done with the money for the past several years, during the time he has been Secretary of State.

Mr. JONES. As I understand the suggestion of the Senator from Tennessee, he stated that I should have stated a year ago that the Secretary was entertaining our representatives with wine or alcohol, and so on. I could not have stated that, because I have never been in Europe and do not know anything about the matter. I might have said that probably he did that.

Mr. McKELLAR. I think that is the statement that was made by the Senator from Washington. I knew he had not been in Europe and I knew that he had no actual knowledge of how the agents of the State Department have expended the money. But as I remember the statement in a running colloquy here on the floor of the Senate, the Senator was rather inclined to the opinion that some of these secret funds were used for entertainment which included the use of intoxicating liquor.

Mr. JONES. I may have expressed my thought that way. While I should be glad to have a detailed statement from the Secretary of State, I would take his statement myself at the face value of the statement.

Mr. McKELLAR. So would I; but I take it, as I stated just a moment ago, that I do not believe he is familiar with the details of the expenditures. Having raised the question I am quite sure the Secretary of State will furnish the actual figures obtained from those who actually made the expenditures. I hope that I and the other Senators who have made the statements are all mistaken and that the Secretary of State is right.

Mr. COPELAND. Mr. President, I want to ask the chairman of the Appropriations Committee what would be the attitude of the committee toward adding $75,000 to the fund to be expended by the President? On page 2, line 21, after "miscellaneous items," let us add the words "including veteran relief," and then in line 22, increase the sum by $75,000, to be expended by the President.

I agree fully with Senators who have spoken here to-day that Congress ought not to adjourn without making available in some manner and in some way some fund to take care of these veterans in case of necessity. I can think of no better way than to put that money in the hands of the President. He is the President of all of us. He is certainly as much interested in human welfare as anybody can be. The bill which we sought to place back on the calendar a little while ago is entirely unsuited in its wording to cover what we have in mind, but the proposal I am making would leave some funds available which could be used in case of necessity. I suggest to the committee, without having any pride in the wording of the amendments, that the two amendments I have suggested be made; that is, after "miscellaneous items" add the words "including veteran relief," and increase the total amount in that paragraph to $110,000, which would make $75,000 available for this purpose.

Mr. SMOOT. Mr. President, this is not the proper place to insert such an amendment as that. The $75,000 would not do any good. If we are going to make an appropriation, we will have to have more than that amount of money. I could not look with favor upon putting it in here at all.

Mr. COPELAND. Where would the Senator put it? The Senator says he would look with favor upon putting it somewhere.

Mr. SMOOT. No; I said I could not look with favor on putting it in this bill. If there is going to be some action taken here—and the Senator has been in the Chamber when the subject was discussed this morning—then let it be taken, and in the deficiency appropriation bill the appropriation will be made to cover the amount. The Congress had better act first before we attempt to incorporate it in the bill that is now before us.

Mr. COPELAND. Let us be clear about it so there will be no misunderstanding. The Senator's view is that a legislative bill should be prepared and sent to some committee—it is not a matter for the District Committee to deal with, but some committee should deal with it—and with the approval of that bill, then, the item should be included in the deficiency appropriation bill.

Mr. SMOOT. If we can get the House and the Senate to agree upon a provision of that kind, then it is in order for the Senator to offer it as an amendment to the deficiency appropriation bill. We do not know anything about what will be done. We will have to let some committee decide it, and if it is to be appropriated for, then the item should be put in the deficiency appropriation bill.

Mr. COPELAND. Where should such a bill be sent for consideration?

Mr. SMOOT. If the motion of the Senator from Wisconsin [Mr. BLAINE] prevails, it will come to the floor of the Senate and not go to a committee. I can not say that that will be the case, but such a motion is pending now.

Mr. COPELAND. It is pending?

Mr. SMOOT. The Senator from Wisconsin gave notice that he would make such a motion.

Mr. COPELAND. I am sorry the Senator from Wisconsin is not here at the moment. When he returns to the floor I shall renew the discussion, because I am quite unwilling to have the Congress adjourn without having available some fund for this purpose in case of need.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER (Mr. DICKINSON in the chair). Does the Senator from New York yield to the Senator from Oklahoma?

Mr. COPELAND. I yield.

Mr. THOMAS of Oklahoma. Is the Senator willing to have Congress adjourn before something is done to afford jobs for the unemployed throughout the country?

Mr. COPELAND. I am quite unwilling to have Congress adjourn until we have taken some effective action in that direction.

Mr. THOMAS of Oklahoma. Then, there are two good reasons why we should remain here for the time being, one to take care of distressed veterans and the other to take care of the unemployed.

Mr. COPELAND. I think it would be wrong for us to adjourn Congress without having taken some effective action looking to the development of jobs for the unemployed and the other matter suggested by the Senator.

Mr. President, may I ask the Senator from Utah about the Federal Radio Commission? Was that item passed over?

Mr. SMOOT. Yes; it was passed over.

Mr. COPELAND. Why was it passed over?

Mr. SMOOT. At the request of a Senator.

Mr. COPELAND. There is a defect there which we must correct. There has been no provision made for the printing of the commission's record.

Mr. SMOOT. The Senator from Connecticut [Mr. BINGHAM] asked that the item go over. I am quite aware of what the Senator has in mind, and no doubt the Senator from Connecticut will bring it up. I would not like to refer to it and bring it up in his absence.

Mr. COPELAND. Is it further to be dealt with to-day or Monday?

Mr. SMOOT. I hope so. Just as soon as we get through with the committee amendments then other amendments will be in order.

Mr. COPELAND. I am quite content, so long as we are at some time or other going to make provision for this omission.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

Mr. McNARY. Mr. President, I desire to enter a motion to reconsider the vote by which the legislative appropriation bill was yesterday referred back to conference. I do this for the purpose of enabling the Senate to retain jurisdiction of the conference report and bring it back upon the floor of the Senate if there appears to be any unusual delay in the consideration of the conference report by the conferees due to the absence of some of the Senate or House conferees.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. McNARY. I yield.

Mr. KING. Would the Senator object if I should call a quorum?

Mr. McNARY. I am simply giving notice of the motion to reconsider. I was just explaining in a word the reason, namely, in order that the Senate may not lose jurisdiction over the conference report and that we may be in a position to bring it back to the floor of the Senate if there is any unusual delay by reason of absentees among the members of the conference committee. I ask that the clerk may report the proposal.

The PRESIDING OFFICER. The proposal will be reported.

The LEGISLATIVE CLERK. The Senator from Oregon submits the following:

I desire to enter motions to reconsider the following votes in connection with the legislative appropriation bill (H. R. 11267):

The vote further insisting upon its amendments Nos. 46 to 168, inclusive, and ordering the appointment of conferees.

The vote disagreeing to the amendment of the House to Senate amendment No. 46; and the vote rejecting the conference report.

Mr. LA FOLLETTE. Mr. President, I would like to ask the Senator from Oregon how he expects to find out whether there will be any unusual delay as long as the message is prevented from being transmitted to the House?

Mr. McNARY. I am advised by the chairman of the Senate conferees that the matter will be presented Wednesday to the conference. If that should not be done, and it is apparent the House conferees have not returned to the city, I shall take the matter up on the floor of the Senate.

Mr. LA FOLLETTE. There will be no formal notice, as I understand it, of the action of the Senate transmitted to the House as long as the Senator's motion is pending.

Mr. McNARY. No action can be taken until Wednesday, according to the chairman of the Senate conferees. If the conferees meet and start to work, then I shall withdraw my motion.

Mr. LA FOLLETTE. The point I wish to make is that, as I understand it, unless the action of the Senate is messaged to the House there will be no opportunity to ascertain whether or not conferees can be appointed by the House. The Senator's action is tantamount to foreclosing the opportunity for a further conference on the bill. The House meets on Monday and if the Senator will permit the message to be transmitted he will ascertain then the situation so far as the conference is concerned; but if the Senator's motion is pending no message will be transmitted to the House informing them of the desire of the Senate for a further conference.

Mr. McNARY. It is the practice in matters of this kind that the chairman of the Senate conferees notify the House and a conference is had. Technically the Senator is correct, but I prefer to give notice to the House conferees that unless some expedition is shown I shall ask that the matter be brought back to the floor of the Senate.

Mr. LA FOLLETTE. Then it certainly will not disturb the House, who desire to have the conference report adopted, to find out that the Senator from Oregon is proposing to proceed to secure a reconsideration and a reversal of the position of the Senate in sending the bill to conference. There was practically a unanimous agreement here yesterday, with the exception of the voice raised by the Senator from New Mexico [Mr. BRATTON], that the bill should go back to conference. The Senator now enters a motion which I admit he has a perfect right to do under the rules, but the effect of that motion is to reverse the action taken by the Senate and to encourage the House to believe that the Senate is going to recede from its position. The appeal which I wish to make to the Senator is that he let the matter take its regular course, and that a message be transmitted to the House requesting the House to appoint conferees.

Mr. McNARY. In the first place, I do not agree with the expression of the Senator from Wisconsin as to the unanimity with which the matter was referred back to the committee of conference. It is my opinion that if the matter had gone to a vote and the chairman of the Senate conferees had insisted on it, the conference report would have been agreed to. I shall stand by my motion, and I will consider the matter further on Monday.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Keyes	Robinson, Ind.
Austin	Dickinson	King	Sheppard
Bankhead	Fletcher	La Follette	Shortridge
Barbour	Frazier	Lewis	Smoot
Blaine	George	McGill	Steiwer
Bratton	Goldsborough	McKellar	Stephens
Brookhart	Hale	McNary	Thomas, Idaho
Bulow	Hastings	Metcalf	Thomas, Okla.
Byrnes	Hatfield	Moses	Townsend
Capper	Hawes	Norris	Trammell
Caraway	Hebert	Nye	Vandenberg
Carey	Howell	Oddie	Walcott
Coolidge	Jones	Patterson	Walsh, Mass.
Copeland	Kean	Reed	Watson
Costigan	Kendrick	Robinson, Ark.	White

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present.

Mr. McNARY. Mr. President, I will have all day Monday to offer the motion that I proposed a few moments ago, and, after conferring with the Senator from Wisconsin, I shall withhold the motion until Monday. In the meantime I ask that the papers be transmitted in an orderly fashion to the House of Representatives.

The VICE PRESIDENT. Without objection, that order will be made.

TRANSPORTATION AND TRAVEL SUBSISTENCE FOR VETERANS IN THE DISTRICT

Mr. HOWELL. Mr. President, I ask unanimous consent to introduce a joint resolution. I desire at this time to call the attention of the chairman of the Committee on Finance to the joint resolution, as I feel that it ought to be acted upon at an early date. I now send the joint resolution to the desk and ask that it may be read.

The VICE PRESIDENT. Is there objection to reading the joint resolution? The Chair hears none.

The joint resolution (S. J. Res. 186) to provide transportation and travel subsistence to World War veterans temporarily quartered in the District of Columbia was read the first time by its title and the second time at length, as follows:

Resolved, etc., That upon the request of any honorably discharged veteran of the World War now temporarily quartered in the District of Columbia who is desirous of returning to his home the Administrator of Veterans' Affairs is authorized and directed to provide such veteran with railroad transportation thereto prior to July 15, 1932, and travel subsistence at the rate of $2 per day. All amounts expended pursuant to this act in behalf of any such veteran shall constitute a loan, without interest, which if not repaid to the United States shall be deducted from any amounts payable to such veteran on his adjusted-service certificate.

SEC. 2. There is hereby appropriated such sums as may be necessary to carry out the purposes of this act.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Finance at the request of the Senator from Nebraska.

Mr. SMOOT. Mr. President, I rather think the joint resolution should be referred to the Committee on Appropriations rather than the Committee on Finance. It deals with an appropriation, and I think the Appropriations Committee is the proper committee to which to refer it.

Mr. HOWELL. Mr. President, in view of the statement of the Senator from Utah, I ask that the joint resolution be referred to the Appropriations Committee.

Mr. JONES. Mr. President, the joint resolution proposes a direct appropriation not authorized by law. I suggest that it go to the Committee on Military Affairs or one of the legislative committees that passes on legislation. Of course, if the proper legislative committee shall authorize an appropriation, the Committee on Appropriations will be glad to recommend the appropriation. Technically, however, the Committee on Appropriations is not a legislative committee; it merely makes recommendations to carry out legislation in the way of appropriating money the appropriation of which has been authorized. I suggest that the Senator have the joint resolution referred to the Committee on Military Affairs, and change the language of the joint resolution, of course, to authorize an appropriation.

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Wisconsin.

Mr. HOWELL. I yield.

Mr. LA FOLLETTE. It seems to me that the obvious committee to which the joint resolution will be referred is the Committee on Finance, which has to do with all veterans' legislation. The joint resolution introduced by the Senator from Nebraska affects adjusted-service certificates, inasmuch as the charges are to be deducted from them, and that, it seems to me, is ample reason for the Finance Committee taking jurisdiction.

Mr. JONES. I withdraw my suggestion that the joint resolution be referred to the Committee on Military Affairs. I think the Senator from Wisconsin is right.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Florida?

Mr. HOWELL. I yield.

Mr. FLETCHER. I quite agree with the Senator from Wisconsin. The Military Affairs Committee has never handled any legislation with reference to questions affecting veterans, and the joint resolution should go to the Committee on Finance.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. HOWELL. I yield.

Mr. SMOOT. I did not hear the entire reading of the joint resolution.

The VICE PRESIDENT. Let the joint resolution be read again.

The Chief Clerk again read the joint resolution.

Mr. SMOOT. I think the joint resolution ought to go to the Finance Committee.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Finance.

ANNIVERSARY OF ARMENIAN INDEPENDENCE

Mr. KING. Mr. President, for many years in this and in other lands the Armenian question aroused profound interest. During the World War the Armenians rendered heroic service in behalf of the allied and associated powers. They fought in Palestine, in Syria, and in many battles upon the western front, and their intrepid and gallant efforts were recognized not only by the military authorities but by representatives of the allied governments. Several hundred thousand Armenians for months held back the Turkish and other forces of the Central Powers, and thus made important contribution to the ultimate success of the cause supported by the allied and associated powers.

An Armenian Government was organized within territory which from time immemorial had been inhabited by Armenians. This Government was accorded recognition by the governments of the allied and associated powers. That recognition has not been withdrawn, and the Armenian Government which was thus established still exists and has a juridical status.

Fourteen years have elapsed since the independence of Armenia was proclaimed and an Armenian state set up. There are thousands of American citizens of Armenian birth or descent, and they and many thousands of Armenians in European countries and in Syria, Palestine, Egypt, and other countries, have annually, by appropriate exercises, commemorated the anniversary of Armenian independence. On the 29th of May, 1932, in the City College Auditorium, New York City, more than 1,500 American citizens of the Armenian race and Armenians assembled and unanimously adopted the following resolution, which I ask to have inserted in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution

Whereas (a) in November, 1917, Russia, having fallen under the control of the Bolsheviki, withdrew from the war and abandoned the trans-Caucasus front, including the district then known as Russian Armenia, and thus left and exposed the Armenian people, numbering upwards of 1,700,000, to the mercy and menace of the Turkish Army;

(b) In the midst of chaos and many and overwhelming problems caused by this Russian desertion the Armenian people summoned their supreme spiritual powers; they improvised a government and fighting units, proclaimed their independence on May 28, 1918, and, in one of the decisive battles of the World War around Karakliss and Sardarabad, between May 29 and June 3, for 5 days, 30 Armenian battalions withstood 50 Turkish battalions, and on June 4, 1918, compelled Turkey to recognize Armenia as an independent state;

(c) Even as early as December 30, 1917, Lenin by special decree had recognized the right of Armenia to independence, and in August, 1920, the then Soviet Foreign Commissar, by two long telegrams to the Armenian Premier, reaffirmed Russia's cordial acquiescence in the independence of Armenia;

(d) Following the armistice the allied powers compelled the Turks to retire in favor of Armenia from those portions of former Russian Armenia which the Turks in the agreements of June and July, 1918, with the Armenian Republic had retained for themselves, and in January and April, 1920, the principal allied and associated nations, including the United States, extended a de jure recognition to the Armenian Republic.

(e) By article 89 of the Sevres treaty of August 10, 1920, to which treaty Turkey and Armenia also were parties, the principal allied nations allotted to the Armenian Republic, subject to an arbitral decision by the President of the United States, thereafter duly rendered, about 45,000 square miles in the Provinces of Erzerum, Trebizond, Van, and Bitlis, a tiny corner of historic Armenia, now deserted and lying fallow and prostrate.

(f) Soviet Russia, pursuant to its political and military conventions of April and June, 1920, with the then outlaw Kemalist Turks, furnished the latter with gold and munitions to make war upon the Allies, who were in military control of parts of western Turkey.

(g) Soviet Russia, having accomplished the occupation and conquest of Azerbaidjan and Georgia in April and May, 1920, and as a means of establishing direct contact with Kemal by land, sought to bring the Armenian Republic under its control; to that end fomented in May and August, 1920, abortive uprisings in many localities in that Republic and in September, 1920, instigated Kemal to attack it and then actively cooperated with Kemal in his operations to subdue the Armenian Republic.

(h) On October 14, 1920, Moscow, for the second time, by an ultimatum, demanded (1) that Armenia offer free passage to Russian troops to join the Kemalists; (2) that she sever relations with the Allies; and (3) that she denounce the Sevres treaty; which ultimatum Armenia rejected;

(i) Soviet Russia then sent a special envoy named Le Grand to Erivan, and through him solemnly committed itself to the preservation of the territorial integrity of the Armenian Republic, and also gave assurances with regard to Armenian rights against Turkey under the Sevres treaty, conditioned, however, upon withdrawal by the Armenian Government in favor of an imported junta by Moscow;

(j) Pressed by great odds, cut off from the rest of the world, and relying upon commitments and assurances by Moscow, the Armenian Government was compelled and induced to withdraw on December 3, 1920;

(k) Thereafter, in contempt and violation of its commitments and assurances, Moscow, by a treaty with Kemalist Turkey, dated March 16, 1921, and under subsequent arbitrary arrangements, decimated the Armenian Republic; it alienated major portions thereof, or about 16,000 square miles out of 26,196, to Turkey,

Azerbaidjan, and Georgia, gained absolute control over the remnant through a hand-picked and subservient junta, and, further, denounced the rights of Armenia against Turkey: Therefore be it

Resolved—

(1) We proclaim and reaffirm our uncompromising adherence and unswerving devotion to the independent and united Armenia, as recognized and defined by the former principal allied and associated nations; and

(2) We remind the Government of the Soviet Union that, in the light of its direct and active responsibility for the plight of the Armenian people since 1917, as also for the overthrow of the Armenian Republic, considerations of honor and elementary equity impose upon it the plain duty of at least restoring the territorial limits of the Armenian Republic as they actually existed in September, 1920; and to that end—

(a) To invite or force Turkey to retire from the districts of Kars, Ardahan, Ararat; and

(b) Reintegrate these, together with Nakh-Itchewan, Karabagh, and Akalkalak, in so-called Soviet Armenia.

H. KASHMANIAN,
Chairman, Meeting.

RECENT RAILROAD MERGERS

Mr. KING. Mr. President, I desire to offer a resolution and ask its reference to the Committee on the Judiciary. Before tendering it, I desire to make a brief statement.

On March 1, I offered a resolution which was referred to the Committee on the Judiciary and by that committee favorably reported back to the Senate, when it was unanimously adopted. The resolution which I am now offering grows out of that resolution and the action of the Attorney General with respect to the same.

That resolution stated that the legislative chairman of the Interstate Commerce Commission in his official capacity had asserted that, through the formation of holding companies and otherwise, numerous combinations of parallel and competing railroads, engaged in interstate commerce, have recently been made without authority of law and without obtaining the approval of the Interstate Commerce Commission, as provided in section 5 of the interstate commerce act. The resolution further stated that there have been apparently deliberate attempts, by means of such combinations, to evade, anticipate, and forestall action by the Interstate Commerce Commission and to restrict and impede the latter in the free exercise of its lawful powers.

The resolution also referred to the fact that large quantities of stocks and bonds in such holding companies, as well as other corporations, have been marketed and sold to private investors at prices far in excess of any present or prospective value. The resolution also referred to the fact that there is pending before the Interstate Commerce Commission an application of four railroad corporations in the eastern section of the United States, which, if approved, would explicitly condone these violations of law and render the commission powerless to exercise its independent judgment as to the public interest in the consolidation of railroads in such territory.

The Attorney General was requested to inform the Senate whether the transactions referred to in the resolution constitute contracts, combinations, or conspiracies in restraint of trade or commerce among the several States or attempts to monopolize or restrain such commerce, in violation of the Sherman law, and also in what respect, if any, the transactions differ from the operations condemned by the Supreme Court of the United States in the Northern Securities case, also what steps the Department of Justice had taken or contemplated taking to enforce with respect to the transactions referred to the antitrust laws.

The Attorney General, in responding to the Senate resolution sent a communication to the President of the Senate on April 25 and in the communication declined to give an opinion on the "legal phases of the subject matter of the resolution." In effect he stated that the subject of the acquisition of stock in competing carriers by means of holding companies which might be a violation of the Sherman Act has been committed to the Interstate Commerce Commission under the terms of the Clayton Act, and, therefore, the Department of Justice has taken no action with respect to such holding companies. In the concluding paragraph of the communication he states that—

> • • • for this department to undertake action on its own account and independently of the Interstate Commerce Commission in matters of this kind would result in hopeless confusion and disorder. • • •

In support of this interpretation of the antitrust laws and the effect on the Sherman Act of the enactment of the Clayton Act, the Attorney General quotes a part of section 7 of the Clayton Act, providing that no corporation shall acquire the stock of two or more corporations engaged in interstate commerce where the effect of the acquisition would be substantially to lessen competition; and in connection therewith the Attorney General cites section 11, which provides that the authority to enforce compliance with section 7—and others—is vested in the Interstate Commerce Commission where applicable to common carriers.

But the Attorney General omits the very part of section 7 of the Clayton Act which expressly states the intent of Congress with reference to the continued enforcement of the Sherman Act, notwithstanding the enactment of the Clayton Act. This omission is significant, for the omitted portion of section 7 clearly states the position of Congress. It says:

> Nothing in this section shall be held or construed to authorize or make lawful anything theretofore [prior to the passage of the Clayton Act] prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

In other words, Congress has stated an intent contrary to the interpretation of the law by the Attorney General. Congress declared that it was not intended by the passage of the Clayton Act to relieve any person from the penal provisions of the Sherman Act or from the consequences of its enforcement, and it also declared that the enforcement of the Sherman Act was committed to the Attorney General and not to the Interstate Commerce Commission, whose authority with respect to proceedings against combinations was limited to the Clayton Act. If there were any doubt about this, it is resolved by the further provision in the only limitation that is contained in the Clayton Act; that is, to the effect that nothing contained in the act shall be construed to entitle any person to bring suit for injunctive relief against common carriers subject to the jurisdiction of the Interstate Commerce Commission, which provision particularly excepts the United States.

With the clear declaration by Congress that nothing in section 7 of the Clayton Act should relieve anyone from the provisions of the Sherman Act, it is for Congress, and not the Attorney General, to determine whether that state of the law would result in "hopeless confusion and disorder" if the Attorney General instituted the necessary action to enforce the antitrust laws.

If the facts which have been presented during recent hearings before the Interstate Commerce Commission and those set forth in the statement made by the chairman of the legislative committee of the Interstate Commerce Commission rest upon a solid foundation, then it would seem manifest that the holding companies referred to were formed for the control of competing railroads, and that the transactions involved were violative of the Sherman law.

It seems to me that this position can not be questioned. As I understand the situation referred to in the resolution which I offered (S. Res. 173), the principles announced in the case of the United States *v.* Reading Co. (253 U. S. 26, 58) are applicable. The court in that opinion uses the following language:

> Thus, in Northern Securities Co. *v.* United States (193 U. S. 197, 327), when dealing with a holding company, such as we have here, this court, in 1903, held:
>
> "No scheme or device could more certainly come within the words of the act—'combination in the form of a trust or otherwise • • • in restraint of commerce among the several States or with foreign nations'—or could more effectively and certainly suppress free competition between the constituent companies. • • • The mere existence of such a combination and the power acquired by the holding company as its trustee constitute a menace to, and a restraint upon, that freedom of commerce which Congress intended to recognize and protect, and which the public is entitled to have protected."

Mr. President, it is not my purpose to enter into a discussion of the questions involved, but rather to offer a resolution and to briefly explain the purpose of the same. I now offer

Senate Resolution 252 and ask its reference to the Committee on the Judiciary. I express the hope that notwithstanding the session will soon end, the committee will find time to act upon the resolution. I believe that the inquiry called for in the resolution should be made, and facts fully elicited in order that the Senate may be fully advised concerning the same.

The VICE PRESIDENT. The resolution will be referred to the Committee on the Judiciary.

The resolution (S. Res. 252) is as follows:

Senate Resolution 252

Whereas on the 8th day of March the Senate unanimously adopted Resolution No. 173, which resolution referred to the formation of holding companies asserted to be combinations of parallel and competing railroads engaged in interstate commerce, and by means of such combinations had apparently attempted to evade and forestall action by the Interstate Commerce Commission and requested the Attorney General of the United States to inform the Senate (1) whether such transactions constitute contracts, combinations, or conspiracies in restraint of trade or commerce among the several States, or attempts to monopolize or restrain such commerce in violation of the act of Congress of July 2,, 1890, as amended, commonly called the antitrust act; (2) in what respect, if any, such transactions differ from the operations condemned by the Supreme Court of the United States in the so-called Northern Securities case (193 U. S. 197); (3) what steps, if any, have been taken or are contemplated by the Department of Justice for the enforcement in these instances of the antitrust laws; and

Whereas under date of April 25, 1932, the Attorney General transmitted to the President of the Senate a letter declining to give the information in said resolution requested but did undertake to respond to other portions of such resolution: Now, therefore, be it

Resolved, That the Committee on the Judiciary be directed to inquire concerning the matters referred to in said resolution and in said letter and to, as promptly as possible, advise the Senate whether (1) the transactions referred to in said resolution, or any of them, constitute contracts, combinations, or conspiracies in restraint of trade or commerce among the several States in violation of the act of Congress of July 2, 1890, as amended; (2) in what respect, if any, such transactions differ from the operations condemned by the Supreme Court of the United States in the so-called Northern Securities case (193 U. S. 197); whether the Attorney General and the Department of Justice and its representatives have taken any steps to ascertain the character of said transactions referred to in said resolution, or to bring any action under the antitrust laws in connection with said transactions, and to recommend to the Senate such course in regard to the matters and things set forth in said resolution and pursuant to the facts ascertained by said committee as may be proper in the premises.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 24, line 22, after the word "notwithstanding," to insert "amounts previously authorized for the cost of activities and," so as to read:

Notwithstanding amounts previously authorized for the cost of activities and the provisions of any other act relating to the expenditure of public moneys, upon vouchers approved by the chairman of the executive committee, or such person as may be designated by him to approve vouchers: *Provided*, That nothing contained in this paragraph shall be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit.

The amendment was agreed to.

The next amendment was, under the heading "Interstate Commerce Commission," on page 25, line 15, after the word "otherwise," to strike out "$2,875,354" and insert "$2,600,000"; and in line 16, after the word "exceed," to strike out "$2, 502,530" and insert "$2,282,530," so as to read:

For 11 commissioners, at $12,000 each; secretary, $9,000, and for all other authorized expenditures necessary in the execution of laws to regulate commerce, including 1 chief counsel, 1 director of finance, and 1 director of traffic at $10,000 each per annum, traveling expenses and stenographic reporting services to be obtained on and after the approval of this act by the commission, in its discretion, through the civil service or by contract or renewal of existing contract, or otherwise, $2,600,000, of which amount not to exceed $2,282,530 may be expended for personal services in the District of Columbia, exclusive of special counsel, for which the expenditure shall not exceed $50,000; not exceeding $3,000 for purchase and exchange of necessary books, reports, and periodicals; not exceeding $100 in the open market for the purchase of office furniture similar in class or kind to that listed in the general supply schedule.

The amendment was agreed to.

Mr. KING. Mr. President, I inquire whether final disposition was made of the General Accounting Office provision?

The VICE PRESIDENT. That amendment was passed over.

Mr. KING. I wanted to move to disagree to the amendment in line 21, "including one motor-propelled passenger-carrying vehicle."

Mr. SMOOT. That went over.

Mr. KING. I also wanted to move to reduce the appropriation, because I believe that the appropriation given to this branch of the Government service is entirely too great.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 26, line 10, after the word "expenses," to strike out "$383,560," and insert "883,560," and in line 11, after the word "exceed," to strike out "$56,800" and insert "$100,000," so as to read:

Regulating commerce: To enable the Interstate Commerce Commission to enforce compliance with section 20 and other sections of the act to regulate commerce as amended by the act approved June 29, 1906 (U. S. C., title 49, sec. 20), and as amended by the transportation act, 1920 (U. S. C., title 49, sec. 20), including the employment of necessary special accounting agents or examiners, and traveling expenses, $883,560, of which amount not to exceed $100,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 27, line 2, after the word "expenses," to strike out "$511,732" and insert "$500,000," and in line 3, after the word "exceed," to strike out "$93,000" and insert "$91,000," so as to read:

Safety of employees: To enable the Interstate Commerce Commission to keep informed regarding and to enforce compliance with acts to promote the safety of employees and travelers upon railroads; the act requiring common carriers to make reports of accidents and authorizing investigations thereof; and to enable the Interstate Commerce Commission to investigate and test appliances intended to promote the safety of railway operation, as authorized by the joint resolution approved June 30, 1906 (U. S. C., title 45, sec. 35), and the provision of the sundry civil act approved May 27, 1908 (U. S. C., title 45, secs. 36, 37), to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, inspectors, and for traveling expenses, $500,000, of which amount not to exceed $91,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 27, line 17, after the word "expenses," to strike out "$47,174" and insert "$40,000," and in the same line, after the word "exceed," to strike out "$34,880" and insert "$30,000," so as to read:

Signal safety systems: For all authorized expenditures under section 26 of the act to regulate commerce as amended by the transportation act, 1920 (U. S. C., title 49, sec. 26), with respect to the provision thereof under which carriers by railroad subject to the act may be required to install automatic train-stop or train-control devices which comply with specifications and requirements prescribed by the commission, including investigations and tests pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906 (U. S. C., title 45, sec. 35), and including the employment of the necessary engineers, and for traveling expenses, $40,000, of which amount not to exceed $30,000 may be expended for personal services in the District of Columbia.

Mr. KING. Mr. President, I find in line 10, page 26, an increase from $383,560 to $883,560.

Mr. SMOOT. Mr. President, that is providing for the enforcement of the recapture clause. The bill on that subject is not yet passed, but no doubt will be. We must provide for it. If it is not provided for now, we could not do it until perhaps next April or May; and if the bill does not pass, it will not be used.

Mr. KING. Is it regarded as important?

Mr. SMOOT. All I want to do is to have this item put in here and let it go to conference. Then, before the bill is passed, we will find out whether it will be needed or not.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 27, line 17.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 28, line 14, after the word "expenses," to strike out "$485,359" and insert "$400,000," and in line 15, after the word "exceed," to strike out "$79,000" and insert "$65,000," so as to read:

Locomotive inspection: For all authorized expenditures under the provisions of the act of February 17, 1911, "To promcte the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto" (U. S. C., title 45, sec. 22), as amended by the act of March 4, 1915, extending "the same powers and duties with respect to all parts and appurtenances of the locomotive and tender (U. S. C., title 45, sec. 30), and amendment of June 7, 1924 (U. S. C., title 45, sec. 27), providing for the appointment from time to time by the Interstate Commerce Commission of not more than 15 inspectors in addition to the number authorized in the first paragraph of section 4 of the act of 1911 (U. S. C., title 45, sec. 26), and the amendment of June 27, 1930 (U. S. C., Supp. V, title 45, secs. 24, 26), including such legal, technical, stenographic, and clerical help as the business of the offices of the chief inspector and his two assistants may require, and for traveling expenses, $400,000, of which amount not to exceed $65,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 28, line 18, after the word "to," to strike out "carry" and insert "complete carrying," so as to read:

Valuation of property of carriers: To enable the Interstate Commerce Commission to complete carrying out the objects of the act entitled "An act to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof," by providing for a valuation of the several classes of property of carriers subject thereto and securing information concerning their stocks, bonds, and other securities, approved March 1, 1913, etc.

The amendment was agreed to.

The next amendment was, on page 29, at the end of line 5, to reduce the appropriation for the valuation of property of carriers from "$2,750,000" to "$750,000."

Mr. LA FOLLETTE. Mr. President, I ask the Senator from Utah if he will not be willing to have that amendment passed over. I can assure him that there will be a protracted debate concerning it.

Mr. SMOOT. That is the valuation amendment?

Mr. LA FOLLETTE. Yes.

Mr. SMOOT. If the Senator desires it, that may be passed over.

Mr. LA FOLLETTE. I ask that that may have the same treatment as the items relative to the Federal Trade Commission.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Will the Senator indicate the particular amendment to which he refers?

Mr. LA FOLLETTE. The amendment on page 29, line 5, where the committee proposes to strike out "$2,750,000" and insert in lieu thereof "$750,000."

The PRESIDING OFFICER. The amendment will be temporarily passed over.

The reading of the bill was resumed.

The next amendment was, on page 29, line 18, after the word "exceed," to strike out "$5,000" and insert "$2,500," so as to read:

Not to exceed $2,500 of the appropriations herein made for the Interstate Commerce Commission shall be available for expenses, except membership fees, for attendance at meetings concerned with the work of the commission.

The amendment was agreed to.

The next amendment was, on page 29, at the end of line 23, to reduce the total appropriation for the Interstate Commerce Commission from $7,228,179 to $5,348,560.

Mr. SMOOT. I suggest that the total be passed over.

The PRESIDING OFFICER. That amendment will be passed over temporarily.

The next amendment was, under the heading "National Advisory Committee for Aeronautics," on page 31, line 4, after the words "in all," to strike out "$958,310" and insert "$850,000"; and in line 8, after the word "exceed," to strike out "$107,500" and insert "$95,000," so as to read:

For scientific research, technical investigations, and special reports in the field of aeronautics, including the necessary laboratory and technical assistants; contracts for personal services in the making of special investigations and in the preparation of special reports; traveling expenses of members and employees; including not to exceed $500 for expenses, except membership fees, of attendance upon meetings of technical and professional societies; office supplies and other miscellaneous expenses, including technical periodicals and books of reference; equipment, maintenance, and operation of the Langley Memorial Aeronautical Laboratory; purchase, maintenance, operation, and exchange of motor-propelled passenger-carrying vehicles, including not more than one for general administrative use in the District of Columbia; personal services in the field and the District of Columbia; in all, $850,000, of which amount not to exceed $2,000 may be expended for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. 818), and not to exceed $95,000 for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 31, at the end of line 13, to strike out "$24,000" and insert "$20,000," so as to read:

For all printing and binding for the National Advisory Committee for Aeronautics, including all of its offices, laboratories, and services located in Washington, D. C., and elsewhere, $20,000.

The amendment was agreed to.

The next amendment was, on page 31, line 15, to reduce the total appropriation for the National Advisory Committee for Aeronautics from $982,310 to $870,000.

Mr. COUZENS. Mr. President, I am unable to understand what this amount of nearly $1,000,000 for the National Advisory Committee for Aeronautics is spent for, in view of the fact that both the Army and the Navy Departments maintain extensive organizations for aeronautics.

Mr. SMOOT. The appropriation has been carried for scientific purposes, Mr. President. If the Senator from Michigan desires to have me do so, I will call his attention to the evidence that was presented before the House committee—

Doctor AMES. Would you like to know what happens when these problems get down to Langley Field?

Mr. WOODRUM. Yes. Will you describe the course of an experiment down there, Doctor?

Doctor AMES. Langley Field is organized with an engineer in charge, Mr. Henry Reid. There are seven divisions there; namely, aerodynamics division, power-plants division, hydrodynamics division, physical-research division, technical-service division, flight-operations division, and property and clerical division.

These are the main divisions at Langley Field. A full description of the laboratory is incorporated in my opening statement.

It would take too long to go into that, unless the Senator desires.

Mr. COUZENS. Is not Langley Field under the jurisdiction of the Army?

Mr. McKELLAR. Yes, Mr. President.

Mr. SMOOT. Yes; it is under the jurisdiction of the Army.

Mr. COUZENS. Why did the National Advisory Committee for Aeronautics have to maintain all that organization at an Army field?

Mr. SMOOT. That is their aeronautical plant, Mr. President.

Mr. McKELLAR. Mr. President, I will say to the Senator that when this matter was before the committee, I moved to strike out all of it.

Mr. COUZENS. I think it ought to go out.

Mr. McKELLAR. I did so, because I thought it ought to be suspended certainly for this year, while we are in the financial condition that we are in; but the committee overruled me and left it in the bill. I should like to see it stricken out, because I think it should be, under the circumstances.

Mr. SMOOT. If that were done, the organization would go to pieces.

Mr. McKELLAR. That would be a blessing rather than a calamity.

Mr. SMOOT. May I tell the Senator just what the problems are that they have to handle?

Mr. COUZENS. I yield to the Senator from Utah.

Mr. SMOOT. Some of them are as follows:

1. Investigation of drag of landing gears and landing-gear wheel fairings; suggested by Col. V. E. Clark, Mr. W. B. Mayo, Mr. H. L. Child, Mr. C. H. Chatfield.

2. Investigation of drag of various fuselage shapes; suggested by Colonel Clark, Mr. Mayo, Mr. Chatfield.

3. Determination of lift and drag of wing relative to fuselage, especially in monoplane arrangements; suggested by Colonel Clark, Mr. Chatfield, Hon. Edward P. Warner.

4. Study of vibration charasteristics of the airplane, and development of vibration indicator; suggested by Mr. Roycroft Walch, Mr. F. W. Caldwell, Mr. L. C. Milburn, Colonel Clark, Mr. Mayo, Mr. Warner—

And so forth. There are 43 problems listed here.

Mr. COUZENS. Will the Senator tell me how many employees are engaged in this activity? At the same time I should like to have him tell me if the Army and Navy are not doing the same sort of technical research work.

Mr. SMOOT. They say not, Mr. President. The technical work of one is not the work of the other.

Mr. COUZENS. In order not to delay the Senate to-day, if the Senate wishes to approve of this appropriation with these amendments, I will file a motion to reconsider and look it up over the week end.

Mr. KING. Let me say that I think this appropriation is entirely too large; that while this organization may have done some good, it is a sort of an appendage to the Army and to the Navy, and is doing work—what little is being done—for the private manufacturers of America.

Mr. SMOOT. Then we will leave these items just as we have passed upon them; and if the Senator desires to ask for a reconsideration I shall not object.

Mr. COUZENS. I will file a motion now to reconsider, and look into the matter over the week end; but in all probability I shall ask a reconsideration, because I understand that most of this work could be done or is being done by the Army and Navy, and what is not being done for them is being done for private interests.

Mr. SMOOT. The Senator asked how many employees there are. There are 278.

Mr. COUZENS. Two hundred and seventy-eight employees!

Mr. KING. Mr. President, I want to suggest at this time that there has been an enormous waste in the aeronautical activities of the Government. We have spent many millions of dollars in experimentation in Ohio and in other places. Instead of consolidating all of the aeronautical activities of the Army and the Navy and other departments of the Government, we are diffusing them, and we are trying to take over some of the duties and some of the experimentation and scientific work which are being done by private manufacturers of airplanes, who have technical staffs that are infinitely more competent than the technical staffs which the Government of the United States provides.

This whole organization ought to be abolished; and, if it is not abolished, the appropriation ought to be reduced one-half.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The senior Senator from Michigan [Mr. COUZENS] enters a motion to reconsider, as the Chair understands, all of the items in the bill referring to the National Advisory Committee for Aeronautics.

The next amendment was, under the heading "Public buildings and public parks of the National Capital," on page 32, line 4, after the word "elsewhere," to strike out "$2,831,065" and insert "$2,500,000," so as to read:

For personal services in the District of Columbia and elsewhere, $2,500,000, including not to exceed $25,000 for intermittent and seasonal employees at per diem rates of compensation to be fixed by the director.

The amendment was agreed to.

The next amendment was, on page 32, line 24, after the word "year," to strike out "1932" and insert "1933," so as to make the proviso read:

Provided, That any funds for the fiscal year 1933 appropriated for rents and maintenance of buildings in the District of Columbia for any of the executive departments and independent establishments may be transferred, with the approval of the Public Buildings Commission, to the Director of Public Buildings and Public Parks of the National Capital; city directories; contingent expenses; traveling expenses and carfare not exceeding $300; communication service; professional, scientific, technical, and law books; periodicals and reference books; blank books and forms; photographs; maps, leather and rubber articles and gas masks for the protection of public property and employees; not exceeding $13,000 for uniforms for employees; the maintenance, repair, exchange, storage, and operation of not to exceed one motor-propelled passenger-carrying vehicle, the demolition of buildings; incidental grading of the Mall to utilize available fill, the purchase, maintenance, and repair of equipment and fixtures, $1,510,933.

The amendment was agreed to.

The next amendment was, on page 34, line 5, to strike out "$4,500" and insert "$3,000," so as to read:

For all printing and binding for the Office of Public Buildings and Public Parks of the National Capital, $3,000.

The amendment was agreed to.

The next amendment was, on page 34, line 7, to reduce the total appropriation for the Office of Public Buildings and Public Parks of the National Capital from $4,358,498 to $4,025,933.

The amendment was agreed to.

The next amendment was, under the heading "Public Buildings Commission," on page 34, at the end of line 25, to strike out "$125,000" and insert "$100,000," so as to read:

For all necessary expenses incident to moving various Government departments, bureaus, divisions, and independent establishments and parts thereof from one building to another or moves within a building in the District of Columbia in connection with the assignment, allocation, transfer, and survey of space, including the removal and erection of building partitions, including personal services, without reference to civil-service rules, at rates of pay fixed and determined by the commission and without reference to the classification act of 1923 as amended: *Provided*, That the money herein appropriated may be used for reimbursing the Government departments, bureaus, divisions, independent establishments, and offices for actual expenses incurred by them in complying with the orders of the commission; to be expended on vouchers signed by the chairman of the commission; to be available immediately, and to remain available until expended, $100,000.

The amendment was agreed to.

The next amendment was, under the heading "Smithsonian Institution," on page 35, at the end of line 12, to strike out "$52,810" and insert "$47,529," so as to read:

For expenses of the general administrative office, Smithsonian Institution, including an additional assistant secretary at $9,000 per annum during the present incumbency, compensation of necessary employees, traveling expenses, purchase of books and periodicals, supplies and equipment, and any other necessary expenses, $38,644.

International exchanges: For the system of international exchanges between the United States and foreign countries, under the direction of the Smithsonian Institution, including necessary employees, and purchase of necessary books and periodicals, and traveling expenses, $47,529.

The amendment was agreed to.

The next amendment was, on page 35, line 20, after the word "expenses," to strike out "$72,640" and insert "$66,640," so as to read:

American ethnology: For continuing ethnological researches among the American Indians and the natives of Hawaii, the excavation and preservation of archæologic remains under the direction of the Smithsonian Institution, including necessary employees, the preparation of manuscripts, drawings, and illustrations, the purchase of books and periodicals, and traveling expenses, $66,640.

The amendment was agreed to.

The next amendment was, on page 36, line 10, after the word "expenses," to strike out "$35,660" and insert "$32,094," so as to read:

Astrophysical Observatory: For maintenance of the Astrophysical Observatory, under the direction of the Smithsonian Institution, including assistants, purchase of books, periodicals, and apparatus, making necessary observations in high altitudes, re-

pairs and alterations of buildings, preparation of manuscripts, drawings and illustrations, traveling expenses, and miscellaneous expenses, $32,094.

The amendment was agreed to.

The next amendment was, on page 36, line 17, after the word "expenses," to strike out "$188,370" and insert "$148,370," so as to read:

For cases, furniture, fixtures, and appliances required for the exhibition and safe-keeping of collections; heating, lighting, electrical, telegraphic, and telephonic service, repairs and alterations of buildings, shops, and sheds, including approaches and all necessary material; personal services, and traveling and other necessary incidental expenses, $148,370.

The amendment was agreed to.

The next amendment was, on page 37, line 2, after the word "periodicals," to strike out "$637,760" and insert "$617,760," so as to read:

For continuing preservation, exhibition, and increase of collections from the surveying and exploring expeditions of the Government, and from other sources, including personal services, traveling expenses, purchasing and supplying uniforms to guards and elevator conductors, postage stamps and foreign postal cards and all other necessary expenses, and not exceeding $5,500 for preparation of manuscripts, drawings, and illustrations for publications, and not exceeding $3,000 for purchase of books, pamphlets, and periodicals, $617,760.

The amendment was agreed to.

The next amendment was, under the subhead "National Gallery of Art," on page 37, line 8, after the word "expenses," to strike out "$45,220" and insert "$38,220," so as to read:

For the administration of the National Gallery of Art by the Smithsonian Institution, including compensation of necessary employees, purchase of books of reference and periodicals, traveling expenses, uniforms for guards, and necessary incidental expenses, $38,220.

The amendment was agreed to.

The next amendment was, under the subhead "Printing and binding," on page 37, line 13, after the word "elsewhere," to strike out "$100,000" and insert "$62,422," so as to read:

For all printing and binding for the Smithsonian Institution, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $62,422, of which not to exceed $12,000 shall be available for printing the report of the American Historical Association.

The amendment was agreed to.

The next amendment was, on page 37, line 22, after the name "Smithsonian Institution," to strike out "$1,194,254" and insert "$1,074,829"; and in line 23, after the word "exceed," to strike out "$919,541" and insert "$827,500," so as to read:

Total, Smithsonian Institution, $1,074,829, of which amount not to exceed $827,500 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Supreme Court Building Commission," on page 38, line 7, before the word "to," to strike out "$1,500,000" and insert "$1,000,000," so as to read:

Supreme Court Building: For continuing the construction of the building for the United States Supreme Court in accordance with the provisions of the act entitled "An act to provide for the construction of a building for the Supreme Court of the United States," approved December 20, 1929 (46 Stat., pp. 50–51), $1,000,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Tariff Commission," on page 38, line 21, before the word "of," to strike out "$1,122,000" and insert "$1,000,000"; in line 22, after the word "exceed," to strike out "$875,000" and insert "$787,500"; and in line 24, before the word "for," to strike out "$5,000" and insert "$2,500," so as to read:

For salaries and expenses of the United States Tariff Commission, including purchase and exchange of labor-saving devices, the purchase of professional and scientific books, law books, books of reference, gloves and other protective equipment for photostat and other machine operators, rent in the District of Columbia and elsewhere, subscriptions to newspapers and periodicals, and contract stenographic reporting services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), as authorized by sections 330 to 341 of the tariff act of 1930, approved June 17, 1930 (U. S. C., Supp. IV, title 19, secs. 1330–1341), $1,000,000, of which amount not to exceed $787,500 may be expended for personal services in the District of Columbia; not to exceed $2,500 for expenses, except membership fees, of attendance at meetings concerned with subjects under investigation by the commission; and not to exceed $7,500 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. IV, title 5, sec. 118a).

The amendment was agreed to.

The next amendment was, on page 39, line 16, to reduce the appropriation for all printing and binding for the Tariff Commission from $28,500 to $20,000.

The amendment was agreed to.

The next amendment was, on page 39, line 17, to reduce the total appropriation for the Tariff Commission from $1,150,500 to $1,020,000.

The amendment was agreed to.

The next amendment was, under the heading "United States Geographic Board," on page 39, line 21, after the word "supplies," to strike out "$9,178" and insert "$8,178," so as to read:

For salaries and expenses of the United States Geographic Board, including personal services in the District of Columbia, and for stationery and office supplies, $8,178.

The amendment was agreed to.

The next amendment was, on page 39, line 23, to reduce the appropriation for printing and binding, United States Geographic Board, from $2,500 to $1,500.

The amendment was agreed to.

The next amendment was, on page 39, at the end of line 24, to reduce the total appropriation for the United States Geographic Board from $11,678 to $9,678.

The amendment was agreed to.

The next amendment was, under the heading "United States Shipping Board," on page 41, line 2, before the word "of," to strike out "$409,270" and insert "$375,000," and in the same line, after the word "exceed," to strike out "$373,298" and insert "$342,000," so as to read:

For seven commissioners at $12,000 each per annum and for all other expenditures authorized by law, including the compensation of a secretary to the board, attorneys, officers, naval architects, special experts, examiners, and clerks, including one admiralty counsel at not to exceed $10,000 per annum, one technical expert in connection with construction loan fund, at not to exceed $10,000 per annum, and other employees in the District of Columbia and elsewhere; and for all other expenses of the board, including the rental of quarters outside the District of Columbia, law books, books of reference, periodicals, and not exceeding $600 for newspapers, and traveling expenses of members of the board, its special experts, and other employees, while upon official business away from their designated posts of duty, including attendance at meetings or conventions of members of any society or association, the purpose of which the board may consider of interest to the development and maintenance of an American merchant marine, when incurred on the written authority of the chairman of the board, and for the employment by contract or otherwise of expert stenographic reporters for its official reporting work, including the investigation of foreign discrimination against vessels and shippers of the United States, and for the investigation of transportation of immigrants in vessels of the United States Shipping Board, $375,000, of which amount not to exceed $342,000 may be expended for personal services in the District of Columbia.

Mr. KING. Mr. President, I am interested in knowing why there should be appropriated $409,000 or $375,000 in part for the investigation of transportation of immigrants in vessels of the United States Shipping Board, $342,000 of which is to be expended for personal services in the District of Columbia. It seems to me that if efforts are to be made to find immigrants, the representatives of the Shipping Board in other countries, rather than in Washington, D. C., should deal with that matter.

Mr. SMOOT. Mr. President, this item carries the appropriation for all the activities of the Shipping Board. This is not for one particular place or the District of Columbia but covers the whole activities of the Shipping Board.

Mr. McKELLAR. Inasmuch as the Shipping Board has been cut from six members to three, I believe it is, would it not be advisable to cut the whole expenses of the board down in the same proportion?

Mr. SMOOT. We have taken off now——

Mr. McKELLAR. No; we have increased.

Mr. SMOOT. No; it was $409,270, and we cut it to $375,000, of which amount not to exceed $342,000 may be expended for personal services in the District of Columbia.

Mr. McKELLAR. Mr. President, I want to offer an amendment to strike out of the committee amendment "$375,000," on page 41, and to insert "$250,000," and to make the next amendment accordingly.

Mr. SMOOT. The measure reducing the Shipping Board has not passed.

Mr. McKELLAR. But it will pass.

Mr. SMOOT. If it does, then they will not expend the amount of money.

Mr. McKELLAR. Mr. President, if we appropriate the money, it will be expended. We never get money back. I ask the Senator to take the $250,000 to conference and let it go.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Tennessee to the committee amendment.

Mr. SMOOT. That may be done; and in the meantime I will find out just how the legislation stands, and whether there is any chance of its passing so that the $250,000 will be sufficient.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McKELLAR. The next item of $373,298 the committee has made $342,000.

Mr. SMOOT. Yes.

Mr. McKELLAR. I imagine we ought to instruct the clerk to make a corresponding reduction.

Mr. SMOOT. We had better do it now.

Mr. McKELLAR. Very well.

Mr. SMOOT. It should be about $220,000.

Mr. McKELLAR. I move to strike out of the committee amendment "$342,000" and to substitute "$220,000."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 41, line 19, after the word "elsewhere," to strike out "$14,000" and insert "$10,000," so as to read:

For all printing and binding for the United States Shipping Board, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $10,000.

The amendment was agreed to.

Mr. KING. While we are on the Shipping Board provision, may I ask the Senator from Utah in regard to the item of $50,000,000, on page 42? Just what significance has the provision in this appropriation bill?

Mr. SMOOT. That is their operating fund, not an appropriation at all. They have an operating fund.

Mr. KING. I remember that.

Mr. SMOOT. It is the operating fund. It has nothing whatever to do with the amount to be appropriated in this bill.

Mr. KING. With respect to the $1,500,000, on line 19, page 42, the words preceding it are "so much of the total proceeds of sales of ships and surplus property received during the fiscal year 1933, but not to exceed $1,500,000, as is necessary to meet the expenses of liquidation." I want to move to require that any amount received from the sale of property be covered into the Treasury of the United States.

The PRESIDING OFFICER. The committee amendments must be disposed of first.

Mr. KING. I was going to say that my amendment would not be in order now.

The next amendment was, on page 45, line 24, before the word "shall," to strike out "$150,000" and insert "$125,000"; and on page 46, line 1, after the word "basis," to strike out "their clerical and legal assistants," so as to read:

Of the sums herein made available under the United States Shipping Board, not to exceed an aggregate of $125,000 shall be expended for compensation of regular attorneys employed on a yearly salary basis, and for fees and expenses of attorneys employed in special cases.

The amendment was agreed to.

The next amendment was, on page 46, after line 3, to strike out:

The authority granted to the United States Shipping Board by the independent offices appropriation act, 1932, to enter into contracts to make loans from the construction loan fund is hereby increased from $185,000,000 to $250,000,000: *Provided*, That none of the money herein appropriated or authorized shall be used to make loans to any corporation with which the Postmaster General has made a contract for the carrying of mail under the provisions of the merchant marine act of 1928, which contract has not been approved by the Comptroller General.

The amendment was agreed to.

The next amendment was, on page 46, line 14, to reduce the total appropriation for the United States Shipping Board from $423,270 to $385,000.

The amendment was agreed to.

Mr. KING. Mr. President, the clerk read so rapidly that I could not follow him. On page 45 I want to strike out "$125,000" and to insert in lieu thereof "$75,000," in line 24, so that it will read:

Of the sums herein made available to the United States Shipping Board, not to exceed an aggregate of $75,000 shall be expended for compensation of regular attorneys employed on a yearly salary basis, and for fees and expenses of attorneys employed in special cases.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was adopted is reconsidered. The junior Senator from Utah now moves to amend the committee amendment by striking out "$125,000" and inserting in lieu thereof "$75,000."

Mr. McKELLAR. Mr. President, I think this amendment to the amendment ought to be adopted. It will be recalled that in the economy bill the chief attorney's salary was reduced from $18,000 to $10,000.

Mr. JONES. Mr. President, the Senator is mistaken in that. There is a provision in the economy bill that when the compensation amounts to $12,500 or over, it shall stay at $12,500.

Mr. McKELLAR. Mr. President, the economy bill has been changed to that extent in conference since I examined it. But I want to say that inasmuch as the salary of the general counsel of the board has been reduced practically 33 per cent, the other attorneys in this connection should be correspondingly reduced, and for that reason I think the amendment of the Senator from Utah, making this amount $75,000, instead of $125,000, should be agreed to, and I hope the senior Senator from Utah will permit the amendment to go to conference to be ironed out there.

Mr. SMOOT. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the junior Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the heading "Veterans' Administration, military services," on page 47, line 5, after the word "administering," to strike out "$115,528,795" and insert "$115,000,000," so as to read:

Administration, medical, hospital, and domiciliary services: For all salaries and expenses of the Veterans' Administration, including the expenses of maintenance and operation of medical, hospital, and domiciliary services of the Veterans' Administration, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the act entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans," approved July 3, 1930 (U. S. C., Supp. IV, title 38, secs. 11–11f), and any and all laws for which the Veterans' Administration is now or may hereafter be charged with administering, $115,000,000.

The amendment was agreed to.

The next amendment was, on page 49, line 21, after the word "elsewhere," to strike out "$160,000" and insert "150,000," so as to read:

For printing and binding for the Veterans' Administration, including all its bureaus and functions located in Washington, District of Columbia, and elsewhere, $150,000.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I send to the desk an amendment, which we think is absolutely necessary.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 49, line 22, after the numerals "150,000," the Senator from Utah moves to insert:

Provided, That the Administrator of Veterans' Affairs is authorized to utilize the printing and binding equipment which the various hospitals and homes of the Veterans' Administration use for occupational therapy purposes for the purpose of doing such printing and binding as may, in his judgment, be found advisable for the use of the Veterans' Administration, the provisions of section 111, Title 44, United States Code, to the contrary notwithstanding.

The amendment was agreed to.

The next amendment was, on page 53, line 5, to reduce the total appropriation under the Veterans' Administration, military services, from $928,387,795 to $927,849,000.

The amendment was agreed to.

The next amendment was, under the subhead "Civil service retirement fund," on page 53, line 14, after the designation "Veterans' Administration," to strike out "949,237,795" and insert "948,699,000," so as to read:

Total, Veterans' Administration, $948,699,000.

Mr. KING. Mr. President, I want to make one observation. There are sometimes criticisms of the Government for failing to make appropriations for the Veterans' Bureau. We are appropriating by this bill $948,699,000, a stupendous sum, which will probably amount to one-fifth of all the income derived from all sources by the Government.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 54, after line 14, to strike out:

SEC. 3. No appropriation available during the fiscal years 1932 and/or 1933 for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices provided for herein shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended, (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond so far as may be practicable to the rates established by such act as amended for the departmental service in the District of Columbia, (3) to increase the compensation of any position under such act through reallocation, (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation, or (5) to increase the compensation of any other position in the Federal Government. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

The amendment was agreed to.

The next amendment was, on page 55, after line 16, to strike out:

SEC. 4. No appropriation available during the fiscal years 1932 and/or 1933 for the sundry executive boards, commissions, and offices provided for herein shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply (1) to absolutely essential positions the filling of which may be approved in writing by the President of the United States, or (2) to temporary, emergency, seasonal, or cooperative positions: *Provided further*, That in the operation of the several hospitals and homes under its jurisdiction the Veterans' Administration may be excepted from the provisions of this section by the approval in writing of the President of the United States. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

The amendment was agreed to.

The next amendment was, on page 56, line 16, after "Sec.," to strike out "5" and insert "3"; in line 19, after the word "cost," to strike out "delivered and"; and in line 20, after the figures "$750," to insert "except where, in the judgment of the heads of the sundry executive boards, commissions, and offices, provided for herein, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year," so as to read:

SEC. 3. No part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, station wagons, and ambulances) at a cost, completely equipped for operation, in excess of $750, except where, in the judgment of the heads of the sundry executive boards, commissions, and offices, provided for herein, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned, motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary, and then only when the same is approved by the head of the department. This section shall not apply to any motor vehicles for official use of the Executive Office.

Mr. BYRNES. Mr. President, I have an amendment to offer to this amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 57, line 12, after the word "Office," the Senator from South Carolina moves to insert a comma and the words "nor of the Administrator of Veterans' Affairs."

Mr. SMOOT. That is all right.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 57, line 12, after the designation "Executive Office," to strike out:

That, except as hereinbefore provided, in the expenditure of appropriations in this act the head of every bureau, agency, or independent establishment shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

The amendment was agreed to.

The next amendment was, on page 57, after line 21, to insert:

SEC. 4. That, except as hereinbefore provided, in the expenditure of appropriations in this act the head of every bureau, agency, or independent establishment shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

The amendment was agreed to.

The next amendment was, on page 58, at the end of line 9, to reduce the total amount appropriated by this act from $985,931,431 to $979,588,556.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments and concludes the reading of the bill.

Mr. SMOOT. Mr. President, I send to the desk an amendment to be inserted on page 22, after line 6.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. The Senator from Utah offers the following amendment on page 22, after line 6, to insert:

The Federal Trade Commission is hereafter prohibited from making investigations ordered by the legislative branch of the Government until the appropriations therefor are made available specifically for each such investigation authorized.

Mr. FRAZIER. Mr. President, there are a number of Senators who are interested in that particular amendment

in regard to the Federal Trade Commission who are not in the Chamber at the present time.

Mr. SMOOT. This amendment has not anything to do with the items which they have in mind. This is simply a clarifying amendment. We have passed over all of the appropriations for the Federal Trade Commission at the request of the Senators.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. Mr. President, I inquire of my colleague, in view of the provision—if I am rightly informed—in the economy bill abolishing the Personnel Classification Board—and it ought to have been abolished long ago; it ought never to have been created—what is the reason for carrying an appropriation in this bill for that purpose?

Mr. SMOOT. What page is that?

Mr. KING. Page 31, Personnel Classification Board.

Mr. SMOOT. That is transferred to the Civil Service, and the money goes with it in the change of the organization. That is the reason why we had to carry it over.

Mr. KING. I knew that the functions of the board were transferred to the Civil Service, but I was wondering whether there was any necessity of increasing the appropriation. The Civil Service has an enormous personnel now, adequate, I think, for all the duties devolving upon it plus any augmented responsibility resulting from the abolition of the Personnel Classification Board.

Mr. SMOOT. All the functions are taken over, and the appropriation follows. I will say to my colleague that I have some very strong protests about the amounts we cut the appropriation, and we will have more on it later.

Mr. KING. It ought to be stricken out.

Mr. JONES. Mr. President, I have just received a letter from the Civil Service Commission with reference to the matter of the reduction of the field force salary provision, on page 9 in the Civil Service item, which was made yesterday, from $452,270 to $200,000. I think it well to put this letter in the RECORD, so that it may be available for the conferees when they are considering that change.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., June 25, 1932.

Hon. WESLEY L. JONES,
United States Senate.

MY DEAR SENATOR JONES: The commission observes that yesterday in considering the independent offices appropriation bill the item for salaries, field force, of the Civil Service Commission was reduced from $452,270 to $200,000.

I believe that the Senate does not understand what effect this will have on the commission's operations in the field, otherwise the reduction would not have been made.

I am attaching copies of letters which the commission has addressed to Senator COUZENS and to Senator DALE, showing in detail the operations of the Civil Service Commission in the field.

Permit me to strongly urge that you ask for a reconsideration of this item in order that the facts set forth in the attached copies of letters to Senator COUZENS and to Senator DALE may be brought to the attention of the Senate and fully considered. Your cooperation in this matter will be very greatly appreciated.

Very sincerely yours,

J. G. YADEN,
Chief Examining Division.

JUNE 25, 1932.

Senator JAMES COUZENS,
United States Senate.

MY DEAR SENATOR COUZENS: The commission regrets exceedingly that there was not made available for your use information to answer the questions you asked at the session of the Senate yesterday concerning the work of the commission's field force. I do not want to burden you with a lengthy statement, and yet the needs of the Federal Government as directed by Congress necessitate detailed report to you.

With a view to meeting the personnel needs of the Government most expeditiously, the commission established 13 district offices nearly 30 years ago.

The commission's work in connection with the personnel of the Federal Government is not limited by Congress to the conduct of examinations. Even in this connection, however, Congress has expanded within the past year or two, and is now expanding to great proportions the public construction work of the Federal Government. At this time more than 2,000 appointments are in process of consummation on Mississippi flood-control work. This is all under the supervision of the commission's district offices at Atlanta, St. Louis, and Cincinnati. There is, of course, similar expansion in the work directed by Congress for other engineer districts throughout the country and in the erection of public buildings.

The Postal Service must be maintained and vacancies filled as requested by the postmasters. This work, likewise, is under the jurisdiction of the commission's field offices. Whenever examinations are held for any offices the commission's field representatives must distribute announcements and answer inquiries; receive applications; determine whether the applicants meet the requirements as to age, citizenship, etc.; determine which of them are entitled to military preference; certify eligibles to the various appointing officers; audit reports and selections made from the certificates by appointing officers; confer with appointing officers so as to be of assistance to them; secure information as to changes in the service relating to furloughs, transfers, reinstatements, appointments, promotions, demotions, dismissals, etc., as all of these matters are concerned in the administration not alone of the civil service act and rules but of the retirement statute as well.

For law-enforcement positions such as Secret Service, Immigration Service, Customs Service, Bureau of Prisons, and Bureau of Prohibition, the turnover is higher than in the Federal service as a whole, and the commission accordingly must hold examinations for these positions when its registers become exhausted. These examinations involve careful character investigations, which are conducted by the commission's field offices.

The taking of fingerprints of all appointees to the Government service and of persons who are given character investigations is done through the commission's field force. The field force also conducts investigations as to candidates for presidential postmaster positions and investigations of prohibited political activity and frauds in examinations.

It is a fact that the commission's force of employees has never been adequately staffed for the amount of work placed upon it by direction of Congress, and statistics recently secured show that there has been a large amount of overtime work done in the commission's field force and far from the full amount of annual leave taken by its employees.

If any examination results in a large number of eligibles the register is extended year after year and the eligibles used to fill vacancies. The railway postal clerk register, for example, is nearly five years old. Examinations are held when no eligibles or insufficient eligibles are available to fill vacancies. This is especially true with respect to the greatly enlarged program on rivers and harbors, public buildings, Mississippi flood control, and similar work outside of the District of Columbia.

A new item of work placed upon the commission this year is the establishment and maintenance of the transfer pool. The system consists of a list of employees who are within 90 days of being dropped from the service and who are recommended for further employment. The names of qualified employees in the pool are transmitted to any office which requests certification of eligibles from the open competitive register; and if no person in the pool is found acceptable, the commission must then make certification of eligibles unless a survey of the Government service shows that there is a qualified and acceptable employee who desires transfer to the vacant position. The administration of this survey and transfer pool for vacancies existing in the field services of the Government is in the commission's field offices.

Another item of work is the direction that the commission conduct quarterly examinations with a view to aiding disabled veterans to secure Government employment. These examinations are conducted outside of the District of Columbia by the commission's field offices.

The commission's appropriations for the field force for the current fiscal year total $557,540. The House of Representatives reduced this amount to $483,270, and the Senate Appropriations Committee still further to $452,270. This is a reduction of about 20 per cent and will result in curtailment of the necessary work desired by Congress in meeting the personnel needs of the Government, which totals more than 600,000 employees. The further cut to a total appropriation of $200,000 for the field force, if approved by Congress, will necessarily result not only in dismissal of a large number of employees but in failure to carry out the directions of Congress. This would be a complete breakdown of the commission's service to the field establishments of the Government.

In the interest of adequate service to the Federal Government, the commission urges most earnestly that its appropriation for the field force be raised to the amount approved by the House of Representatives.

Sincerely yours,

THOMAS E. CAMPBELL, *President.*

JUNE 17, 1932.

Hon. PORTER H. DALE,
Chairman Committee on Civil Service,
United States Senate.

DEAR SENATOR DALE: The following information is sent you as chairman of the Senate Committee on Civil Service in the belief that the commission's duty requires it to inform you of the prob-

able conditions of its work under appropriations as reported to the Senate by its Appropriations Committee:

	1932 appropriations	1933, authorized by House of Representatives	1933, Senate Appropriations Committee
Salaries:			
Office force	$863,370	$772,080	$716,000
Field force	557,540	483,270	452,270
Expert examiners	2,000	1,000	1,000
Salaries and expenses, presidential postmaster examinations	27,840	39,370	39,370
Travel expenses	85,000	76,000	41,000
Contingent expenses	40,000	35,000	25,000
Printing and binding	58,000	54,000	40,000
Total	1,633,750	1,460,720	1,314,640

It will be observed that the House reduced the commission's total appropriations by 11 per cent, and that the Senate committee deducted a further total of 10 per cent below the House figures. If the Senate committee's figures should prevail, the commission's loss in appropriations would total the large proportion of 20 per cent.

There is no prospective reduction in the commission's work for the next fiscal year which warrants this material decrease.

For more than a year the commission has been following the general policy of deferring examinations, with resulting extension of eligible registers. These registers for many positions are thus becoming old and the departments desire that opportunity be given to the public to compete with a view to securing better and more efficient material. This need for more highly qualified personnel becomes particularly insistent under the pressure of reduced appropriations, but little, if any, reduction in work to be done.

Probably the most vivid example of lists or registers of eligibles which are becoming obsolescent is afforded by the railway mail clerk examination. It is more than five years since this examination was held, the tests therein being aimed particularly to develop the possession by applicants of the speed and manual dexterity required by the duties of the position. The maximum age limit, for example, set by the Post Office Department in order to assure persons who will be able quickly to learn the duties of the position, is set at 35 years. With the lapse of five years since the examination was last held, there are now many eligibles who have passed the maximum age limit.

Because of the greater competition in the examinations which the commission has been obliged to hold for the past year or two, its examining staff has been engaged full time in rating papers, with no opportunity for the preparation of examining material to be used in future examinations. This work of preparing examination material must of course be undertaken as early as possible.

Federal activities of course will be continued throughout the country, and there will be need for eligibles in many localities where none are now available, and examinations will be required. This is especially true with respect to rural-carrier vacancies, vacancies in the city postal service, vacancies at navy yards and arsenals; and there will be enlarged demand for qualified persons for any work which may be directed by Congress in road building or public office building under Federal appropriations. Under present industrial conditions each such examination will result in a large influx of candidates no matter how brief notice to the public the commission may give of the announcement of the examination.

With a view to aiding disabled veterans in securing Government employment in positions for which they establish their qualifications, the President directed the commission to hold quarterly examinations for disabled veterans to gain eligibility on any existing register. Hundreds of disabled veterans enter these quarterly examinations for a wide variety of positions.

Each of the next two fiscal years will see a large increase in the number of examinations for filling positions of presidential postmaster. The appropriation authorized by the House of Representatives and approved by the Senate Appropriations Committee represents the average annual cost of these examinations, and will not cover the cost of the examinations of the next two fiscal years. This will be a drain on the commission's other appropriations.

The register of eligibles for prohibition agent, except for the New England and a few other States, is almost exhausted; and it will be necessary to announce a new examination covering about three-fourths of the country to provide sufficient eligibles for the normal turnover in the Bureau of Prohibition. This examination always results in a large number of competitors, and requires careful investigation of the character and suitability of the candidates who attain eligibility.

The retirement act approved May 29, 1930, has materially increased that part of the commission's work which concerns continuance or retirement of employees in the executive civil service. The commission is directed by such act to maintain individual records of retirement deductions for each of the more than 400,000 individuals who are "members" of the retirement system; and this necessitated bringing to the commission's office in Washington records of large groups of employees which heretofore have been maintained by the departments and offices concerned in their own field establishments. The numerous separations and changes which may be brought about by reducing the appropriations and compulsory furloughs, if any, will add greatly to the commission's service record work.

Another new item of work placed upon the commission this year is the establishment and maintenance of the "transfer pool." This is composed of employees with a permanent classified status who are within 90 days of being dropped from the service, and who are recommended for further employment. The names of qualified employees in the pool are transmitted to any office which requests a certification of eligibles from the open competitive register; and if no person in the pool is found acceptable by the department, the commission must then make certification of eligibles, unless a survey of the Government service shows that there is a qualified and acceptable employee who desires transfer to the vacant position. This survey is another new feature of the commission's work recently directed by the council of personnel administration.

The commission by the end of this fiscal year, June 30, 1932, will have reduced its force by 20; and regardless of the action taken by Congress with respect to pay cuts or enforced furloughs, there will be required additional reductions in force or additional furloughs without pay if the salary items recommended by the Senate Appropriations Committee are approved by the House of Representatives and by Congress.

When the Senate Appropriations Committee informed the representatives of the commission at its hearing that the Senate had directed a 10 per cent cut below the amount approved by the House of Representatives, and asked the commission for a suggested distribution of this cut, the commission believed that the loss of personnel would be most serious, and reported a distribution of this 10 per cent which placed the heaviest reductions on the items for travel expenses, contingent expenses, and printing and binding.

The drastic reductions made necessary by this direction of the Senate Appropriations Committee will greatly hamper the commission in the performance of its work in providing the Government service with competent personnel. With only $41,000 for traveling expenses, for example, the commission will be wholly unable to assist local examining boards and appointing officers, such as postmasters, collectors of customs, collectors of internal revenue, etc., in their personnel needs, and to conduct more than a very limited number of character investigations for prohibition and other law-enforcement positions.

The amount approved by the Senate committee of only $25,000 for contingent expenses will also force curtailment of the commission's work and result in ultimate loss to the Government through inability to exchange obsolescent material, such as typewriters, for reasonable allowances.

The amount of $40,000 recommended by the Senate committee for printing and binding will not meet the needs of the commission for examination announcements, application forms, examination questions, and other material, service-record cards and forms, circulars of information, etc.

The commission believes that the interests of the service will best be met if the Congress is able to see its way clear to authorize appropriations for the Civil Service Commission in the amount approved for each item by the House of Representatives. The commission urges most earnestly that effort be made to amend the appropriation bill on the floor of the Senate to bring its appropriations up to the level approved for each item by the House of Representatives.

By direction of the commission.

Very respectfully,

G. R. WALES, *Acting President.*

Mr. SMOOT. Mr. President, I have a letter also, and was going to put it into the RECORD, and I am glad the Senator has had the letter inserted.

The VICE PRESIDENT. Does the Senator from Utah desire to have amendments passed over taken up at this time, or to permit individual amendments at this time?

Mr. SMOOT. The committee has no further amendments. What we should do now is to return to the amendments passed over.

The VICE PRESIDENT. That is what the Chair desires to know. Does the Senator from Utah desire to dispose of the amendments passed over before proceeding to the consideration of individual amendments?

Mr. SMOOT. Let us proceed to the amendments passed over.

The VICE PRESIDENT. The first amendment passed over will be stated.

The first amendment passed over was, under Federal Radio Commission, on page 21, line 1, where the committee proposes to strike out "$399,360" and insert "$350-

000"; and in line 2 to strike out "$376,000" and insert "$330,000," so as to read:

FEDERAL RADIO COMMISSION

For five commissioners, at $10,000 each per annum, and for all other authorized expenditures of the Federal Radio Commission in performing the duties imposed by the radio act of 1927, as amended, including personal services, contract stenographic reporting services without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), rental of quarters, newspapers, periodicals, reference books, law books, special counsel fees, supplies and equipment, which may be purchased without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $25, traveling expenses, including expenses of attendance at meetings which in the discretion of the commission are necessary for the efficient discharge of its responsibilities, and other necessary expenses, $350,000, of which amount not to exceed $330,000 may be expended for personal services in the District of Columbia.

Mr. SMOOT. Mr. President, the Senator from Connecticut [Mr. BINGHAM] wanted to be here when these amendments were taken up. He is out of the city. I do not know what to do about it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Committee on Appropriations.

The amendment was agreed to.

Mr. NYE. Mr. President, this morning when we were considering the Federal Farm Board amendment, I observed that there were absent from the Chamber a great many Senators who have since spoken to me of their desire to have that matter reconsidered. I refer to the amendment on page 18, line 23, as well as the amendment on page 19, line 8. I desire to give notice now of my intention to move a reconsideration of the votes by which those amendments were agreed to.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ASHURST. I inquire if it be the purpose of Senators to grant more money to the Federal Farm Board after that board has wasted nearly half a billion dollars of the people's money. If that is the proposition, it seems as if all our talk about economy is ridiculous. This board has wasted, as I am advised, five hundred millions of Federal money, and yet it is proposed now that they shall have additional funds.

Mr. SMOOT. Mr. President, now that the Senator has called attention to the waste of money, all we have to do is to remember the predictions that were made when the amount of money was appropriated to take care of the wheat situation. Time and time again the statement was made, and I was just as guilty as any other Senator, because I thought that with the $500,000,000 we could control the wheat situation and hold it so we could raise the price of wheat. But of course experience has demonstrated otherwise. If Senators want to do away with the board entirely and abolish it, that is one thing; but I do not feel that it is altogether a matter of criticism of the Federal Farm Board. I think we made the first mistake here, and I admit my mistake. We thought $500,000,000 would be enough, but it was not enough to do it.

Mr. BYRNES. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. I yield.

Mr. BYRNES. I simply want to ask the Senator from Utah if he will indicate, if the matter is to be reconsidered, whether we could not proceed to reconsider it now? This morning the Senator stated it would go to conference and be threshed out there. That would be satisfactory to me.

Mr. ASHURST. Mr. President, I may be unduly sensitive on this subject, but my constituents—and one should pay attention to his constituents—hundreds of my constituents wrote and told me that the appropriation would be wasted. They pleaded with me by telegraph and by letter not to vote for it. I voted for it and I suppose I never shall get through apologizing for that vote. I have some endurance and fortitude, but I have not the endurance and the fortitude and the brass and the nerve to vote more money to an outfit which has squandered $500,000,000 of the Federal money.

Mr. SMOOT. The thing to do then is to introduce a bill to have the Farm Board abolished. That would be the proper thing to do if the sentiment of the Senate is that of the Senator from Arizona.

Mr. BYRNES. In the first days of the session I introduced a bill to do that, and to transfer some of its activities elsewhere, but I have never been able to get the Committee on Agriculture and Forestry to vote out the bill either favorably or adversely. Either way would have been satisfactory to me just so I could get the bill on the calendar, but I never could succeed in doing it.

Mr. SMOOT. Is not the proper thing to do to have Congress act as it should have acted in the first place? Congress created the board and Congress has the power to abolish it. If and when it shall be abolished, the appropriations, of course, cease.

Mr. ASHURST. I can not perceive the necessity for any further appropriation. I attended one meeting of the Federal Farm Board and I believe the learned junior Senator from South Carolina [Mr. BYRNES] was present at the same time. I never said a word. I sat for two hours in mute amazement at the rapacity, the incapacity, and the scandalous misapplication of public funds as they themselves related it.

Mr. SMOOT. They were mistaken in their judgment as to the future price of wheat, as we have all been, and there is no doubt about that.

The VICE PRESIDENT. May the Chair suggest that notice has been given of a motion to reconsider, so why not proceed with the other items passed over?

Mr. McNARY. Mr. President, I am advised by the very able chairman of the committee that we can not finish the bill to-day. Some of these items must necessarily go over until Monday. I am further advised that the Senator from Tennessee [Mr. McKELLAR] would like to address himself to some provision in the Post Office Department appropriation bill. I would suggest therefore a unanimous-consent agreement that the independent offices appropriation bill be temporarily laid aside and that the Treasury and Post Office appropriation bill be brought before the Senate for consideration.

Mr. BYRNES. Mr. President, I would like to ask the Senator from Oregon if he would not agree to let us go ahead and discuss the motion of the Senator from North Dakota [Mr. NYE] to reconsider the Farm Board item? I have to leave the city. I would like to have an opportunity to discuss the matter of the necessity for that appropriation.

Mr. McKELLAR. Mr. President, I have no objection if it does not take too long.

Mr. McNARY. I am advised by the Senator from North Dakota that several Senators are absent who desire to discuss the matter. Hence I think it would be well to take up the Post Office appropriation bill in order to accommodate the Senator from Tennessee. I hope that will be agreeable.

Mr. McKELLAR. I shall be very glad to do that.

Mr. McNARY. Then we will return to the consideration of the independent offices appropriation bill, and then, according to the unanimous-consent agreement, adjourn until Monday.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon?

Mr. KING. Mr. President, before that request is acted on I want to call attention very briefly to the provision on page 9, appropriating for the so-called Efficiency Bureau. There is carried an appropriation of $145,000 for the Bureau of Efficiency. As I have stated, I should like to see the bureau abolished. I introduced a bill at the beginning of the session to that end, but the committee has not taken any action in regard to the matter. I want to submit just a few observations about the bureau.

I have a letter from Mr. McCarl addressed to the chairman of the Committee on Expenditures in the Executive Departments with reference to the bill which I introduced for the abolition of this useless and unnecessary Federal organization. I may say in passing that when we create a Federal board or bureau we seem to endow them with im-

mortality. It is impossible, no matter what may be their uselessness or inefficiency, to get rid of them. The Farm Board is an illustration and the bureau to which I am referring is another illustration.

But in reply to the inquiry of the chairman of the committee the following communication was received, and I shall read only a few sentences, although it might be very well to have the entire letter placed in the RECORD. I quote from it as follows:

The work that apparently caused the creation of the Bureau of Efficiency—that is, efficiency ratings for personnel in the executive branch—having since been acted upon by the Congress and the administration of the classification laws intrusted to the Personnel Classification Board, the bureau seems to have since been functioning largely as an investigating agency, and of late principally in making investigations and observations for committees of the Congress. The extent of its work in this connection during recent years has apparently been such as to make the question of a need for its continuance largely one as to the desire of the Congress for its services as an independent establishment.

There appears talent in the bureau that could continue to serve the Government well, but to retain the entire organization—and as an independent establishment of the executive branch for investigational work of the character that has recently engaged its attention—might be of doubtful wisdom, inasmuch as established agencies having other duties appear adequately equipped and able to render such service. Of course, to give the bureau other than investigational authority would at once involve duplication of both work and jurisdiction.

There is for pointing out in this connection that the Bureau of Efficiency in its present state is an establishment in the executive branch—not the legislative—and in estimating its future usefulness no doubt the Congress will wish to give consideration to this phase of the matter.

In connection with the proposal to abolish the bureau it is respectfully suggested there be considered the wisdom of transferring its activities, personnel, etc., to an establishment having investigational duties and force, preferably having relation to the legislative rather than the executive branch, to the end that the incompleted work of the bureau may be finished, the better talent continued in the Government's service, and, through the nonfilling of vacancies as they occur, ultimately accomplish substantially the reduction in personnel and the savings contemplated by the pending bill.

Mr. President, a number of years ago many complaints were made about the lack of efficiency of Federal employees, about the duplication of the activities of employees. Pursuant to the desire for reform, for the introduction of more efficient methods in the administration of governmental agencies, the Bureau of Efficiency was created. It was supposed that it would go into the departments and ascertain where there was a duplication, find out where there was inefficiency, and make recommendations with respect to employees, instilling a better esprit de corps, and recommending dismissals where it was found that employees were inefficient.

Mr. President, the Bureau of Efficiency, I think, attempted soon after its creation to accomplish the end for which it was designed, but it met with resistance, I think, from the heads of departments, Cabinet officers, and certainly from bureau chiefs, and from subordinate chiefs and agencies in the departments. The result is that it ceased to accomplish any good and to properly function, and so it has drifted along and become a sort of investigative body, something like some of the investigating committees or agencies that are appurtenant to some of the departments.

It seems to me, in view of the use to which this organization is now being put, a use that is being duplicated by various investigating organizations of the department, it ought to be abolished. We have made it a legislative organization instead of executive. Recently the chairman of the Committee on the District of Columbia asked this organization to advise the committee as to a proposed income tax law for the District and whether a series of other bills passed by the other House affecting the District were wise and what their defects were. So this organization, which was set up for the purpose of promoting efficiency in the Government service, is converted into a sort of advisory board to one of the committees of the Senate. As stated by Mr. McCarl in his report, the board has ceased to function as it was designed; it is being diverted to other purposes and other uses.

I will say very frankly, Mr. President, so far as I am concerned, after some little investigation, I find that its services now could be dispensed with, with no disadvantage to the Government; and I regret exceedingly that we have no bill before the Senate to abolish it. I shall offer an amendment to amend the provision on line 16 to strike out "$145,000" and to insert in lieu thereof "$50,000."

Mr. SMOOT. I understand the Senator from Utah does not offer that amendment now?

Mr. KING. I shall not be here on Monday, and so I feel constrained to offer the amendment now.

Mr. SMOOT. I should like to have it acted upon now; we probably could not get a quorum at this time.

Mr. KING. The trouble is that the proponent of the motion, because of very important business, will be out of the city on Monday, and there will probably be no Senator here to advocate the cause which I am so feebly espousing to-day.

Mr. SMOOT. But the Senator's remarks will be in the RECORD.

Mr. KING. I know that, but there will be Senators here then who will not have read my remarks.

The VICE PRESIDENT. The committee amendment, of course, would have to be reconsidered before the Senator could propose his amendment.

Mr. KING. When this item was reached I was called out of the Chamber to the telephone, and when I came back I asked my colleague the question, and I understood him to say that the motion could be considered.

Mr. SMOOT. I have no objection to a reconsideration of the vote whereby the amendment was agreed to.

The VICE PRESIDENT. Is there objection to reconsidering the vote whereby the committee amendment was agreed to? The Chair hears no objection, and the amendment offered by the junior Senator from Utah will be stated.

The CHIEF CLERK. On page 9, line 16, it is proposed to strike out "$145,000" and to insert "$50,000."

Mr. SMOOT. As I understand, my colleague will allow that amendment to be pending?

The VICE PRESIDENT. The question is on agreeing to the amendment of the junior Senator from Utah [Mr. KING] to the committee amendment.

Mr. SMOOT. No, Mr. President; I desire that it shall be allowed to be pending, to be brought up the first thing on Monday morning.

Mr. COUZENS. Mr. President, yesterday afternoon I proposed an amendment to the committee amendment to the pending bill on page 9, under the head of Civil Service Commission, line 15, to reduce the item for field work of the Civil Service Commission from $452,270 to $200,000. The motion was made because I did not get a satisfactory reply from the Senator from Utah as to the purposes for which the money was to be used. I have no desire to do any injustice to the Civil Service Commission, and, therefore, I ask that there may be made a part of my remarks a letter which I received just a moment ago from the Civil Service Commission stating more fully the purposes for which they use this appropriation. I ask that the letter may be placed in the RECORD as a part of my remarks, and that the conferees may consider it as a reply to my inquiry.

The VICE PRESIDENT. Without objection, that order will be made.

The letter is as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., June 25, 1932.

Senator JAMES COUZENS,
United States Senate.

MY DEAR SENATOR COUZENS: The commission regrets exceedingly that there was not made available for your use information to answer the questions you asked at the session of the Senate yesterday concerning the work of the commission's field force. I do not want to burden you with a lengthy statement, and yet the needs of the Federal Government, as directed by Congress, necessitate detailed report to you.

With a view to meeting the personnel needs of the Government most expeditiously, the commission established 13 district offices nearly 30 years ago.

The commission's work in connection with the personnel of the Federal Government is not limited by Congress to the conduct of examinations. Even in this connection, however, Congress has expanded within the past year or two and is now expanding to

great proportions the public construction work of the Federal Government. At this time more than 2,000 appointments are in process of consummation on Mississippi flood-control work. This is all under the supervision of the commission's district offices at Atlanta, St. Louis, and Cincinnati. There is, of course, similar expansion in the work directed by Congress for other engineer districts throughout the country and in the erection of public buildings.

The Postal Service must be maintained and vacancies filled as requested by the postmasters. This work likewise is under the jurisdiction of the commission's field offices. Whenever examinations are held for any offices the commission's field representatives must distribute announcements and answer inquiries, receive applications, determine whether the applicants meet the requirements as to age, citizenship, etc.; determine which of them are entitled to military preference; certify eligibles to the various appointing officers; audit reports and selections made from the certificates by appointing officers; confer with appointing officers so as to be of assistance to them; secure information as to changes in the service relating to furloughs, transfers, reinstatements, appointments, promotions, demotions, dismissals, etc., as all of these matters are concerned in the administration not alone of the civil service act and rules but of the retirement statute as well.

For law-enforcement positions, such as Secret Service, Immigration Service, Customs Service, Bureau of Prisons, and Bureau of Prohibition, the turnover is higher than in the Federal service as a whole, and the commission accordingly must hold examinations for these positions when its registers become exhausted. These examinations involve careful character investigations, which are conducted by the commission's field offices.

The taking of fingerprints of all appointees to the Government service and of persons who are given character investigations is done through the commission's field force. The field force also conducts investigations as to candidates for presidential postmaster positions and investigations of prohibited political activity and frauds in examinations.

It is a fact that the commission's force of employees has never been adequately staffed for the amount of work placed upon it by direction of Congress, and statistics recently secured show that there has been a large amount of overtime work done in the commission's field force and far from the full amount of annual leave taken by its employees.

If any examination results in a large number of eligibles, the register is extended year after year and the eligibles used to fill vacancies. The railway postal clerk register, for example, is nearly 5 years old. Examinations are held when no eligibles or insufficient eligibles are available to fill vacancies. This is especially true with respect to the greatly enlarged program on rivers and harbors, public buildings, Mississippi flood control, and similar work outside of the District of Columbia.

A new item of work placed upon the commission this year is the establishment and maintenance of the transfer pool. The system consists of a list of employees who are within 90 days of being dropped from the service and who are recommended for further employment. The names of qualified employees in the pool are transmitted to any office which requests certification of eligibles from the open competitive register; and if no person in the pool is found acceptable, the commission must then make certifications of eligibles unless a survey of the Government service shows that there is a qualified and acceptable employee who desires transfer to the vacant position. The administration of this survey and transfer pool for vacancies existing in the field services of the Government is in the commission's field offices.

Another item of work is the direction that the commission conduct quarterly examinations with a view to aiding disabled veterans to secure Government employment. These examinations are conducted outside of the District of Columbia by the commission's field offices.

The commission's appropriations for the field force for the current fiscal year total $557,540. The House of Representatives reduced this amount to $483,270, and the Senate Appropriations Committee still further to $452,270. This is a reduction of about 20 per cent and will result in curtailment of the necessary work desired by Congress in meeting the personnel needs of the Government, which totals more than 600,000 employees. The further cut to a total appropriation of $200,000 for the field force, if approved by Congress, will necessarily result not only in dismissal of a large number of employees but in failure to carry out the directions of Congress. This would be a complete breakdown of the commission's service to the field establishments of the Government.

In the interest of adequate service to the Federal Government, the commission urges most earnestly that its appropriation for the field force be raised to the amount approved by the House of Representatives.

Sincerely yours,

THOMAS E. CAMPBELL, *President.*

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Oregon [Mr. McNARY] that the pending bill be temporarily laid aside and that the Senate proceed to the consideration of the Post Office appropriation bill, for the purpose of permitting the Senator from Tennessee [Mr. McKELLAR] to address the Senate?

Mr. BYRNES. I object for the present.

The VICE PRESIDENT. Objection is made.

Mr. BYRNES. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina.

Mr. BYRNES. The Senator from Oregon is absent from the floor; but I had an understanding with him that he would withhold that motion for the time being.

Mr. COUZENS. The Senator from Oregon has gone to lunch, and he asked me to see that the action suggested should be taken, if possible. Of course, I can not arrange to get unanimous consent if the Senate will not consent.

Mr. BYRNES. I am objecting to the unanimous-consent request in the absence of the Senator from Oregon, who told me that he was perfectly willing that I should speak at this time on the Farm Board item.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from South Carolina yield for the purpose of having a quorum called?

Mr. BYRNES. Mr. President——

Mr. COUZENS. I thought I had the floor.

The VICE PRESIDENT. The Chair recognized the Senator from South Carolina.

Mr. BYRNES. Mr. President, I do not want to delay the Senate by having a call for a quorum at this time, and I intend to consume but a few minutes.

I know how futile it is now to address the Senate when this particular motion is not to be considered until Monday. Nevertheless, I do wish to say a few words with reference to the motion to reconsider the committee amendment which has been adopted providing that the Farm Board shall, during the next fiscal year, have for its administrative expenses the unexpended balances not to exceed $600,000.

The unexpended balance in the possession of the Farm Board amounts to more than that sum. On the day that this item was considered by the committee, the Senator from Tennessee telephoned to the Farm Board to find out the amount of the unexpended balance to the credit of the Farm Board, and the committee was informed that it was approximately $590,000. We have heard nothing from the Farm Board since then, but from the Comptroller General of the United States I learned that in addition to the $590,000, there was an unexpended balance from the previous year and for 1930, and that the total amount, instead of being $590,000, was nearer $1,900,000. If the bill had been adopted in the manner in which it was reported by the committee as to the unexpended balance provision, the Farm Board would have had $1,900,000 or $1,800,000, whatever the figure may be, instead of $590,000 which the committee intended it should have.

Mr. NYE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. BYRNES. Yes.

Mr. NYE. As the Senator who gave notice of the motion to reconsider the action of the Senate this morning, I desire the Senate to know that it was my intention to limit the amount to be available to the Farm Board to $1,000,000.

Mr. BYRNES. The Senator is certainly far more reasonable in his request than is the Farm Board.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Arizona?

Mr. BYRNES. I yield.

Mr. ASHURST. Not 10 minutes have elapsed since I said that the Farm Board had squandered $500,000,000. Now the able junior Senator from South Carolina rises and lays before the Senate and the country a statement which if true—and I do not doubt at all the truthfulness of the statement—convicts the Farm Board of ignorance to the tune of a million dollars as to how much they had on hand or of a willful and deliberate attempt to deceive the Senate of the United States. Is not that true?

Mr. BYRNES. I will read from the letter of the Comptroller General to the chairman of the Finance Committee, as follows:

> The bill as it passed the House carried an appropriation of $1,000,000 for salaries and expenses of the Federal Farm Board, but the amount of $1,000,000 was stricken out by the Appropriations Committee of the Senate and instead thereof the following was inserted:
> "All unexpended balances of appropriations for the Federal Farm Board are hereby made available for the purposes enumerated in this paragraph."
> It will be noted that in a letter from the chairman, Federal Farm Board, quoted in my reply the unexpended balances of appropriations heretofore made for the board, including the estimated balance for 1932, will amount to approximately $1,977,500, and if the bill should become a law before July 1, 1932, upon which date the balance of $943,000 for 1930 would lapse and become a part of the surplus fund of the Treasury, the full amount of these unexpended balances or nearly twice that which was appropriated by the bill as passed by the House would be appropriated.

Mr. President, that is the fact. The subcommittee having charge of this matter, after having telephoned the Farm Board, was under the impression—and the Senator from Utah will bear me out in the statement—that the figures received by the Senator from Tennessee were correct and five hundred and ninety thousand and some dollars were available. Now it turns out that that was not so, and, therefore, in order to carry out the intent of the subcommittee, I offered the amendment which was adopted limiting the amount that should be available for the Farm Board to $600,000.

Mr. SMOOT. And that was agreed to, and is part of the provision now in the bill.

The Senator from South Carolina may misunderstand, or I may misunderstand exactly the position that was taken by the Farm Board. Wherever there is an appropriation made, unless it is especially provided that it shall remain available until expended, at the end of the year the unexpended portion goes back into the Treasury of the United States, and the Farm Board can not use a dollar of an unexpended balance after it goes into the Treasury unless it is reappropriated.

Mr. BYRNES. There is no question about that.

Mr. SMOOT. The Federal Farm Board will have no money available for the coming year for expenditure other than the money we shall appropriate in this bill.

Mr. BYRNES. According to the Comptroller General the balance of $943,000 of the amount appropriated for the fiscal year 1930 will lapse and become a part of the surplus funds of the Treasury on the last day of this fiscal year. There is not any doubt about that.

Mr. SMOOT. There is no doubt about it at all.

Mr. BYRNES. That is now available, and should this bill become a law before that time, as it makes available the unexpended balance, it would make that $943,000 available.

Mr. SMOOT. If the bill carried a provision to make the unexpended balance available.

Mr. BYRNES. That is the language of the bill. It makes the unexpended balance available and, therefore, the necessity for placing a limitation upon the amount of the unexpended balance which may be available.

Mr. President, there is no doubt about the correctness of that statement.

Mr. SMOOT. The Senator's amendment, as I understood, limited the unexpended balance that might be used to $600,000.

Mr. BYRNES. That is right.

Mr. SMOOT. That, of course, corrects the situation.

Mr. BYRNES. That is all I have stated; that is all I offered the amendment for, namely, to correct the situation as it stood. The Senator and I agree that it is now correct.

Mr. SMOOT. Yes.

Mr. BYRNES. Now, there is a motion to reconsider, and because I will not be here on Monday I am simply addressing myself to the motion to reconsider.

Mr. NYE. Mr. President——

The PRESIDING OFFICER (Mr. CAREY in the chair). Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. BYRNES. I yield.

Mr. NYE. There can be a complete understanding and agreement as to the amount if the Senator will permit the $600,000 item to be raised to $1,000,000.

Mr. BYRNES. Yes; and that is exactly what the Senator from South Carolina will not agree to. The very purpose of limiting the amount to $600,000 was to prevent the Farm Board from having the $400,000 additional available for expenditure. And there are reasons for it.

Referring to the hearings before the House committee, let us see how this amount of money estimated as contained in the "breakdown"—which is a new word; when we are not balancing the Budget now we are looking to "breakdowns." In the "breakdown" of the estimate submitted by the Farm Board we find—

> Expenses incident to loan operations $575,000 in 1932; estimate for 1932, $600,000.

Now, listen to this:

Investigations, reports, and development in operation of policies relating to acreage adjustment, land utilization, marketing methods, and expansion of markets, $275,000 last year; $375,000 for next year.

In every line of endeavor that the Farm Board have been permitted to indulge in they ask next year for an increase; and the representatives of the Farm Board appearing before the committee made the statement that there has been a constant expansion.

They stated at that time, in response to the chairman of the subcommittee:

> How much of an unexpended balance are you going to have at the end of this current fiscal year?
> Mr. POLLARD. We estimated about $76,000 when we compiled figures for the Budget last August.

In other words, appearing before the committee this spring, Mr. Pollard, for the Farm Board, said he estimated he would have $76,000 as an unexpended balance; and, now at the end of the year, instead of having $76,000, there is $590,000. Money does not mean anything to them. A little mistake of $500,000 in an estimate is a small thing in the life of any man connected with the Farm Board.

Now, let us see what they want it for. Here is a list which was submitted to the Agricultural Committee in November of last year of the employees.

Here is the bureau of economics; there is a chief economist, $6,500; assistant chief economist, $6,500; principal economist, $6,000; senior economist, $5,200; senior economist, about a dozen more of them, at $4,600.

There is a whole page devoted to a bureau of economics in the Farm Board, and the Congress is appropriating approximately $5,000,000 for a Bureau of Agricultural Economics in the Department of Agriculture. We have a Department of Agriculture as one of the regular departments of the Government, and now we are building up a department of agriculture on Pennsylvania Avenue, a bureau of economics that is increasing day by day. The language of the chairman is, "a constant expansion." He says that on July 1, 1931, they had 328 employees. This was according to the testimony of Mr. Stone, the chairman of the board, at page 137 of the hearings. In November, 1931, the number of employees had increased to 335 in all.

At that time members of the Senate Agricultural Committee who conducted the inquiry made it plain to the members of the board and to everyone who appeared representing the board that they were not disposed to encourage further extravagance on the part of the board. Instead of that having any effect upon them, on April 15, 1932, they had increased the number of employees from 335 to 370. While other bureaus of the Government are being called upon to reduce employees, the Farm Board is increasing employees.

Is there any increase in activities?

It was stated time and again that so far as stabilization is concerned, no longer will the board resort to stabilization.

They have not the money if they wanted to do it; and yet, in face of the fact that certainly that branch of their work in which the greater part of the funds was expended has been discontinued, its discontinuance results only in an increase of employees from 335 in November to 370 in April.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BYRNES. I do.

Mr. COUZENS. In view of what the Senator has said, just what does he propose to have the $600,000 appropriated for that object used for?

Mr. BYRNES. I am satisfied that the greater part of the $600,000 can be used for carrying out the only activity which is now worth while under the farm marketing act—the development of cooperative marketing. The balance of the fund should be devoted to the collection of loans made to cooperatives by the board; but the Congress has not appropriated and certainly we will all agree does not intend to make any additional appropriation of large sums of money for stabilization. Some members of the board state that it would be unwise to do it unless the Congress is prepared just to give them an unlimited amount of money.

That being so, it is my contention that $600,000 would be an ample amount to enable them to carry on the development of cooperative marketing, lending assistance to cooperative associations, and to collect the money that is now due to them from those cooperatives.

Mr. COUZENS. Would the entire bureau of economics be necessary under that plan?

Mr. BYRNES. I will say to the Senator that there is not the slightest excuse on earth for its having a bureau of economics. Unless that is so, of what use is it to have $5,000,000 appropriated for a bureau of economics over here in the Department of Agriculture? If the Farm Board need any information as to economics, they certainly can secure it from the Department of Agriculture. If the Department of Agriculture can not furnish it to one of the Government establishments, of what use is the Department of Agriculture?

Mr. COUZENS. Why does not the Senator provide in his amendment that the money is to be used for enforcing the marketing act, and not for the bureau of economics?

Mr. BYRNES. I will say to the Senator very frankly that I have always believed—this board, however, is the severest test of my belief—that there should be some discretion in an administrative official, and I do not want to hamstring them as to the amounts; but certainly there is no excuse for that bureau of economics. There is no excuse for an investigation of the adjustment of acreage and the utilization of soils that is conducted by the board. The only activity that now offers any hope to the farmer is the development of cooperative marketing, and, from the standpoint of the Government, the collection of the loans that are outstanding. I contend that $600,000 would be ample for that purpose.

Of course, I know that by Monday the Farm Board will be exceedingly active to secure the appropriation of the million dollars. I know that the Senate will be anxious to know what form that will take. They can find out what form it will take by reading the hearings.

There a gentleman named Holman, who came from Minnesota, testified how he managed to increase the appropriation in the House. He stated that—

> On the floor of the House were 120 to raise the appropriation to $1,380,000, and 123 against it, and I know of 7 votes that were pledged to the raise that were absent on account of sickness and could not be there. Had those votes been there, the bill would have passed carrying that amount.
>
> Senator BYRNES. How did you learn that?
>
> Mr. HOLMAN. They had pledged themselves. We had lobbied.
>
> Senator BYRNES. There were several representatives there?
>
> Mr. HOLMAN. As representatives of the farmers' group, and we are proud of the fact that we could come here and tell the Congress our problems.
>
> Senator BYRNES. And they were pledged in advance?
>
> Mr. HOLMAN. They agreed to support the increases in the House. We saw them personally and they promised us that they would vote for it, and unfortunately they were absent.
>
> Senator BYRNES. Was there quite a bit of lobbying at the time?
>
> Mr. HOLMAN. Yes, sir, there was; and I did a lot of it myself.
>
> Senator BYRNES. And you got how many besides the seven that you got who did not attend; how many did you get to vote?
>
> Mr. HOLMAN. Well, the vote was 243 votes.

There could be no mistake about how many he got to vote. Just ask him. He said there were 243 votes, and therefore it follows that he got 243 votes.

> Senator BYRNES. In the House?
>
> Mr. HOLMAN. In the Committee of the Whole.
>
> Senator BYRNES. And you did not get all of them?
>
> Mr. HOLMAN. We got 120 of those votes.

And three got loose. He claims that three who pledged themselves were unfortunately absent.

This statement was made in the presence of the Farm Board. The Farm Board, so far as my experience has gone, has never appeared before a committee without being followed by this gentleman, Mr. Holman. Certainly he was before the Agricultural Committee last year, and again before the Appropriations Committee and before the House committee; and also Mr. Moser, representing the cotton cooperatives, who testified that the cooperatives only paid him $15,000 a year; that since last December he was up here. The Farm Board lends the money to cooperatives, and the cooperatives pay Mr. Moser $15,000 to stay in Washington to get more money for the Farm Board. That is as fine a circle as could ever be had, and if the Farm Board is going to be continued that lobbying is going to be continued.

My contention is that $600,000 is ample for this board. It will cause them to restrict the publicity bureau—a bureau which has functioned actively, sending into every State, for release to the press, statements of how much the Farm Board is doing for the farmers. I have copies of those releases. In many other ways besides stabilization this money has been squandered. I think the Congress of the United States can wisely restrict to $600,000 the appropriation for the board for the next fiscal year.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

Mr. McNARY. Mr. President, will the Senator withhold that suggestion for a moment? The Senator from Tennessee [Mr. McKELLAR] desires to address the Senate for a brief time.

Mr. McKELLAR. Mr. President, there are two or three provisions of the Post Office bill that I should like to call very briefly to the attention of the Senate. I shall not be here on Monday when the bill comes up, and I doubt if we have a quorum at this time.

Mr. COUZENS. May I suggest that these are important statements, and we ought to have a quorum here.

Mr. McKELLAR. I know that; but, rather than not have something to say about it, I should like to say it to the few who are here.

Mr. McNARY. Would the Senator from Michigan be willing to withdraw his suggestion?

Mr. MOSES. Mr. President, of course the Senator from Michigan knows that it is a typical senatorial practice to speak on something that is not before the Senate.

Mr. COUZENS. Does the Senator mean by that that the matter the Senator from Tennessee is going to talk about is not before the Senate?

Mr. McKELLAR. It will be before the Senate on Monday, but it is not now, unless an order to that effect can be made by the Senator from Nevada [Mr. ODDIE]. I hope that the unfinished business may be temporarily laid aside and the Post Office bill taken up.

Mr. McNARY. I have no objection to that. Indeed, it is following out a suggestion I made earlier in the day; but so far as the Senator is concerned who desires to speak, I do not think it makes a particle of difference.

Mr. McKELLAR. It does not make any difference, unless objection is made.

Mr. ODDIE. Mr. President, as far as I am concerned, I should be perfectly willing to have the Senator go ahead, because we all know what is in this bill. It will be before us in a very short time; and I should like to have the Senator state his position on the matters that he desires to discuss.

The PRESIDING OFFICER. Does the Senator from Michigan withdraw his request?

Mr. COUZENS. I do.

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. McKELLAR. Mr. President, the Treasury and Post Office Departments appropriation bill carries a billion dollars in appropriations, in round numbers. The Senate, by a majority vote, sent the bill back to the committee when it was before the Senate heretofore, with instructions to cut the appropriations 10 per cent. Hearings were held before the subcommittee and then discontinued for quite a while, and the bill was only recently taken up again.

I proposed, when the bill got back before the committee, certain cuts in the larger appropriations which would have reduced the Treasury part of the bill easily by $26,000,000, without any injury whatsoever to the service. When it came to the Post Office part of the bill, which carried between seven and eight hundred million dollars, there were two ways by which that part of the bill could have been reduced 10 per cent. One was by cutting off certain subsidies—subsidies that we are now giving to aircraft companies, of $19,000,000; subsidies that we are now giving to shipping companies, of $38,000,000 plus; subsidies that we are now giving to magazine companies amounting to $25,000,000; in all, ample in the two departments to have reduced the appropriations carried in this bill 10 per cent without discharging an employee and without injuring the service, by simply doing away with the subsidies that are provided for in the bill.

As we all know from the newspapers, and those of us who are on the committee know from actual experience, both Cabinet officers concerned came down and made the statement to the committee that they would have to discharge some fifty or sixty thousand employees if this cut was to be made. In the first place, they have not the right to discharge employees. They are under civil service, and they can not discharge them except for cause. What they were really doing was trying to save these subsidies that are being given to the favored interests—subsidies to the aircraft companies, subsidies to the foreign aircraft companies, subsidies to the shipping companies, subsidies to the magazine companies.

We found the astounding position taken by members of the President's Cabinet that they would rather discharge 60,000 employees than reduce or do away with the subsidies that were given to these great wealthy interests, which there was no real reason for giving subsidies to. I say there was no reason, because, under the direction of the Postmaster General, under his supervision, instead of building up aircraft companies, instead of aiding aircraft companies, as the law provides, he has consolidated the aircraft companies into four great concerns now, and my understanding is that they will all be consolidated into one concern soon, and those aircraft concerns are drawing in subsidies from the Government the enormous sum of $19,000,000. Asked if it could be done away with, he said, "Oh, no." Asked if it could be reduced, he said, "Oh, yes; it could be reduced. We could do away with night flying," said Mr. Brown, "or we could do away with day flying," but they were opposed to doing away with any of it. Nineteen million dollars is given to these four great concerns, in the main; I do not know but what entirely, because I think they were all bought up and consolidated. They are working in harmony. It is really a great aircraft trust at this time, and drawing $19,000,000 in subsidies from the American people, at a time when our Nation is $3,000,000,000 in the hole on running expenses of the Government.

It is indefensible, in my judgment. By the way, the subcommittee at first voted to cut these subsidies, they reduced the amount to $10,000,000, and reduced the foreign air mail amount by $7,000,000, but the next day the cohorts gathered, the locust tribe of lobbyists, to which the President referred not long ago, got together, and the full committee overruled the subcommittee, or I believe the subcommittee reconsidered it, and then the full committee adopted the recommendations of the department, in the main, and those sums were restored.

I do not think that ought to be done. I do not know what the Senate is going to do with it. I just want to record my opposition to cutting down the salaries of the employees, and not being willing to reduce by one cent these enormous sums paid to the subsidy drawers of the Nation.

Take the provision of $7,000,000. So much for that part of the aircraft. Senators, we are paying $7,000,000 to aircraft companies which run around South and Central America. Bringing business to the United States? How can they do it with the tariff wall so high that foreigners can not trade with us? It is a woeful waste of the American people's money to give to these companies, which need not the bounties and subsidies of the Government, $7,000,000 a year, and the amount is increasing all the time. I think that provision ought to be stricken out, and the committee at first struck it out, but on a reconsideration they put it back. It ought not to be put back, and I want to protest against it.

I want to call attention to another item, $38,695,600, for transportation of foreign mails by steamships, aircraft, or otherwise, appearing on pages 56 and 57 of the bill. What does that mean? Do you know how much the American Government was paying for the carriage of our foreign mails 10 years ago? About $2,000,000 plus. From 1922 on to this good hour, in the last 10 years, that amount has steadily increased.

Have the mails increased? Oh, no, they have gone back. They do not transport as much mail as before, nothing like as much. Yet every year the appropriation has grown, from two million plus to the enormous sum of $38,000,000, and if we continue that way for another 10 years the subsidies we will grant these shipping companies will amount to more than $100,000,000, if they increase in the same way.

When I tell you that the whole amount appropriated for carrying the mails all over the continental United States by the railroads, is only $150,000,000, you can see how much better the aircraft and shipping companies are treated than the railroads of the country.

What is going to happen? If we give all of these largesses, these gifts, to the shipping companies and the aircraft companies, we are going to bankrupt this Government in spite of fate and, as one Senator, I want to record my opposition to any such course of action in dealing with the people's money.

Mr. President, I want to call attention to something else. It is really needless for me to repeat what I have said before, but I want to call attention to the methods by which it is done. Some say it is done to build up the shipping business. There is not a word about subsidy in the law. It is for the purpose of "carrying the mail."

One company runs a line from San Francisco to the lower part of South America. I do not know how often or how seldom the ships run, but last year the line carried, if I remember the figures aright, three letters and 45 pounds of parcel post. I think the Interparliamentary Union rate, anyway an international rate, would allow that company for that amount of mail $3. How much do you suppose the United States Government paid for that? Our Government paid $102,000 for carrying three letters and 45 pounds of parcel post. Yet we pretend to be representing the American people in the dispatch of their business. I am afraid sometimes we are unfaithful trustees when it comes to handling the American people's money. One hundred and two thousand dollars for 10 years, and the first year carrying three letters and 45 pounds of parcels post!

Another concern runs a line to South Africa, and the vice president of that company testified that they did not carry a hatful of mail, and several hundred thousand dollars a year, millions of dollars in the 10-year period, are paid for carrying a hatful of mail.

The Postmaster General, from time to time, extends these routes without any other action. In making the advertisement he provides that but one favorite bidder can bid. For instance, when it came to the United Fruit Co. line—a great, rich corporation worth from $200,000,000 to $250,000,000, paying its obligations in advance, paying its dividends as usual in these hard times, owing no indebtedness of any kind—it received three of these contracts amounting to

over a million a year for 10 years for carrying just a few hundred pounds of mail, all told.

Is it fair to the American people to give these great largesses to these companies which need no largesses, which need no subsidies? I would be ashamed of myself forever if I voted for a subsidy of that kind.

By the way, the claimed purpose of these subsidies is to build up an American merchant marine. The last company referred to runs more ships flying foreign flags than ships flying the American flag. Is that building up an American merchant marine? Quite the contrary; it is building up foreign merchant marines just as much as it is building up an American merchant marine, and that is what we are doing in this subsidy business. I am opposed to all of it. It should not be carried on. By the way, I think every contract except 5—and there are 44 of the contracts—is absolutely void. It is void in law; and I am not sure that it is not fraudulent in law, and it borders on being fraudulent in fact.

I give an illustration. I believe every Senator here listening to me is a lawyer. This is the situation: The Postmaster General wants the United Fruit Line to have a contract. The United Fruit Line is virtually a banana line. Most of its business is bringing bananas from Central and South America to the United States. That line has ships with refrigerating space in them, is the only line with ships having refrigerating space, and the Postmaster General, in order to be sure that that line gets the contract, puts in the advertisement that no bids will be received for that mail contract unless the ships have refrigerating space, making it absolutely certain that the United Fruit Co. will get the contract at the highest rate; and we are called upon to approve that by making these enormous appropriations for subsidies under that contract.

Mr. President, I want to say that if we had an Attorney General who knew his business, who was not afraid to do his duty, he would file a bill against every one of those 39 companies and void those contracts, because in my judgment they are utterly void. The American Government ought not to be bound by any such contract as that, and for that reason I undertook to reduce the appropriations accordingly. I moved to strike out, and the subcommittee agreed with me in part, and then had a reconsideration, and stood by the department.

I have just one other matter, and then I believe I shall be through. I think it is a most remarkable situation ever presented to the American Congress. This is what is known as the Seatrain contract. A man by the name of Brush—I believe there are two Brushes, and this is the younger Brush—conceived the idea of carrying freight cars by boat from one point to another on the sea. He tried to build such a boat in the United States, and then changed and went to England and built the boat. British money was furnished. Of course, it had to fly the British flag, and he came back and put that boat to running between New Orleans and Habana, Cuba.

In the meantime he applied for a mail subsidy contract, and evidently, from the proof, the department wanted to give it to him. He was an American citizen; he was running a British vessel, flying the British flag, and it was against the law to award a contract under those circumstances, and for some unaccountable reason the department realized that they could not make the contract with him. In making the contract with him, how did he perform the same services? Let me tell the Senate.

There was another young man running a line of boats that carried freight cars from Key West to Cuba. Those boats carried only 30 freight cars. Those were the only two ships of that kind in the world. This was an American concern owned by American capital, flying the American flag, that could carry one hundred thousand times the amount of mail that was actually carried from the United States to Cuba. That young man, being the agent for that ship, applied for a postal subsidy. He first said he would carry the mails at the usual price. He is willing to do it now, as I understand it. This British Seatrain contractor was running a line between New Orleans and Habana, so the man Brush, who owned the giant ocean line freight carrier, the one that could carry 90 cars, not being able to get a subsidy that way, sat down with the Postmaster General and the celebrated Mr. O'Connor, of the Shipping Board, and worked out this plan. Mind you, they worked it out although they are inhibited by law from dealing with foreign ships. The plan was that the United States would lend three-quarters of the money in cash to build two more ships carrying 90 cars each, one presently and another one a little later. Then to show how it worked out, the department advertised for a line to carry the mail from New Orleans to Habana and farther on. The same people who owned the British ship changed the name of the company slightly and made application for the contract.

Now let us see how the Postmaster General arranged it so Mr. Brush could get the contract. In his advertisement he inserted a provision, which was wholly without any authority in law, that no bid would be received unless the ship was able to carry 90 freight cars or more. There was but one line in all the world that had such capacity or which was building a ship to carry 90 freight cars. The law provides that the Postmaster General should let the contract by competitive bidding. Was there any competitive bidding there? Not a particle. Competitive bidding? I think the best that could be said of a transaction of that kind is that it is a fraud in law. I shall not characterize it further, but it was certainly a fraud in law. That scheme was carried through.

Some time ago the President said something about a locust swarm of lobbyists. Do Senators know how this scheme was carried through? I think I can inform the Senate how it was carried through. One of the witnesses who appeared before our committee in behalf of that company was a man by the name of Ira Campbell, a lawyer. He was head of one of the largest law firms in New York City engaged in the shipping practice. Was he building up American shipping? Let us see. His firm is counsel for the British Admiralty, for the large shipping line known as the British Mercantile Marine, for the Dollar Line, and for the Munson Line. He is also attorney for the Steamship Owners' Association and is also director and counsel in the Seatrain organization. He appeared before our committee—and I am sure the chairman of the subcommittee, the Senator from Nevada [Mr. ODDIE] will bear me out in what I am saying—so determined that only the side he was there representing should be heard that he constantly interrupted and constantly interjected explanations and statements until he had to be called down by one of the members of the committee.

The President talks about a locust swarm of lobbyists here in the Capital. I think Mr. Campbell was one of the leaders of the whole swarm. But under the leadership of this lobbyist for British companies, for nondescript companies, for the Ship Owners' Association, this sort of a contract is gotten up.

Are the American people and the American Government going to stand for such transactions as that? I am here to register my unalterable opposition to any such transaction, to any such ways and means of extracting money from the Treasury of the United States in the interest of any such lobbyists. A locust swarm of lobbyists? Yes; they were here before our committee in droves fighting for the great interests. They have the votes for the subsidies. It is no wonder they do not want to hear about them. They would rather not hear about them. They have the votes for them; why? Because their party stands for subsidies, stands for giving these great amounts of money out of the Treasury of the United States to these interests who do not need them.

The House of Representatives, rising to the occasion, as it seems to me, placed this provision in the bill:

Provided further, That none of the money herein appropriated shall be paid on contract No. 56, awarded to the Seatrain Co. under the provisions of the merchant marine act of 1928.

A motion is going to be made to strike that out in the interest of the British company.

Mr. FLETCHER. I invite the attention of the Senator to the fact that the committee reports that it shall be stricken out.

Mr. McKELLAR. Yes; the committee has reported that provision stricken out. There were several votes, I will say to the Senator from Florida. The first one, I know, permitted that provision to remain in the bill; and then I think there was a reconsideration, and then it was voted that it should be stricken out. It would be an indefensible action if that provision were stricken out of the bill. It would be a wicked action. It would be an action in which the Senate of the United States ought not to concur. I want to announce my pair against any such proposal.

I hope those in charge of the bill, including the Senator from Nevada [Mr. ODDIE], who is chairman of the Committee on Post Offices and Post Roads and of the subcommittee which considered the appropriation bill and who is on the other side of the question, to see that I am paired against any such nefarious provision as that.

Mr. FLETCHER. At page 57 of the bill the Senator will find that the committee reports the bill with that proviso stricken out of the House text. I understand the Senator's position is that he is opposed to the committee amendment striking out that provision.

Mr. McKELLAR. Yes; I am.

Mr. FLETCHER. The question will come up on agreeing to the committee amendment.

Mr. McKELLAR. I think that that contract is not only a fraud in law, but it is a fraud in fact.

Mr. FLETCHER. I agree with the Senator.

Mr. McKELLAR. If the Senate agrees to striking out that provision, I think it will thereby approve of a transaction that is really and truly a fraud in fact.

Mr. President, I hope the Senate will not agree to this proposal. I have so often commented upon the condition of our Treasury that I am almost ashamed to state it again in the Senate. We are $3,000,000,000 behind in running expenses already. We have already appropriated for the next fiscal year something like $7,460,000,000. It will probably amount to more than $8,000,000,000, and should the relief bill be finally enacted, it may run over $10,000,000,000. If these appropriation bills are approved by the President carrying anything like the sums appropriated as they have passed the House and Senate, the appropriations will run well over $12,000,000,000. What have we with which to pay it? We have $2,000,000,000 from all sources of taxation, in addition to the $1,000,000,000 tax bill that has been recently passed, which makes $3,000,000,000. If we continue in this fashion, instead of being $3,000,000,000 behind in the running expenses of the Government as we are this year, we will be for the next year somewhere in the neighborhood of $7,000,000,000 behind. That can not be kept up. We ought not to do that. We ought to take away these subsidies, take away these bounties that are given to concerns that need no subsidies and need no bounties.

I am here pleading with Senators who are present, hoping that they will carry on the fight and prevent the bill going through as recommended by the committee in this regard. I think the Seatrain provision of the House ought to be reestablished and that contract done away with. I think the operation of air mails around the coasts of South and Central America ought to be suspended at least for the present. I think as to the operation of the air mails in this country we should not go further than to pay for night air mails. In the daytime they have passengers out of whom they ought to make a good return, and they ought to be glad to get a subsidy for night mail service only. I think certainly that ought to be done.

So far as these contracts are concerned, 39 out of 44 of them, we should not appropriate a dollar for them. In that way we should save in the neighborhood of between $75,000,000 and $100,000,000, and we would carry out the intention of the Senate when we adopted the 10 per cent cut applying to the bill. I hope the Senate will approve it.

Mr. President, I have taken this occasion to express my views because I expect to be out of the city on Monday when this matter comes before the Senate.

RESTORATION OF SILVER

Mr. KING. Mr. President, I have received a letter from the secretary of the Chamber of Commerce of Salt Lake City, Utah, inclosing a copy of a resolution adopted by that organization, which I ask may be inserted in the RECORD. It deals with the attitude of the administration on the silver question. Following that I ask that there may be inserted in the RECORD a copy of the letter which I wrote to the secretary in reply.

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Whereas it is of utmost importance to the Western States and Utah in particular, that some international or national action be taken looking to rehabilitation of silver; and

Whereas it is very evident that the administration is antagonistic toward any silver program from the expressions in the press credited to Secretaries Stimson and Mills; and

Whereas the Salt Lake City Chamber of Commerce appreciates the fact that the increasing value of silver will contribute more than any other one item to the revival of business in this State: Now therefore be it

Resolved by the Salt Lake City Chamber of Commerce, That it requests its Congressional Delegation to advise immediately the attitude of the administration and its representatives to this most important question so that in turn the people of the State of Utah may be advised.

JUNE 18, 1932.

GUS P. BACKMAN,
Secretary Salt Lake City Chamber of Commerce,
Salt Lake City, Utah.

DEAR MR. SECRETARY: I am in receipt of yours of the 13th instant inclosing copy of a resolution unanimously adopted by the board of governors of the Salt Lake City Chamber of Commerce.

The resolution refers to the importance of the silver question and states in substance that the administration is antagonistic toward any silver program, and requests the delegation to advise immediately the attitude of the administration and its representatives to this most important question in order that the people of the State may be fully advised.

In reply to your letter and the resolution I desire to be entirely fair and devoid of any partisanship. I think you and the members of the Chamber of Commerce know my views in regard to the silver question. I fully expressed them when I was home last summer and when I had the privilege of addressing a large number of the members of the chamber. I then stated, as I have done many times since, that the question of rehabilitating silver and giving to it a proper monetary status was outside the realms of partisanship. I have been so anxious to have this important question properly dealt with that I have urged upon many occasions the administration to take the lead in bringing about the restoration of silver. I have not infrequently said that I should heartily support President Hoover and the administration in every effort made by them looking to the restoration of silver to its proper status. I knew, of course, that if silver were restored to its proper station under the leadership of President Hoover it would inure to the advantage of the party of which he is the leader, but I have believed and still believe that the interests of the people are more important than any party advantage that might come to the party of which I am a member or any political party.

Any policy or measure that will be of advantage to the people, that will bring about a revival of business and lift the country from the depression which now exists will command my heartiest support, no matter by whom initiated; and so during the past two years I have urged President Hoover and the administration to take the necessary steps to call an international conference to deal with this important question or to adopt such other measure or measures as would be promotive of the cause which is so important and, indeed, vital to the American people, as well as to the people of all countries.

As you may know, nearly two years ago I offered a resolution in the Senate which in effect requested the President to confer with other nations with a view to bringing about an international conference for the consideration of the silver question. Later Senator PITTMAN offered a resolution asking the President to call an international silver conference, and this resolution was the basis of a rather comprehensive study of the silver problem by a subcommittee of the Committee on Foreign Relations of the Senate. Senator PITTMAN, who was chairman of the subcommittee, visited the Orient in connection with the investigation, and Senators SWANSON and SHIPSTEAD visited Europe. Hearings were had, and, following the hearings, a report was submitted by the subcommittee which was adopted by the full committee; and later the Senate gave its approval to a resolution which requested the President to call an international conference. The resolution which I first offered, as well as the resolution adopted by the Senate, were concurrent resolutions; they did not call for action by the House of Representatives. Later I offered a joint resolution authorizing the calling of an international conference to consider and devise plans to increase the use of silver, etc. I am inclosing copy of this resolution. This resolution provides for an appropriation of $100,000 to meet the expenses of an international monetary conference to be called by the United States. As you know, a joint resolution, to be effective, must be approved by both Houses and by the President of the United States.

I believe that, if this resolution were passed by the Senate and House and sent to the President, regardless of his views in the

matter he would feel constrained to approve it. I regret that this resolution has not been approved, and, of course, I express my regret that the administration has not initiated or adopted any plan providing for an international conference.

Referring to the resolution which you sent me, I can only say that the attitude of the administration has been clearly indicated; no international conference has been called, and so far as I can learn the administration has no purpose to call an international conference. In my opinion the United States should take the lead in this important matter. Our diminishing foreign trade, the continued fall in price commodities, the protracted period of depression with all of its attendant evils, these and other considerations should impel our Government to lead the way in bringing about the restoration of silver to its proper monetary status.

Sincerely yours,

WILLIAM H. KING.

STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATIONS—CONFERENCE REPORT

Mr. LEWIS obtained the floor.

Mr. JONES. Mr. President——

Mr. LEWIS. Mr. President, I understand the Senator from Washington desires——

Mr. JONES. I desire to present and have adopted a conference report, which I do not think will take more than a minute or two.

Mr. LEWIS. I yield to the Senator, with the understanding that it will not take long.

Mr. JONES. Mr. President, I present the conference report on the bill making appropriations for the Departments of State, Justice, Commerce, and Labor.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the Judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 29, 58, 113, 120, 129, 232, 240, 243, 275, 290, and 291.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 40, 41, 42, 43, 44, 45, 46, 47, 49, 50, 51, 53, 54, 55, 56, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 114, 115, 116, 117, 118, 119, 121, 122, 123, 124, 125, 126, 127, 128, 130, 131, 133, 134, 135, 136, 137, 140, 142, 144, 145, 146, 147, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 233, 234, 235, 236, 237, 238, 239, 241, 242, 244, 245, 246, 247, 250, 251, 252, 254, 255, 256, 257, 258, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 276, 277, 278, 279, 282, 284, 285, and 286, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: On page 5 of the bill, line 23, strike out the word "Persia" and insert in lieu thereof the word "Muscat"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: Restore the matter stricken out by such amendment and at the end of the matter so restored insert before the period the following: ", except that at any post at which the expenditures for such purposes for the fiscal year 1932 were in excess of the limitation of $3,000 in this last proviso in the case of an ambassador or minister there may be expended during the fiscal year 1933 an amount equal to the sum expended during the fiscal year 1932, but in no event to exceed $5,000; and during the incumbency of a chargé d'affaires the limitation on such expenditures shall be the same as for the occupancy of the principal officer"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

BUREAU OF INTERPARLIAMENTARY UNION FOR PROMOTION OF INTERNATIONAL ARBITRATION

"For the contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the Promotion of International Arbitration, $5,031.77; and in addition, $2,468.23 of the unobligated balance of the appropriation 'Expenses, American group of the Interparliamentary Union, 1932,' is hereby reappropriated and made available for the fiscal year 1933 for such contribution."

And the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: After the word "bureaus," in the matter inserted by such amendment, insert the following: "when approved in writing by the Attorney General"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,775,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,050,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$360,000"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$510,000"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "except in cases where space is available in Federal buildings or in Federal buildings for the construction of which contracts have been let"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$765,000"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$270,000"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,988,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,670,000"; and the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered

220, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$886,730"; and the Senate agree to the same.

Amendment numbered 248: That the House recede from its disagreement to the amendment of the Senate numbered 248, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$135,000"; and the Senate agree to the same.

Amendment numbered 249: That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$180,000"; and the Senate agree to the same.

Amendment numbered 253: That the House recede from its disagreement to the amendment of the Senate numbered 253, and agree to the same with an amendment as follows: Insert before the word "motor-propelled" in the matter proposed by such amendment the word: "two"; and the Senate agree to the same.

Amendment numbered 259: That the House recede from its disagreement to the amendment of the Senate numbered 259, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,860,325"; and the Senate agree to the same.

Amendment numbered 280: That the House recede from its disagreement to the amendment of the Senate numbered 280, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$765,000"; and the Senate agree to the same.

Amendment numbered 281: That the House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$51,000"; and the Senate agree to the same.

Amendment numbered 283: That the House recede from its disagreement to the amendment of the Senate numbered 283, and agree to the same with an amendment as follows: Restore the matter stricken out amended as follows: In lieu of the sum "$3,000," named in such matter, insert the sum "$3,500"; and the Senate agree to the same.

Amendment numbered 287: That the House recede from its disagreement to the amendment of the Senate numbered 287, and agree to the same with an amendment as follows: Omit the matter stricken out and the matter inserted by such Senate amendment; and the Senate agree to the same.

Amendment numbered 288: That the House recede from its disagreement to the amendment of the Senate numbered 288, and agree to the same with an amendment as follows: In line 1 of the matter inserted by such amendment strike out the figure "3" and insert in lieu thereof the figure "2"; and the Senate agree to the same.

Amendment numbered 289: That the House recede from its disagreement to the amendment of the Senate numbered 289, and agree to the same with an amendment as follows: In lieu of the figure proposed insert "3"; and the Senate agree to the same.

The committee of conference have been unable to agree upon amendments numbered 21, 39, and 132.

W. L. JONES,
FREDERICK HALE,
GEO. H. MOSES,
KENNETH MCKELLAR,
E. S. BROUSSARD,
Managers on the part of the Senate.

W. B. OLIVER,
ANTHONY J. GRIFFIN,
CLARENCE CANNON,
THOMAS L. BLANTON,
MILTON W. SHREVE,
GEORGE HOLDEN TINKHAM,
Managers on the part of the House.

Mr. JONES. Mr. President, I wish to say that it is a complete agreement, but there are three amendments reported in disagreement because they have to go back to the House for action. One of them is in regard to the International Water Commission and the International Boundary Commission, United States and Mexico. The other is with reference to the appropriation for the participation of the United States in the celebration of the one thousandth anniversary of the Government of Iceland; the other is with reference to the Northwestern Air Mail. There is an agreement between the conferees on these items, but, as I say, we have to report a disagreement, and then the three items in question have to go back to the House for action. I move the adoption of the conference report.

Mr. KING. Mr. President, the Senator made some reference to the boundary between Mexico and the United States. There is nothing in the bill with reference to a treaty which it is claimed has been or will be negotiated with respect to that matter.

Mr. JONES. No; it is a provision consolidating into one the boundary commission and the water commission, which will save about $25,000.

The PRESIDING OFFICER. Is there objection to the consideration of the report? The Chair hears none. The question is on agreeing to the conference report.

The report was agreed to.

THE PRESIDENT'S DISARMAMENT PROPOSAL—ATTITUDE OF FOREIGN GOVERNMENTS—SHOW OF OPPOSITION—DUTY OF ALL PARTIES TO UPHOLD THE PRESIDENT

Mr. LEWIS. Mr. President, I desire that the Senate indulge me for a moment or two while I intrude a foreign question. I shall not violate the propriety of their generosity by holding the floor for any extended time.

The afternoon papers inform us, Mr. President, in something of confirmation of the news which came this morning that three of the great nations which engaged in the World War, whose armies were so prodigious that none could describe them in speech, and whose fatalities were so momentous that none could describe them in mere figures, have declined the invitation of the President of the United States in his very generous offer looking to the peace of mankind where he makes the suggestion to the world that he is willing to submit to the Congress of America a proposal to cut one-third of all the armaments of the Navy and aeronautics of the United States if these large nations, bearing these great armaments, exceeding those which existed previous to the first shot that followed the unhappy slaying in Sarajevo, in Serbia, which ushered the World War desolation upon the civilization of earth, would join with the United States in this noble design.

And here I want to say a word. I should like it to be known that the Senators of the United States in Senate assembled, without any regard to partisan differences, give their very great approval to the effort on the part of the President of the American Republic to secure a relief from these armaments, some reduction of the vast expense they impose, something of revival of the friendship of nations. Yet at a time when these nations are on the eve of asking the United States for a renewal of the moratorium, and just at this time when war is threatened to the nations of the earth, flashing their fires by the way of the Orient because of the failure of the representatives of these nations at Geneva professing a peace policy, after four months of wrangle, to come to any form of agreement. Here in our United States, the President of the United States, the head of a land which sought no compensation, which asked no territory, which now lays no burdens upon other peoples, which vouches to all mankind justice, and can have no purpose in its request to cut the armaments one-third but to ask the world, as it has, to join it in this sublime motive to have these who have heretofore professed their intention of cutting armaments down to the object of peace, to now prove their profession by now reducing their armaments for the salvation of expense, and the assurance of peace, they intimate to America that they refuse because, as they say, we were the nation who lagged behind the proposition; that as we were the one people which before the world seemed to decline their proposals in the year past, they decline now. Now, when the President of the United States, speaking for a peaceful land, looking toward the harmony of nations and

the welfare of people, makes the tender he has the response from the nations involved is in the following: First, France declines, on the ground she does not know for what particular purpose she may at any time need increases of her army, in view of the attitude of the nations called her neighbors. By this France means Italy that seeks, perchance, to resume her former possessions in the Mediterranean—Nice and the Riviera Irredenta, taken by Napoleon—England, that has, of course, much purpose in preserving her possessions in India and Egypt as against Russia and her combinations.

In the meantime, sir, Britain gives us no response other than to say that she will take the matter under consideration at a conference to be held. We have already held seven of these conferences since the World War, with no result but ridiculous failure. From all these there has come nothing, sir, but the suggestion of further conference in the enterprise of world mankind looking to peace through the disarmament of these now ponderous weapons of unquenchable death.

Japan makes no reply. This nation is in a critical state. She has to recognize that as between herself and Russia there may be some event following the conflicts lately passing in Manchuria. Japan and China must reflect in much perturbation while they are waiting for the judgment of those gentlemen called a committee who two months and a half ago assembled there to formulate a plan of conciliation yet have not spoken their proposal.

We have from France the frank statement, the intimation that she sees conflict between the United States and Japan and Russia. Her statesmen say that this will be played upon the theater of the Pacific waters of the oriental land, and that at an early date.

Now, sir, since we have this evidence toward us indicating that these great nations, for reasons known to themselves, which I neither condemn nor approve, having no knowledge of their purposes other than as deduced from their actions which is that they contemplate a conflict of some sort and in some area of our world. Let us now, sir, as I conclude the observation I arose to make, realize the position in which the United States is now put after these long months she has waited. Indeed, sir, these years in which she has recurrently made the demand for the reduction of arms and for the bringing together again in some form of conciliation and brotherhood the nations of the world.

When with figures of justification, proving the increases of arms daily, and with completeness of arguments, our President—as a President of a humane people and as head officer of this generous Nation, looking to the peace and the concord of the world—makes the proposition of reduction in the specific designation of one-third, so that there can be no dispute as to details to justify the cry for additional conference in order to work out the terms, let us note that with all this clearness and specificness in the proposal we are now declined; and, my fellow Senators who compliment me with this moment's attention, let me say as reason for their action, so unexpected, so inexcusable, there must arise to our minds that there is a purpose lurking behind this flouting of the President of the United States. That there is hidden in the daring audacity and in the impudent ill manners of the treatment of the head official of this great Government some ulterior and menacing purpose in declining to reply to the proposition of our President. Then let us see the dangers in the last response saying they have considered the matter in a conference among themselves and later on there will come some reply.

Sir, I beseech that there are two duties just now ahead of us—one to be declared to-day, the other partly between Tuesday and Wednesday.

First, I would, sir, that the Democratic National Convention which is to be held at Chicago within the next day or two, shall write in its platform a full declaration as to the Army and Navy that will assure defense and preparation legitimate as against these peoples who, refusing to join us in an effort of peace, are contemplating events which, in their judgment, will surely involve us in war.

Second, I would that my party assembled there shall pay their tribute to the effort of the President in seeking to obtain this concurrence of the nations looking to the reduction of arms that we may reduce the burden of expense that bears so heavily as to crush to the ground struggling mankind.

And lastly, sir, I would that the President of the United States would now withdraw his proposition to the nations, placing his action on the ground that as we are on the eve of a presidential election by which our statesmen are soon to go to the people and the speakers of the different parties will be representing the thought and ideals of the public. That in this public forum there will be presented to American mankind what our statesmen feel should be the future course of their country as to the nations of the world, and that as the result of this near election we will have had an opinion of our Nation as to what they desire looking to their method of peace or their preparation for defense. Therefore, until we have such voice and judgment, the President of the United States should withdraw from these nations any further consideration of the proposition they treat in silence or in declination, or as we note elsewhere, they flout the United States and repudiate our holy design before the world.

Mr. President, I do not ask my countrymen that they shall adopt in all things the maxim sounding "America for Americans," but here at this time, in support of the President, Democrats as we are, but above all, Members of the American Senate, we do say that the time has come when if our call be not "America for Americans," it shall be "All Americans for America." I thank the Senate.

STATUS OF APPROPRIATION BILLS

Mr. ODDIE. Mr. President, in view of the unanimous-consent agreement previously entered into, I assume——

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Washington?

Mr. ODDIE. I yield.

Mr. JONES. I want to call to the attention of Senators again the situation with reference to the appropriation bills. We have only four more days of legislative session before the 1st day of July by which time all appropriation bills should be passed and become laws. So I wish to express the hope that on Monday, after the morning hour, we may dispose of the independent offices appropriation bill and the Treasury and Post Office appropriation bill, and then push other appropriation matters along just as rapidly as possible.

Mr. WATSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Indiana?

Mr. JONES. Yes.

Mr. WATSON. Of the nine large appropriation bills but one is on the statute book, and eight have not as yet been finally disposed of.

Mr. JONES. But one is on the statute book. They are all in pretty fair shape if we will just attend to them during the next three or four days with diligence.

Mr. ROBINSON of Arkansas. Mr. President, I only desire to say that it has been my policy to refrain from discussion whenever it seemed possible, and to contribute to the advancement of these measures as much as possible.

Mr. JONES. The Senator certainly has done everything he possibly could along those lines.

PHILIPPINE INDEPENDENCE

Mr. KING. Mr. President——

Mr. ODDIE. I yield to the Senator from Utah.

Mr. KING. Mr. President, the Senate has had under consideration for several days Senate bill 3377, reported by the Senator from Missouri [Mr. HAWES] and the Senator from New Mexico [Mr. CUTTING] from the Committee on Territories and Insular Affairs. The measure is entitled "A bill to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes."

Its terms have been explained by the Senators referred to and its passage has been urged by them. The Senator from Michigan [Mr. VANDENBERG], who is a member of the same committee, has offered a substitute, and in a very strong address attacked some of the provisions of the so-called Hawes-Cutting bill and urged that his substitute be adopted.

I shall not take the time of the Senate to canvass the two measures referred to. Doubtless Senators are more or less familiar with the same. Neither of these measures meets my approval. In each session of Congress for perhaps 10 years I have offered a measure to enable the people of the Philippine Islands to adopt a constitution and to form an independent government. I have urged during all of these years that the Filipinos be granted independence and have insisted that promises made by the United States demanded fulfillment. I regret that opposition developed to the measures which I introduced and that the repeated pleas made by the Filipinos and by the able representatives sent by them to the United States to plead their cause were not favorably acted upon. I shall not say that they fell upon deaf ears because I believe that a majority of the people of the United States were willing to grant independence to the Filipinos. Moreover, one of the great political parties in three of its platforms promised independence to the Filipinos. There was, however, opposition from some business interests, from a limited number of imperialists in the United States, and from the Republican Party, or at least from those in authority who were authorized to speak for it. It is true, Republican leaders gave some vague promise that in the distant future independence might be obtained by the Filipinos, but it is a demonstrable fact that the opposition from the party in power resulted in a denial of the pleas for independence so eloquently made by the various missions sent by the Filipinos to speak for that people and to urge that their wishes for liberty be granted.

Senators will recall that one of the objections urged by some of the opponents of Philippine independence was the supposed designs of Japan or some European power to attempt the annexation of the Philippine Islands in the event the authority of the United States was withdrawn from the islands. In one or more of the addresses which I have delivered in the Senate in connection with the measures which I offered, I referred to this objection and contended, and, I think, successfully, that there was no foundation whatever for the claim made. I do not hesitate to state, in view of the facts with which many are familiar and with which all who desire may become familiar, that neither Japan nor any other nation covets the Philippine Islands nor any part thereof. All powers having interests in the Pacific would welcome an independent Philippine state into the sisterhood of nations. However, I have requested from time to time by resolutions that the President enter into negotiations with all powers having territorial interests in the Pacific or adjacent thereto, for the purpose of concluding a treaty or treaties whereby such powers would agree to recognize the Philippine Islands as an independent state and covenant to respect the political independence and territorial integrity of the same.

The bills which I offered from time to time and to which I have referred authorized the Philippine Legislature to provide for the election of delegates to a constitutional convention, which convention would formulate and draft a constitution "for a free and independent government of the Philippine Islands." They also provided for intermediate steps to be taken which would culminate in the adoption of a constitution, the election of officers thereunder, and the withdrawal of the United States.

Mr. President, in my opinion the United States has too long neglected the discharge of the duty imposed upon it by solemn promises as well as by the demands of justice and a proper and decent regard for the rights of millions of human beings upon whom has been superimposed by military force a rule against which they not only protested but valiantly fought.

In the Jones Act of 1916 the Congress of the United States declared that when a "stable government" existed in the Philippine Islands, the Filipinos should have their independence. That they have a stable government all concede. Measured by many of the turbulent and revolutionary governments which are recognized by the United States, it may be truthfully said that in the Philippine Islands a far more stable government exists. Some of the spokesmen of the present administration effect to believe that the promise of independence when a "stable government" existed meant that there should be not only political stability but economic conditions which would guarantee and insure prosperity and unimpaired political integrity. Of course, no one can read in the promise made any such interpretation. There are governments in the world to-day whose integrity and political authority are impaired, if not threatened, because of the deplorable economic conditions prevailing. No one will predict unbroken and uninterrupted continuity upon the part of many European and South American Governments. There are many that are not politically stable, and there are many whose economic conditions threaten political stability. The United States did not require as a condition precedent to Philippine independence economic conditions that would insure a reasonable degree of prosperity or that the government set up for the Filipinos should be free from political unrest and disturbances. The world is in a condition of flux; nations rise and fall, and the future will record political and economic changes, nations overthrown, national boundaries changed, and the foundations of nations shaken. But, Mr. President, utilitarian, material, and economic questions, important though they may be, are not the most important. Transcending them are questions of right and justice.

The Filipinos are not of our race; they did not desire to come under or remain under the flag of this Republic. They realize that there can never be that homogeneity that should exist among people living under the same flag; they possess a culture and civilization of their own; they desire to set up a government of their own choice; they covet what our fathers coveted—the right to govern themselves. We have solemnly promised that they should have that right, and, as I have stated, we have too long delayed the execution of the promise made to them.

The Democratic Party, in its platform in 1920, declared:

> We favor the granting of independence without unnecessary delay to the 10,500,000 inhabitants of the Philippine Islands.

In 1924 I was a delegate to the Democratic National Convention and had the honor of writing the plank appearing in the platform entitled, "Philippine independence." I believed that the statement made by President Wilson with respect to the Filipinos, in his last address to Congress, should find a place in the platform, and I therefore caused to be inserted the following:

> The Filipino people have succeeded in maintaining a stable government and have thus fulfilled the only condition laid down by Congress as a prerequisite to the granting of independence. We declare that it is now our liberty and our duty to keep our promise to these people by granting them immediately the independence which they so honorably covet.

In 1928 the Democratic Party again declared, in its national platform—

> The Filipino people have succeeded in maintaining a stable government and have thus fulfilled the only condition laid down by the Congress as a prerequisite to the granting of independence. We declare that it is now our duty to keep our promise to these people by granting them immediately the independence which they so honorably covet.

Mr. President, the Democratic Party has spoken in no uncertain terms upon this question. It has declared in no vague terms, but in positive terms, that the Filipino people "have a stable government," and thus have fulfilled the only condition laid down as a prerequisite to the granting of independence. There is nothing said about "economic conditions" or the possibility of difficulties being encountered after they have obtained independence. Even this Government, so often declared to be the richest and most powerful government in the world, encounters difficulties and problems and economic conditions that have to-day brought dis-

tress and sorrow to millions and unemployment to more than 10,000,000 of our citizens. Other nations have unbalanced budgets, credit impaired, serious conditions of unemployment, and the integrity and stability of their political structures menaced.

Mr. President, I have but a few moments at my disposal and shall not attempt to canvass many of the questions involved and the arguments that have been presented in opposition to the position which I have taken for years that the Filipinos were of right entitled to their independence and that the duty rested upon the United States to immediately grant to them the liberty and freedom which they so honorably covet. I regret that the Committee on Insular Affairs did not see fit to report the measure which I offered and which was before the committee. I regret that I am compelled to leave the city for a few days and probably will not be here when a final vote is taken on the Hawes-Cutting bill or the substitute offered by the Senator from Michigan [Mr. VANDENBERG]. I have, however, asked the Senator from New York [Mr. COPELAND] to submit as a substitute for either bill that may receive the approval of the Senate the measure which I have offered and which I regret to say was not accepted by the committee.

I have briefly referred to the various measures which I have offered from time to time, and the substitute which I shall ask to be presented contains substantially the same provisions as measures which I offered in preceding Congresses.

I shall not take the time of the Senate to analyze the various provisions of the substitute, but shall content myself by stating that under its provisions the people of the Philippine Islands may obtain their independence within two years. However, there is some flexibility with respect to the dates when elections shall be held and various steps taken leading up to the adoption of the constitution, so that a maximum period of approximately four years might elapse before complete independence was obtained if desired by the Filipinos. For instance, the first section of the substitute bill authorizes the election of delegates to a constitutional convention which shall meet at such time as the Philippine Legislature may fix, not earlier than one year, but not later than 18 months after Congress shall have passed the necessary measure for independence. Section 3 provides that on a date fixed by the Philippine Legislature the constitution formed by the convention may be submitted for the ratification or rejection within a very brief period, but within a period of eight months. These flexible provisions, as I have indicated, are not indefinite nor uncertain, but relate to various preliminaries or intermediate steps between the passage of the measure providing for independence and the final step necessary to be taken before the United States withdraws its sovereignty over the Philippine Islands. The Filipino people themselves under the substitute which I have submitted may, as I have indicated, obtain their independence at the end of two years' time, but they may avail themselves of a longer period not exceeding 56 months.

It is obvious that the steps necessary to be taken before the Filipinos can organize a government ready to function will require at least two years. In my opinion the Hawes-Cutting bill does not meet the promises made by the Democratic Party and contains elements of uncertainty that will be provocative of unrest and will constitute obstacles to a satisfactory, just, and final settlement of this vital question.

Mr. President, my position is that the Filipinos are entitled to immediate independence; that is, at the end of such necessary period as will enable them to prepare the necssary machinery required, when they shall assume the position of an independent state. There should not be annexed conditions or provisions that may provoke resentment, arouse suspicion, and permit the introduction of new elements of an uncertain and obstructive character. I think to postpone independence for 15 or 17 or 20 years will not be satisfactory to the Filipinos and will permit in that long span of time the development of new issues which will be urged to frustrate the granting of complete independence to the Filipinos. During this long period opportunities will be given for the development of factions, the organization of reactionary forces, the introduction of additional American capital, the effect of which might be the interposition of obstacles and difficulties which would delay or indefinitely postpone ultimate independence. Personally, I have opposed the policy which holds the Philippine Islands as a Territorial possession and its inhabitants as entitled to enjoy only such privileges or liberties as Congress may determine. I do not accept the view that the Philippine Islands may be held for exploitation by American capital, and that they and the Filipino people are under the flag, but are not entitled to the privileges, benefits, rights, and immunities that the Constitution guarantees and the flag of our country protects.

The Filipinos should be within the Constitution and enjoy its protection; the flag should have the same meaning to them as it does to all Americans, or the Filipinos should be free to live under a government of their own choice. I am not in accord with the provision of the Hawes-Cutting bill, which authorizes the Filipinos to adopt a constitution and which denies them independence for a period of 15 to 17 or 20 years, and in the meantime imposes upon them restrictions not borne by American citizens, including tariff duties upon commodities which they produce and which are imported into the United States. I am not in accord with the view that the Filipinos, so long as they are under the flag, may be denied access to the United States; neither do I approve of the provisions of the bill which theoretically give autonomy to the Filipinos, but impose obligations and responsibilities upon the United States growing out of the extraordinary and most remarkable relationship which the Hawes-Cutting bill creates.

Mr. President, both the Hawes-Cutting and the Vandenberg bills contain the seeds of discord and trouble. If either were to become law, I fear situations would be developed most unsatisfactory to the Filipinos and unfortunate to the United States. I believe that if we were wise we would respect the aspirations of the Filipinos; we would heed their pleas for independence; we would give them opportunity within the next two or three years to form a constitution, set up a government meeting their demands and their conditions, and with this accomplished we should then withdraw the sovereignty of the United States and with greetings and benedictions follow them as they launch their ship of state upon the great sea whose broad expanse contains the ships of many nations and is open to all peoples of the world.

Mr. President, I ask permission to have printed as a part of my remarks the substitute bill to which I have referred.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Amendment (in the nature of a substitute) intended to be proposed by Mr. KING to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands at such time as the Philippine Legislature may fix, not earlier than one year and not later than 18 months after the enactment of this act, to formulate and draft a constitution for a free and independent government of the Philippine Islands. The Philippine Legislature shall provide for the necessary expenses of such convention.

"SEC. 2. The constitution formulated and drafted by the constitutional convention shall, either as a part thereof or in an ordinance appended thereto, provide substantially as follows:

"(1) That the property rights of the United States in the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

"(2) That the Philippine Government will sell or lease to the United States lands necessary for coaling or naval stations at certain specified points to be agreed upon with the President of

the United States within two years after his proclamation recognizing the independence of the Philippine Islands.

"(3) That the officials elected pursuant to the provisions of this act for the Philippine government to be formed under the constitution thereof shall be constitutional officers of said government and qualified to function in all respects as if elected directly pursuant to the provisions of the constitution, and shall serve their full terms of office as prescribed in the constitution.

"(4) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid, and subsisting at the time of the approval of the proposed constitution, shall be assumed by the government established thereunder; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

"(5) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph 3) in a permanent treaty with the United States.

"SEC. 3. If a constitution is formed in compliance with the provisions of this act, the said constitution shall be submitted to the people of the Philippine Islands for their ratification or rejection, at an election to be held within eight months after the completion of the constitution, on a date fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution, or for or against any proposition separately submitted. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast thereon, and upon separate propositions, and a copy of said constitution, propositions, and ordinances.

"SEC. 4. The Governor General of the Philippine Islands shall, within six months after the receipt of such certification, issue a proclamation for the election of the officials provided for in the constitution, such election to take place not earlier than six months nor later than eight months from the date of the proclamation of the Governor General. The election of such officials shall be held in such manner as may be prescribed by the Philippine Legislature.

"SEC. 5. The returns of the election of the officials for the independent government of the Philippine Islands shall be certified by the Governor General of the Philippine Islands to the President of the United States, who shall, within four months after the receipt of such certification, issue a proclamation reciting the facts of the formation of the constitution for the Philippine Islands and the election of the officials provided for in such constitution as hereinbefore provided, announcing the results of such election, and designating a time, not earlier than six months and not later than one year after the date of the issuance of such proclamation, when the government of the Philippine Islands will be turned over to the duly elected officers, and such officers will begin to function under the constitution. At the time designated in such proclamation the President of the United States shall withdraw and surrender all rights of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the Territory and people of the Philippine Islands, and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, except that the President shall reserve to the United States such lands and rights and privileges appurtenant thereto as may at the time of the transfer be possessed by the United States as naval bases or coaling stations.

"SEC. 6. Upon the proclamation and recognition of the independence of the Philippine Islands under their constitution, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands."

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. ODDIE. Mr. President, before making a motion to adjourn, I desire to state that the principal controversial items in the Treasury and Post Office Departments appropriation bill have been discussed frequently on the floor of the Senate during the last few months, I think, are well understood and can be settled without undue debate. The committee has labored hard for weeks on this bill. As I have already stated, over 1,250 pages of data have been collected by the committee and published in its reports. After the Senate meets on Monday when it takes up this bill, I shall ask that it remain in session Monday evening until the bill is completed. This will be necessary in order that the bill can be finally passed before the end of the fiscal year on June 30.

Now, Mr. President, in pursuance of the previous unanimous-consent agreement, I move that the Senate adjourn until 11 o'clock on Monday.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and (at 3 o'clock and 42 minutes p. m.) the Senate, under the order previously entered, adjourned until Monday, June 27, 1932, at 11 o'clock a. m.

SENATE

MONDAY, JUNE 27, 1932

The Senate met at 11 o'clock a. m.

Rev. Frederick Brown Harris, D. D., LL. D., minister of the Foundry Methodist Episcopal Church of the city of Washington, offered the following prayer:

Our Father God, frail children of earth's fleeting scenes, we lift lame hands of prayer to Thee, who art from everlasting to everlasting. The present, persistent and pressing, so often dims the vision splendid and robs us of the far look. From the grinding daily schedules which drain our strength and enmesh our hearts and minds we would for this moment gaze up and out and away to the eternal principles which give worth and meaning to all that we do or say here. We would lean our weariness, our weakness, our ignorance against the moral pillars of the universe which were there before we entered this mortal scene and which will remain when we have played our brief moment upon the changing stage of life.

Help us to toil in these fields of time in the sense of the eternal. Sober us by a revealing glimpse of the crimson paths down which the benedictions which crown our days have reached us. Steady us with the expectant gaze of the cloud of witnesses which these historic halls recall. Purge our hearts of unworthy entanglements and shabby motives which may mar and blot the future's broadening way. Save us from discouragement and cynicism by the radiant faith that the way of the Republic is down no fatal slope but up to sunnier heights and wider vistas of an illumined freedom which shall yet flame as a beacon of hope for the whole world. Thou who through storm and night art still guiding and guarding, to Thee aloud we cry, "God save the state." In His name we ask it. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Friday last, when, on request of Mr. MOSES and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Keyes	Shipstead
Austin	Davis	La Follette	Shortridge
Barbour	Dickinson	McGill	Smoot
Bingham	Fletcher	McNary	Steiwer
Black	Frazier	Metcalf	Stephens
Blaine	George	Moses	Thomas, Idaho
Borah	Goldsborough	Norbeck	Thomas, Okla.
Bratton	Hale	Norris	Townsend
Brookhart	Hastings	Nye	Trammell
Bulow	Hatfield	Oddie	Vandenberg
Capper	Hawes	Patterson	Wagner
Carey	Hayden	Pittman	Walcott
Coolidge	Hebert	Reed	Watson
Copeland	Johnson	Robinson, Ark.	White
Costigan	Kean	Robinson, Ind.	
Couzens	Kendrick	Sheppard	

Mr. ODDIE. I wish to announce that the Senator from Washington [Mr. JONES] and the Senator from Louisiana [Mr. BROUSSARD] are detained in the Committee on Appropriations.

The VICE PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present. Under the unanimous-consent agreement the Senate will proceed to the consideration of unobjected bills on the calendar under Rule VIII and the clerk will state the first bill for consideration, beginning at the point reached the last time the calendar was called.

CARE OF VETERANS IN THE DISTRICT

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. Will it be proper for me to introduce a resolution that it may be printed and lie on the table?

The VICE PRESIDENT. That may be done by unanimous consent.

Mr. COPELAND. May I ask the Senator from Oregon [Mr. McNARY] if he objects? I want to introduce the resolution and have it printed and lie over until it can be considered. Would the Senator resist that request? The resolution relates to the care of veterans in the District.

Mr. McNARY. Is it the desire of the Senator simply to offer it and not to discuss it?

Mr. COPELAND. That is all.

Mr. McNARY. I have no objection.

Mr. COPELAND. I submit the resolution and ask that it may be printed and lie on the table.

There being no objection, the resolution (S. Res. 253) was ordered to be printed and to lie on the table, as follows:

Whereas the health and welfare of the District of Columbia and its permanent and transient inhabitants are menaced by existing conditions: Be it

Resolved, That it is the sense of the Senate that the sum of $100,000 be appropriated and placed at the disposal of the Commissioners of Health and Police of the District of Columbia and expended with the approval of the President of the United States. This fund may be used for the benefit of transient veterans to return them to their homes or to care for them here temporarily.

FEES OF COMPTROLLER OF THE CURRENCY

The VICE PRESIDENT. The Secretary will state the first bill on the calendar under the order.

The bill (S. 4851) to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes, was announced as first in order, and the Senate proceeded to its consideration.

Mr. ROBINSON of Arkansas. Mr. President, this appears to be an important bill, and I should like to ask the Senator from Connecticut [Mr. WALCOTT] to make a brief explanation of its provisions.

Mr. WALCOTT. Mr. President, there are two sections in the bill that are quite distinct from each other.

The first section has to do with the loans of member banks from the National Credit Corporation. I have taken this matter up with the Comptroller of the Currency and Treasury Department this morning. The comptroller is entirely willing to set aside the first provision of the bill and to have the bill amended by striking out the first section and leaving section 2, which is quite simple, and it seems to me quite proper. It provides that the comptroller shall be allowed to make the usual charges for trust business with member banks. The trust business, it seems, has increased at a very great rate during the last two years, and the comptroller's office is not being adequately compensated. The Treasury Department desires authority to charge the usual fees on account of this additional business and the extra work entailed on his office.

Mr. JOHNSON. Mr. President, may I inquire of the Senator if the bill as he desires it passed relates only to fees that may be charged for bank examinations?

Mr. WALCOTT. Yes; but I am going to move, Mr. President, that the bill be amended by striking out the first part of the measure down to section 2, simply retaining the enacting clause and making section 2 the body of the bill, giving the comptroller the authority to charge the necessary fees for this additional trust business.

The VICE PRESIDENT. The amendment proposed by the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 1 it is proposed to strike out from line 3 to line 11, inclusive, as follows:

That section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), be amended by adding thereto a new paragraph to read as follows:

"Ninth. Liabilities incurred directly or indirectly by borrowing individually or in association with other banks from 'The National Credit Corporation,' a Delaware corporation, or 'National Credit Corporation,' a New York banking corporation, or from an association of banks which in turn borrow from such designated corporations."

So as to make the bill read:

That section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), be amended by adding thereto a new paragraph reading:

"In addition to the expense of examination to be assessed by the Comptroller of the Currency as heretofore provided, all national banks exercising fiduciary powers under the provisions of section 11 (k) of the Federal reserve act, as amended (U. S. C., title 12, ch. 3, sec. 248 (k)), and all banks or trust companies exercising fiduciary powers in the District of Columbia shall be assessed by the Comptroller of the Currency for the examinations of such fiduciary powers, a fee in proportion to the amount of individual trust assets under administration and the total bonds and/or notes outstanding under corporate bond and/or note issues for which the banks or trust companies are acting as trustees upon the dates of examination of the various banks or trust companies."

Mr. FLETCHER. Mr. President, the bill as introduced had the approval of the Comptroller and the Secretary of the Treasury. I can see no possible objection to the amendment; but I thought the bill as reported had the approval of the Treasury Department.

Mr. WALCOTT. That is correct. It did have the approval of the Comptroller of the Currency; it was his bill; but inasmuch as the first section involves the National Credit Corporation and inasmuch as that has been rather a disputed and controversial point, the comptroller is willing to waive the first part of the bill. However, the second provision is quite important, involving revenue to the Treasury for work that it does.

Mr. FLETCHER. I quite agree to that. I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Connecticut.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BRIDGE ACROSS EAST BRANCH OF NIAGARA RIVER

The bill (S. 4830) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y., was announced as next in order.

Mr. VANDENBERG. Mr. President, Order of Business 934, being House bill 12078, is identical with the bill the title of which has been stated. I ask unanimous consent that the House bill be substituted for the Senate bill, and later I shall ask that the Senate bill may be indefinitely postponed.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 12078) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y., which was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by act of Congress approved June 17, 1930, to be built by the Niagara Frontier Bridge Commission, a State commission created by act of the Legislature of the State of New York, chapter 594 of the Laws of 1929, across the east branch of the Niagara River, from the city of Niagara Falls, in the county of Niagara and State of New York, at a point east of Evershed Avenue, in said city of Niagara Falls, to Grand Island, in the county of Erie and State of New York, are hereby extended two and five years, respectively, from June 17, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 4830 will be indefinitely postponed.

EXCLUSION AND EXPULSION OF ALIEN COMMUNISTS

The bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists was announced as next in order.

Mr. LA FOLLETTE. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. TRAMMELL subsequently said: Mr. President, did some Senator object to the consideration of House bill 12044?

The VICE PRESIDENT. The Senator from Wisconsin [Mr. LA FOLLETTE] objected to its consideration.

Mr. TRAMMELL. I had very much hoped that that bill might be considered. It is a very important bill and has already passed the House of Representatives. If we do not have another call of the calendar, the bill can not be passed at this session.

REHABILITATION OF PERSONS DISABLED IN INDUSTRY

The bill (H. R. 4743) to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended, was announced as next in order.

Mr. BRATTON. Mr. President, may we have an explanation of this measure?

Mr. COPELAND. Mr. President, this is to continue the appropriation for vocational rehabilitation in the various States. The reason we are asking for action now is that it is necessary for various State legislatures to take action; so that by having early notice they will know of the intention of Congress, and we shall be able to encourage this very desirable work which has been under way for some time.

This bill has passed the other House, where it was known as the Bankhead bill. I hope the Senator from New Mexico will permit it to pass.

Mr. BRATTON. I think we shall be compelled to curtail appropriations for vocational education.

Mr. COPELAND. It is essential that the bill should be passed in order that the States may know the policy of Congress and whether appropriations for this work will be continued.

The VICE PRESIDENT. The bill will be passed over on objection of the Senator from Utah.

Mr. COPELAND. Mr. President, the Senator from New Mexico does not object to the consideration of the bill, and I hope the Senator from Utah will not object.

The VICE PRESIDENT. Does the Senator from Utah insist on his objection?

Mr. SMOOT. I ask that the bill may go over.

Mr. LA FOLLETTE. Is there any possibility of persuading the Senator from Utah to allow us to consider this bill?

Mr. SMOOT. I have had an opportunity to read only a portion of the report, and I should like to obtain further information regarding it.

Mr. LA FOLLETTE. Not to pass the bill means the wrecking of work that has been going on to rehabilitate those who are incapacitated. Extensive hearings were held by the committee, and unless action is obtained at this session it means the States will not be in a position to go forward with this work. I am sure the Senator from Utah is concerned with the humanitarian aspects of this problem.

Mr. COUZENS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. COUZENS. Mr. President, this matter has been controverted for quite a long time. The Committee on Education and Labor held extensive hearings on the bill. The measure has also received the consideration of the White House, and it agreed to an extension of this service for a period of years. Even when there was being considered a consolidation of various bureaus, boards, and commissions, the President issued a public statement in which he expressed the view that this work should continue. There are many State agencies which are now actively engaged in this work. Certainly the bill should be approved, and I hope the Senator from Utah will withdraw his objection.

The VICE PRESIDENT. Does the Senator from Utah insist upon his objection?

Mr. SMOOT. Mr. President, I want the bill to go over to-day, as I desire to secure some information other than that which is contained in the report.

Mr. DAVIS. Mr. President, will not the Senator withhold his objection?

Mr. SMOOT. I will withhold it if the Senator desires to speak on the bill, but I am going to object to its passage to-day.

Mr. ROBINSON of Arkansas. Mr. President, the point is that in all probability another opportunity may not arise to consider this measure at this session, and the objection will accomplish its defeat.

Mr. COUZENS. Mr. President, the Senator from Utah knows all about this bill; the Senator has been familiar with the discussions of the question involved for many years. He knows the purpose of the bill. It simply provides an extension of the same law which we have had for a great number of years. I am unable to see the purpose of the Senator in trying to defeat the proposed legislation for this term, because the Senator knows in all probability that we will not have another opportunity to consider it again at this session.

Mr. SMOOT. I do not think so; I think we are going to have an opportunity, I will say to the Senator.

Mr. COUZENS. If the Senator desires to study the matter, why does he not let the bill go through and then file a motion to reconsider, as I did in the case of a bill in which he was interested some days ago? I did not insist upon holding it up in order that one Senator might make a study of its provisions. The Senator can do the same. If we pass this bill and he does not like it after he has looked into it, he can file a motion to reconsider.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. ROBINSON of Arkansas. I understand the bill incorporates no new provisions; it merely carries forward the work that is being done under existing law.

Mr. COUZENS. That is correct. There are many State agencies that are rehabilitating persons who have been crippled in industry. While we are spending hundreds of millions of dollars to maintain an Army and a Navy and economic bureaus and the Farm Board, there seems to be a disposition here to cut off a very minor amount which will result in crippling the rehabilitation of persons who have been injured in industry. It is unjustifiable and uncalled for.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Michigan yield further?

Mr. COUZENS. I yield.

Mr. ROBINSON of Arkansas. It appears that already 50,000 persons have been rehabilitated and rendered self-supporting and that 25,000 are now being served. It would be tragic to discontinue this service, particularly under present conditions.

Mr. SMOOT. Mr. President, I have no desire whatever to interfere with the bill. I have not had an opportunity to read in full the report. I should like to know how much money is involved. The report does not show anything about that, so far as I can see.

Mr. COUZENS. The bill is very short. It proposes to extend over a number of years, until 1937, the provisions of the act now in existence and which has been in operation for many, many years. There is no new principle involved; it is merely a continuation of an annual appropriation over a period of years.

Mr. ROBINSON of Arkansas. It carries a million dollars a year for four years.

Mr. SMOOT. It carries $4,000,000?

Mr. ROBINSON of Arkansas. It carries $1,000,000 a year for four years.

Mr. SMOOT. I have no objection if there is a limitation.

Mr. COUZENS. There is a limitation to 1937.

Mr. SMOOT. If there were no limitation, then I would object.

Mr. COUZENS. As I have said, there is a limitation.

Mr. SMOOT. Then, if there is a limitation, I withdraw my objection.

The VICE PRESIDENT. The Senator from Utah withdraws his objection.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended (U. S. C., title 29, secs. 31 and 32), is hereby amended to read as follows:

"That in order to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their placement in employment, there is hereby authorized to be appropriated for the use of the States, subject to the provisions of this act, for the fiscal year ending June 30, 1934, the sum of $1,000,000; for the fiscal year ending June 30, 1935, the sum of $1,000,000; for the fiscal year ending June 30, 1936, the sum of $1,000,000; and for the fiscal year ending June 30, 1937, the sum of $1,000,000. Said sums shall be allotted to the States in the proportion which their populations bear to the total population in the United States, not including Territories, outlying possessions, and the District of Columbia, according to the last preceding United States census: *Provided*, That the allotments of funds to any State shall not be less than a minimum of $10,000 for any fiscal year: *Provided further*, That such portions of the sums allotted that will not be used in any fiscal year may be allotted in that year proportionately to the States which are prepared through available State funds to use the additional Federal funds. And there is hereby authorized to be appropriated for each of the fiscal years ending June 30, 1934, June 30, 1935, June 30, 1936, and June 30, 1937, the sum of $97,000, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotments to the States provided for in this section.

"All money expended under the provisions of this act from appropriations authorized by section 1 shall be upon the condition (1) that for each dollar of Federal money expended there shall be expended in the State under the supervision and control of the State board at least an equal amount for the same purpose: *Provided*, That no portion of the appropriations authorized by this act shall be used by any institution for handicapped persons except for vocational rehabilitation of such individuals entitled to the benefits of this act as shall be determined by the Federal board; (2) that the State board shall annually submit to the Federal board for approval plans showing (a) the plan of administration and supervision of the work; (b) the qualifications of directors, supervisors, and other employees; and (c) the policies and methods of carrying on the work; (3) that the State board shall make an annual report to the Federal board on or before September 1 of each year on the work done in the State and on the receipts and expenditures of money under the provisions of this act; (4) that no portion of any money authorized to be appropriated by this act for the benefit of the States shall be applied, directly or indirectly, to the purchase, preservation, erection, or repair of any building or buildings or equipment, or for the purchase or rental of any lands; (5) that all vocational rehabilitation service given under the supervision and control of the State board shall be available, under such rules and regulations as the Federal board shall prescribe, to any civil employee of the United States disabled while in the performance of his duty."

SEC. 2. Section 3 of such act of June 2, 1920, as amended (U. S. C., title 29, sec. 34), is amended to read as follows:

"SEC. 3. That in order to secure the benefits of the appropriations authorized by section 1 any State shall, through the legislative authority thereof, (1) accept the provisions of this act; (2) empower and direct the board designated or created as the State board for vocational education to cooperate in the administration of the provisions of the vocational education act, approved February 23, 1917 (U. S. C., title 20, ch. 2), to cooperate as herein provided with the Federal Board for Vocational Education in the administration of the provisions of this act; (3) in those States where a State workmen's compensation board, or other State board, department, or agency exists, charged with the administration of the State workmen's compensation or liability laws, the legislature shall provide that a plan of cooperation be formulated between such State board, department, or agency and the State board charged with the administration of this act, such plan to be effective when approved by the governor of the State; (4) provide for the supervision and support of the program of vocational rehabilitation to be provided by the State board in carrying out the provisions of this act; (5) appoint as custodian for said appropriations its State treasurer, who shall receive and provide for the proper custody and disbursement of all money paid to the State from said appropriations: *Provided*, That any State which, prior to June 30, 1933, has accepted and otherwise complied with the provisions of the act of June 2, 1920, as amended June 5, 1924, as amended June 9, 1930, shall be deemed to have accepted and complied with the provisions of this amendment to said act."

SEC. 3. Section 5 of such act of June 2, 1920, as amended (U. S. C., title 29, sec. 34), is amended to read as follows:

"SEC. 5. That the Secretary of the Treasury, upon the certification of the Federal board as provided in this act, shall pay in equal semiannual payments, on the 1st day of July and January of each year, to the custodian of each State appointed as herein provided the moneys to which it is entitled under the provisions of this act. The money so received by the custodian for any State shall be paid out on the requisition of the State board as reimbursement for services already rendered or expenditures already incurred and approved by said State board. The Federal Board for Vocational Education shall make an annual report to the Congress on or before December 1 on the administration of this act and shall include in such report the reports made by the State boards on the administration of this act by each State and the expenditure of the money allotted to each State."

SEC. 4. Section 6 of such act of June 2, 1920, as amended (U. S. C., title 29, sec. 39), is amended as follows:

"SEC. 6. That there is hereby authorized to be appropriated to the Federal Board for Vocational Education the sum of $80,000 annually for a period of four years, commencing July 1, 1933, for the purpose of making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performing the duties imposed by this act, including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere, as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders, including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia and elsewhere, purchase of books of reference, law books, and periodicals, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding to be done at the Government Printing Office, and all other necessary expenses."

SEC. 5. This act shall take effect on July 1, 1933.

GENERAL PULASKI'S MEMORIAL DAY

The Senate proceeded to consider the joint resolution (S. J. Res. 101) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 6, after the word "on," to strike out "October 11 of each year" and insert "October 11, 1932," so as to make the joint resolution read:

Resolved, etc., That the President of the United States is authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1932, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies of the death of Gen. Casimir Pulaski.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The title was amended so as to read: "A joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski."

BOISE NATIONAL FOREST

The Senate proceeded to consider the bill (S. 4497) to add certain lands to the Boise National Forest, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 3, after the enacting clause, to strike out "That the following-described lands are hereby added to the Boise National Forest, Idaho, and made subject to all laws applicable to national forests" and insert "That, subject to any valid existing claim or entry, and to any withdrawals heretofore made, all lands of the United States within the areas hereinafter described be, and the same are hereby, added to and made parts of the Boise National Forest, Idaho, to be hereafter administered under the laws and regulations relating to the national forests; and the provisions of the act approved March 20, 1922 (42 Stat. 465), as amended, are hereby extended and made applicable to all other lands within said described areas," so as to make the bill read:

Be it enacted, etc., That, subject to any valid existing claim or entry, and to any withdrawals heretofore made, all lands of the United States within the areas hereinafter described be, and the same are hereby, added to and made parts of the Boise National Forest, Idaho, to be hereafter administered under the laws and regulations relating to the national forests; and the provisions of the act approved March 20, 1922 (42 Stat. 465), as amended, are

hereby extended and made applicable to all other lands within said described areas:

Sections 25 and 26; east half section 27; east half section 34; and section 35; township 8 north, range 5 east, Boise meridian.

Sections 1 and 2; sections 11 to 14, inclusive; sections 23 to 27, inclusive; and sections 34 to 36, inclusive; township 7 north, range 3 east, Boise meridian.

Sections 1, 2, and 3; sections 6 and 7; sections 10 to 13, inclusive; and sections 15 to 36, inclusive; township 7 north, range 4 east, Boise meridian.

Sections 1 and 2; sections 4 to 28, inclusive; and sections 30 to 36, inclusive; township 7 north, range 5 east, Boise meridian.

Sections 1 to 3, inclusive; sections 10 to 15, inclusive; sections 22 to 27, inclusive; and sections 34 to 36, inclusive; township 6 north, range 3 east, Boise meridian.

Sections 1 to 36, inclusive, township 6 north, range 4 east, Boise meridian.

Sections 1 to 21, inclusive; sections 24 and 25; and sections 28 to 36, inclusive; township 6 north, range 5 east, Boise meridian.

Sections 1 to 36, inclusive, township 6 north, range 6 east, Boise meridian.

Sections 1 and 2; sections 11 to 14, inclusive; sections 23 to 26, inclusive; and sections 35 and 36; township 5 north, range 2 east, Boise meridian.

Sections 1 to 36, inclusive, township 5 north, range 3 east, Boise meridian.

Sections 1 to 36, inclusive, township 5 north, range 4 east, Boise meridian.

Sections 1 to 36, inclusive, township 5 north, range 5 east, Boise meridian.

Sections 1 to 6, inclusive; sections 8 to 17, inclusive; sections 21 to 27, inclusive; and sections 35 and 36, township 4 north, range 3 east, Boise meridian.

Sections 1 to 36, inclusive, township 4 north, range 4 east, Boise meridian.

Sections 1, 2, 11, and 12, township 3 north, range 3 east, Boise meridian.

Sections 1 to 13, inclusive; and northwest quarter of section 14; township 3 north, range 4 east, Boise meridian; not heretofore included within the Boise National Forest, Idaho; all ranges east, Boise meridian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN GREAT SMOKY MOUNTAINS NATIONAL PARK

The Senate proceeded to consider the bill (S. 4522) to authorize the conveyance to the State of Tennessee of certain land deeded to the United States for the Great Smoky Mountains National Park and not needed therefor, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 3, after the word "therefor," to insert the following proviso:

Provided, That the proceeds of the sale of said land by the State of Tennessee shall be applied to the purchase of other desirable and unacquired land within the park boundaries in Tennessee, or, if deemed more advantageous, may be exchanged for such unacquired lands within the park area.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to convey to the State of Tennessee by the execution of appropriate deeds on behalf of the United States approximately 272.9 acres of land in Happy Valley and approximately 2,795.2 acres of land adjoining the north park boundary of the Great Smoky Mountains National Park, said lands having been heretofore deeded to the United States by said State for park purposes and now being found unnecessary therefor: *Provided*, That the proceeds of the sale of said land by the State of Tennessee shall be applied to the purchase of other desirable and unacquired land within the park boundaries in Tennessee, or, if deemed more advantageous, may be exchanged for such unacquired lands within the park area.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF LANDS TO THE CITY OF COEUR D'ALENE, IDAHO

The bill (H. R. 1133) to provide for the relinquishment by the United States of certain lands to the city of Coeur d'Alene, in the county of Kootenai, in the State of Idaho, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States relinquish unto the city of Coeur d'Alene, in the county of Kootenai, in the State of Idaho, all of its right, claim, or title to or the possession of all that part of the Fort Sherman Military Reserve (now abandoned) in section 14, township 50 north, range 4 west, Boise meridian, described as follows: Commencing at the southeast corner of the Fort Sherman Military Reserve (now abandoned) in section 14, township 50 north, range 4 west, Boise meridian; thence running northwesterly in a direct line, making a northwesterly included angle of 84° 33' with the east limit of said Fort Sherman Military Reserve, a distance of 661.6 feet more or less to the boundary between lots 48 and 49 of said Fort Sherman Military Reserve and the true place of beginning; thence northerly along said boundary 531.76 feet more or less to a point distant 100 feet measured at right angles southwesterly from the center line of the main track of the Spokane, Coeur d'Alene & Palouse Railway Co.; thence angle 150° 31' to the right and running southeasterly a distance of 617.6 feet; thence angle 120° 37' to the right and running westerly 304.1 feet more or less to the true place of beginning; containing 1.86 acres more or less, situate in Kootenai County, Idaho.

SUSPENSION OF ACREAGE RENTAL

The Senate proceeded to consider the bill (S. 4509) to amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 6, before the word "amended," to insert the word "further," and, on page 2, line 7, after the word "thereto," to insert the following proviso:

Provided, That nothing in this act shall be construed as affecting existing leases within the borders of the naval petroleum reserves and naval oil-shale reserves.

So as to make the bill read:

Be it enacted, etc., That the act approved February 25, 1920 (41 Stat. L. 437), entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," be, and the same is hereby, further amended by adding thereto the following section:

"SEC. 39. In the event the Secretary of the Interior, in the interest of conservation, shall direct or shall assent to the suspension of operations and production of coal, oil, and/or gas under any lease granted under the terms of this act, any payment of acreage rental prescribed by such lease likewise shall be suspended during such period of suspension of operations and production; and the term of such lease shall be extended by adding any such suspension period thereto: *Provided*, That nothing in this act shall be construed as affecting existing leases within the borders of the naval petroleum reserves and naval oil-shale reserves."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to further amend the act approved February 25, 1920, entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain.'"

EXTENSION OF SODIUM-PROSPECTING PERMITS

The Senate proceeded to consider the bill (S. 4710) to amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 1, line 6, after the word "domain," to insert "as amended by the act approved December 11, 1928 (45 Stat. L. 1019); in line 8, after the word "section," to strike out the "13" and insert "23"; and on page 2, line 2, after the word "may," to insert "in his discretion," so as to make the bill read:

Be it enacted, etc., That the act approved February 25, 1920 (41 Stat. L. 431; U. S. C., title 31, sec. 181 et seq.), entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," as amended by the act approved December 11, 1928 (45 Stat. L. 1019), is hereby amended by adding the following provision to section 23 thereof:

"Any prospecting permit for discovery of sodium issued under this act may in his discretion be extended by the Secretary of the Interior for a period not exceeding two years, upon a showing of satisfactory cause."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the act approved February 25, 1920, as amended, entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain.'"

TRANSFER OF LANDS TO ALBUQUERQUE, N. MEX.

The Senate proceeded to consider the bill (S. 4813) to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex., which had been

reported from the Committee on Public Lands and Surveys, with an amendment, on page 2, line 15, before the word "boundary," to insert the word "western," so as to make the bill read:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to transfer to the city of Albuquerque, Bernalillo County, State of New Mexico, all the right, title, and interest of the United States in and to certain lands in Bernalillo County, N. Mex. (being a strip of land 30 feet wide on the east, south, and west boundaries of the Veterans' Administration hospital reservation at Albuquerque), described as follows:

Beginning at a point located on the western boundary of section 36, township 10 north, range 3 east, New Mexico principal meridian, said point being approximately 136.35 feet south of the northwest corner of said section 36; thence in an easterly direction along a line having a bearing of south 69° 8' and 53" east to a point located on the southern boundary line of Ridgecrest Drive Extended, said point being 30 feet east of the western boundary of section 36; thence south along a line parallel to the western boundary of section 36 and having a bearing of south 0° 12' and 54" west a distance of approximately 5,115.84 feet to a point 30 feet east of the western boundary and 30 feet north of the southern boundary of said section 36; thence east along a line parallel to the southern boundary of section 36 and having a bearing of south 89° 51' and 54" east a distance of approximately 5,245.11 feet to a point which is located 30 feet north of the southern boundary and 30 feet west of the eastern boundary of said section 36; thence north along a line parallel to the eastern boundary of section 36 and having a bearing of north 0° 23' and 25" west a distance of approximately 3,149.95 feet to a point which is located on the southern boundary of Ridgecrest Drive; thence easterly along the said boundary having a bearing south 69° 8' and 53" east a distance of approximately 32.19 feet to a point which is located on the eastern boundary of section 36; thence south along the east boundary of section 36 to the southeast corner of said section; thence west along the southern boundary of section 36 to the southwest corner of said section; thence north along the west boundary of section 36 to the point of beginning.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALT RIVER VALLEY WATER USERS' ASSOCIATION, ARIZONA

The bill (S. 4735) to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users' Association was considered by the Senate, and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized to accept a relinquishment filed by the State of Arizona for the east half northeast quarter southwest quarter section 9, township 1 north, range 4 east, Gila and Salt River meridian, and a relinquishment filed by the city of Tempe, Ariz., for all that part of the north half southeast quarter section 9, township 1 north, range 4 east, Gila and Salt River meridian, Arizona, south and west of a line parallel to and 250 feet distant from the center lines of the Phoenix-Tempe paved highway and Washington Boulevard, being more particularly described by metes and bounds, as follows, to wit:

Beginning at a point on the north boundary of the south half south half of said section 9, distant 595 feet west of the middle point of the east boundary of the southeast quarter of said section 9 and 250 feet distant from the center line of the beforementioned Phoenix-Tempe Highway, measured at right angles thereto; thence in a northwesterly direction, parallel to the center line of said highway, as follows:

North 41° 5' west, 115 feet; thence along a curve to the left having a radius of 1,072.8 feet, a distance of 291.5 feet; thence north 56° 39' west, 351.8 feet to a point 250 feet distant from the center line of said Washington Boulevard, measured at right angles thereto; thence parallel to the center line of said Washington Boulevard, north 56° 39' west, 1,038.2 feet; thence along a curve to the left having a radius of 1,660.08 feet, a distance of 620 feet, more or less, to a point at intersection with north and south center line; thence south along said center line 1,260 feet, more or less, to a point at intersection with the east and west center line of the southeast quarter of said section 9; thence east along said center line 2,045 feet, more or less, to the point of beginning, containing 34 acres, more or less; excepting the east half northeast quarter of the southeast quarter of said section 9, granted under the conditions therein prescribed to the State of Arizona and the city of Tempe, respectively, by the act of April 7, 1930 (46 Stat. 142), containing in all a total of 54 acres, more or less.

SEC. 2. That the Secretary of the Interior be, and he is hereby, directed, upon acceptance of the relinquishments aforesaid and subject to any valid adverse claim, upon the payment of $1.25 per acre therefor by the Salt River Valley Water Users' Association, to issue a patent to said association for maintenance and operation purposes for the land described in section 1 of this act: *Provided*, That there shall be reserved to the United States all oil, coal, or other mineral deposits found at any time in the lands and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe.

Mr. HAYDEN. Mr. President, I offer an amendment to correct an error in the description.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, lines 12 and 13, it is proposed to strike out the words "excepting the east half northeast quarter of the southeast quarter of said section 9."

Mr. HAYDEN. I may explain that the metes and bounds of the description do not include that 20 acres of land; but practically the same description is included on page 1, lines 5 and 6, of the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMY TURNER

The bill (H. R. 7308) for the relief of Amy Turner was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent to Amy Turner, formerly Amy Byrnes, for the lands embraced in her stock-raising homestead entry, Billings 028219, upon fulfillment of the usual requirements but without reference to her second marriage or the time of its consummation.

AGNES C. REDER

The bill (H. R. 9004) for the relief of Agnes C. Reder was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent to Agnes C. Reder for lands embraced in her enlarged homestead entry, Billings 029518, and her stock-raising homestead entry, Billings 029541, upon fulfillment of the usual requirements but without reference to the limitations of the act of August 30, 1890 (26 Stat. 391).

WILLIAM ALEXANDER KEYS

The bill (H. R. 2707) for the relief of William Alexander Keys was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury of the United States is authorized and directed to pay to William Alexander Keys, of Brockway, Pa., the sum of $845 in repayment of purchase money paid by him on a portion of mineral entry 046436, Los Angeles, Calif., receipt No. 2983484, and which repayment is authorized by the provisions of the act of March 26, 1908 (35 Stat. 48), as amended by the act of December 11, 1919 (41 Stat. 366), and was recommended by the Commissioner of the General Land Office, approved by the Secretary of the Interior, and disallowed by the Comptroller General of the United States.

JACOB LANDRY

The bill (H. R. 2418) concerning the claim of Jacob Landry was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all the right, title, and interest of the United States in and to section 33, township 10 south, range 2 east, St. Helena meridian, Ascension Parish, La., containing 232.75 acres, as shown on a plat of survey made by August P. Pheps, deputy surveyor, approved on April 14, 1851, by R. W. Boyd, surveyor general for the district of Louisiana, and segregated thereon as the claim of Jacob Landry, be and the same are hereby, released, relinquished, and confirmed by the United States to the equitable owners of the equitable title thereto and to their respective heirs and assigns forever, as fully and completely, in every respect whatever, as could be done by patents issued according to law: *Provided*, That this act shall amount only to a relinquishment of any title that the United States has, or is supposed to have, in and to any of said lands, and shall not be construed to abridge, impair, injure, prejudice, or divert in any manner any valid right, title, or interest of any person or body corporate whatever; the true intent of this act being to concede and abandon all right, title, and interest of the United States to those persons, estates, firms, or corporations who would be the equitable owners of said lands, by reasons of long continuous possession under color of title with claim of ownership, or otherwise, under the laws of Louisiana, including the laws of prescription and limitation, in the absence of the said interest, title, and estate of the United States.

CENTRAL PACIFIC RAILWAY CO. AND OTHERS

The bill (H. R. 406) to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Pacific States Box & Basket Co., a corporation, involving certain portions of right of way in the vicinity of the town of Florin, county of Sacramento, State of California, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356), was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the conveyance in the form of a quitclaim deed executed by Central Pacific Railway Co., a corporation and its lessee, Southern Pacific Co., a corporation, as grantors, to the Pacific States Box & Basket Co., a corporation, as grantee, under date of October 20, 1930, and recorded in the office of the county recorder of Sacramento County, Calif., on the 3d day of November, 1930, in book No. 321, page 380, official records of said county, involving certain lands or interests therein in the vicinity of the town of Florin, county of Sacramento, State of California, and forming a part of the right of way of said Central Pacific Railway Co. granted by the Government of the United States of America by an act of Congress approved July 1, 1862, entitled "An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean and to secure to the Government the use of the same for postal, military, and other purposes" (12 Stat. L. 489), and by said act as amended by the act of Congress approved July 2, 1864, entitled "An act to amend an act entitled 'An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the Government the use of the same for postal, military, and other purposes,' approved July 1, 1862" (13 Stat. L. 356), is hereby legalized, validated, and confirmed with the same force and effect as if the land involved therein had been held at the time of such conveyance by the above-named grantors making the same under absolute fee-simple title: *Provided*, That such legalization, validation, and confirmation shall not diminish said right of way to a width less than 50 feet on either side of the center of the main track or tracks of said Central Pacific Railway Co. as now established: *Provided further*, That nothing herein contained is intended or shall be construed to legalize, validate, or confirm any rights, titles, or interests based upon or arising out of adverse possession, prescription, or abandonment, and not confirmed by conveyance heretofore made by Central Pacific Railway Co. and its lessee, Southern Pacific Co.: *And provided further*, That there shall be reserved to the United States all oil, coal, or other minerals in the land, and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe.

NATURALIZATION OF WOMEN BORN IN HAWAII

The bill (H. R. 10829) relating to the naturalization of certain women born in Hawaii was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of subdivision (b) of section 3 of the act entitled "An act relative to the naturalization and citizenship of married women," approved September 22, 1922, as amended, a woman born in Hawaii prior to June 14, 1900, shall, if residing in the United States on the date of enactment of this act, be considered to have been a citizen of the United States at birth.

DEPARTURE OF ALIENS FROM THE UNITED STATES

The bill (H. R. 7793) to secure the departure of certain aliens from the United States was considered by the Senate, and was read, as follows:

Be it enacted, etc., That section 15 of the immigration act of 1924 be amended to read as follows:

"The admission to the United States of an alien excepted from the class of immigrants by clause (1) (except a Government official and his family), (2), (3), (4), (5), or (6) of section 3, or declared to be a nonquota immigrant by subdivision (e) of section 4, shall be for such time as may be by regulations prescribed, and under such conditions as may be by regulations prescribed (including, when deemed necessary for the classes mentioned in clause (2), (3), (4), or (6) of section 3 and subdivision (e) of section 4, the giving of bond with sufficient surety, in such sum and containing such conditions as may be by regulations prescribed) to insure that, at the expiration of such time or upon failure to maintain the status under which admitted, he will depart from the United States."

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Pennsylvania [Mr. REED] to give us a brief explanation of this bill?

Mr. REED. Mr. President, the bill is intended to tighten up the immigration law in two necessary respects.

First, it has been found that a very considerable number, several thousand, of persons have been brought to this country as servants of foreign ambassadors and ministers and have been discharged here by their employers. Their entry into the United States was perfectly legal, but their remaining here is illegal, because their diplomatic status is ended. This bill is to enable regulations to be made by the Secretary of Labor which will provide for the repatriation of those people. They have no right to stay here when their status as servants of embassies ceases; and yet, under the present system, we have no method of getting them out or calling for reports from them.

The second thing that the bill does is to take care of the young people who come here as students in American colleges and schools. They are admitted as nonquota immigrants, but it is a standing difficulty that the Immigration Bureau has to get them to go home again when they have graduated from their colleges; and we have to go through a lot of expensive deportation proceedings to get them to go back. Under this bill, the Commissioner of Immigration would have authority to require the filing of a bond by the incoming students to insure that they do go back without deportation proceedings when their tenure of study is finished.

The bill was ordered to a third reading, read the third time, and passed.

CHICKAMAUGA-CHATTANOOGA NATIONAL MILITARY PARK

The bill (H. R. 9058) to authorize the Secretary of War to accept on behalf of the United States a tract or parcel of land for park purposes, to the Chickamauga-Chattanooga National Military Park, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to accept on behalf of the United States, for park purposes, as a part of Chickamauga-Chattanooga National Military Park, a certain tract or parcel of land not less than 2 acres in area lying and being in the third civil district of Hamilton County, Tenn., on Signal Mountain; being the property of the town of Signal Mountain, and situated within the limits of said town, and known as Signal Mountain Park.

SEC. 2. The Secretary of War is empowered, within his discretion, to permit the erection on said property of any marker, monument, or ornamental design by the citizens of the town of Signal Mountain at their expense.

PACKING OF OLEOMARGARINE AND ADULTERATED BUTTER

The bill (S. 4065) authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I should like to have a statement from the Senator from Rhode Island explaining the purposes of this bill.

Mr. HEBERT. Mr. President, the only change that this bill makes in existing law is to provide that oleomargarine and adulterated butter may be packed in tin in addition to paper containers. It is found that packing this substance in tin preserves it better than putting it in wood containers or in paper containers. The bill merely adds the word "tin" to existing law.

Mr. ROBINSON of Arkansas. The present law does not authorize or permit the packing in tin?

Mr. HEBERT. It does not.

Mr. ROBINSON of Arkansas. Very well.

Mr. REED. Mr. President, may I suggest to the Senator, if he will yield to me, that to require it to be packed in tin perhaps will not accomplish what the Senator means. I think he means tin-plated ware, does he not? What we call a tin can is made of steel, with a mere coating of tin on it.

Mr. HEBERT. The bill reads "in tin." The word "tin" is inserted in addition to the existing law.

Mr. REED. I know; but I suggest that perhaps that will not accomplish the Senator's purpose. Would not "tin plate" be better?

Mr. HEBERT. I am not sufficiently familiar with the metal trades to know the distinction. The suggestion made to me by those who are interested in the measure was that those words be inserted. I have no objection, however, to the suggestion of the Senator from Pennsylvania.

Mr. REED. It is a matter of indifference to me; but I think they are doomed to disappointment if they provide for casing it in tin.

Mr. BLAINE. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

BILLS, ETC., PASSED OVER

The bill (H. R. 8817) to provide for fees for entry of a publication as second-class matter, and for other purposes, was announced as next in order.

Mr. REED. In behalf of the Senator from New Hampshire [Mr. MOSES] I ask that that bill may go over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 167) to carry out certain obligations to certain enrolled Indians under tribal agreement, was announced as next in order.

Mr. REED. Let that go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 4082) to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, this is rather a long bill. Will not some one explain the purposes of it?

Mr. HASTINGS. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

INSPECTION OF STEAM BOILERS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 2824) to amend the act of the Legislative Assembly of the District of Columbia creating the office of steam-boiler inspector for the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 18, after the word "unsafe," to strike out "also, he" and insert "but boilers and air tanks which are regularly inspected and found to be in a safe and insurable condition by an inspection and insurance company admitted and authorized to do business in the District of Columbia, shall be relieved from any further inspection, and the owners or users thereof from payment of the fees hereinafter provided: *Provided, however,* That each such inspection and insurance company shall, within 30 days after each such inspection, file with the inspector of steam boilers of the said District a certificate stating that the boiler or air tank so inspected has been found to be in a safe and insurable condition. Said inspector"; on page 3, line 10, after the word "located," to insert "*Provided,* That such inspection by the said inspector or his assistants shall be made at such time, not excluding Sundays or holidays, as will effect the minimum interference with the operations of the business in connection with which the boiler or air tank is used"; on the same page, line 25, after the word "inspection," to insert "herein required to be made by the inspector of steam boilers or his assistants"; on page 4, line 4, after the word "boilers" the second time it occurs, to insert "cast-iron boilers"; on the same page, line 7, after the word "Columbia," to insert "*Provided,* That, subject to the provisions of this section, when an inspection by the said inspector or his assistants is made on Sunday or a legal holiday, the fee shall be twice that fixed herein"; and on page 5, line 12, after the word "act," to insert "*Provided,* That air tanks located on street cars, busses, or other vehicles operated under the regulations of the Public Utilities Commission, shall be excluded from the provisions of this act," so as to make the bill read:

Be it enacted, etc., That the act of the Legislative Assembly of the District of Columbia entitled "An act creating the office of steam-boiler inspector for the District of Columbia," approved June 25, 1873, be, and the same is hereby, amended so as to read:

"SEC. 2. That the Commissioners of the District of Columbia be, and they are hereby, authorized to appoint two or more persons of good character and competent skill, one as inspector of steam boilers and one or more as assistant inspector of steam boilers, respectively, for said District, whose compensation shall be fixed in accordance with the classification act of 1923, as amended, whose tenure of office shall be discretionary with, and whose duties, except as hereinafter provided, shall be designated by, the said commissioners.

"SEC. 3. That the said inspector, or his assistants, shall make annual inspection of all steam boilers in said District, except boilers having unassisted gravity returns to same, not in excess of 15 pounds pressure per square inch, and of all air tanks in excess of 15 pounds pressure per square inch, and shall determine by actual tests the condition of any such boiler or air tank from the standpoint of safety and fitness of operation. Said inspector or his assistants shall condemn any such boiler or air tank he may deem unsafe; but boilers and air tanks which are regularly inspected and found to be in a safe and insurable condition by an inspection and insurance company admitted and authorized to do business in the District of Columbia, shall be relieved from any further inspection, and the owners or users thereof from payment of the fees hereinafter provided: *Provided, however,* That each such inspection and insurance company shall, within 30 days after each such inspection, file with the inspector of steam boilers of the said District a certificate stating that the boiler or air tank so inspected has been found to be in a safe and insurable condition. Said inspector shall furnish the proprietor, or person in charge of any such boiler or air tank, with a certificate stating the amount of pressure per square inch such boiler or air tank is allowed to carry, which certificate shall be displayed in a conspicuous place in the room or establishment in which such boiler or air tank is located: *Provided,* That such inspection by the said inspector or his assistants shall be made at such time, not excluding Sundays or holidays, as will effect the minimum interference with the operations of the business in connection with which the boiler or air tank is used.

"SEC. 4. That said inspector or, in his absence, his assistant shall keep a record of each boiler or air tank inspected, with the name of the owner and the amount of pressure per square inch such boiler or air tank is allowed to carry, and shall forward annually to the said commissioners a copy of such record, together with a statement of all boilers and air tanks inspected and condemned, and such other information as the said commissioners may direct.

"SEC. 5. That there shall be paid to the collector of taxes of said District fees as hereinafter set forth for each inspection herein required to be made by the inspector of steam boilers or his assistants of any such boiler or air tank except such as may be owned by the said District of Columbia. Inspection fees shall be as follows: Miniature boilers, $3; vertical fire-tube boilers, cast-iron boilers, and air tanks, $5; horizontal fire-tube boilers, $10; water-tube boilers, $15; which fees shall be covered into the Treasury of the United States to the credit of the District of Columbia: *Provided,* That, subject to the provisions of this section, when an inspection by the said inspector or his assistants is made on Sunday or a legal holiday, the fee shall be twice that fixed herein.

"SEC. 6. That any person, whether as owner, proprietor, agent, engineer, or other employee, who shall be in anywise responsible for the operation of any boiler or air tank and who shall operate same after same has been condemned, unless such boiler or air tank shall have been repaired in a manner approved by the inspector or his assistants, or who shall operate any such boiler or air tank at a pressure per square inch greater than that permitted, as indicated by the certificate hereinbefore mentioned, or while feed pumps, cocks, gauges, valves, or automatic safety-control devices of the same are not in proper working condition, or before the fee for inspection provided for in section 5 hereof shall have been paid, or in violation of any regulation enacted by the Commissioners of said District of Columbia governing the operation of any such boiler or air tank, shall, upon conviction in the police court of said District, be fined in any sum not exceeding $40 each day such violation exists, and the said commissioners are hereby authorized and empowered to make all regulations which they may deem proper to carry out the provisions of this act.

"SEC. 7. That boilers or air tanks located in or upon boats or vessels operating within the territorial limits of the District of Columbia, except self-propelled and United States owned boats or vessels, shall come within the purview of this act: *Provided,* That air tanks located on street cars, busses, or other vehicles operated under the regulations of the Public Utilities Commission, shall be excluded from the provisions of this act.

"SEC. 8. That all laws or parts of laws in conflict with the provisions of this act are hereby repealed.

"SEC. 9. That this act shall become effective on and after July 1, 1932."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 175) to provide for the early completion of river and harbor projects now or hereafter authorized and adopted by Congress, including the connecting channels of the Great Lakes, and to authorize the issuance of bonds therefor, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

ALBERT W. GABBEY

The Senate proceeded to consider the bill (S. 2859) validating application for entry upon public lands, which had been reported from the Committee on Public Lands and

Surveys, with amendments, on page 1, line 3, after the word "Interior," to strike out "be, and he is hereby" and insert "is hereby"; in line 4, after the word "authorized," to strike out "and directed" and insert "in his discretion"; and in line 9, after the word "meridian," to strike out "and thereby validating his stock-raising homestead additional entry, Evanston land office, serial 105468," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, to allow Albert W. Gabbey, of Jenny Lake, Wyo., to make an additional stock-raising homestead entry for the west half northeast quarter, north half northwest quarter, southeast quarter southwest quarter, section 7, township 44 north, range 115 west, sixth principal meridian.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEDERAL HOME-LOAN BANKS

The bill (S. 2959) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes, was announced as next in order.

Mr. REED. Let that go over.

Mr. COPELAND. Mr. President, may I ask the Senator from Indiana whether we are not to have a chance to consider this bill?

Mr. WATSON. If I can bring it up. I will say that the Senator from Oregon [Mr. McNARY] and the Senator from Arkansas [Mr. ROBINSON] had an understanding that the Philippine independence bill should come up next, acting entirely within their rights in making the program, and of course I can not and do not complain of their action. I desire to serve notice, however, that on account of the very great importance of this measure to millions of people in the United States it is a matter that is entitled to early and earnest consideration at the hands of the Senate; and I intend to ask at a very early period that we shall take it up for consideration. However, inasmuch as the arrangement has been made that the Philippine bill shall have consideration—an arrangement that I can not interfere with, and would not if I could, because it was properly made—I do not intend to press it at this immediate moment.

Mr. COPELAND. Mr. President, I am embarrassed by reason of the fact that I am opposed to the Philippine bill and might appear to be opposing it in this way; but I am very keenly interested in this home loan bank bill. It is of vital interest to the people of my State and I hope we may have a chance to vote upon it.

Mr. WATSON. I hope the Senator will aid me in bringing it up at the proper time.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. COPELAND. Certainly.

Mr. REED. When this order was reached on the calendar I looked for the Senator from Indiana [Mr. WATSON], and, not seeing him in his usual seat, I objected solely because I thought he was not here. I myself am in favor of the bill with certain amendments and intend to help the Senator in every way I can to get it up.

Mr. WATSON. I thank the Senator. It is a matter of very great consequence to this country at the present time.

Mr. REED. I think so. I do not want my action to be misinterpreted.

Mr. LA FOLLETTE. I call for the regular order.

Mr. ROBINSON of Arkansas. Mr. President, I know of no disposition here to obstruct or prevent the consideration of the home loan discount bill. It is perfectly apparent, however, that it could not be considered under a unanimous-consent order limiting the bills to be taken up to those which are not objected to.

Mr. WATSON. The Senator is entirely right about that.

Mr. ROBINSON of Arkansas. So when the Philippine bill has been disposed of there will be no difficulty about getting up the home loan discount bill.

Mr. HAWES. Mr. President, in connection with the Philippine bill I desire to say that I am quite confident, through various checks, that there are 78 Senators who want to vote for Philippine independence at this session of the Congress. I know of only five positive votes against that bill. There are 13 doubtful votes. Of the 26 Democratic Senators who have gone to the Chicago convention, all are paired for this bill for a vote at this session.

I understand that the Senator from New York [Mr. COPELAND] has a constitutional question which he desires to discuss, and probably the Senator from Michigan [Mr. VANDENBERG] will again discuss his substitute. There are certain limitations that will be brought into dispute, and it ought not to require more than a day to dispose of the bill.

I want to call attention to the situation in the House. It will take me only a minute.

There are less than 65 votes out of 435 votes in the House against this bill. It has been on the Republican preferential calendar since early this session. It is the one bill that is remaining there. I think the Senate will save time if it gives us an opportunity to discuss the bill. I am quite sure it will lose time if it does not give us an opportunity to discuss the bill. Therefore I shall, so far as I have the power, oppose any attempt to remove the bill from its status as the unfinished business.

The VICE PRESIDENT. The clerk will report the next bill.

Mr. COPELAND. Mr. President, the junior Senator from Utah [Mr. KING] sent to my office this morning an amendment in the nature of a substitute to the Philippine bill, and I ask that it be printed and referred to the proper committee.

The VICE PRESIDENT. Is there objection? The Chair hears none, and that order will be made.

Mr. COPELAND. I would like to say that while I am offering the amendment, I am doing so in the name of the junior Senator from Utah [Mr. KING].

JULIO RODRIGUEZ ARREA

The Senate proceeded to consider the joint resolution (S. J. Res. 178) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Julio Rodriguez Arrea to receive instruction at the United States Military Academy at West Point: *Provided*, That no expense shall be caused to the United States thereby, and that Julio Rodriguez Arrea shall agree to comply with all regulations for the police and discipline of the academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that said Julio Rodriguez Arrea shall not be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States and that he shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: *Provided further*, That in the case of said Julio Rodriguez Arrea the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

RELIEF OF THE STATE OF IDAHO, ETC.

The Senate proceeded to consider the joint resolution (H. J. Res. 138) for the relief of the State of Idaho, which had been reported from the Committee on Military Affairs with an amendment, on page 1, after line 7, to insert a new section, as follows:

SEC. 2. There is hereby authorized to be appropriated not to exceed $200,000 to be expended for the completion of the construction and installation of the heating plant at Carlisle Barracks, Pa.

So as to make the joint resolution read:

Resolved, etc., That the State of Idaho be, and is hereby, relieved of any obligation to replace the building on the Boise Barracks Military Reservation, Boise, Idaho, or to reimburse the United States for the amount of damage to the building destroyed by fire on January 8, 1928.

SEC. 2. There is hereby authorized to be appropriated not to exceed $200,000 to be expended for the completion of the construction and installation of the heating plant at Carlisle Barracks, Pa.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

The title was amended so as to read: "Joint resolution for the relief of the State of Idaho, and for other purposes."

CONSTRUCTION OF BRIDGES IN WEST VIRGINIA

The Senate proceeded to consider the bill (S. 4898) amending an act entitled "An act authorizing the State of West Virginia by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 5 of an act entitled "An act authorizing the State of West Virginia by and through the West Virginia bridge commission, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931, be, and the same is hereby, amended to read as follows:

"SEC. 5. The State of West Virginia, by and through the West Virginia Bridge Commission, or its successors, may unite or group all or such of said intrastate bridges into one or more separate projects for financing purposes as in its judgment shall be deemed practicable, and may also unite or group for financing purposes in any one issue of bonds such interstate bridges as the West Virginia Bridge Commission shall determine to be competitive, but no particular project or group shall be so united that any such project or group will include both interstate and intrastate bridges: *Provided, however,* That the bridges herein authorized to be acquired across the Ohio River from the city of Wheeling, W. Va., to an island in the Ohio River, constituting territory of the State of West Virginia, may be included in the same group or groups as the respective connecting bridges from such island to a point in Ohio shall be included, and when sufficient revenues shall have been determined to be available from the collection of tolls on the bridges terminating in the State of Ohio to pay interest and maintenance charges and to provide a sinking fund ample to retire the bonds at maturity as issued for the acquirement of all said bridges, the commission is authorized to make free of tolls the bridges between the city of Wheeling proper and Wheeling Island.

"If tolls are charged for the use of a bridge or bridges in a project, the rates of toll to be charged for the use of such bridge or bridges embraced in the particular project shall be so adjusted as to provide a fund not to exceed an amount sufficient to pay the reasonable costs of maintaining, repairing, and operating the bridge or all of the bridges included in the particular project and their approaches under economical management, and not to exceed an amount sufficient, in addition to the foregoing, to provide a sinking fund sufficient to amortize the aggregate cost of the bridge or all of the bridges embraced in the particular project, and their approaches, including reasonable interest and financing costs, as soon as possible under reasonable charges, but within a period not exceeding 25 years from the date of approval of this act. The tolls derived from the bridge or bridges embraced in any particular project may be continued and paid into the appropriate sinking fund until all such costs of the bridges embraced in the particular project shall have been amortized. In any event, tolls may be charged on the basis aforesaid for transit over the bridge or bridges in each project for which revenue bonds of said State are issued, and such tolls may be continued and adjusted at such rates as may be necessary to pay such bonds with interest thereon and any lawful premium for the retirement thereof before maturity, subject only to the power of the Secretary of War or other authorized Federal authority to regulate such rates."

SALE OF LAND IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 4712) authorizing the sale of certain lands no longer required for public purposes in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 13, to strike out the words "miscellaneous receipts" and insert the words "the United States and the District of Columbia in the proportion that each paid the appropriation from which the parcels of land were acquired"; on page 3, to strike out lines 3 to 13, both inclusive, as follows:

Parcel 2. Part of lot 807, square 888, Washington, D. C., containing 2,853 square feet, more or less, southeast corner of Seventh and K Streets NE., in said city, and being part of United States Reservation No. 316-316-A.

Parcel 3. Lots 825 and 826, square 2888, Washington, D. C., containing 5,760 square feet, more or less, abutting on Hobart Place between Georgia and Sherman Avenues in said city, and being a part of the United States Reservation No. 331-331-A.

So as to make the bill read:

Be it enacted, etc., That the Director of Public Buildings and Public Parks of the National Capital be, and he is hereby, authorized and empowered, in his discretion, for the best interests of the United States, to sell and convey, in whole or in part, the hereinafter-described lands in his custody no longer required for public purposes in the District of Columbia, for cash for such price for each parcel sold as shall be not less than the price paid therefor by the Government plus 6 per cent per annum since the date such parcel was acquired by the United States.

SEC. 2. That said director, in making any such sale, is authorized, first, to sell any such parcel of land to the owner of lands abutting the lands hereby authorized to be sold; or, secondly, to sell to the immediate former owners of any such parcel of land to be sold, provided that the price bid and payable by any owner shall be equal to the highest price bid and payable by any other bidder.

SEC. 3. That said director is further authorized to pay the reasonable and necessary expenses of sale of each parcel of land sold, and shall deposit the net proceeds thereof in the Treasury to the credit of the United States and the District of Columbia in the proportion that each paid the appropriations from which the parcels of land were acquired, and shall include in his annual report a full report of the sales hereby authorized.

SEC. 4. That the lands hereby authorized to be sold and conveyed are situate in the District of Columbia and are generally described as follows:

Parcel 1. Part of lot 188 in square 103, in Beatty and Hawkins's addition to Georgetown, now known as lot 801 in square 1273, survey book No. 91, page 363 thereof, containing 2,100 square feet, more or less, and known as Nos. 3305 and 3307 Volta Place NW., Washington, D. C.

Parcel 2. A piece of land containing 164,000 square feet, more or less, at or near Parkside Drive and Western Avenue, Rock Creek Park, Washington, D. C., and being a part of United States reservation No. 339.

Parcel 3. Lot 803, square 49, Washington, D. C., containing 1,050 square feet, more or less, at or near Twenty-second and O Streets NW., Rock Creek and Potomac Parkway, in said city, and being a part of United States reservation No. 360.

Parcel 4. A piece of land containing 1,680 square feet, more or less, being a part of a large parcel south of Massachusetts Avenue, Rock Creek and Potomac Parkway, Washington, D. C., further identified as parcel 51/3, and being a part of United States reservation No. 360.

Parcel 5. Square 4199, Washington, D. C., containing 2,900 square feet, more or less, bounded on the north by Quincy Street, on the east by Twentieth Street, on the south by Perry Street, and on the west by South Dakota Avenue, in the northeast quarter of Washington, D. C., being a part of the Taft recreation center in said city and of United States reservation No. 476.

SEC. 5. That upon any sale as hereby authorized the said director is hereby authorized to execute a proper deed of conveyance which shall contain a full legal description of the land sold, either by metes and bounds or otherwise, according to law.

SEC. 6. That all acts and parts of acts which may be inconsistent or in conflict with this act are hereby repealed to the extent of such inconsistency or conflict.

The amendments were agreed to.

Mr. LA FOLLETTE. Mr. President, I would like to ask the Senator from Kansas [Mr. CAPPER] what the purpose of this bill is.

Mr. CAPPER. Mr. President, the purpose of the bill is to empower the Director of Public Buildings and Public Parks to sell five parcels of land. These tracts were bought for public purposes in the District of Columbia, and were transferred to the Office of Public Buildings and Public Parks for care and maintenance.

These parcels are unused and unusable for public purposes, but the Government is burdened with the care and expense of maintenance.

The Office of Public Buildings and Public Parks asks enactment of the legislation. This recommendation is concurred in by the District Commissioners, who have suggested certain amendments which the committee approves.

The lands in question, through sale to private persons, would be made available for taxation and the public would be relieved of the present expense of maintenance.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ENTRY IN THE MAILS OF SECOND-CLASS MATTER

Mr. BINGHAM. Mr. President, a few minutes ago, at the request of the Senator from Pennsylvania, who was requested by the Senator from New Hampshire [Mr. MOSES] to object to it, Order of Business 886, House bill 8817, to provide for fees for entry of a publication as second-class matter, and for other purposes, was passed over. I am now informed by the Senator from New Hampshire that that was not the bill which he had in mind.

The VICE PRESIDENT. Is there objection to returning to the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BLAINE. Mr. President, I would like to have an explanation of this bill.

Mr. MOSES. Mr. President, I was in confusion about two bills. This is a bill which provides fees for entry of a publication as second-class matter. As the Senator knows, many publications make use of the reentry privilege; that is, they ship their periodicals by fast freight to some point far distant from the place of publication, and there they are reentered, and get the benefit of a shorter zone rate.

Mr. ROBINSON of Arkansas. Mr. President, how much revenue will it yield?

Mr. MOSES. That it is absolutely impossible to state, but the number of publications taking advantage of the reentry privilege is increasing year by year. Inasmuch as it has been discovered that shipments of the character to which I have referred can take place so much more readily, and with so much less expense to the publishing house, the number of publications taking advantage of it has multiplied very much since the last revision of the postal rates, which was in 1928.

Mr. BINGHAM. Mr. President, may I call the Senator's attention to the fact that the department points out that it would yield about $900,000?

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 9, after the numerals "$10," the committee proposes to insert the following: "*Provided*, That no fee shall be required to accompany applications for permits to mail matter without stamps affixed as metered mail," so as to make the bill read:

Be it enacted, etc., That hereafter each application for entry of a publication as second-class matter shall be accompanied with a fee of $100; each request for reentry of a publication as second-class matter on account of a change in title, frequency of issue, office of publication, or for other reason, and each request for additional entry of a publication as second-class matter shall be accompanied with a fee of $10; each application for registry of a news agent shall be accompanied with a fee of $20. Each application for a permit to mail matter without stamps affixed as provided by the act approved June 9, 1930 (46 Stat. 526; U. S. C., Supp. V, title 39, secs. 221a, 273, and 291a), section 6 of the act approved May 29, 1928 (45 Stat. 941; U. S. C., Supp. V, title 39, sec. 291), and section 13 of the act approved May 18, 1916 (39 Stat. 162; U. S. C., title 39, sec. 295), and the regulations made pursuant thereto by the Postmaster General, shall be accompanied with a fee of $10: *Provided*, That no fee shall be required to accompany applications for permits to mail matter without stamps affixed as metered mail.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF FRANKLIN D. CLARK

The Senate proceeded to consider the bill (H. R. 927) for the relief of the estate of Franklin D. Clark, which was ordered to a third reading, read the third time, and passed.

HIGHWAY BETWEEN SAVANNA, ILL., AND SABULA, IOWA

The Senate proceeded to consider the bill (S. 4874) to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate the construction, maintenance, and operation of a highway, connected with the bridge across the Mississippi River at Savanna, Ill., authorized by section 2 of the act of Congress of June 10, 1930 (Public, No. 330, 71st Cong.), between Savanna, Ill., and Sabula, Iowa, there is hereby granted to the Savanna-Sabula Bridge Co., a corporation, its successors and assigns, a right of way or easement for highway purposes not exceeding 325 feet in width over lands of the United States in section 8, township 84 north, range 7 east, fifth principal meridian, in Jackson County, Iowa, reserved or acquired for the purposes of the Upper Mississippi River Wild Life and Fish Refuge, said right of way or easement being located as shown on "Plan of bridge site and new roadway for Savanna-Sabula Bridge project, November 16, 1931," attached to and made part of a certain agreement entered into on the 23d day of December, 1931, between the said Savanna-Sabula Bridge Co. and E. C. Hotchkiss, acting superintendent Upper Mississippi River Wild Life and Fish Refuge, pursuant to a certain permit issued to the said Savanna-Sabula Bridge Co. by the Secretary of Agriculture and the Secretary of Commerce November 30, 1931, to construct, maintain, and operate the aforesaid highway over the aforesaid lands of the United States in the Upper Mississippi River Wild Life and Fish Refuge: *Provided*, That there is reserved to the United States in perpetuity control of all game, fur-bearing animals, wild birds, and other wild life on the right of way or easement herein granted, and such right of way or easement shall at all times be subject to regulations prescribed under authority of the Upper Mississippi River Wild Life and Fish Refuge act of June 7, 1924 (U. S. C., title 16, ch. 8): *Provided further*, That in consideration of the granting of this right of way or easement no toll or other charge shall be exacted by the grantee, its successors or assigns, from any of the officers and employees of the United States, including their vehicles, for traversing the aforesaid bridge, or the highway or approach thereto or the right of way or easement hereby granted, while on official duty: *And provided further*, That said right of way or easement shall not be used, except by special permission of the Secretary of Agriculture, for any purpose other than the construction, maintenance, and operation of said highway, including the fencing of said right of way and diversion of the water in the adjacent stream: *Provided further*, That the grantee shall at all times permit officers and employees of the Department of Agriculture and the Department of Commerce of the United States, when in discharge of their official duties in relation to said Upper Mississippi River Wild Life and Fish Refuge, free and unobstructed access to, through, and over said highway.

SEC. 2. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Savanna-Sabula Bridge Co., its successors and assigns; and any corporation or person to which or to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

PURCHASE OF SILVER BY THE GOVERNMENT

The bill (S. 3606) to authorize the purchase by the Government of American-produced silver, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes, was announced as next in order.

Mr. PITTMAN. Mr. President, I realize that this is a bill of considerable importance and that it probably would require longer discussion than could be had under the unanimous-consent agreement, and I do not desire to have the bill taken up under any such conditions. I myself will ask that it go over, with the notice given at the present time that I am going to move to take it up for consideration at the earliest possible moment consistent with the situation here.

The VICE PRESIDENT. The bill will be passed over.

KIDNAPING IN THE DISTRICT OF COLUMBIA

The bill (S. 4694) to amend section 812 of the Code of Law for the District of Columbia, was announced as next in order.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from New Jersey the purpose of this bill?

Mr. KEAN. Mr. President, it is to amend the Code of Law for the District of Columbia. At the present time there is no law which prevents any person from being abducted and held in the city of Washington. There is no law which covers the matter. This bill was introduced at the request of the commissioners, who are very anxious to have it passed so as to have that kind of crime provided for.

Mr. JOHNSON. Mr. President, do I understand that the bill carries the death penalty?

Mr. KEAN. I think that is at the discretion of the jury.

Mr. JOHNSON. It carries the death penalty, the Senator says, in the discretion of the jury. Of necessity I assume that it would be imposed; but does the Senator think it wise?

Mr. KEAN. It can only be imposed on the recommendation of the jury.

Mr. LA FOLLETTE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

FEDERAL HOME-LOAN BANKS

The bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The Senate proceeded to consider the joint resolution (H. J. Res. 408) providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress, which was ordered to a third reading, read the third time, and passed.

PURCHASE OF GRAND CENTRAL STATION POST OFFICE

The bill (H. R. 12360) to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Buliding, No. 452 Lexington Avenue, in the city, county, and State of New York, for post office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937, was announced as next in order.

Mr. REED. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. COPELAND subsequently said: Mr. President, did anyone object to the consideration of House bill 12360?

Mr. REED. Yes; I did.

Mr. COPELAND. Has the Senator looked into that measure?

Mr. REED. I have not had a chance to look into it, but I have the impression that it calls for an expenditure greater than we can afford at the present time.

Mr. COPELAND. It does not call for any expenditure now. I would like to speak on the bill for a moment.

The VICE PRESIDENT. Is there objection to the Senator talking on the bill?

Mr. REED. For the time being I withhold my objection.

Mr. BLAINE addressed the Chair.

The VICE PRESIDENT. The Senator from New York has the floor. Does he yield?

Mr. BLAINE. Is this Order of Business 909?

Mr. COPELAND. That is the bill I am speaking of.

Mr. BLAINE. I am going to ask that the bill shall go over.

Mr. COPELAND. If the Senator will withhold his objection a moment, it seems that the Post Office Department has a lease on certain property in New York City over the tracks of the New York Central Railroad. That lease will expire in two years, and, for reasons which I do not understand, there has been no renewal of the lease. In the meantime the New York Central Railroad has made a contract to rent that building and the property to a private concern. This is a matter which agitates the Post Office Department and the Treasury Department, because it will necessitate finding space in a part of the city very difficult to locate property.

This post office handles all the mail from New England. It is the place where the mail is sorted out. I appeared at the hearing before the Committee on Public Buildings and Grounds—and I am sorry the junior Senator from New Hampshire [Mr. KEYES] is not here—where the representatives of the Post Office and Treasury Departments appeared and urged that this legislation be enacted as it passed the House. It does not mean that the property would be bought at any such price as the upset figure in the bill. It would not mean that it would be bought at all, but it would permit the authorities to enter into negotiations with the owners of the property to see if the property can be purchased.

My judgment is that if we are to protect the Post Office Department and carry out the wishes of the Treasury Department in the matter, we ought to take favorable action upon the bill. Mr. Heath appeared for the Treasury, and one of the Assistant Postmasters General for the Post Office Department, and it was strongly urged that the bill be enacted.

This bill would not commit the Government to the purchase of the property, nor to any price, but it would permit the authorities of the Government to negotiate about it, and then later it would be brought here to be given consideration by the Congress as to whether the appropriation should be made.

As I have said, this does not apply to this year. The end of the lease is two or three years away, when the appropriation would be called for, if it is ever to be made. Yet it is important that the matter be considered now, in order that negotiations may be carried on.

This would not involve us in any way until January 1, 1934, and then, on the payment of the rent, only until a still later date. So I hope the Senators will not press the objection, and that the bill may be passed.

Mr. REED. Mr. President, I am very much concerned about the amount stated in the bill. It is proposed to take 175,000 square feet. At the present time the highest rate of rental we are paying on any of that property is about $2.50 a square foot. That rental applied to 175,000 square feet would mean $425,000, approximately. That is less than 3 per cent interest on the amount proposed to be paid for this property.

Mr. COPELAND. Mr. President, if the Senator will observe, the property is not to be bought for $15,500,000, but the price shall not exceed that sum, and the price is to be a matter of negotiation between the Treasury Department and the owners of the property.

Mr. REED. How did the sum of $15,500,000 come to be inserted in the bill?

Mr. COPELAND. I suppose they might have taken any figure, ten million, or twenty million, or whatever they might have chosen. It is valuable property, but, of course, my conviction is that the price will be far less than that amount of money. This would permit them to negotiate over the price, and to bring it back to us later.

Mr. REED. Should we give permission for so great an amount? We all know that rentals in New York City have gone down very materially. It is probable that the rental price of 1920 of $2.50 a square foot would be considered much too high for to-day.

Mr. COPELAND. May I say to the Senator that in addition to what the Government is using in this building, it has space in other buildings for other activities?

Mr. REED. I know.

Mr. COPELAND. They are all to be brought here.

Mr. REED. I understand that they propose to take 175,000 square feet. That is stated in the committee report. It is proposed to give authority to the Post Office Department, or to the Treasury, or whoever is to buy the property, to pay up to $15,500,000 for it. It seems to me that is terribly high, remembering always that the property is subject to the subsurface easement of the railway for the maintenance of its lines there.

Mr. COPELAND. Let me call the attention of the Senator to the fact that whatever price is determined upon would come back here for our consideration. There would be no final action taken.

Mr. REED. But if we authorized them to make a contract, we would consider ourselves bound to live up to it.

Mr. COPELAND. If the Senator can suggest any lower sum, the measure could be amended, because I am sure the price is not an important consideration.

The VICE PRESIDENT. The time of the Senator has expired. Is there further objection?

Mr. BLAINE. Mr. President, I do not want to take much time of the Senate——

The VICE PRESIDENT. Is there objection to the Senator speaking on this bill? It has been passed over.

Mr. LA FOLLETTE. Regular order.

The VICE PRESIDENT. The Secretary will report the next bill.

Mr. BLAINE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BLAINE. I do not understand that objection was made.

The VICE PRESIDENT. The Senator was permitted to speak for five minutes on the bill. Of course, the Senator from Wisconsin addressed the Chair, the Chair asked if there was objection to the Senator speaking, and the regular order was demanded, which is equivalent to an objection. The Senator from Wisconsin can speak on the next bill for five minutes.

Mr. BLAINE. I appreciate the information. I would ask permission to speak five minutes and to discuss the calendar

number which was just passed over, so we may have in the RECORD some facts that are valuable.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin to speak for five minutes? The Chair hears none, and the Senator is recognized for five minutes.

Mr. BLAINE. Mr. President, in connection with this proposal I invite the attention of the Senate to the fact that all of this property, as I understand it, has been valued by the valuation division of the Interstate Commerce Commission, or at least the Interstate Commerce Commission has that valuation under its charge. I am also informed that the valuation which would be placed upon that property by the valuation division of the Interstate Commerce Commission would be far less than $15,000,000. I also have the information from parties who are familiar with the value of this property that equally valuable property with equal or more space can be purchased for less than half of $15,500,000 as provided in the bill.

It seems to me before any action is taken upon this bill the valuation should be fixed by the Interstate Commerce Commission, which is equipped for that particular purpose. As I understand the valuation has already been made by the commission. If it has not been made, it is a very simple matter for the valuation division to make the valuation.

In connection with this matter I call attention to the fact that in the city of Chicago the Government of the United States paid some $2,000,000 more for a tract of land than the figure at which it was valued by the valuation division of the Interstate Commerce Commission. Therefore, we ought to utilize that very valuable service in protecting the Government against what seems to be a raid on the Treasury of the United States as proposed by the bill.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. BLAINE. I yield.

Mr. COPELAND. I agree fully with the Senator that there must be negotiations and a determination of the value; but as I read the bill, it provides not to exceed a certain sum. When the Senator speaks about other property, there are not many other properties because of the importance of the railroad facilities as they are involved here. However, if the Senator persists in his objection there is no need discussing it further.

INVESTIGATION OF PRODUCTION COST OF PINS

The resolution (S. Res. 238) directing the Tariff Commission to investigate production cost of pins was considered and agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby authorized and directed to investigate for the purpose of section 336 of the tariff act of 1930 the differences in cost of production between the domestic article or articles and competitive foreign article or articles, and to report at the earliest practical date on the following items:

All pins, classified under paragraph 350 of the tariff act of 1930.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, a moment ago the Senate adopted the resolution (S. Res. 238) directing the Tariff Commission to investigate production cost of pins. I should like to ask some member of the Finance Committee to explain the occasion for the resolution.

Mr. BINGHAM. Mr. President, I was not directly concerned in the reporting of the resolution, but I happen to know something about it because a very considerable number of factories in Connecticut are concerned in the manufacture of pins. Due to the very low prices of pins entering the domestic ports they are unable to get any protection for their products. The Senator will remember there have been more than two score similar resolutions requesting similar information.

Mr. ROBINSON of Arkansas. That is the feature of which I am impliedly complaining. It seems the policy of the Finance Committee is to report resolutions imposing on the Tariff Commission the obligation to investigate comparative costs of production whenever such a request is presented to it. What is the total value of the pins imported into the United States during a given year? The report does not give the information, but it does state that approximately $12,000 worth of hairpins, $5,000 worth of safety pins, and other pins valued at $172,000 were brought into the United States. I am wondering if the Finance Committee regards it as important to compel an investigation of this subject.

Mr. BINGHAM. I used no influence at all in the Finance Committee to have the resolution reported favorably. I merely asked them to consider it. They considered it in my absence and the resolution was ordered to be reported favorably.

Mr. ROBINSON of Arkansas. The resolution has already passed, but I may move a reconsideration of the vote by which it was passed.

LIEUT. MORRIS SMELLOW, UNITED STATES NAVY

The bill (S. 4381) authorizing the President to transfer and appoint Lieut. Morris Smellow, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant in the Supply Corps of the United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to transfer and appoint Lieut. Morris Smellow, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy, to rank next after Lieut. Edmund T. Stewart, jr., Supply Corps, and with Lieut. Charles H. Momm, of the line, as a running mate.

WALTER S. WEST

The bill (H. R. 1700) for the relief of Walter S. West was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged marines Walter S. West, who was a member of marine guard, U. S. S. *Marblehead*, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of the United States Marine Corps on the 14th day of January, 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

CLOTHING ALLOWANCE FOR ENLISTED MEN OF NAVY

The bill (H. R. 6735) to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the Secretary of the Navy may prescribe the money value of clothing, bedding, and outfits in kind which may be issued to enlisted men in their first enlistment in the Navy.

RUSSELL N. BOARDMAN AND JOHN L. POLANDO

The bill (H. R. 7939) to authorize the presentation of a distinguished-service medal to Russell N. Boardman and John L. Polando was considered.

Mr. REED. Mr. President, this is a bill of the same sort as one we considered here last week. It is perfectly obvious that the distinguished-service medal is an improper medal to give for such an exploit. The act creating it confines its award to those who served with the American Army or Navy between the declaration of war in 1917 and to some date in 1919. I therefore move an amendment, on page 1, line 4, to strike out "service medal" and insert "flying cross."

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). The amendment will be stated.

The CHIEF CLERK. On page 1, line 4, after the word "distinguished," the Senator from Pennsylvania moves to strike out the words "service medal" and insert in lieu thereof the words "flying cross," so as to make the bill read:

Be it enacted, etc., That the President is authorized to present, in the name of the Congress, a distinguished-flying cross to Russell N. Boardman, of Brookline, Mass., and John L. Polando, of Lynn, Mass., who achieved a 5,011.8-mile nonstop trans-Atlantic flight from the United States to Istanbul, Turkey.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando."

KIDNAPING IN THE DISTRICT OF COLUMBIA

Mr. PATTERSON. Mr. President, I ask unanimous consent to return to Calendar No. 906, the bill (S. 4694) to amend section 812 of the Code of Law for the District of Columbia, and for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

Mr. LA FOLLETTE. Mr. President, I withdraw my objection to the consideration of the bill, with the understanding that the Senator will accept an amendment, on page 2, line 5, after the word "determine," to strike out the semicolon and insert a period, as to strike out the remainder of the sentence in the words:

Except that in any such case the jury may add to their verdict, if it be "guilty," the words "with the death penalty," in which case the punishment shall be death by electrocution.

The PRESIDING OFFICER. Is there objection to recurring to the consideration of the bill?

Mr. BLAINE. Mr. President, this is a very important bill. I think the matter ought to be taken up according to the view of the Senate in connection with the bill which was reported out by the Judiciary Committee on the subject of kidnaping, and amendments proposed to carry out the policy which the Senate has already established in that respect. I do not believe we can amend the bill on the floor of the Senate.

Mr. PATTERSON. Mr. President——

Mr. BLAINE. I will withdraw my objection for the moment.

Mr. PATTERSON. Mr. President, the bill to which the Senator from Wisconsin has made reference has already been passed, signed by the President, and has become a law of the land. That bill had reference only to the kidnaping of a person and transportation of that person in interstate commerce. This bill affects only the District of Columbia. In the District of Columbia at the present time it is not a crime to kidnap a person over the age of 16 years unless the person is kidnaped to be carried out of the District. This bill corrects that defect in the law and makes it an offense to kidnap any person, and would fix the maximum penalty at life imprisonment. I am going to offer an amendment to the bill striking out the death penalty. I think that will obviate the objection of the Senator from Wisconsin.

Mr. BLAINE. Mr. President, I favor the general purposes of the bill, but this bill goes far beyond the policy set forth in the bill to which the Senator has referred as having been passed and signed by the President. That applied the rule to the whole of the United States. It seems to me that we should apply the same rule to the offense of kidnaping within the District of Columbia. I understand the other bill refers to interstate commerce and all that, but the terms of the bill, the language of the all-inclusive provisions, are entirely different from the other bill as it passed the Senate. May I suggest to the Senator from Missouri that I shall be very glad to take this matter up with him and see if an amendment can be agreed upon to carry out the policy set forth in the bill which the Senate has already approved.

Mr. PATTERSON. I am afraid that if the bill is passed over at this time the probabilities are it will not be passed by the Senate at the present session. If the Senator will give a little consideration to the language used, I believe that he can find no real objection to the language used in the bill. This bill was prepared, as I understand it, by the corporation counsel here in Washington.

Mr. BLAINE. Let me call the Senator's attention to the language on page 2, after the word "reward," where it says "or any other unlawful purpose." That is a very broad provision and would subject a person to very long imprisonment, possibly to the death penalty, even when the other unlawful purpose had nothing to do with kidnaping for the purpose of receiving a reward.

Mr. PATTERSON. It provides if he is kidnaped and held for ransom "or for any other unlawful purpose"; but if the Senator will note the language, the trial court has the discretion of fixing the punishment, and it could be fixed for as short a time as a day in jail.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. PATTERSON. I yield.

Mr. ROBINSON of Arkansas. The language "any other unlawful purpose" relates back to the kidnaping. It simply means that if one shall kidnap for the purpose of obtaining a ransom or for any other unlawful purpose, he shall be guilty and punished by imprisonment, and so forth. I do not see any objection to it.

Suppose, for the sake of illustration, a group of gangsters should kidnap a witness and confine or conceal him in order to prevent him from appearing and giving testimony in court. The offense would be the same as in the case of kidnaping him for a ransom. Certainly there ought to be protection to the citizen afforded against his seizure for that purpose and the concealment or confinement of him for any unlawful purpose.

Mr. PATTERSON. That was the purpose.

Mr. ROBINSON of Arkansas. I think that provision in the bill is right.

Mr. BLAINE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Wisconsin?

Mr. PATTERSON. I yield.

Mr. BLAINE. The Committee on the Judiciary very carefully considered language of a similar purport. Let me point out this situation: Assuming that there is a divorce proceeding pending and one of the parents has custody of the children, but that parent may face the possibility of having to surrender her or his own child, and should inveigle the child beyond the jurisdiction of the courts in the District of Columbia for the very purpose of preventing the taking of that child from the parent, that would be an unlawful purpose, and yet no one can conceive that Congress ought to pass a penal law providing punishment in such a case.

The PRESIDING OFFICER. The time of the Senator from Missouri [Mr. PATTERSON] has expired. The Senator from Wisconsin is recognized.

Mr. BLAINE. May I suggest to the Senator that I have no objection to the bill if the words "or for any other lawful purpose" shall be stricken out and the further amendment which has been suggested by my colleague shall be adopted?

Mr. PATTERSON. Rather than take the chance of having the legislation fail, Mr. President, I think I shall accept the proposition of the Senator from Wisconsin.

Mr. JOHNSON. Mr. President, I shall be forced to object for the moment to the consideration of the bill.

The PRESIDING OFFICER. The Senator from California objects to the consideration of the bill. The clerk will state the next bill on the calendar.

RUSSELL N. BOARDMAN AND JOHN L. POLANDO

Mr. BINGHAM. Mr. President, a few moments ago the Senate passed Order of Business 914, being House bill 7938, granting a medal to Russell N. Boardman and John L. Polando. In March the Senate passed a joint resolution granting medals to Wiley Post and Harold Gatty for their very remarkable flight around the world. The other House has seen fit to do nothing with that joint resolution, although the House has sent to us two or three other measures in the meantime granting medals for distinguished aviation achievements.

I therefore ask unanimous consent that we may recur to the bill to which I refer, in order that I may offer as an amendment to the bill the joint resolution which the Senate

passed in March, granting medals to Post and Gatty, so that that measure may be considered by the other House.

The PRESIDING OFFICER. The Senator from Connecticut asks unanimous consent to reconsider the votes by which the Senate passed House bill 7939 and by which the amendment thereto was ordered to be engrossed and the bill to be read a third time. Without objection, it is so ordered.

Mr. BINGHAM. I move that Senate Joint Resolution 33, which the Senate passed in March, be added as an amendment to the bill which is now before the Senate.

The PRESIDING OFFICER. The amendment proposed by the Senator from Connecticut will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert:

That the President is authorized to award, in the name of Congress, gold medals of appropriate design to Wiley Post, pilot, and Harold Gatty, navigator, in recognition of their achievement in making an airplane flight around the world in 8 days, 15 hours, and 50 minutes, thus not only eclipsing in time all previous world flights, but also by their intrepid courage, remarkable endurance, and matchless skill, materially advancing the science of aerial navigation.

SEC. 2. The Secretary of the Treasury shall cause duplicates in bronze of such medal to be coined and sold, under such regulations as he may prescribe, at a price to cover the cost thereof (including labor).

The PRESIDING OFFICER. The question is on the amendment submitted by the Senator from Connecticut.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando, and for other purposes."

Mr. REED. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. REED. Does the bill as passed include the amendment heretofore adopted?

The PRESIDING OFFICER. It does.

TREASURY AND POST OFFICE APPROPRIATIONS

The bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The bill will be passed over.

LEWIS A. M'DORMOTT

The bill (H. R. 3644) for the relief of Lewis A. McDormott was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Lewis A. McDormott, deceased, late of the United States Marine Corps, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States as a member of the United States Marine Corps on the 25th day of April, 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

DAVID ALBERT ROBESON

The bill (H. R. 2695) for the relief of David Albert Robeson was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to accept for enlistment in the Navy, without regard to physical or other qualifications, David Albert Robeson, formerly chief yeoman, United States Navy and United States Fleet Naval Reserve, in the rating held by him when last discharged and to transfer him immediately to the Fleet Naval Reserve in that rating: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

MINNIE HOPKINS

The bill (H. R. 3624) for the relief of Minnie Hopkins was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Minnie Hopkins, mother of Farris Carlton Hopkins, seaman first class, United States Navy, who was killed by an explosion on the U. S. S. *Mississippi* June 12, 1924, is hereby allowed an amount equal to six months' pay at the rate Farris Carlton Hopkins was receiving at the date of his death: *Provided*, That the said Minnie Hopkins establishes to the satisfaction of the Secretary of the Navy the fact that she was actually dependent upon her son, the late Farris Carlton Hopkins, at the time of his death.

SEC. 2. That the payment of the amount of money allowed and authorized to be paid to the said Minnie Hopkins is authorized to be made from the appropriation "Pay, subsistence, and transportation of Navy revenue."

ENTRY OF EXHIBITS OF ARTS, SCIENCES, ETC.

The bill (S. 4747) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all articles which shall be imported from foreign countries for the sole purpose of exhibition or display at a permanent exhibition or exhibitions and/or at a temporary exhibition or exhibitions of the arts, sciences, and industries, and products of the soil, mine, and sea, to be held at any time and from time to time by Rockefeller Center (Inc.), a corporation organized under the laws of the State of New York, and/or by its tenants or licensees in a building or buildings to be owned by Rockefeller Center (Inc.), and to be a part of and to be known as Rockefeller Center and to be located between Fifth and Sixth Avenues and Forty-eighth and Fifty-first Streets, in the borough of Manhattan, city and State of New York, upon which articles there shall be a tariff or customs duty, shall be admitted free of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful, at any time during or at the close of any exhibition held pursuant to this act, to sell for delivery at the close thereof any goods or property imported for and actually displayed at such exhibition, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when sold or withdrawn for consumption or used in the United States, shall be subject to the duty, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal and to the requirements of the tariff laws in effect at such date; and on such articles which shall have suffered diminution or deterioration from use, incidental handling, and exposure, the duty, if payable, shall be assessed according to the appraised value or condition at the time of withdrawal for consumption or use: *And provided further*, That Rockefeller Center (Inc.) shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that all necessary governmental expenses incurred as a result of exhibitions authorized under this act, including salaries of customs officials in charge of imported articles, shall be paid to the Treasury of the United States by Rockefeller Center (Inc.) under regulations to be prescribed by the Secretary of the Treasury: *And provided further*, That nothing in this act contained shall be construed as an invitation, expressed or implied, from the Government of the United States to any foreign government, State, municipality, corporation, partnership, or individual to import any articles for the purpose of exhibition at the said exhibitions.

FRANK WOODEY

The bill (H. R. 1804) for the relief of Frank Woodey was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to accept for reenlistment in the Navy Frank Woodey, 134-69-80, boilermaker, first class, and to immediately transfer him to the Fleet Naval Reserve in accordance with the laws existing at the time of his discharge from the naval service on the 10th day of February, 1922.

GUARDIANS FOR INCOMPETENT VETERANS

The Senate proceeded to consider the bill (S. 1308) to amend the Code of Law for the District of Columbia, approved March 3, 1901, as amended, by adding a new chapter relating to guardians for incompetent veterans, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment.

Mr. ROBINSON of Arkansas. Mr. President, I think this bill is of sufficient importance to call for an explanation.

Mr. AUSTIN. Mr. President, the purpose of the bill is to carry into the Code of the District of Columbia the uniform law which has been adopted in 34 States relating to the administration of the affairs of unfortunate veterans. It relates solely to the benefits to be received by disabled veterans or to minor children of disabled veterans and does away with the very bad practice in the District of Columbia of bringing these poor fellows before juries in order to estab-

lish their mental status. Now they have to go through the humiliating process of appearing in court; the veterans themselves appear there before the public, whereas such a law, of course, should be administered by a judge and not by a jury.

Mr. ROBINSON of Arkansas. I understand the bill has the unanimous approval of the committee and is favorably reported by the Administrator of Veterans' Affairs.

Mr. AUSTIN. Yes.

Mr. ROBINSON of Arkansas. I have no objection to its consideration.

Mr. BLAINE. I wish to make an inquiry of the Senator from Vermont as to the provision on page 10, lines 13 and 14, where I find this language:

That except as provided by section 1141 of this act (D. C. C., title 15, sec. 44) the probate court shall not have jurisdiction to appoint a guardian for a nonresident infant or incompetent veteran.

What are the exceptions in section 1141?

Mr. AUSTIN. That relates to ancillary guardianship, where guardians have already been appointed under the law of other States. It will be noted that this bill provides for hospitalization at the home of the veteran, and where there has been already an ancillary guardian appointed there, then this proposed law stands aside.

Mr. BLAINE. Mr. President, this bill or a similar bill was quite fully debated at a former session of the Congress; and, as I now understand, the exception contained in section 1141 merely refers to ancillary guardianships?

Mr. AUSTIN. That is correct.

Mr. BLAINE. And that the bill as it is now drafted meets the objections which were raised to the bill at the former session of Congress in providing that the court shall not have jurisdiction to appoint a guardian for a nonresident infant or an incompetent veteran except as to ancillary guardianship proceedings?

Mr. AUSTIN. I do not know what took place before the present session of Congress, not having read the RECORD; but I know that the latter part of the remarks of the Senator from Wisconsin is correct.

Mr. BLAINE. I think there is no objection now to the measure.

The PRESIDING OFFICER. The amendment reported by the committee will be stated.

The CHIEF CLERK. On page 10, line 16, after the word "veteran," it is proposed to insert:

Provided further, That the court costs to be allowed under this section shall be the same as now allowed under section 1111 of the Code of Law for the District of Columbia, pertaining to guardians of infants.

So as to make the bill read:

Be it enacted, etc., That the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, as amended, is hereby amended by adding after chapter 31 thereof the following new chapter:

"CHAPTER XXXI–A

"UNIFORM VETERANS' GUARDIANSHIP

"SEC. 1142a. The probate court shall have jurisdiction to appoint guardians for incompetent veterans, and for minor children of disabled or deceased veterans entitled to receive benefits from the Veterans' Administration, to supervise the estates thereof, and to commit veterans to institutions under the Veterans' Administration in accordance with the following provisions:

"(1) As used in this section—

"The term 'person' includes a partnership, corporation, or an association;

"The term 'administration' means the Veterans' Administration or its successors;

"The terms 'estate' and 'income' shall include only moneys received by the guardian from the administration and all earnings, interest, and profits derived therefrom;

"The term 'benefits' shall mean all moneys payable by the United States through the administration;

"The term 'administrator' means the Administrator of Veterans' Affairs, Veterans' Administration, or his successor.

"The term 'ward' means a beneficiary of the administration; and

"The term 'guardian,' as used herein, shall mean any person acting as a fiduciary for a ward.

"The term 'incompetent person' shall be one not previously adjudged insane by a court and who has been rated incompetent by the administration in accordance with law.

"(2) Whenever, pursuant to any law of the United States or regulation of the administration, the administrator requires, prior to payments of benefits, that a guardian be appointed for a ward, such appointment may be made in the manner hereinafter provided.

"(3) Except as hereinafter provided it shall be unlawful for any person to accept appointment as guardian of any ward if such proposed guardian shall at that time be acting as guardian for five wards. In any case, upon presentation of a petition by an attorney of the administration under this section alleging that a guardian is acting in a fiduciary capacity for more than five wards and requesting his discharge for that reason, the court, upon proof substantiating the petition, shall require a final accounting forthwith from such guardian and shall discharge such guardian in said case. The limitations of this section shall not apply where the guardian is a bank or trust company acting for the wards' estates only. An individual may be guardian of more than five wards if they are all members of the same family.

"(4) A petition for the appointment of a guardian may be filed in the probate court by any person who, under existing law, is entitled to priority of appointment. If there be no person so entitled, or if the person so entitled shall neglect or refuse to file such a petition within 30 days after mailing of notice by the administration to the last-known address of such person indicating the necessity for the same, a petition for such appointment may be filed in the probate court by any responsible person as next friend of such ward. The petition for appointment shall be entitled 'Petition for appointment of guardian under chapter 31–A of the Code of Law for the District of Columbia, approved March 3, 1901, as amended,' and shall set forth the name, residence, and date of birth of the minor or incompetent person, the names and addresses of the parents, and if a minor orphan, the names of the deceased parents with the date of death, the names and places of residence of the nearest relative or relatives, the relationship, if any, of the petitioner, and the right in which the application is made. Said petition shall also set forth that such ward is entitled to receive moneys payable by or through the administration, and shall state the amount of moneys then due and the amount of probable future payments, as well as the estimated value of any other property to which said ward is entitled, the character thereof, and where situated, and, if real estate, the value and annual rental thereof. In the case of a mentally incompetent ward the petition shall show that such ward has been rated incompetent on examination by the administration in accordance with the laws and regulations governing the administration.

"(5) Where a petition is filed for the appointment of a guardian of a minor ward a certificate of the administrator, or his representative, setting forth the age of such minor, as shown by the records of the administration, and the fact that the appointment of a guardian is a condition precedent to the payment of any moneys due the minor by the administration, shall be prima facie evidence of the necessity for such appointment.

"(6) Where a petition is filed for the appointment of a guardian of a mentally incompetent ward a certificate of the administrator, or his representative, setting forth the fact that such person has been rated incompetent by the administration on examination in accordance with the laws and regulations governing such administration, and that the appointment of a guardian is a condition precedent to the payment of any moneys due such person by the administration, shall be prima facie evidence of the necessity for such appointment.

"(7) Upon the filing of a petition for the appointment of a guardian under the provisions of this section, the court shall cause such notice to be given as provided by sections 102 and 104 of this act (D. C. C., title 24, secs. 375 and 377), in the case of a minor, or an incompetent person, respectively.

"(8) Before making an appointment under the provisions of this section, the court shall be satisfied that the guardian whose appointment is sought is a fit and proper person to be appointed. Upon the appointment being made the guardian shall execute and file an undertaking to be approved by the court in an amount not less than the sum then due and estimated to become payable during the ensuing year. The said undertaking shall be in the form and be conditioned as required of guardians appointed under chapter 31 of this act (D. C. C., title 15, ch. 3). The court shall have power from time to time to require the guardian to file an additional undertaking.

"(9) Every guardian who shall receive on account of his ward any moneys from the administration shall file with the court annually, on the anniversary date of the appointment, in addition to such other accounts as may be required by the court, a full, true, and accurate account under oath of all moneys so received by him, of all disbursements thereof, and showing the balance thereof in his hands at the date of such account and how invested. A certified copy of each of such accounts filed with the court shall be sent by the guardian to the office of the administration. The court shall follow the same procedure as to examination, notice, and approval of said accounts as pertains to other guardianship cases under its jurisdiction.

"(10) If any guardian shall fail to file any account of the moneys received by him from the administration on account of his ward within 30 days after such account is required by either the court or the administration, or shall fail to furnish the administration a copy of his accounts as required by this section, such failure shall be grounds for removal.

"(11) Compensation payable to guardians shall not exceed 5 per cent of the income of the ward during any year. In the event

of extraordinary services rendered by such guardian the court may authorize additional compensation therefor payable from the estate of the ward. No compensation shall be allowed on the corpus of an estate received from a preceding guardian. The guardian may be allowed from the estate of his ward reasonable premiums paid by him to any corporate surety upon his undertaking.

"(12) Every guardian shall invest the funds of the estate in such manner or in such securities, in which the guardian has no interest, as allowed by law and approved by the court.

"(13) A guardian shall not apply any portion of the estate of his ward for the support and maintenance of any person other than his ward, except upon order of the court.

"(14) Whenever a copy of any public record is required by the administration to be used in determining the eligibility of any person to participate in benefits made available by such administration, the official charged with the custody of such public record shall, without charge, provide the applicant for such benefits or any person acting on his behalf or the representative of such administration with a certified copy of such record.

"(15) Whenever it appears that an incompetent veteran of any war, military occupation, or expedition is eligible for hospitalization in an institution under the administration, and commitment to such institution is necessary for the proper care and treatment of such veteran, the court is hereby authorized to communicate with the administration with reference to available facilities and eligibility, and upon receipt of a certificate from the administration that there is a bed available in such institution and that the veteran is entitled to hospitalization, the court may then direct such veteran's commitment to such institution. Thereafter, such veteran, upon admission, shall be subject to the rules and regulations of such institution, and the chief officer of such institution shall be vested with the same powers as may be vested by law in the superintendent of St. Elizabeths Hospital with reference to the retention of custody, parole, or discharge of the veteran so committed. Notice of such pending proceedings shall be furnished the person to be committed, and his right to appear and defend shall not be denied.

"(16) When a minor ward for whom a guardian has been appointed shall have attained his majority and has not been found incompetent, and when any incompetent ward has been rated competent by the administration, a certificate of the administrator, or his duly authorized representative, to that effect shall be prima facie evidence that a guardian is no longer required; and the court, upon the guardian filing a satisfactory final account, may discharge such guardian upon a petition filed for that purpose. Nothing herein contained shall be construed to prevent the ward from filing a petition for the discharge of his guardian on the ground that the ward has attained majority or is competent, or the court from acting on its own motion in such cases. If, after the probate court has taken jurisdiction of the administration of the estate of an incompetent ward, such ward should by proceedings in the equity branch be adjudicated to be of unsound mind, the case, on proper order of the probate court, shall be transferred to the equity court for administration therein in accordance with the provision and rules pertaining to the administration of estates of persons non compos mentis, so far as not inconsistent with this section. Upon the death of any minor or incompetent ward, the guardian shall forthwith file his final account, and after the approval by the court thereof shall deliver the balance as set forth in said account to the proper legal representative of the deceased ward.

"(17) This section shall be construed liberally to secure the beneficial intents and purposes thereof and shall apply to beneficiaries of the administration and their committees and guardians, including committees and guardians appointed prior to the enactment of this section: *Provided*, That except as provided by section 1141 of this act (D. C. C., title 15, sec. 44) the probate court shall not have jurisdiction to appoint a guardian for a nonresident infant or incompetent veteran: *Provided further*, That the court costs to be allowed under this section shall be the same as now allowed under section 1111 of the Code of Law for the District of Columbia pertaining to guardians of infants.

"(18) The invalidity of any portion of this section shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

"(19) All laws or parts of laws inconsistent with this section are hereby modified so far as concerns administration beneficiaries."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ACT TO INCORPORATE NATIONAL TRADE-UNIONS

The Senate proceeded to consider the bill (S. 4661) to repeal an act entitled "An act to legalize the incorporation of national trade-unions," approved June 29, 1886, which had been reported from the Committee on the District of Columbia, with an amendment, in line 4, after the word "of," to strike out "national trades-unions" and insert "National Trades Unions," so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to legalize the incorporation of National Trades Unions," approved June 29, 1886, be, and the same hereby is, repealed.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Vermont or the Senator from Texas, who I see is the author of the measure, explain it?

Mr. AUSTIN. Mr. President, the law which this bill is intended to repeal has been on the statute books for many years and has been taken advantage of in a manner which was not intended by the law. No actual benefit from this law has accrued to the trades-unions, but, on the contrary, some fraudulent insurance companies, which were never intended to be authorized by this law, have sprung up like mushrooms over the country in places outside the definite jurisdiction of the law, which is the District of Columbia. There has grown up a practice of incorporating under Federal statute which was never intended should take place under the law. It is apparently doing no good, but is doing much harm. The effect of the bill is to repeal the existing law and thus prevent the practices which have taken place under it.

Mr. ROBINSON of Arkansas. What was the original act legalizing the incorporation of trades-unions intended to accomplish?

Mr. AUSTIN. My understanding is that it was passed in an endeavor to enable men and women in the trades to form unions and corporations for the purpose of conducting their business jointly and as units to be recognized by the Federal Government; but that has not taken place. No trade-union, I understand, has ever incorporated under this law, but, on the contrary, private corporations undertaking to do business under Federal statute have sprung up. I trust the Senator from Texas will give a further explanation of the bill, if it requires further explanation.

Mr. SHEPPARD. Mr. President, I will say to the Senator from Arkansas that the existing law was a dead letter until fraudulent companies referred to by the Senator from Vermont took advantage of it.

Mr. ROBINSON of Arkansas. Very well; I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to repeal an act entitled 'An act to legalize the incorporation of national trades-unions,' approved June 29, 1886."

LANDS AROUND BOWDOIN WELL, MONTANA

The bill (H. R. 9369) to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a permit to Phillips County Post, No. 57, of the American Legion, Department of Montana, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the southwest quarter southeast quarter and the east half southeast quarter southwest quarter of section 35, township 32 north, range 32 east, Montana principal meridian, comprising 60 acres, are hereby withdrawn from all forms of entry and dedicated to the purpose of securing the proper use of the warm waters flowing from the abandoned Bowdoin well, and to other properly related uses.

SEC. 2. The Secretary of the Interior is hereby authorized to lease the said tract of land to Phillips County Post, No. 57, of the American Legion, Department of Montana, for a term of 25 years, subject to the express condition that said post shall use, without the privilege of underleasing or/and subleasing, such premises under such terms as may be prescribed by the Secretary of the Interior, and that all rates for the use of said premises and its appurtenances shall be fair and reasonable and approved by him.

SEC. 3. The Secretary of the Interior is hereby authorized to make such rules and regulations as are necessary to carry out the purposes of this act.

HARRY MANNING LEE

The bill (H. R. 5595) for the relief of Harry Manning Lee, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors, Harry Manning Lee, who served as a private, United States Marine Corps, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States

on September 5, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

SILVER SERVICE OF U. S. S. "MONTGOMERY"

The bill (H. R. 6444) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts the silver service presented to the United States for the U. S. S. *Montgomery* was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts, for preservation and exhibition, the silver service which was presented to the United States for the U. S. S. *Montgomery* by the citizens of that State: *Provided*, That no expense shall be incurred by the United States for the delivery of such silver service: *Provided further*, That said silver service shall be subject to recall when in the opinion of the Secretary of the Navy it may be of service to the Navy.

EMPLOYMENT OF AVIATION PILOTS IN TACTICAL UNITS

The bill (H. R. 6599) to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraph 8 of section 3 of the act of June 24, 1926 (44 Stat. L. 767; U. S. C., Supp. V., title 34, sec. 735), entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," is hereby amended to read as follows: "On and after July 1, 1932, and in time of peace, not less than 20 per cent of the total number of pilots employed in aviation tactical units of the Navy and Marine Corps shall be enlisted men, except when the Secretary of the Navy shall determine that it is impracticable to secure that number of enlisted pilots."

FLORENCE NORTHCOTT HANNAS

The bill (H. R. 6860) for the relief of Florence Northcott Hannas was announced as next in order.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona desire to speak to this bill?

Mr. ASHURST. Yes. I do not object to the bill, but with reference to it and all other claims bills on the calendar when they are reached I wish the Secretary would be so kind as to indicate the amount of money proposed to be appropriated in each case. I think the RECORD should show just how much money is authorized.

The PRESIDING OFFICER. The clerk will read the bill.

The bill was read, and the Senate proceeded to its consideration.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Florence Northcott Hannas, mother of Walter William Northcott, late of the United States Navy, shall be regarded as the duly designated beneficiary and dependent of the late Walter William Northcott, under the act approved June 4, 1920 (41 Stat. 824; U. S. C., title 34, sec. 943).

BILL PASSED OVER

The bill (H. R. 11638) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes, was announced as next in order.

Mr. COOLIDGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN HEFFRON

The bill (H. R. 922) for the relief of John Heffron was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy John Heffron shall be held and considered to have served honorably as a cook (first class), United States Navy, for more than 90 days during the war with Spain: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of this act prior to its passage.

LIEUT. M. A. SPRENGEL

The bill (H. R. 6334) for the relief of Lieut. M. A. Sprengel was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to credit the accounts of Lieut. M. A. Sprengel, Supply Corps, United States Navy, in the amount of $17.36, which amount represents payments made to Lieut. C. T. Simard, United States Navy, for mileage performed under orders of the Bureau of Navigation of the Navy Department dated May 21, 1927.

GEORGE W. STEELE, JR.

The bill (H. R. 6336) for the relief of George W. Steele, jr., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of George W. Steele, jr., captain, United States Navy, in the sum of $1,674, representing payments made by him to five officers of the Navy in accordance with orders of the Navy Department, which payments were disallowed by the Comptroller General.

CAPT. CHESTER G. MAYO

The Senate proceeded to consider the bill (H. R. 6337) for the relief of Capt. Chester G. Mayo, which had been reported from the Committee on Naval Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation "Contingent, Navy, 1932," to Capt. Chester G. Mayo, Supply Corps, United States Navy, the sum of $115, this sum being the amount paid by the said Captain Mayo on account of floral wreaths purchased in connection with the funerals of the late Congressmen Lemuel P. Padgett, Daniel J. Riordan, and James R. Mann, and disallowed by the General Accounting Office, and which sum the said Captain Mayo has paid into the Treasury of the United States for the purpose of clearing his accounts of the disallowances.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RELIEF OF CERTAIN UNITED STATES NAVAL OFFICERS

The bill (H. R. 1383) for the relief of certain United States naval officers was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in construing the laws governing travel and travel allowances of naval personnel the travel performed by Ensigns R. E. Van Meter, F. M. Adamson, S. C. Anderson, G. H. Deiter, Paul Foley, jr., H. J. Hiemenz, C. V. Ricketts, C. E. Weakley, M. B. Wyatt, and F. R. Duborg; Midshipmen P. L. deVos, P. C. Evans, W. C. Ennis, D. W. Gladney, J. H. Hean, and H. M. Heiser, incident to their appearance December 7, 1929, before the State Committees of Selection for Rhodes Scholarships, under orders of the Navy Department, shall be held and considered to have been performed on public business and the Secretary of the Navy is hereby authorized and directed to pay them travel allowances therefor from the current appropriation, "Pay, subsistence, and transportation, Navy."

FIVE CIVILIZED TRIBES IN OKLAHOMA

The Senate proceeded to consider the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma, which had been reported from the Committee on Indian Affairs with amendments. The first amendment was, in section 1, page 1, line 5, after the word "to," to strike out "members" and insert "and only so long as belonging to Indians"; in line 6, after the word "tribes," to strike out "of Indians" and insert "in Oklahoma"; and on page 2, line 17, to insert the following proviso:

And provided further, That the provisions of this act shall not be construed to alter or interfere with the rights of plaintiffs having suits on file for the recovery of funds in the hands and under the supervision of the Secretary of the Interior: *And provided further*, That the Secretary of the Interior, under such rules and regulations as he may prescribe, is hereby authorized and empowered to approve trust agreements relating to restricted funds or other restricted property, and in the event any such trust agreement is annulled, canceled, set aside, or held to be void, the principal, together with all interest due, shall revert to the control and supervision of the Secretary of the Interior.

So as to make the section read:

That all funds and other securities now held by or which may hereafter come under the supervision of the Secretary of the Interior, belonging to and only so long as belonging to Indians of the Five Civilized Tribes in Oklahoma of one-half or more Indian blood, enrolled or unenrolled, are hereby declared to be restricted and shall remain subject to the jurisdiction of said Secretary until April 26, 1956, subject to expenditure in the meantime for the use and benefit of the individual Indians to whom such funds and securities belong, under such rules and regulations as said Secretary may prescribe: *Provided*, That where the entire interest in any tract of restricted and tax-exempt land belonging to members of the Five Civilized Tribes is acquired by inheritance, devise, gift, or purchase, with restricted funds, by or for restricted Indians, such lands shall remain restricted and tax-exempt during the life of and as long as held by such restricted Indians, but not longer than April 26, 1956, unless the restrictions are removed in the meantime in the manner provided by law: *Provided further*, That such restricted and tax-exempt land held by anyone, acquired as herein provided, shall not exceed 160 acres: *And provided further*, That all minerals including oil and gas, produced from said land so acquired shall be subject to all State and Federal taxes as provided in section 3 of the act approved May 10, 1928 (45 Stat. L. 495): *And provided further*, That the provisions of this act shall not be construed to alter or interfere with the rights of plaintiffs having suits on file for the recovery of funds in the hands and under the supervision of the Secretary of the Interior: *And provided further*, That the Secretary of the Interior, under such rules and regulations as he may prescribe, is hereby authorized and empowered to approve trust agreements relating to restricted funds or other restricted property, and in the event any such trust agreement is annulled, canceled, set aside, or held to be void, the principal together with all interest due shall revert to the control and supervision of the Secretary of the Interior.

Mr. REED. Mr. President, may I inquire of the Senator from Oklahoma, if the policy of the bill is a wise one, whether it is right to make that exception for cases in which suits have already been brought? Would it not be wiser to make it apply to all Indian claims within the general class?

Mr. THOMAS of Oklahoma. This bill applies only to members of the Five Civilized Tribes, and that exception means nothing. If the litigants have any rights, when their suits are filed their rights attach. This is only to clarify the law, to avoid any misapprehension. I hold that this amendment means nothing; but it does state that if they have suits on file, this bill shall not be construed as interfering or attempting to interfere with the rights under those suits.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 14, after the word "Oklahoma," to insert "in June of 1914," so as to make the section read:

SEC. 2. That it shall be the duty of the attorneys provided for under the act of May 27, 1908 (35 Stat. L. 312), to appear and represent any restricted member of the Five Civilized Tribes before the county courts of any county in the State of Oklahoma, or before any appellate court thereof, in any matter in which said restricted Indians may have an interest, and no conveyance of any interest in land of any full-blooded Indian heir shall be valid unless approved in open court after notice in accordance with the rules of procedure in probate matters adopted by the Supreme Court of Oklahoma in June of 1914; and said attorneys shall have the right to appeal from the decision of any county court approving the sale of any interest in land, to the district court of the district to which the county is a part.

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

AIR TRANSPORT OVERSEAS SERVICES

The bill (H. R. 8681) to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship was announced as next in order.

Mr. BRATTON. Let that go over.

Mr. ROBINSON of Arkansas. Mr. President, this is an important bill, and it is noted that the Senate committee has reported a large number of amendments. I think the bill should be given consideration; at least, the Senator reporting it should submit an explanation.

Mr. BRATTON. Let it go over, Mr. President.

Mr. McNARY. Mr. President, will the Senator from New Mexico please withhold that objection a moment?

The PRESIDING OFFICER. Does the Senator from New Mexico withhold his objection?

Mr. BRATTON. I withhold it.

Mr. McNARY. I appreciate that it is very important legislation. The bill has passed the House, and in view of the objection, of course, I must yield; but I should like to fix the parliamentary situation.

Order of Business 709 is a Senate bill, S. 4262. I think it would be well to have that bill indefinitely postponed, so that there will be only one bill on the subject appearing on the calendar, so that when we reach the matter next time we will have before us the House bill as amended.

The PRESIDING OFFICER. The Senator from Oregon asks unanimous consent that Order of Business No. 709, Senate bill 4262, be indefinitely postponed?

Mr. McNARY. Yes. When we reached this bill on the call on Saturday objection was made to the Senate bill because of the parliamentary situation. If it goes over, I want at least to have that situation cleared up, so that we may have just the House bill as amended on the calendar; and I ask for that order.

The PRESIDING OFFICER. Without objection, the order will be made.

Mr. BINGHAM. Mr. President, would the Senator be willing to debate this bill for a few minutes? May I say to him that this is the one bill that is needed to enable us to proceed with the construction of commercial rigid dirigibles.

At the present time Germany is conducting a regular mail service with the *Graf Zeppelin* between Germany and Buenos Aires. Three or four round trips have already been made this year. There is no way in which we can proceed with the construction of commercial rigid dirigibles in this country unless we can be sure of securing a proper mail contract.

The Senator will notice that the allowance depends on the amount of mail that can be carried, the maximum allowance being for ships capable of carrying 10,000 pounds of mail. If this bill, or one very similar to it, can be passed, then we can at once proceed to the construction of one or more rigid dirigibles at Akron, in the sheds where the *Akron* itself was built, and we can begin consideration of sending mail by airship across the Pacific, which will cut down the time by more than 60 per cent.

If we do not pass something of this kind, there is no inducement whatever for anyone to run the risk of constructing a large rigid dirigible of that type for commercial uses.

Does the Senator's objection relate to the form in which the bill is?

Mr. BRATTON. Mr. President, the bill authorizes the Postmaster General to enter into contracts for the transportation of mail by airships or other aircraft in foreign countries. I do not think we should undertake such a thing at this time, at least without further consideration; and I shall be obliged to insist upon my objection.

Mr. FLETCHER. Mr. President, I understood the Senator from New Mexico to say that this bill applied to planes operating in foreign countries. It does not mean that. It means planes operating in foreign commerce—that is, between this country and other countries in foreign trade.

I will say to the Senator that the bill has been amended in the Senate so as to take care of both lighter-than-air and heavier-than-air craft. It takes care of all aircraft engaged in foreign commerce. It has been, I think, minutely canvassed and examined by those interested in heavier-than-air craft as well as lighter-than-air craft, and it is satisfactory to both.

I think the bill is a very important one. I hope the Senator will eventually conclude to allow it to pass. It does not apply to operations in foreign countries at all. It applies to operations between the United States and any other country.

The PRESIDING OFFICER. The Senator from New Mexico maintains his objection, and the bill will be passed over.

MILDRED B. CRAWFORD

The bill (H. R. 996) for the relief of Mildred B. Crawford was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mildred B. Crawford the sum of $2,500 in full settlement of all claims against the Government of the United States for injuries which she sustained December 4, 1924, by the revolving door (which had been condemned) at the front entrance of the post office at Staunton, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum of not exceeding $1,000.

LIEUT. COL. H. H. KIPP, UNITED STATES MARINE CORPS, RETIRED

The bill (H. R. 4264) for the relief of Lieut. Col. H. H. Kipp, United States Marine Corps, retired, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieut. Col. H. H. Kipp, United States Marine Corps, retired, the sum of $243.19. Such sum represents the amount deducted from the pay of Lieutenant Colonel Kipp for expenses incurred by the United States in transporting his wife and daughter from Mare Island, Calif., to Boston, Mass., less the cost of transportation of such dependents from the District of Columbia to Boston, Mass.

EDNA M. GILSON

The bill (H. R. 1126) for the relief of Edna M. Gilson was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the accounts of Edna M. Gilson, postmaster at Steubenville, Ohio, in the sum of $1,389.80, due the United States on account of the loss of postal funds resulting from larceny and embezzlement.

D. M. LEYPOLDT CO.

The bill (H. R. 8306) for the relief of D. M. Leypoldt Co. was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of D. M. Leypoldt Co. for certain oats delivered to Fort Crook and Fort Robinson, Nebr., and to allow in full and final settlement of the said claim a sum of not to exceed $966.39. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $966.39, or so much thereof as may be necessary, for payment of the claim.

A. L. MARSHALL

The bill (H. R. 6003) for the relief of A. L. Marshall was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to A. L. Marshall, of Ruleville, Miss., which said sum was paid by him on May 12, 1930, to the United States marshal, and which sum was covered into the United States Treasury on June 26, 1930, by reason of the forfeiture of the appearance bond of Ben Davis, alias Jack Avent, charged with the violation of the national prohibition act, on which appearance bond the said A. L. Marshall was a surety, and the said A. L. Marshall having subsequently, on the 9th day of February, 1931, brought the said Ben Davis, alias Jack Avent, into open court, whereupon, he, the said Ben Davis, alias Jack Avent, entered a plea of guilty and was sentenced to serve a term of six months in the jail of Coahoma County, Miss., by the Delta Division of the Northern District of the United States District Court of the State of Mississippi.

GROVER CLEVELAND BALLARD

The bill (H. R. 5971) for the relief of Grover Cleveland Ballard was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $246.75 to reimburse Grover Cleveland Ballard, an ex-service man of the World War, for money expended for medical and surgical service in reamputating his leg, which was shot off below the knee during the World War.

ROSAMOND B. M'MANUS

The bill (H. R. 4059) for the relief of Rosamond B. McManus was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rosamond B. McManus the sum of $5,000 in full settlement for all claims against the Government for the death of her husband, Howard McManus, who was killed by a Department of Commerce airplane on September 17, 1930, at Dixon, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

FIRST NATIONAL BANK OF BRENHAM, TEX.

The bill (H. R. 3725) for the relief of the First National Bank of Brenham, Tex., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem five 4¼'s United States third Liberty bonds Nos. 1163002, 1163003, 1163004, 1163005, and 1163006 of the denomination of $1,000 each, payable to bearer, and all unpaid interest due upon coupons on each of them, in favor of the First National Bank of Brenham, Tex., without presentation of said bonds or the coupons, which have been lost, stolen, or destroyed: *Provided*, That the said bonds shall not have been previously presented for payment and that no payment shall be made hereunder for the coupons if they shall have been previously presented and paid: *Provided further*, That the said, the First National Bank of Brenham, Tex., shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal and interest of said bonds, and the interest payable thereon, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the lost, stolen, or destroyed bonds or coupons herein described.

FARMERS STATE BANK OF GEORGETOWN, TEX.

The bill (H. R. 3726) for the relief of the Farmers State Bank of Georgetown, Tex., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem two 4¼'s United States third Liberty bonds, Nos. 4529791 and 4529792, of the denomination of $100 each, payable to bearer, and all unpaid interest due upon coupons on each of them from and after March 15, 1922, in favor of the Farmers State Bank of Georgetown, Tex., without presentation of said bonds or the coupons, which have been lost, stolen, or destroyed: *Provided*, That the said bonds shall not have been previously presented for payment and that no payment shall be made hereunder for the coupons if they shall have been previously presented and paid: *Provided further*, That the said Farmers State Bank of Georgetown, Tex., shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal and interest of said bonds, and the interest payable thereon, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the lost, stolen, or destroyed bonds and coupons herein described.

MRS. JOHNNIE SCHLEY GATEWOOD

The Senate proceeded to consider the bill (H. R. 5059) for the relief of Mrs. Johnnie Schley Gatewood, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Mrs. Johnnie Schley Gatewood, of Columbus, Ga., out of any money in the Treasury not otherwise appropriated, the sum of $3,000. Such sum shall be in full settlement of all claims against the United States on account of personal injuries sustained by the said Mrs. Gatewood on the 25th day of April, 1928, at Fort Benning, Ga.: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents,

attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. REED. Mr. President, may we have an explanation of this bill?

Mr. GEORGE. Mr. President, this is a House bill. Mrs. Gatewood was, with a large number of people, invited out to a firing exhibition at Fort Benning. A special grandstand was constructed, and Mrs. Gatewood was placed in this grandstand by the officers in charge.

In the demonstration a shell was exploded very near the grandstand. A piece of the shell, in the shape of a bottle neck, struck Mrs. Gatewood on the right side of the face and resulted in a compound fracture of the jaw; and she has suffered a very severe physical injury.

Mrs. Gatewood was a lady of very fine health prior to this accident and injury. Since that time she has lost a great deal of weight and has continued to suffer from this wound for a number of months.

Mr. REED. Mr. President, very naturally we feel sympathy for the lady who was hurt; but on reading the report over hastily I see that she was warned in the invitation that live ammunition would be used, and battle scenes of the World War would be renacted in a realistic manner, and all that, so she came with perfect knowledge of what was going to be done.

I am not so much concerned about her case as with regard to the general principle of our liability to all of the spectators who come to these different ordnance exhibitions. Up at Aberdeen each year the Ordnance Association give what they call an ordnance show, and thousands of guests come there. It does not seem to me that it is quite fair for the Government to be put in the position of insuring the safety of people who come to witness the explosion of dangerous projectiles. I am wondering whether it is a sound policy. I have no doubt at all about the merits of this particular case.

Mr. GEORGE. There is no doubt of the injury in this case, I will say to the Senator; and at Fort Benning the officers who had charge of the post have followed uniformly the practice of inviting the public. It is true that the statement was made in this case that live ammunition would be used; but the public is invited, and there is a particular purpose in that, because when live ammunition is being used it is very well for the officers in charge of the post to know where all of the people are congregated rather than to have people scattered about at various points of vantage so that they may view the firing. For that reason they constructed this grand stand, and this lady complied with all the rules and restrictions and placed herself in the grand stand. I think that in this particular instance the explosion of the shell probably was not intentional at the time and place where the explosion occurred. Perhaps there was some negligent handling of it.

Mr. REED. The War Department report says that there was no negligence on the part of the troops who were giving the display.

Mr. GEORGE. Yes, that is true; but this particular explosion did take place very close to the grand stand.

Mr. REED. Up here in Aberdeen, as I say, they have demonstrations of every sort of weapon that we use—airplanes dropping bombs containing a whole ton of T. N. T., antiaircraft firing, firing with guns up to 14 inches, and so forth. Ought we, in fairness, to insure the safety of the thousands of visitors who come to see that display? I doubt very much whether it is wise policy.

Mr. GEORGE. I hope the Senator will not object in this particular case, although the policy is a questionable one; and yet the War Department, of course, is anxious to have people see these firing exhibitions.

Mr. REED. That is true.

Mr. GEORGE. In the case of Benning Field, at Columbus, I am quite satisfied that many injuries are prevented by the regulations which are in force when live ammunition is being used in one of these exhibitions.

Mr. REED. Of course, if we let this bill go through we shall have to let all others of a similar sort go through.

Mr. GEORGE. I do not know of any bill of the same kind heretofore considered; but the bill was rather carefully considered in the House.

Mr. REED. The amount allowed to this lady seems to be entirely moderate. I have no criticism to offer of that.

Mr. GEORGE. The amount is moderate.

Mr. REED. Under the circumstances, I will not object.

Mr. GEORGE. I thank the Senator.

The bill was ordered to a third reading, read the third time, and passed.

ALEX BREMER

The bill (H. R. 7411) for the relief of Alex Bremer was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $700 to Alex Bremer in full settlement of all claims which the said Alex Bremer has against the Government of the United States, under the terms of sale agreement dated June 30, 1919, being the price agreed to be paid by the Government for 35 acres of land at the price of $20 per acre.

JAMES E. FRASER

The bill (H. R. 1260) for the relief of James E. Fraser was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, it appears that Congress authorized an appropriation of $35,000 for the erection of a suitable memorial to John Ericsson, and that American citizens of Scandinavian descent contributed Liberty bonds of the face value of $25,000, making the total sum available for the construction of the memorial approximately $60,000, and that the architect or sculptor exceeded the amount authorized, and that this claim is to reimburse him for his services.

I think there should be a justification for this bill before the Senate passes it. Necessarily, there must be a limitation imposed in such cases. Thirty-five thousand dollars was a liberal authorization, and particularly is that true in view of the fact that gifts by Scandinavian citizens swelled that amount to $60,000. Unless some one is prepared to justify this bill, I shall have to ask that it go over.

Mr. WHITE. Mr. President, the member of the committee who reported the bill is not on the floor, but I know generally the situation.

The Senator from Arkansas has stated correctly that there was an original appropriation by Congress, and that that appropriation was to be supplemented by donations by various Scandinavian societies. Before the work was well under way the sculptor encountered long and expensive delays arising from acts of the Government itself. In the first place, I remember that there was a change required in the location of the statue, because, I think, of the erection of the Key Bridge here, and there was a long delay incident to the location of the new site of the statue.

Then, as incident to that long delay, there were very substantial expenses incurred in additional labor costs. Then at some later stage of the proceedings the material out of which the statue was to be made was changed, under the approval of the Fine Arts Commission, and instead of a cheaper material—I am not sure what it was—granite was to be substituted, and that added very substantially to the cost.

Mr. ROBINSON of Arkansas. Tennessee marble was originally provided, and the change was made at the suggestion of the sculptor himself.

Mr. WHITE. I think the Senator is right in that, but it was with the approval of the Fine Arts Commission. I think all of the items making up this additional expense are chargeable to the Fine Arts Commission, either in originally changing or approving changes, or to other acts of the Government, which resulted in delays.

I may say that this man is one of the outstanding sculptors of the United States, and I think the work he has produced, which is now in place down near the Key Bridge, is

one of the finest things of its character in the entire world. As one member of the committee, who had no special interest in the claim but who listened to the discussion in the committee, I was fully persuaded that the sculptor ought to be paid this amount.

Mr. ROBINSON of Arkansas. What is the advantage of imposing a limitation in a statute if those who are charged with the execution of the statute are at liberty to exceed the limitation to any amount that pleases them?

Mr. WHITE. The Senator has put his finger on the weakness in this case.

Mr. ROBINSON of Arkansas. May I add that there has already been expended $60,000 for this memorial, and now, in a time when we are increasing taxation and looking for new sources of revenue and talking about feeding hungry people, we are asked to recognize a claim that grew out of an express disregard of a limitation imposed by the Congress. If we are to do that, I do not know what we may not be expected to do.

Mr. WHITE. I can understand perfectly how the Senator feels about it; but the real question is whether the loss is to fall on this individual, who did the work according to specifications and under the approval of the Fine Arts Commission, whether he is to bear that burden or whether the Government is to meet these expenses in connection with an approved project.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. ROBINSON of Arkansas. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

HARRISON SIMPSON

The Senate proceeded to consider the bill (H. R. 1903) for the relief of Harrison Simpson, which was ordered to a third reading, read the third time, and passed.

ESTATE OF SAMUEL SCHWARTZ

The Senate proceeded to consider the bill (H. R. 2514) for the relief of the estate of Samuel Schwartz, which was ordered to a third reading, read the third time, and passed.

W. A. BLANKENSHIP

The Senate proceeded to consider the bill (H. R. 4071) for the relief of W. A. Blankenship, which was ordered to a third reading, read the third time, and passed.

ESTATE OF JACOB D. HANSON

The Senate proceeded to consider the bill (H. R. 7449) for the relief of Jacob D. Hanson, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "heirs" and insert in lieu thereof "estate," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Jacob D. Hanson, the sum of $5,000 for all damages and in full settlement of all claims against the Government for injuries suffered by reason of the said Jacob D. Hanson's being shot and fatally injured, without cause or justification, while traveling on a highway near Niagara Falls, N. Y., on the night of the 5th of May, 1928, by two members of the United States Coast Guard, the said members being then and there on duty as coast guardsmen and acting as such: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read "For the relief of the estate of Jacob D. Hanson."

GENEVIEVE M. HEBERLE

The Senate proceeded to consider the bill (H. R. 4230) for the relief of Genevieve M. Heberle, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$2,000" and insert in lieu thereof "$1,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Genevieve M. Heberle the sum of $1,000 in full settlement for personal injuries sustained when she was struck and seriously injured by an automobile truck of the United States Postal Service in the city of St. Paul, Minn., on July 3, 1923: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

STEAMSHIP "W. I. RADCLIFFE"

The Senate proceeded to consider the bill (S. 4591) to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of Congress (H. R. 11698) approved March 2, 1929 (Private, No. 480, 70th Cong.), entitled "An act conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes," be, and the same hereby is, amended by deleting therefrom the words "Wynstay Steamship Co. (Ltd.), a British corporation, owner," and substituting in the place and stead thereof the words "Wynnstay Steamship Co., Limited, and W. I. Radcliffe Steamship Co., Limited, British corporations, owners," and that said act be further amended by deleting therefrom wherever they may appear the words "Wynstay Steamship Co. (Ltd.)" and substituting in the place and stead thereof the words "Wynnstay Steamship Co., Limited, and W. I. Radcliffe Steamship Co., Limited"; and that the suit heretofore commenced in the United States District Court for the Southern District of New York, under the said act of March 2, 1929, may be continued in the names of Wynnstay Steamship Co., Limited, and W. I. Radcliffe Steamship Co., Limited, as parties libelant.

NOBLE JAY HALL

The Senate proceed to consider the bill (H. R. 1962) for the relief of Noble Jay Hall, which was ordered to a third reading, read the third time, and passed.

EDWARD CHRISTIANSON

The Senate proceeded to consider the bill (H. R. 2606) for the relief of Edward Christianson.

Mr. ROBINSON of Arkansas. Mr. President, what is the nature of this claim? This appears to be a very unusual bill.

Mr. WHITE. Mr. President, this is a bill to authorize the waiving of two sections of the compensation act of 1916 requiring notice of a claim and proof of the claim within the specified time.

It is an unusual claim. The claimant was on a lightship of the United States, and there contracted a very grievous infection, from which he suffered most acutely. It was said by the man, and apparently substantiated by the doctors, that the trouble came from the drinking of impure water. The special reason for waiving the statute fixing the time within which a claim may be filed is that for almost 13 months the man was bedridden, and for a long period of time he was practically incapacitated, much of the time he was semiconscious, and utterly unable to avail himself of any rights which he might have had under the statute. The committee thought that in those circumstances we ought to permit the claimant to go before the Claims Commission.

Mr. REED. Mr. President, would such a result follow the drinking of water?

Mr. WHITE. I do not know that I am qualified to answer that. It has never occurred in my experience, but the doctors state that that was the cause of the man's disability.

Mr. ROBINSON of Arkansas. Mr. President, with regard to the last statement made by the Senator from Maine, the letter from the doctor does not appear conclusively to state the cause of the illness or trouble.

Mr. WHITE. May I say to the Senator that that occasioned some discussion in the committee. It was not clearly established to the entire satisfaction of the committee that that was the cause, but we did feel that that was the precise matter which properly was the subject of determiantion by the commission itself rather than by us. We felt that the man's trouble was so severe, that his condition was such that he ought not to be penalized for the delay.

Mr. ROBINSON of Arkansas. Mr. President, this claimant would have been entitled to present his claim if he had been in condition to do so?

Mr. WHITE. Yes.

Mr. ROBINSON of Arkansas. And to have had it heard by the commission?

Mr. WHITE. Yes.

Mr. ROBINSON of Arkansas. I will not object to the consideration of the bill, under those circumstances.

The bill was ordered to a third reading, read the third time, and passed.

ENZA A. ZELLER

The Senate proceeded to consider the bill (H. R. 4233) for the relief of Enza A. Zeller.

Mr. ROBINSON of Arkansas. Mr. President, what is the justification for extending the statute of limitations in this case?

Mr. WHITE. Mr. President, this is the case of a very serious injury happening to this claimant, who was a hostess at Fort Snelling, Minn. She was thrown from a horse and severely injured. She was taken to the medical authorities of the post; she there underwent examination; and they rather concluded that she was suffering from contusions, and that there were no fractures. X-ray pictures were taken at the post, and nothing was disclosed indicating a fracture, and she left the hospital and went about the post on a crutch.

Later the claimant employed a civilian physician, and the X-ray pictures of the civilian doctor clearly showed a fracture. Apparently, either because of the inexperience of the post doctors, or imperfections of the X-ray machine, the nature and the extent and the seriousness of the injuries were not disclosed, and it was only when a civilian examined the lady and diagnosed her case that the real severity of her injuries was disclosed.

The committee felt that, under the circumstances, because of the failure of the post medical authorities to properly diagnose the case, she ought to have her day in court.

Mr. ROBINSON of Arkansas. Is the Government liable if a person in its employ is thrown from a horse?

Mr. WHITE. Ordinarily, I should say not, and yet I suppose the Claims Committees of the Congress do relieve against the rigors of the law. We try to do equity, and I assume that is why these committees are set up. We felt that, without regard to the question of strict liability, this was a case where equity might result from giving this lady the rights proposed in the legislation.

The bill was ordered to a third reading, read the third time, and passed.

MARIE E. M'GRATH

The Senate proceeded to consider the bill (H. R. 5007) for the relief of Marie E. McGrath, which was ordered to a third reading, read the third time, and passed.

RENTAL CONDITIONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the resolution (S. Res. 248) to investigate rental conditions in the District of Columbia, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment, on page 3, line 10, to strike out "$5,000" and insert in lieu thereof "$2,500," so as to make the resolution read:

Whereas, despite a precipitate decline in the prices of practically all commodities throughout the United States and within the District of Columbia, there has been no appreciable decrease in rents in the District of Columbia; and

Whereas, although the incomes of thousands of District residents have been seriously impaired through the present economic condition, the public of the District is paying high rents based upon inflated and fictitious values of rental properties; and

Whereas the Committee on the District of Columbia, in considering the rental situation in the District, has received charges to the effect that rents are being artificially maintained at a high level, and that, in numerous cases, rents have recently been increased, while wages of employees of apartment houses have been reduced; and

Whereas the Committee on the District of Columbia believes the health and general welfare of the people of the said District to be imperiled by the exorbitant demands of landlords, and believes also that an investigation of rental and related conditions in the said District is necessary to furnish the Senate with information to serve as a basis for such legislation as may be deemed requisite to protect the health and welfare of the public of the District: Therefore be it

Resolved, That the Committee on the District of Columbia or a duly authorized subcommittee thereof, be directed to investigate any and all conditions affecting rentals and rental properties in the District.

The committee or subcommittee shall make every effort to ascertain the facts as to the rental conditions in the District of Columbia, as to vacancies, rents, construction, and any and all other matters pertinent to the inquiry, including financing of apartment houses and dwelling houses for sale or rent in the said District. The committee or subcommittee, upon discovering in the course of its inquiry evidence of any criminal action, shall promptly communicate such evidence to the proper authorities for prosecution.

The committee or subcommittee shall make a final report of its investigation, with recommendations, to the Senate not later than December 15, 1932. For the purposes of this resolution the committee or subcommittee is authorized to avail itself of the services of all agencies of the Federal and District Governments in the District of Columbia; to hold hearings and to sit and act at such times and places as it deems advisable; to employ such assistance as it deems necessary; to require by subpœna or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths and to take testimony, and to make expenditures to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee. The total of such expenditures shall not exceed $2,500.

The amendment was agreed to.

The resolution as amended was agreed to.

The preamble was agreed to.

MIGRATORY-BIRD REFUGE ON WIDOWS ISLAND, ME.

The Senate proceeded to consider the bill (S. 1863) to authorize and direct the transfer of Widows Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge, which had been reported from the Committee on Agriculture and Forestry with an amendment to add at the end of the bill a new paragraph, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to transfer to the Secretary of Agriculture all of Widows Island, located in latitude 44° 7' 46" north, and longitude 68° 49' 54" west, about 2¾ miles east of North Haven, Me., in Fox Island Thoroughfare, and about one-fourth mile south of Goose Rocks Light in the State of Maine, containing 12 acres more or less, together with all improvements thereon, to be maintained and administered as a migratory-bird refuge; and the Secretary of Agriculture is authorized to remove or dispose of as surplus property any buildings thereon, which in his opinion are not necessary for said refuge uses.

Section 10 of the act of June 27, 1926 (Public, No. 345, 69th Cong.; 44 Stat. 700), is hereby repealed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REPORTS BY CONSIGNORS OF LIQUID FUELS

The Senate proceeded to consider the bill (S. 4616) imposing upon consignors of liquid fuels the duty of making monthly reports in certain cases to the Bureau of Mines of the Department of Commerce, and imposing penalties, which had been reported from the Committee on Interstate Commerce with amendments, on page 2, line 4, to strike out the words "the point from which shipment was made," and to

insert the words "the date and point from which shipment was made"; on line 6, after the word "transportation," to insert the words "including name of vessel, number of tank car, or license number of tank truck"; on line 21, after the word "States," to insert the words "and the Federal Government"; on page 3, to strike out lines 5 to 24, both inclusive, as follows:

The term "liquid fuels," as used in this act, means all distillates of, and condensates from, petroleum, natural gas, coal, coal tar, vegetable ferments, and other oils, including among others, gasoline, naphtha, benzol, benzine, or alcohols, which are ordinarily, practically, and commercially usable in internal-combustion engines for the generation of power, except fuel oil and gas oil: *Provided*, That petroleum naphtha, which distil, by American Society of Testing Materials Method D 86-27, or United States Bureau of Mines Method 100.13, not more than 9 per cent at 176° Fahrenheit, sold for any purpose other than use in internal-combusion engines for the generation of power, and which are not ordinarily, practically, and commercially usable in internal-combustion engines, are not included in the definition of "liquid fuels": *Provided further*, That fuel oil and gas oil used in internal-combustion engines for the generation of power to propel vehicles of any kind or character, which use the public highways, shall be included within the definition of "liquid fuels."

And to insert in lieu thereof the following:

The term "liquid fuels," as used in this act, shall mean and include any inflammable liquid, by whatever names such liquid may be known or sold, which is used or is practically and commercially usable, either alone or when mixed or compounded in internal-combustion engines, for the generation of power.

SEC. 5. The Director of the Bureau of Mines shall from time to time make such reasonable regulations as may be necessary to enable him to collect the desired information for the benefit of the tax-collecting agencies of the State or the Federal Government.

So as to make the bill read:

Be it enacted, etc., That it shall be the duty of every consignor, within the United States, of liquid fuels to report, on or before the 20th day of each month, to the officer in charge of the Bureau of Mines of the Department of Commerce, all consignments made by such consignor, by any means whatsoever during the month immediately preceding, of liquid fuels across State lines, including the District of Columbia, on a form to be prescribed by the officer in charge of such bureau, which shall show inter alia:

(a) The name and address of the consignor;
(b) The date and point from which shipment was made;
(c) The means or method of transportation, including name of vessel, number of tank car, or license number of tank truck;
(d) The name and address of each and every consignee, including the consignor if consigned to consignor;
(e) The destination of each and every consignment;
(f) The quantity in gallons of each and every consignment; and
(g) The quality or kind of liquid fuels of each and every consignment.

SEC. 2. It shall be the duty of the officer in charge of the Bureau of Mines to assemble and record the statistical information required to be furnished in section 1, to show all consignments made into and out of the several States and the District of Columbia, and to make this record available to the taxing authorities of the several States and the Federal Government.

SEC. 3. Any consignor willfully failing or neglecting to make the report required by this act shall for each offense be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000, payable into the Treasury of the United States, or imprisoned for not more than six months, or both, together with costs of prosecution.

SEC. 4. The term "liquid fuels," as used in this act, shall mean and include any inflammable liquid, by whatever names such liquid may be known or sold, which is used or is practically and commercially usable, either alone or when mixed or compounded in internal-combustion engines, for the generation of power.

SEC. 5. The Director of the Bureau of Mines shall from time to time make such reasonable regulations as may be necessary to enable him to collect the desired information for the benefit of the tax-collecting agencies of the State or the Federal Government.

Mr. ROBINSON of Arkansas. This appears to be a bill of considerable importance.

Mr. REED. Mr. President, this is urged upon us by the tax commissioners of more than 16 of the States. We have not had a word of objection from any State. It will assist the State authorities in enforcing the gasoline tax law on what is now known as "bootleg" gasoline. I am sure we have all heard from home about it.

Mr. ROBINSON of Arkansas. If that is the object of it, I will not object.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. BLACK. Mr. President, before the bill is passed I would like to ask the Senator from Pennsylvania a question.

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. SMOOT. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the further consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. REED. Mr. President, I ask unanimous consent that, without prejudice to the unanimous-consent agreement just entered into, we may complete consideration of Calendar No. 961, which has just been before the Senate.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent to complete the consideration of Calendar 961 without prejudice to the prior order. Is there objection? The Chair hears none, and it is so ordered. The Senate continues consideration of Calendar No. 961, S. 4616.

Mr. BLACK. Mr. President, I desire to ask the Senator from Pennsylvania if there is a House bill along the same line which is now pending in the House.

Mr. REED. I understand there is not; or if there is, that it is only in committee. It is desired to get this bill to the House, where early action has been promised on the Senate bill.

Mr. BLACK. I do not want to object to the passage of the bill unless it is in line with the bill which is in the House. I have had a number of telegrams and letters from Alabama with reference to a bill in line with this one. I would like to have an agreement with the Senator if the bill be passed. In so far as I am personally concerned, I shall immediately investigate, and if I find this is the measure to which objections have been made to me, I would like to ask unanimous consent to reconsider the vote by which the bill was passed.

Mr. REED. Very well; I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INVESTIGATION BY COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. JOHNSON. Mr. President, I ask unanimous consent to proceed to the consideration of Calendar No. 965, Senate Resolution 177. The resolution simply authorizes the Committee on Irrigation and Reclamation, in a project which is being undertaken for the State of California and the Government, to go to the State of California and investigate. The resolution has been reported favorably by the Committee on Irrigation and Reclamation. It has been reported favorably by the Committee to Audit and Control the Contingent Expenses of the Senate with an appropriation of $5,000.

The PRESIDING OFFICER. The Senator from California asks unanimous consent for the present consideration of the resolution. Is there objection?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment, on page 2, line 10, to strike out "$20,000" and insert "$5,000," so as to make the resolution read:

Resolved, That the Committee on Irrigation and Reclamation, or a duly authorized subcommittee thereof, is authorized and directed to make a complete investigation with respect to proposed legislation providing for the ultimate utilization of the water resources of the Sacramento, San Joaquin, and Kern Rivers, in the State of California, including irrigation and reclamation, improvement of navigation, flood control, and power development, as outlined in House Document No. 791 of the Seventy-first Congress, third

session. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places within the United States, and to employ such clerical and stenographic assistance as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The committee or subcommittee is further authorized to send for persons and papers, to administer oaths, and to take testimony, and the expense attendant upon the work of the committee or subcommittee shall be paid from the contingent fund of the Senate, but shall not exceed $5,000. Such committee or subcommittee shall make a report of the results of such investigation with recommendations to the Seventy-second Congress, second session.

The amendment was agreed to.

The resolution as amended was agreed to.

LEGISLATION FOR THE VETERANS

Mr. ODDIE. Mr. President, in order that the veterans may understand fully my position regarding legislation affecting them I make the following statement.

The veterans' problem has never been more serious than at the present moment and it is important that I inform them of the legislative work I have done regarding it. Many of the ex-service organizations in Nevada have, in the past few months, requested me to vote for the immediate cash payment of the balance due under adjusted-compensation certificates. When the vote on this matter came recently, I voted against it. Of the many thousands of decisions I have had to make in public life, this was the hardest.

One of the most important duties of this Congress is to check the serious unemployment problem by the prevention and elimination of the causes for it and the adoption of constructive policies and methods which will result in starting again the wheels of industry and placing men back to work.

Because of the economic depression, with millions of men and women out of employment, the serious condition of the United States Treasury, and the difficulty of raising large sums of money, it has seemed evident that this payment of so large an amount of cash would increase the severity of the depression and unemployment. Furthermore, at the time of the vote on this question the conditions were so critical in the country that I was convinced that if the adjusted compensation were to be paid now it would cause an immediate economic and financial crash that would injure the veterans and the rest of our citizens far more than the benefits that would come to them by the actual payment of the money. For this reason, I voted against the bill. However, based upon my record in connection with the payment of adjusted compensation, I wish to assure the ex-service men that I will vote for its payment as soon as I am convinced that conditions in our country will warrant it.

There are two schools of thought in Congress regarding the adjusted-compensation legislation—one portion of the membership has been and still is to-day consistently opposed to it. I belong to the other school, which has favored it and worked for it from the start and believes in it to-day. The records will show that from the beginning I have worked and voted for this adjusted-compensation legislation and have voted to override the vetoes of three Presidents on the various bills affecting it, including the one providing for the payment of 50 per cent of the adjusted compensation about two years ago. Furthermore, for the past 12 years I have consistently voted in the interests of the veterans. It was my privilege, as the records will show, to work hard for years past in the interests of the disabled veterans, not only in the matter of legislation but also to improve conditions in the Veterans' Administration.

The Nevada veterans are familiar with the fact that as a member of the Senate committee appointed in 1923 to investigate the Veterans' Bureau I strongly attacked the methods employed and was successful in helping to obtain improvements in its administration and in affording relief and more equitable treatment to thousands of ex-service men. Since then I have continued my efforts to improve conditions in the Veterans' Administration.

I want the ex-service men to know that I have been working hard to obtain the enactment of constructive legislation which will provide increased employment and bring about a return to normal conditions as quickly as possible. As chairman of the Senate Committee on Post Offices and Post Roads I have led the fight for the regular Federal aid and emergency road legislation in the face of the strong attacks by the Secretary of Agriculture and the well-organized eastern opposition. As chairman of the subcommittee of the Appropriations Committee of the Senate having charge of the appropriations for the Post Office and Treasury Departments, which include the Federal building program in nearly 300 cities and towns, I have successfully opposed the efforts that have been made for some time past to cut these appropriations in an unwise and uneconomic manner. These cuts would have forced the discharge of many thousands of employees in these departments throughout the country, besides depriving thousands of workers in the building and allied trades of employment, many of whom are ex-service men.

From the beginning I have supported the Department of the Interior in its efforts to make available the necessary funds for the Boulder Canyon project. In connection with this work, I have insisted that the ex-service men be given preference and every opportunity to qualify for and obtain employment. Mr. Leonard Blood, who is in charge of the Federal employment to Las Vegas, and himself an ex-service man, has done splendid work in securing employment for veterans. On January 31, 1932, he sent me a report which showed that out of 3,006 men employed on the Boulder Canyon project, 1,000 were ex-service men.

The Senate has just passed the emergency relief bill, which I actively supported. This bill contains many provisions for increasing the Government's activities in public works and will be a substantial factor in relieving the unemployment problem and in providing work for veterans. Among other items, this bill includes for emergency road construction $136,000,000, to be immediately available. Of this sum, $2,000,000 is allocated under the provisions of the Oddie-Colton Act for the construction of roads traversing the unappropriated public domain. Of this amount, Nevada will be allocated about $400,000. The main highway bill, which I sponsored, passed the Senate on June 8, 1932, authorizing appropriations of $300,000,000 for the years 1934 and 1935. Authorizations for appropriations for highway work must be made several years ahead so that the States can provide the necessary funds to meet the Federal allotment of funds according to the cooperative program. This main highway bill contains an appropriation of $3,000,000 for the construction of roads under the Oddie-Colton Act for the fiscal year beginning July 1, 1932, of which about $600,000 will be allocated to Nevada and available for this year's use. This will mean a total of about $1,000,000 of Federal funds to be expended in Nevada on the construction of roads under the Oddie-Colton Act during the year beginning July 1, 1932, without any expenditure on the part of the State. This is in addition to the funds allocated to Nevada from previous appropriations for Federal-aid highway construction for the year 1932, which amounts to $1,392,753. The emergency relief bill also contains appropriations for Nevada for the year beginning July 1, 1932, for Federal-aid road construction of $1,578,025; also, $111,000 for roads in forest reserves and $23,000 for roads in Indian reservations; which, together with the appropriations above stated, will give Nevada a total of about $4,100,000 to be expended this year. This work will provide the veterans in Nevada with a new and enlarged field of employment.

The emergency relief bill, as it passed the Senate, also contains an appropriation of $10,000,000 to be made immediately available for the construction of the Boulder Canyon project, which, together with the regular appropriations, will provide ample funds for the continued construction of this project with increased employment, in which veterans will participate to a large extent. Other provisions of this bill will furnish direct aid for agriculture and livestock, especially in facilitating the export movement of agricultural commodities of which this country produces a surplus. This also will be of substantial assistance to many veterans.

The legislation to which I have referred will result in furnishing employment to hundreds of thousands of veterans who should be given preference and will so improve economic conditions that all veterans will benefit.

To assist the ex-service men in obtaining every opportunity for preference in employment on Federal and State work in Nevada, I wired Governor Balzar on June 18, 1932, requesting his cooperation. With the same object in view I wrote Gen. Frank T. Hines, Director of the Veterans' Administration, and also to Hon. Ferry K. Heath, Assistant Secretary of the Treasury, on the same date, requesting their cooperation in giving Nevada veterans preference in employment on all Federal buildings being constructed in this State.

Further to improve conditions, I have assisted in the creation of the Reconstruction Finance Corporation which has been highly effective in preventing failures among the railroads, banks, insurance companies, and other institutions in our country which are the largest employers. Besides saving additional hundreds of thousands of men from being thrown out of employment, this has gone a long way in saving numbers of these institutions from complete collapse, with damage and destruction to countless other industries and the financial ruin of our country. While the effects of the Reconstruction Finance Corporation act have been very beneficial so far, sufficient time has not elapsed to appraise to the fullest extent the great value that this institution and its credit facilities will render in the months to come. Every veteran should make a study of this important constructive legislation in order to appreciate fully its benefits to the country in safeguarding the employment of vast numbers of veterans, and in increasing the possibilities of employment for many thousands of others.

The enactment and operation of all of these constructive public works and credit relief bills will have a vitalizing effect on the entire economic structure of the United States and a general improvement in conditions, already under way, will undoubtedly increase until normal conditions of industry and trade are restored. I look forward optimistically to this marked improvement and the early return to normal prosperity which I feel sure will be more permanent than any of the economic changes which have occurred since the armistice, in which prosperity the ex-service men will participate to the fullest extent.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDING OFFICER. The pending amendment will be stated.

The CHIEF CLERK. The pending amendment is on page 9, line 16, where the junior Senator from Utah [Mr. KING] proposes to strike out "$145,000" and insert "$50,000," under the title "Bureau of Efficiency," so as to make the sentence read:

Of which amount not to exceed $50,000 may be expended for personal services in the District of Columbia.

Mr. McNARY. Mr. President, since we have the appropriation bill now before the Senate I think it is but fair that we should notify absent Senators. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Oregon suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Bulow	George	Jones
Austin	Capper	Goldsborough	Kean
Barbour	Coolidge	Hale	Kendrick
Bingham	Copeland	Hastings	Keyes
Black	Couzens	Hatfield	La Follette
Blaine	Dale	Hawes	McGill
Borah	Davis	Hayden	McNary
Bratton	Dickinson	Hebert	Metcalf
Brookhart	Fletcher	Howell	Moses
Broussard	Frazier	Johnson	Norbeck
Norris	Robinson, Ark.	Smoot	Wagner
Nye	Robinson, Ind.	Steiwer	Walcott
Oddie	Schall	Thomas, Idaho	Watson
Patterson	Sheppard	Townsend	White
Pittman	Shipstead	Trammell	
Reed	Shortridge	Vandenberg	

The VICE PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present.

SUPPLEMENTAL ESTIMATE—EMERGENCY REPAIRS, SENATE OFFICE BUILDING (S. DOC. NO. 128)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, without revision, a supplemental estimate of appropriation pertaining to the Legislative Establishment, under the Architect of the Capitol, fiscal year 1932, in the sum of $6,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITION AND MEMORIAL

Mr. COPELAND presented a petition of sundry citizens of Wellsville, Allegany County, N. Y., praying for the immediate passage of the so-called Patman bill, providing for the payment of World War veterans' adjusted-compensation certificates, which was ordered to lie on the table.

He also presented a resolution adopted by members of the Boro Park Workers Club, Brooklyn, N. Y., protesting against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. FLETCHER presented a copy of a letter by Giles J. Patterson, Esq., chairman committee on judicial administration and legal reform, Florida State Bar Association, Jacksonville, Fla., relative to the bankruptcy act, which was referred to the Committee on the Judiciary and ordered to to be printed in the RECORD, as follows:

JACKSONVILLE, FLA., *June 16, 1932.*

Hon. T. M. SHACKLEFORD, JR.,
President Florida State Bar Association, Tampa, Fla.

DEAR SIR: As chairman of the committee on judicial administration and legal reform, I have submitted to the members of the committee, in accordance with your request, the proposed amendments to the Federal bankruptcy act known as Senate bill 3866, H. R. 9968, and have received expressions of opinion from all members of the committee.

The judgment of the committee is unanimous that the proposed amendments as a whole are unwise and that our association should unhesitatingly oppose the passage of the same. In taking this position we do not mean to say that the present bankruptcy act could not be improved nor that all of the changes propcsed are entirely without merit.

We have not considered it the duty of our committee to reconstruct the bill or to attempt to indicate what would be satisfactory, as we consider this to be the duty of the Members of Congress themselves after they have been advised of our views. While there are a number of minor objections which could be urged, there are several so drastic and fundamental in their character that we unhesitatingly condemn any act which would embody these general principles.

It is our opinion that the existing bankruptcy act is not so basically deficient as to warrant a complete structural change. Procedural changes generally are matters which should be dealt with in a conservative fashion, and not by a complete revolution of a system so long and well established as our present bankruptcy law.

The most fundamental and far-reaching change in procedure is that which involves the creation of another Federal bureau to be composed of administrators, examiners, full-time receivers, and professional trustees, all of whom shall be under the supervision and control of officials located in Washington. It should be noted that nowhere in the act is it intimated that any of these officials should be licensed attorneys, much less attorneys experienced in the handling of bankruptcy proceedings. While there may have been many abuses of the present provisions by attorneys, particularly in the populous cities of our country, where such matters can not receive very close supervision of the courts, we are convinced that such abuses do not justify taking the handling of such matters out of the hands of lawyers and placing them in the hands of inexperienced laymen, whether they be selected by civil service or purely as a matter of political influence. In this connection it should be borne in mind that the bar of this Nation is a selected group of men. The process of selection tends to eliminate men of incompetence and lacking in moral character. The mere fact that unfortunately there are many who do not measure up to the high standards for which we strive does not justify the conclusion that a group of laymen selected by Federal officeholders

will improve the standard of character of men charged with the responsibilities and duties of liquidating bankrupt assets.

Attorneys are officers of courts as well as laymen and are under a solemn oath to perform their duties justly and in accordance with law and no better method of selecting persons for this important work can be devised.

The concentration of the supervision and power in a Federal bureau of this character is, in our opinion, a vicious extension of the bureaucratic powers of the Federal Government. The administration of bankrupt assets, as a rule, is largely a local matter and can be handled by local persons familiar with the facts and circumstances relating to the same than by nonresidents, especially where the same are merely political appointees.

It may be that full-time receivers and professional trustees would tend to improve the situation in the larger communities where there is sufficient work to justify the same but, on the contrary, they might prove to be an intolerable burden in the smaller communities where the cost and expense of operation would far exceed the fees which would otherwise be allowed under the present system.

Another basic criticism of the act relates to the creation of a committee of creditors who shall have almost a complete authority over the administration of assets. While it might be possible to provide for such committee at the option of the creditors, such a committee should not be compulsory. The rights of the creditors can be better attended to by attorneys representing the same than by any committee of creditors. Our experience is that when some creditors have an opportunity to administer the estate and thereby benefit themselves it is very difficult for them to see that their operations will be detrimental to the interests of other creditors who do not have the power which would otherwise be vested in the committee as provided for under the proposed statute.

Another radical innovation is the provision for suspended discharges and the power given to trustees to supervise bankrupts during the period of suspension. It is apparent that such provisions would necessarily apply more particularly to the smaller bankrupts and to individuals. This provision is not operative unless the estate will produce a dividend of 50 cents on the dollar. We can see no reason why this extreme provision should be applied to assets merely because some official or trustee may not administer the estate with sufficient wisdom and economy to produce a dividend of 50 cents.

Another provision of the proposed act which tends to eliminate attorneys is that which authorizes the consideration of discharge without the presentation of objections by creditors. In other words, the entire granting or refusal of this is made a duty of the court acting upon the recommendations, presumably, of the new bankruptcy officials. The granting or refusal of discharges is not a matter of such public interest as to justify a refusal of a discharge merely because of the objections of such a paid official who has no direct interest in the estate, when the creditors themselves may be entirely satisfied to permit such discharge. Judges are not omniscient nor can they be expected to consider carefully the rights of the parties unless they are presented in an orderly fashion and somewhat in accord with the prevailing principles and procedure to which we have so long been accustomed.

The provision authorizing trustees to sell property without proper public notice is a very dangerous power and one which could be easily abused, especially in the hands of officials appointed for a definite period of time and subject to removal only through the slow and cumbersome political processes.

The provision authorizing assignments for the benefit of creditors and corporate reorganizations is purely cumulative. There may be opportunities where corporate reorganization could better be handled through a bankruptcy court and, so long as these provisions are not to be deemed exclusive of the equitable remedies to which creditors are entitled, may not be objectionable.

CONCLUSIONS

In view of the foregoing, therefore, we recommend—

1. That the Florida State Bar Association disapprove of the proposed new bankruptcy act in its present form and announce its opposition to the fundamental changes above outlined.

2. That the bar association express its confidence in the Federal bench, bar, and bankruptcy officials of this district and in their ability to administer the affairs of bankrupts without the aid and supervision of a Federal bankruptcy bureau.

3. That this association notify our Representatives in the Senate and in the House of Representatives of this position and request them to oppose the passage of the proposed act so long as it includes any of the vicious provisions to which attention has herein been called.

GILES J. PATTERSON,
Chairman Committee on Judicial Administration and Legal Reform.

REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train, reported it without amendment and submitted a report (No. 944) thereon.

Mr. THOMAS of Idaho, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 744) for the rehabilitation of the Stanfield project, Oregon, reported it with amendments and submitted a report (No. 945) thereon.

BILL INTRODUCED

Mr. VANDENBERG introduced a bill (S. 4935) granting a pension to Martha Adelaide Childs (with accompanying papers) which was read twice by its title and referred to the Committee on Pensions.

PHILIPPINE INDEPENDENCE—AMENDMENTS

Mr. COPELAND (for Mr. KING) submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HAWES submitted an amendment intended to be proposed by him to House bill 7233, the Philippine independence bill, which was ordered to lie on the table and to be printed.

MRS. F. S. THOMAS

Mr. FRAZIER submitted the following resolution (S. Res. 254), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, fiscal year 1931, contingent fund of the Senate, to Mrs. F. S. Thomas, mother of Cyrus Thomas, late a member of the Capitol police force of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. TOWNSEND subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which the foregoing resolution was referred, reported it without amendment, and it was considered by unanimous consent and agreed to.

INVESTIGATION OF THE NATIONAL PARK SERVICE

Mr. BROOKHART submitted a resolution (S. Res. 255), which was ordered to lie on the table, as follows:

Resolved, That the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, is authorized and directed to investigate the activities in all parts of the United States of the National Park Service, Department of the Interior, with a view to determining particularly (1) the extent to which concessions have been granted within the national parks to private enterprises, (2) the manner in which the public moneys under the control of the National Park Service have been expended, (3) the manner in which disbursements of such moneys have been made by officers and employees of the National Park Service, and (4) what methods, if any, have been employed by the National Park Service, either alone or in cooperation with other bureaus or departments of the Government, to discourage persons from making entry and residing on the public lands, and the activities of any private persons or corporations in connection therewith. The committee shall report to the Senate not later than March 4, 1933, the result of its investigations, together with recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

SALARIES OF RAILWAY OFFICIALS (S. DOC. NO. 129)

On motion of Mr. COUZENS, a letter from Interstate Commerce Commissioner Joseph B. Eastman relative to salaries of officials on Class I railroads in December, 1929, and March, 1932, transmitting three documents—"(1) a summary and analysis of the returns to the questionnaire; (2) a statement showing the average annual salaries of the various

groups of salaries as of March, 1932, and list of each position reported paying more than the average; and (3) the detail of the returns," which, with the accompanying data, was ordered to be printed as a document.

EMERGENCY APPROPRIATION FOR RELIEF IN THE DISTRICT OF COLUMBIA

On motion of Mr. BLAINE, the Committee on the District of Columbia was discharged from the further consideration of the bill (S. 4781) authorizing an emergency appropriation for the relief of needy and distressed residents of the District of Columbia and for the temporary care of transient and homeless persons in said District.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOWARD, Mr. EVANS of Montana, and Mr. LEAVITT were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES of Texas, Mr. FULMER, and Mr. HAUGEN were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes; that the House had receded from its disagreement to amendments of the Senate numbered 39, 62, and 69 to the said bill, and concurred therein, and that the House had receded from its disagreement to the amendments of the Senate numbered 22 and 135, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3987. An act for the relief of R. K. Stiles & Co.;

H. R. 4594. An act to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located;

H. R. 5649. An act to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana, respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes";

H. R. 7238. An act to amend section 5 of the suits in admiralty act, approved March 9, 1920;

H. R. 8031. An act to provide for expenses of the Crow and Fort Peck Indian tribal councils and authorized delegates of such tribes;

H. R. 8548. An act authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes;

H. R. 8777. An act for the relief of J. N. Gordon;

H. R. 9306. An act to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended;

H. R. 10161. An act amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes;

H. R. 10587. An act to provide for alternate jurors in certain criminal cases;

H. R. 10590. An act to prohibit the misuse of official insignia;

H. R. 10599. An act to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws;

H. R. 10683. An act to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut;

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 11639. An act to authorize extensions of time on oil and gas prospecting permits, and for other purposes; and

H. R. 11944. An act to facilitate execution of and economy in field season contracts of the Forest Service.

SUGGESTIONS FOR AGRICULTURAL RELIEF

Mr. BANKHEAD. Mr. President, I ask leave to have published in the RECORD copy of a letter from Mr. C. E. Boles to Hon. JOHN N. GARNER, suggesting agricultural relief legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *May 31, 1932.*

Hon. JOHN GARNER,
House of Representatives, Washington, D. C.

DEAR SIR: As a former resident of Marlin, Tex., and as a citizen interested in the promotion of the general welfare of his country, may I offer for your esteemed consideration some suggestions in connection with the program which you have presented or are about to present to Congress? These suggestions, I humbly believe, if properly developed through Federal legislation, would do more than anything else to relieve the intolerable situation of unemployment, assist in liquidating frozen assets, restore public confidence, and stimulate business and industry.

What is generally needed, as pointed out by Bruce Barton in the inclosed article which appeared in the editorial section of the Sunday Star (Washington, D. C.) on May 22, 1932, is a better-balanced, less top-heavy social organization. The World War and the great expanding of industry that followed caused a great influx of our rural population into industrial and commercial centers. In 1919, 45.8 per cent of our population was urban and 54.2 per cent rural. In 1920, 51.4 per cent of our population was urban and 48.6 per cent rural, and in 1930, 56.2 per cent was urban and only 43.8 per cent rural. To bring about the needed readjustment of population between the cities and the country the following plan is offered:

1. Amend the Reconstruction Corporation act so as to authorize the corporation—

(a) To purchase farm lands in the various States wherein such lands are available at reasonable prices.

(b) To offer these lands, reserving all mineral rights, in small tracts, preferably 40, 60, or 80 acres, but not to exceed 160 acres, to such of the unemployed as have had experience in farming and desire to return to the country.

(c) Lend to the purchasers of such farms not exceeding $1,000, to be expended for farm buildings, implements, stock, and for maintenance for one year.

2. To provide the special funds with which to purchase the farm lands and make the loans to the purchasers from the Reconstruction Finance Corporation, authorize the issue by the Treasury of not exceeding $2,500,000,000 of "homestead loan" bonds.

Details for putting the plan into operation are matters of legislation, but the following suggestions are offered:

1. The Reconstruction Finance Corporation should be authorized to make investigation through local agencies to determine what farm lands are available for sale, the character of the lands, the type of farming for which they are suitable, and the price at which they may be purchased; also, with the cooperation of relief agencies, industries, and others, to determine the approximate number of unemployed farm-trained men in industrial centers desirous of returning to the country.

2. Provision should be made for purchasing farm lands and selling them and for making loans to equip and stock the new farms through local agencies, purchase for the Reconstruction Finance

Corporation to be made only after investigation has developed the probable demand by prospective purchasers, and sale to such purchasers to be made only after investigation of their character with reference to industry and responsibility for meeting obligations.

3. The loans to purchase the farms should be payable in from 10 to 15 installments, the first installment not to be payable until from two to five years after the loan is made. The interest rate to be borne by the loans to purchase farms should not exceed the amount paid by the Government on its "homestead loan" bonds plus such amount as is necessary to provide for the expenses of administering the project.

4. Cash loans to the purchaser should be paid out only on the order of the purchaser and upon receipt by the vendor of the livestock, implements, etc., purchased, arrangements being made for placing a chattel mortgage on such livestock, etc., or for the retention by the Reconstruction Finance Corporation of the title to such livestock, etc., somewhat as is done in the financing of equipment for railroads. Feed for the livestock and provisions for the purchaser and his family should be supplied through local farmers or merchants and payments made direct to such vendors.

5. The indebtedness of the purchaser of a farm should be evidenced by serial notes secured by a first lien retained in the deed given the purchaser and by chattel mortgage or conditional sale agreement covering the implements, livestock, etc., purchased with the cash loans. The indebtedness of the Reconstruction Finance Corporation to the Government for the funds supplied for the project should be evidenced by collateral-trust bonds secured by the obligations received from the purchasers of the farms, and the Government's "homestead loan" bonds should be secured by the collateral-trust bonds of the Reconstruction Finance Corporation.

With a rural population of 49,806,149 in 1910 and only 53,820,233 in 1930 and with an urban population of only 42,166,120 in 1910 and 68,954,823 in 1930, it may be accepted without investigation that there has been an unprecedented movement from the country to the city. This has been due not only to the great expansion of industry during this period, but to the attractions of city life in prosperous times.

If, as business contracted, the men who came from the country had been the first dropped, there would be less unemployment to-day, but such was not the case. The farm-trained men were often better workers than their city-bred brothers, with the consequence that the latter were often dropped while the former were retained. In 1873, as pointed out by Mr. Barton, unemployment in the cities was practically about 100 per cent, but only about one-fourth of our population was then living in the cities. Most of the unemployed in the cities at that time had come from the farms and soon drifted back, so that the unemployment situation took care of itself.

A realignment of population as between the city and the country has already been taking place, but due to the fact already mentioned that many men who are city-bred and know nothing of farming have lost their jobs while many farm-trained men have kept theirs, the realignment is not taking place fast enough and needs encouragement. Many farm-trained men who are still on their jobs in the manufacturing and commercial centers and who have taken considerable cuts in their wages and are fearful of losing their jobs, would gladly embrace the opportunity of owning a farm and of getting started in farming again.

A plan such as is outlined above would not only give the farm-trained man who is now stranded in the city an opportunity to begin life over again, but would induce many farm-trained men who are still employed to give up their jobs and return to the country, thus making room for many city-trained men now out of work.

A loan of $2,500,000,000 would be enough to place approximately 1,000,000 men on small farms. Assuming an average family of three, this would reduce the urban population by 3,000,000, making that number of those now on charity self-supporting, and would greatly lighten the burden of relief agencies. If the plan should prove popular, there is no reason why the Government should not expand the program sufficiently to place 2,000,000 men and 6,000,000 of our present urban population on farms. When we consider the amount we spent to win the World War, surely we can afford to spend at least one-fourth of that amount for rehabilitation, especially when the entire amount to be spent, unlike that spent for the war, would eventually be returned to the Government. Moreover, as the Government has practically given away thousands of acres of public lands for homesteads there should be no hesitation in buying up lands and selling them for homesteads.

In addition to relieving unemployment, and taking men off of charity and making them self-supporting, the plan would have these further benefits:

1. It would create a demand for farm lands, which are now, as you are aware, greatly depreciated.

2. It would put into the rural districts, where buying power is at a very low ebb, at least $2,000,000,000, a great part of which would quickly find its way to the ordinary channels of trade and commerce.

3. Farmers indebted to banks now in difficulty would have a market for part of their farm lands, through the sale of which they could liquidate their loans.

4. Many rural banks that have been closed within the last two years could liquidate part of their frozen assets represented by loans on farm lands and thus be enabled to increase distribution to their depositors.

5. Equipping and stocking 1,000,000 new farm units would require at least 1,000,000 head of mules or horses, 1,000,000 milch cows, 2,000,000 or 3,000,000 head of hogs, 6,000,000 or 7,000,000 fowls, a large number of farm implements, and great quantities of feed and provisions. The demand for all these things would be stimulated, enabling farmers to convert a part of their livestock and crops into cash at much better prices than they are receiving now, and giving employment directly and indirectly to many men in manufacturing centers. The provision of cottages and farm buildings for the new farms would stimulate the demand for building material.

6. The loans would all be productive, self-liquidating loans, and the Government would be well secured because of the low price at which farms may now be purchased.

7. Because of the nature of the security back of the homestead-loan bonds, these bonds would have a special appeal to hoarders who are afraid of ordinary Government loans, and the flotation of the Government loan would call out of hiding millions of dollars that have been withdrawn from circulation.

It may be objected that, because of the present overproduction of farm products, the farm population is already too large and that increasing the farm population would add to the depression of the market for such products. This, however, would not be the case. The plan calls for the sale of small tracts large enough only to support a man and his family and to give him only enough surplus to buy his clothing, keep up his interest, and eventually pay the principal of his loan from the Reconstruction Finance Corporation. During the first two or three years this additional surplus would be so small that it would have little, if any, effect on the prices of farm products. In the meantime the stimulation to trade and industries, because of putting into circulation $2,500,000,000, would be reflected in increasing demand and rising prices for farm products, and other remedies would be worked out for eliminating overproduction, which, it would seem, is a thing that can be reached only by taxation or by cooperation and organization on the part of the producers themselves.

In this connection may I also suggest that because of the difficulties of bringing about cooperation even by such a plan as is now before Congress for the taxation of farm products in the hands of the purchasers and the return of this tax to such of the producers as will agree to curtail production (an expedient of doubtful constitutionality), a better plan would seem to be for the States to decrease the direct tax on farm lands and place a tax on cultivated acreage, exempting from the tax so many acres of each product for each man employed in the production thereof, and taxing all acreage above that exempted at a gradually increasing scale that would become confiscatory for the products of such acreage as would result in overproduction. The Farm Board should be employed as the agency for bringing about better cooperation in the matter of farm production and for studying the possibilities of such a State tax as is suggested.

The greatest benefit to be derived from the plan above outlined would be the relieving of unemployment, the making of a great number of the unemployed self-supporting and self-respecting citizens, and the releasing of millions of dollars that are now being hoarded throughout the country.

As Mr. Barton says in his article: "Certainly many men are now saying to themselves, 'I should much rather have a roof over my head and potatoes and cabbages in the cellar than to be an ex Vice President sitting on a cold curbstone.'"

C. E. BOLES.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. ROBINSON of Arkansas. Mr. President, I do not see either the Senator from Indiana [Mr. WATSON] or the Senator from Oregon [Mr. MCNARY] in the Chamber. There is a resolution on the calendar which was pretty well disposed of some days ago, Calendar No. 640, the resolution (S. Res. 174) for an investigation of campaign expenditures of presidential and senatorial candidates in 1932. A motion was made by the Senator from Wisconsin [Mr. BLAINE] to reconsider the vote by which a certain amendment was agreed to. I think it would take only a moment to dispose of the resolution.

Mr. SMOOT. The Senator from West Virginia [Mr. NEELY] is not in the Chamber at the moment.

Mr. ROBINSON of Arkansas. I will withdraw the request for the present. I thought he was here.

Mr. NORRIS. Mr. President, if the Senator from Utah is waiting for the Senator from Indiana [Mr. WATSON], may I state that he said to me that he is in favor of passing the resolution?

Mr. ROBINSON of Arkansas. And so is the Senator from Oregon [Mr. MCNARY].

Mr. NORRIS. There is no need to wait for the Senator from Indiana to be present.

Mr. ROBINSON of Arkansas. Let us take it up and dispose of it.

The VICE PRESIDENT. Is there objection?

Mr. REED. Mr. President, when the resolution was reached on the call of the calendar the other day the Senator from New Hampshire [Mr. MOSES] and the Senator from

West Virginia [Mr. NEELY] objected. It seems scarcely fair to take it up in their absence. I will try to get them into the Chamber.

Mr. ROBINSON of Arkansas. The Senator from West Virginia is out of the city and probably will not be back for some days.

Mr. REED. The Senator from New Hampshire [Mr. MOSES] is here.

Mr. ROBINSON of Arkansas. The Senator from West Virginia merely moved to reconsider the vote by which the amendment was agreed to; but of course if the Senator from Pennsylvania is not ready to take it up, I shall not insist.

Mr. REED. In behalf of the Senator from New Hampshire I shall have to object.

Mr. ROBINSON of Arkansas. I have been trying to get action on the resolution for 60 days. There has been an agreement with both the Senator from Indiana [Mr. WATSON] and the Senator from Oregon [Mr. MCNARY], but we get no action. I give notice now that later in the day I shall ask for its consideration.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The pending amendment will be stated.

The CHIEF CLERK. The pending amendment is on page 9, line 16, under the heading of "Bureau of Efficiency," where the junior Senator from Utah [Mr. KING] moved to strike out "$145,000" in the committee amendment and insert "$50,000," so as to read:

Of which amount not to exceed $50,000 may be expended for personal services in the District of Columbia.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

The committee amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, on Saturday an amendment was offered by the senior Senator from Utah [Mr. SMOOT], to be found on page 13965 of the RECORD. The amendment reads as follows:

The Federal Trade Commission is hereafter prohibited from making investigations ordered by the legislative branch of the Government until the appropriations therefor are made available specifically for each such investigation authorized.

It will be remembered by Senators that the items concerning the Federal Trade Commission had been passed over and many Senators left the Chamber with the understanding that controversial matters were not to be taken up. At the time the amendment was offered the Senator from North Dakota [Mr. FRAZIER] had this to say:

Mr. President, there are a number of Senators who are interested in that particular amendment in regard to the Federal Trade Commission who are not in the Chamber at the present time.

To which the Senator from Utah [Mr. SMOOT] replied:

This amendment has not anything to do with the items which they have in mind. This is simply a clarifying amendment. We have passed over all of the appropriations for the Federal Trade Commission at the request of these Senators.

The Vice President then put the question, and the amendment was agreed to. In view of that situation, I ask unanimous consent for the reconsideration of the vote whereby the amendment on page 22, after line 6, was agreed to, being the amendment to which I have just adverted.

Mr. SMOOT. Mr. President, I ask that the amendment may be stated again.

Mr. LA FOLLETTE. I will read it again: On page 22, after line 6, the Senator from Utah [Mr. SMOOT] offered the following amendment:

The Federal Trade Commission is hereafter prohibited from making investigations ordered by the legislative branch of the Government until the appropriations therefor are made available specifically for each such investigation authorized.

The VICE PRESIDENT. Is there objection to reconsidering the vote whereby the amendment was agreed to?

Mr. SMOOT. I want to say to the Senator that that amendment was favored by every member of the committee, Republican as well as Democrat. I do not know why it should not stand as it is.

Mr. LA FOLLETTE. I have asked unanimous consent in order to save time.

Mr. SMOOT. I have no objection to having the amendment reconsidered.

The VICE PRESIDENT. Without objection the vote whereby the amendment was agreed to is reconsidered. The question now is on agreeing to the amendment.

Mr. LA FOLLETTE. Mr. President, I wish to point out to the Senate my contention with relation to the effect of this amendment on the existing law. The original Federal Trade Commission act authorizes and directs the commission to make investigations which are requested or called for by either or both branches of Congress. It is perfectly obvious that the effect of this amendment is not to limit the appropriations contained in the pending bill but changes the entire substantive procedure for the conduct of investigations requested by either branch or both branches of Congress upon questions which come under the jurisdiction of the Federal Trade Commission. It is upon that statement of facts, which I do not think can be successfully contradicted, that I wish to make the point of order that the amendment proposes general legislation and can not be considered in connection with this appropriation bill.

The VICE PRESIDENT. What does the Senator from Utah have to say on that subject?

Mr. SMOOT. Mr. President, the amendment was adopted by a unanimous vote of the members of the Appropriations Committee.

The VICE PRESIDENT. The word "hereafter" is in the amendment, which makes it a law, and therefore it is subject to a point of order.

Mr. SMOOT. Then I ask, Mr. President, that the word "hereafter" may be stricken out of the amendment. Then it will not fall within the rule.

Mr. LA FOLLETTE. I contend the amendment is still subject to a point of order, Mr. President.

Mr. ROBINSON of Arkansas. I do not concede that the elimination of the word "hereafter" would make the amendment in order.

Mr. LA FOLLETTE. I do not concede the point, either.

Mr. SMOOT. Let the Chair decide the question.

Mr. ROBINSON of Arkansas. Some of us want to say a word about it.

The VICE PRESIDENT. The Chair is of the opinion that the amendment is out of order, even with the word "hereafter" stricken out.

Mr. SMOOT. I know it is subject to a point of order in the condition it is now.

The VICE PRESIDENT. The point of order is sustained. The Chair is advised that there are amendments which have been passed over. The Secretary will state the first amendment passed over.

The CHIEF CLERK. The first amendment passed over is on page 21, line 1, to strike out "$399,360" and insert "$350,000."

Mr. SMOOT. Mr. President, representatives of the Radio Commission saw me this morning and suggested that if we would provide an appropriation of $366,000 instead of $399,360, and then in line 5 strike out "$20,000" and insert "$16,000," they thought they could get along. If there is no objection, I will ask to offer those amendments to the amendments.

The VICE PRESIDENT. The first amendment offered by the Senator from Utah to the amendment reported by the committee will be stated.

The CHIEF CLERK. On page 21, line 1, after the word "expenses," it is proposed to strike out "$399,360" and insert "$366,000."

Mr. BINGHAM. Mr. President, according to the RECORD that amendment was adopted the other day.

Mr. SMOOT. That is true, and I desire to ask unanimous consent to reconsider the vote whereby it was agreed to.

Mr. BINGHAM. I do not understand why the action of the committee in reducing the appropriation to $350,000 should now be changed and that it should be increased by $16,000.

Mr. SMOOT. I have stated that representatives of the Radio Commission came to me and suggested that what I have proposed would be the best way out.

Mr. BINGHAM. Of course, they want more money, but I am surprised that the Senator from Utah should propose to increase the appropriation beyond what the committee recommended merely because the commission say they should like to have more money.

Mr. SMOOT. I tried to meet the situation by increasing the appropriation in one place and cutting it in another. If there is any objection, I will not ask that any change be made at all but will ask that the amendment may be agreed to as reported by the committee.

The VICE PRESIDENT. The amendment in line 1 has already been agreed to, and also the amendment in line 2. The Secretary will state the next amendment passed over.

The CHIEF CLERK. On page 21, line 5, after the word "Commission," it is proposed to strike out "$32,000" and insert "$20,000."

Mr. SMOOT. I will ask that that item remain just as it is, if there is not going to be any change in the previous items.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment passed over was, on page 21, line 6, after the word "Commission," to strike out "$431,316" and insert "$370,000."

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment passed over.

The CHIEF CLERK. Under the subhead "Federal Trade Commission," on page 21, line 20, after the word "papers," it is proposed to strike out "not to exceed $200 for newspaper clippings."

Mr. ROBINSON of Arkansas. If that is to be taken up now, I wish to propose an amendment.

The VICE PRESIDENT. Which amendment does the Senator from Utah desire to have considered first?

Mr. SMOOT. I should like to have considered first the amendment on page 22, under the heading "General Accounting Office."

The VICE PRESIDENT. Let the amendment be reported.

Mr. ROBINSON of Arkansas. I understand the Senator is passing over the Federal Trade Commission item, then?

Mr. SMOOT. Yes. There is only one amendment there.

Mr. ROBINSON of Arkansas. I have no objection to taking up the provisions affecting the General Accounting Office, if the Senator prefers that course, but the provisions regarding the Federal Trade Commission were passed over, and they also will have to be taken up.

The VICE PRESIDENT. The Chair suggests that the amendments be taken up in their order.

Mr. SMOOT. That is what I should like.

Mr. ROBINSON of Arkansas. May I ask whether or not an order has been entered to consider committee amendments first?

Mr. SMOOT. Yes.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. The next amendment passed over will be stated.

The CHIEF CLERK. On page 21, line 20, after the word "newspapers," it is proposed to strike out "not to exceed $200 for newspaper clippings."

Mr. BINGHAM. Mr. President, may I ask the chairman of the committee why, in view of the striking out of the $200 for newspaper clippings, the total is not reduced by $200?

Mr. SMOOT. Mr. President, we want to save that $200.

Mr. BINGHAM. If we save $200 by striking out the item, why not save it in the total?

Mr. SMOOT. The language proposed to be stricken out is a limitation. It reads "not to exceed $200 for newspaper clippings."

Mr. BINGHAM. It certainly was not the object of the committee to permit the commission to spend $200 for newspaper clippings, if that is what the Senator means by striking out those words. My understanding of the amendment of the committee was that what the committee felt was that $200 for newspaper clippings was wasted. So why not cut $200 out of the total, and make it clear that the commission are not to expend that amount for that purpose?

Mr. ROBINSON of Arkansas. Mr. President, I understand that the amendment is not in order to be considered now; but, in order that the Senator in charge of the bill may be advised of it, I ask to have read the amendment which it is my purpose to offer when the committee amendments shall have been disposed of.

The VICE PRESIDENT. The amendment intended to be proposed by the Senator from Arkansas will be stated.

The CHIEF CLERK. On page 21, line 22, after the word "act," it is proposed to strike out "$1,236,500" and insert in lieu thereof "$1,536,500."

Mr. ROBINSON of Arkansas. I may say, Mr. President, that this proposal is to increase the allowance for the Federal Trade Commission by $300,000; and if the amendment should be agreed to, it will be necessary to change certain other totals in the paragraph. Does the Senator from Utah desire to take up this amendment now?

Mr. SMOOT. I think we had better get through with the committee amendments, and then consider individual amendments.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. The pending amendment will be stated.

The CHIEF CLERK. On page 21, line 20, after the word "newspapers," it is proposed to strike out "not to exceed $200 for newspaper clippings."

Mr. FLETCHER. Mr. President, I wish to propose an inquiry as to the parliamentary situation. I understood that the committee amendments had all been considered in this bill except those which had been passed over. Now we are simply going back and considering amendments which had been passed over at the request of Senators. That being true, why is it not in order to offer amendments to the committee amendments?

The VICE PRESIDENT. The amendment to which the Chair presumes the Senator from Florida has reference has not yet been reached.

Mr. ROBINSON of Arkansas. May I say also that the amendment offered by me does not pertain to a committee amendment, but pertains to the House text of the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment, which has been stated.

Mr. LA FOLLETTE. Which amendment?

The VICE PRESIDENT. Let the amendment again be reported.

The CHIEF CLERK. On page 21, line 20, after the word "newspapers," to strike out "not to exceed $200 for newspaper clippings."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment passed over will be stated.

The LEGISLATIVE CLERK. On page 22, line 11, under the heading "General Accounting Office," after the name "Columbia," it is proposed to strike out "$4,052,620; in all $4,062,620" and insert "$3,500,000; in all, $3,510,000."

Mr. LA FOLLETTE. Mr. President, I rise to resist the committee amendment cutting the appropriation for the General Accounting Office $552,620.

I may say that the House committee held hearings on this item for the General Accounting Office and after having gone into it very thoroughly recommended the sum of $4,062,620.

The cut recommended by the Senate Appropriations Committee was made without any hearing, without any repre-

sentative, as I understand, of the General Accounting Office having been heard, and it is my information that a cut of this nature will very seriously cripple the work of the General Accounting Office.

Mr. President, it seems to me the Senate should hesitate before it proposes to cut a half million dollars from the appropriation for the work of the General Accounting Office. It is a most important work in the Federal Government, and at a time like this it is exceedingly desirable that the work of that office should be maintained.

I am advised that the Comptroller General has written a letter to the chairman of the committee. In the letter he states he feels it to be his duty to inform the Congress that if the action recommended by the Senate committee shall be agreed to, it will be impossible for him properly to discharge the responsibilities which Congress has fixed upon him by statute.

Without any question, the adoption of this amendment will result in delay in the Comptroller General's office in the adjustment of collections and overpayments which can not be made unless they are, under the statute, approved by the General Accounting Office.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. I do not feel it is proper to take the time of the Senator from Wisconsin, but it may save the time of the Senate to say now that it seems to me that it is a very questionable policy to impair the efficiency in any degree of the General Accounting Office. That is one bureau in the Government that must function and must function efficiently. If we reduce the number of employees there or otherwise cut down the activities of the bureau, it will probably cause much greater loss to the Government by reason of the confusion, the delay, and the uncertainty regarding accounts. This, in my judgment, is one place where there must be the highest possible degree of promptness and efficiency.

Mr. SMOOT. I agree exactly with what the Senator says. I have always been partial to the General Accounting Office, knowing the work that they have done; but the committee took the position that they were instructed to take 10 per cent off the bill, and they are doing the best they can. So far as I am personally concerned, I want to say that I would rather cut out this amount somewhere else than to cut it out of this item.

Mr. ROBINSON of Arkansas. I think the cut will have to come somewhere else and that the Senator will save time by taking a vote at the conclusion of the remarks of the Senator from Wisconsin on this amendment.

Mr. LA FOLLETTE. I have no desire to prolong the debate if the amendment is to be rejected. I appreciate the reinforcement of my statement made by the Senator from Arkansas. I was about to go on and point out that the departments and independent establishments will be delayed because they will not be able to get decisions from the General Accounting Office as to how the money appropriated may be spent.

Mr. ROBINSON of Arkansas. Another thing: The General Accounting Office really saves the Government a great deal of money by eliminating unauthorized accounts.

Mr. LA FOLLETTE. Precisely. I make the point also that in view of the record of the General Accounting Office made in saving money for the Government, I think we can trust General McCarl's judgment. He would not resist a cut at a time like this unless he felt that it would absolutely make it impossible for him to discharge the statutory obligations and functions of his office.

Mr. SMOOT. Mr. President, instead of that amount being $3,510,000, I should like to suggest adding $300,000 to it, making it $3,810,000.

Mr. LA FOLLETTE. No, Mr. President; if the Senator is going to insist on this amendment, I wish to debate it further, because General McCarl has stated to the Senator under his responsibility as the chief of his office that he can not properly discharge the functions of that office with the cut provided, and that the amount contained in the bill and recommended by the House committee, I repeat, after careful investigation and after thorough hearings, is the minimum amount upon which he can discharge the responsibilities that are imposed upon him by the Congress and by the statutes.

Mr. SMOOT. Mr. President, I want to read General McCarl's letter so that it will be in the RECORD at least.

He says:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, June 13, 1932.

Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate.

DEAR MR. CHAIRMAN: I feel it my duty to advise the Congress through your committee that in the event the 1933 appropriation for personal services in the General Accounting Office should be reduced to the full extent recommended by your committee, to wit, $552,620, it will prove a very serious matter—so serious that I feel sure the committee would have hesitated to recommend such a drastic cut had it been possessed of the facts.

It is not believed the Congress wishes or can afford to relax to a danger point accounting control over the uses of public moneys, especially in these times when every dollar should be employed not only honestly and in accordance with law but to the best possible advantage, yet such must be the effect of any cut so drastic as to provide an insufficient force to do the essential work.

The General Accounting Office has no appropriation of consequence but for personal services and to be helpful and effective its work must be kept current. It is not a spending agency as are the departments and most of the establishments of the executive branch and, in consequence, has no spending program that might profitably be deferred to a more opportune time, but rather it is an accounting and collecting agency engaged in following the uses of public moneys and recovering unlawful payments therefrom.

Applying to the proposed reduction the most severe pay cut proposed in the economy bill, there will still be necessary a very great curtailment in personal services—to be accomplished through discharging employees or forcing such extended furloughs as to have a like effect. With a present force hardly adequate to care for the work now entrusted to the establishment by law, and with new and serious responsibilities added by recent legislation and measures nearing enactment, you can readily understand what it will mean in delaying and disrupting the accounting work to lose the services of so many trained employees.

The officers and employees of the General Accounting Office will loyally and willingly accept such temporary salary adjustment as the Congress in its wisdom determines Government officials and employees should contribute toward a balancing of the Federal Budget; and our appropriation for personal services might properly be reduced as passed by the House of Representatives in the amount of such salary adjustments, but to go beyond such point will mean not only salary cuts but the loss of valuable and much-needed employees.

While the greatest value of a prompt and thorough audit of public expenditures is the wholesome effect of the knowledge that it is to occur—that each expenditure is to be checked and scrutinized by an independent agency—and the value in this respect can not be measured in dollars, it is to be remembered that since its organization on July 1, 1921, the General Accounting Office has actually recovered in unlawful expenditures more than the entire cost of its maintenance and operation, so it is not one of the agencies responsible for the present deficit.

Economies must be accomplished, and the General Accounting Office wishes to do its full share; but to require such a reduction in personal services as to render it impossible to do the work as required by law, and thus relax accounting control, may prove in the end a most expensive luxury.

Very respectfully,

J. R. MCCARL,
Comptroller General of the United States.

On that letter alone I think there ought to be a compromise in this matter. He does not say that there can not be any reductions made; and it seems to me that we ought to save every dollar we can from every source that we can, and even then we will be away short of the necessary amount of saving. We have not in the appropriation bills now saved the amount that we must save in order to pay the expenses of the Government for the coming fiscal year.

If we give the Comptroller General $300,000 more, then, with what is left between that and the five hundred and odd thousand dollars, he could get along. I think the Senator from Wisconsin is just as much interested in cutting expenses wherever they can be cut as I am, or as anybody else in this body is. For that reason it seems to me that it would be perfectly fair to make some kind of a compromise on the amount.

Mr. LA FOLLETTE. Mr. President, has the Senator concluded?

Mr. SMOOT. Yes.

Mr. LA FOLLETTE. I desire to be recognized. I understand that the Senator from Utah has yielded the floor.

Mr. SMOOT. Yes; I have.

The VICE PRESIDENT. Does the Senator from Utah propose an amendment?

Mr. SMOOT. Mr. President, I thought it would be very much better if we could agree and have the matter so that it would be satisfactory to all of us to add $300,000 to this amount, making it $3,810,000 instead of $3,510,000, and I am going to ask the Senator if that is not a fair proposition.

Mr. LA FOLLETTE. Mr. President, every line the Senator from Utah has read from the Comptroller General is just as telling an argument against the so-called compromise that he proposes as it is against the action of the committee itself. General McCarl states that the office can not properly function, it can not properly discharge the obligations imposed by law, with any less amount than that provided by the House after careful consideration. May I point out, as General McCarl does in his letter, that the expenditures of this office are largely for personnel. The Senator has no more justification for the amount which he now proposes than the Senate committee had for the more drastic cut which it recommended. He simply picks that figure out of thin air.

The point is that if we curtail an office whose expenditures are largely for personnel we obviously disrupt the service and the functioning of that office. In times such as these, when we are making these extraordinary expenditures for one purpose and another, there never was a greater need for the maintenance of the efficiency and the service and the organization than there is at this time in the General Accounting Office.

Mr. President, it will delay the work of this office if the amendment suggested by the Senator from Utah is agreed to; and in view of the fact that a man as careful in his administration as is General McCarl has upon his own responsibility informed the Senator from Utah, as chairman of the Appropriations Subcommittee in charge of this bill, that any further reduction below the amount carried by the House will result in delay in the discharge of the duties imposed upon that office, will make necessary a reduction in personnel which is the chief expenditure of money by that office. We must remember also that any further economy legislation which may pass will also require a further reduction of force in the General Accounting Office. I hope the amendment suggested by the Senator from Utah will be rejected, and then I hope that the committee amendment will be rejected.

Mr. SMOOT. Mr. President, in order that the Senate may know just exactly how matters will stand if the committee amendment is rejected, I will state that then, of course, the General Accounting Office will have exactly the same amount that they had last year. It is the only institution I know of that is asking now for exactly what it had the year before. If that is the feeling of the Senate, I have not anything further to say.

Mr. ROBINSON of Arkansas. Mr. President, the House had full hearings on the subject, and reduced the amount estimated for to the figure carried in the House bill. The Senate committee, without going into the matter at all, just made an arbitrary cut of about 10 per cent in the House figure. As I have already stated, the service that this bureau renders is of such an essential character in connection with Government accounting that it is poor economy—in fact, it is not economy—to impair its efficiency by denying it the force and the instrumentalities necessary to do its work according to the highest standard that has prevailed there in the past.

I believe the Senator from Utah is entirely justified in receding from the committee amendment. It, of course, will require a good deal of time if that is not done.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The CHIEF CLERK. On page 22, line 20, it is proposed to insert "including one motor-propelled passenger-carrying vehicle."

Mr. COPELAND. Mr. President, may I have the attention of the Senator from Utah? I was called from the Chamber a moment ago when the radio item was called up. Upon inquiry, I find that no explanation was made of why the Radio Commission desires a change in these figures, and I think the Senate will desire a change in the figures when they understand why it is asked for.

When this bill was acted upon in the committee, it was assumed that on page 21, line 5, the figure "$32,000" was to cover alone printing and binding, but it also was to cover charges for stenographic reporting. No provision is made in the bill as it is now arranged to take care of the item of $12,000 necessary to do the stenographic reporting. On the contrary, the amount of money which the Senate has provided, $20,000, in line 5, is more money than is needed for printing and binding. That figure should be reduced, and the other figure, which would include stenographic reporting, should be increased.

Mr. SMOOT. Mr. President, I made that statement to the Senate, and the Senate did not agree with me. The Senate voted the other way. I can not do anything more.

Mr. COPELAND. I want the Senate to understand it, because I am going to ask that it be reconsidered.

Mr. SMOOT. The Senator must not do that while the Senator from Connecticut [Mr. BINGHAM] is out of the Chamber, or I should have to object.

Mr. COPELAND. We have been holding it up for a week on account of the Senator from Connecticut. When is he coming back?

Mr. SMOOT. I suggested exactly what the Senator does now, to increase the $350,000 to $366,000, and to reduce the $20,000 on line 5 to $16,000; and it was objected to.

Mr. COPELAND. That is what I am objecting to, that we should do this. We are leaving the Radio Commission without any funds for having stenographic reports made of their hearings. How can they make any legal conclusion? They have to go to court with all these matters, and there should be a fund provided out of which stenographic reports of hearings may be paid for. I am sure the Senator from Utah agrees with me in that matter. May I ask the Senator if he does?

Mr. SMOOT. I have already said that I made that statement to the Senate, and the Senate would not agree to it. If the Senator desires to speak to the Senator from Connecticut [Mr. BINGHAM] about it, well and good, but the action has already been taken, Mr. President.

Mr. COPELAND. I would like to have unanimous consent to reconsider the vote.

Mr. SMOOT. I can not grant that now, in the absence of the Senator from Connecticut [Mr. BINGHAM].

Mr. COPELAND. The Senator anticipates finishing the consideration of this bill within a few minutes, does he not?

Mr. SMOOT. No; I think it will be some time before it is finished.

Mr. COPELAND. In view of the attitude of the Senator from Utah, an attitude which, if persisted in, will leave the Radio Commission absolutely helpless as regards the reporting of their hearings, which is essential to the formation of legal opinions, I shall retire from the floor. I hope I may be able to find the Senator from Connecticut, so that this important matter may be dealt with in a way which will serve the Government. We are asked to give the commission $4,000 more than they need for printing and binding, and to take away from them $12,000 which they do need for the stenographic reporting of their hearings.

Mr. SMOOT. I do not like to have the Senator say that the Senator from Utah insists. The Senator is asking exactly what the Senator from Utah asked the Senate to agree to, and they would not do it.

Mr. COPELAND. The Senator from Utah has just now objected to my request for unanimous consent to reconsider the vote.

Mr. SMOOT. Until the Senator from Connecticut [Mr. BINGHAM], is in the Chamber. I have to protect the Senator from Connecticut, just the same as I would protect the Senator from New York.

Mr. COPELAND. When the Senator from Connecticut returns to the Chamber, I shall renew my request.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES. Mr. President, I desire to enter a motion to reconsider the vote by which the conference report on the economy measure was rejected. I do not know for sure, but I think to-day is the last day when the motion can be entered, so I desire to do so now. I may or may not call it up later.

The VICE PRESIDENT. The motion will be entered.

The notice entered by Mr. JONES is as follows:

I desire to enter motions to reconsider the following votes in connection with the legislative appropriation bill H. R. 11267:

The vote further insisting upon its amendments Nos. 46 to 169, inclusive, and ordering the appointment of conferees;

The vote disagreeing to the amendment of the House to Senate amendment No. 46; and

The vote rejecting the conference report.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 22, line 20, after the word "maintenance," to insert the words "including all motor-propelled passenger-carrying vehicles," under the item for "General Accounting Office," so as to read:

Contingent expenses: For traveling expenses, including stenographic reporting service outside of the District of Columbia, not exceeding $2,500, by contract or otherwise; materials, supplies, equipment, and services; rent of buildings and equipment; purchase and exchange of books, law books, books of reference, and periodicals, typewriters, calculating machines, and other office appliances, including their development, repairs, and maintenance, including one motor-propelled passenger-carrying vehicle;

The amendment was agreed to.

The next amendment passed over was, on page 22, line 22, where the committee proposes to strike out, under "General Accounting Office," the figures "$145,200" and insert in lieu thereof "$125,000," so as to read "and miscellaneous items, $125,000."

The amendment was agreed to.

The next amendment passed over was, under "Valuation of property of carriers," on page 29, line 5, to strike out the numerals "$2,750,000" and insert in lieu thereof "$750,000," so as to read:

Valuation of property of carriers: To enable the Interstate Commerce Commission to complete carrying out the objects of the act entitled "An act to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof," by providing for a valuation of the several classes of property of carriers subject thereto and securing information concerning their stocks, bonds, and other securities, approved March 1, 1913 (U. S. C., title 49, sec. 19a), including one director of valuation at $10,000 per annum, one supervisor of land appraisals, one supervising engineer, one supervisor of accounts, and one principal valuation examiner, at $9,000 each per annum, and traveling expenses, $750,000.

Mr. NYE. Mr. President, I think that if that item is to be taken up at this time it will be imperative to suggest the absence of a quorum, which I do at this time.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Bulow	Fletcher	Howell
Austin	Capper	Frazier	Johnson
Barbour	Carey	George	Jones
Bingham	Coolidge	Goldsborough	Kean
Black	Copeland	Hale	Kendrick
Blaine	Costigan	Hastings	Keyes
Borah	Couzens	Hatfield	La Follette
Bratton	Dale	Hawes	Lewis
Brookhart	Davis	Hayden	McGill
Broussard	Dickinson	Hebert	McNary
Metcalf	Pittman	Smoot	Trammell
Moses	Reed	Steiwer	Vandenberg
Norris	Robinson, Ark.	Stephens	Wagner
Nye	Robinson, Ind.	Thomas, Idaho	Walcott
Oddie	Sheppard	Thomas, Okla.	Watson
Patterson	Shortridge	Townsend	White

The VICE PRESIDENT. Sixty-four Senators having answered to their names, there is a quorum present.

The question is on agreeing to the amendment on page 29, line 5.

Mr. LEWIS. Mr. President, I have just entered the Chamber, and I would like to know what the particular amendment under consideration is.

The amendment was again stated.

Mr. COUZENS. Mr. President, I desire to ask the Senate not to agree to this amendment.

The Interstate Commerce Commission has a very well-equipped accounting, valuation, and auditing department, which is particularly necessary at this time, because while there is agitation for the repeal of the so-called recapture clause, nothing has been done by either House with respect to repealing the recapture clause of the transportation act of 1920. While there is agitation, as I said, to have that clause of the act repealed, the Committee of the House on Interstate and Foreign Commerce have reported out a bill, but they have received no rule to take it up.

Under the valuation act, which was passed in 1913, the valuation of the railroads has been going on, and practically all the railroads have been valued as of 1914 values, plus the actual expenditures since that time. The needs of these valuations are very great in rate fixing, and they are particularly important in view of the fact that the Reconstruction Finance Corporation is lending the railroads hundreds of millions of dollars, based on the approval of the Interstate Commerce Commission. That obviously requires that the value of the securities which are to be placed with the Reconstruction Finance Corporation as security for the loans be known.

Each one of the railroads has many grades of securities, the underlying mortgages, the junior mortgages, consolidated mortgages, and others, and it would be utterly impossible for the Interstate Commerce Commission to pass upon the value of those securities which are to be put up with the Reconstruction Finance Corporation if they did not know the value of the property. Neither would the Interstate Commerce Commission be able to fix a rate that was compensatory if they did not know the value of the property.

It will be observed that the House of Representatives allowed them $2,750,000, and the Committee on Appropriations of the Senate cut the amount to $750,000, a much larger cut than in any other provision in the bill.

It will be observed that the appropriations for other activities of the commission have been cut quite extensively, but nothing to the degree in which this particular item has been cut. It is impossible for the Interstate Commerce Commission to proceed under the transportation act if this item is cut in accordance with the recommendations of the committee.

I want to point out for a moment that much of the cut has been instigated by the railroads themselves.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question before he proceeds?

The VICE PRESIDENT. Does the Senator from Michigan yield to his colleague?

Mr. COUZENS. I yield.

Mr. VANDENBERG. Has the Senator suggested any alternative to the language noted, or is he suggesting that the entire amount be restored?

Mr. COUZENS. I am insisting as strongly as I can that the amount fixed by the House be retained. There is no activity in which the commission is engaged or in which the Government is engaged that is any more important to the people of the United States than this particular work. Nearly everyone knows that the condition of the railroads is such that in all probability many of the loans which are being made by the Reconstruction Finance Corporation will never be repaid. In many cases the railroads are carrying an unreasonable and unnecessary amount of fixed charges,

as we who have kept in contact with the matter at all have seen evidenced, as, for instance, in cases like that of the St. Louis & San Francisco Railroad Co.

That company made application to the Interstate Commerce Commission for a substantial loan from the Reconstruction Finance Corporation. The Interstate Commerce Commission pointed out that there was practically no possibility of the railroad continuing with its present financial set-up and therefore recommended that a new set-up or reorganization of their financial set-up be arranged. There is now under consideration a plan whereby the fixed charges of the railroad will be materially reduced and will have to be reduced prior to receiving any loan from the Reconstruction Finance Corporation. They have planned to take a large amount of the bonds, in the aggregate something like $50,000,000, and clip the coupons for a 5-year period and put the coupons in escrow so as to save the paying out of interest now, but giving the holders of the bonds a continuing interest in the coupons which will be clipped and put in escrow. The escrow agreement will carry a provision that the holders of the bonds still have this claim upon the railroad and it will eventually be paid after a 5-year period out of the earnings of the railway, if any.

That is only an example of what the commission is doing. These activities can not be intelligently carried on if the auditing and accounting and valuation organizations should be disbanded, as would be required under the provision of the amendment.

One of the outstanding matters of interest that occurs to me, as the railroads are insisting that the appropriation be cut, is an analysis of the salaries and the number of officers maintained by some of the large systems of the country. For instance, some time ago the Interstate Commerce Commission sent a request to all of the Class I railroads for a list of their officers and the salaries paid on each system. In response to that request they received a very complete report from the Class I railroads. After having received the report, I asked the commission for a copy of it. I received a letter from the Interstate Commerce Commission, dated June 21, and in order to put the matter fully before the Senate and not in any way to attempt to mislead them, because of some qualification, I desire to read the letter, as follows:

In response to your letter of June 20 I am sending you such information as the commission has on the subject of railroad salaries. It was obtained in response to a questionnaire which was sent to Class I railroads. The three documents which I am sending you are: (1) A summary and analysis of the returns to the questionnaire; (2) a statement showing the average annual salaries of the various groups of salaries as of March, 1932, and list of each position reported paying more than the average; and (3) the detail of the returns. It should be noted that the questionnaire called for a list of positions paying $10,000 or more annually as of December, 1929, and the rate of pay of the same position as of March, 1932. It should also be noted that the process of reductions has been going on since March, 1932. Such reductions are shown in the returns in the case of the Pennsylvania and Missouri Pacific systems, and similar reductions have recently been announced in the newspapers in the case of the Atlantic Coast Line, the Louisville & Nashville, and the New York Central. Doubtless there are other similar instances.

A study of this report shows that the Pennsylvania Railroad as of March, 1932, had 100 officials with salaries of $10,000 and over. The aggregate annual salaries was $2,027,340, almost the amount for one railroad that is required by the Interstate Commerce Commission for the entire division therein created for the purpose of valuing and accounting and checking on the expenditures and operations of the railroads.

For example, as of March, 1932, the president of the Pennsylvania was getting a salary of $135,000 a year, the vice president $58,500 a year, five vice presidents of the western, central, eastern, New York, Chicago, and New England divisions received $31,500 per year each; the vice president in charge of real-estate valuation and taxation $36,000 a year. In other words, the official of the Pennsylvania Railroad alone who has charge of valuation and taxation received $36,000 a year, four or five times as much as is paid to the officials of the Interstate Commerce Commission charged with the responsibility of valuation.

Then we have the vice president in charge of finance, $45,000, vice president in charge of traffic $45,000, vice president in charge of operations $54,000, and so on down the list, until there are enumerated 100 officials of the Pennsylvania Railroad receiving $10,000 per year or in excess thereof. The report goes on to enumerate the large number of officers engaged by each of the large railroad systems.

And yet, Mr. President, the railroads are lobbying to have this appropriation cut from $2,750,000 a year to $750,000 a year. In other words, the whole appropriation might as well be eliminated and the whole activity might as well be eliminated as to take this means of wrecking the whole system maintained by the Interstate Commerce Commission.

Let me refer to the Southern Pacific Railway, for example. The chairman of the executive committee receives $135,000, the president $90,000, the executive vice president $36,000, vice president $36,000, another vice president $27,000, another vice president $27,000, vice chairman of the executive committee $76,500 per year, vice president in charge of operations $31,500, vice president in charge of freight traffic $27,000, and so on down the list, until it lists 35 officials receiving $10,000 per year or more, the aggregate being $1,191,930 per year.

Senators can go through the whole list of large railroads, the jurisdiction over which is in the hands of the Interstate Commerce Commission, charged with the responsibility of auditing and checking up all these activities, and yet the commissioners are asked to get along with an appropriation which is almost exactly the amount received by the officials of the Pennsylvania Railroad alone.

Let me refer to the Baltimore & Ohio Co., which has 42 officers receiving $10,000 per year or more. The president gets $120,000 as of March, 1932; the senior vice president, $76,500; one vice president, $54,000; another vice president, $45,000. Then they have a general manager in the East, who receives $27,000 and a general manager in the West at $18,000, a chief of motive power, $29,700, and then there are general attorneys and attorneys receiving $13,000 and $14,000, up to $25,000 per year. And yet these railroads are trying, so I am informed, through lobbying methods, to wreck the accounting and auditing and valuation organizations of the Interstate Commerce Commission.

For instance, take the case to which I just referred of the St. Louis & San Francisco system, which will go into the hands of receivers on July 1, 1932, unless they receive a substantial loan of $5,000,000 from the Reconstruction Finance Corporation. In spite of their financial condition, their president receives $63,000 a year and the chairman of the board and executive committee, $36,000 a year. They list 12 other officials receiving in excess of $10,000 per year.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. COUZENS. I yield.

Mr. BORAH. Has there been any reduction in these salaries since 1929?

Mr. COUZENS. Yes; there have been some reductions. I understand the president of the Pennsylvania has been reduced from $150,000 to $135,000 as of March last. While I have no official record, I am informed there has been another reduction from $135,000 to $122,500, but as to that I have not the absolute figures.

Now let us take the Wabash Railway, which is in the hands of receivers and has a very large and substantial loan from the Reconstruction Finance Corporation. The president of that system gets $45,000 per year, the chief operating officer gets $22,500, and the general counsel, $27,000 per year. In other words, one general counsel for one railroad company gets the same salary that is now proposed for three Interstate Commerce Commissioners having the responsibility of the accounting and looking after the regulation of all the railroads.

Mr. President, I do not want to take the time of the Senate to go all through these files, but at a later time I am going to ask that these may be made a Senate document so that Senators may have all of the information that I have concerning the amounts of salaries and the amounts of

overhead carried by these railroads. We hear from business, from railroads, from every sort of agency, condemnation of bureaucracy in the Federal Government, and yet I submit when the Pennsylvania Railroad has to carry 100 employees whose salaries aggregate over $2,000,000 a year, it is evidence that there is undoubtedly a great deal of bureaucracy and unnecessary overhead expenditure there.

Mr. JOHNSON. Mr. President, this amendment in its implications and in its actualities is far more important than anything that has come before us in the last few days save possibly the great relief bill. This amendment seeks to give to the railroads of the country substantially $360,000,000. It seeks to do it by destroying the activity of the Interstate Commerce Commission, upon whose researches and investigations depends the amount that may ultimately be collected by the United States Government. In order that the few Senators who are here and are not listening to the proceedings of the celebrated convention at Chicago may understand just exactly the extent of the cuts in this appropriation, let me remind the Senate that the appropriation for 1931–32 for the department that made the particular researches was $3,554,268; that the Budget recommendation in this year of economy, 1932–33, was $3,233,231, being a cut of 9 per cent; that the appropriation provided by the House for 1932–33 is $2,750,000, being a cut from the prior appropriation of 22 per cent; and that the Senate committee's recommendation in this bill which we are now discussing is $750,000, being a cut from the former appropriation of 79 per cent.

Mr. BORAH. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Idaho?

Mr. JOHNSON. I yield.

Mr. BORAH. I did not catch the figure which the House bill carried.

Mr. JOHNSON. The House bill carried $2,750,000.

Mr. BORAH. And this bill reduces it to $750,000?

Mr. JOHNSON. This bill carries $750,000, and the difference will at once be obvious.

It is conceded practically by all those who are familiar with the subject that a proper performance of the work of valuation, upon which will be predicated the rights of the United States Government to recover under the railroad law and the recapture clause, will not be possible with any such appropriation as $750,000. If that be so, if it be an accurate statement, as every man to whom I have talked, who is familiar with the subject, insists that it is, that the appropriation proposed by the Senate committee is inadequate for the necessary work upon which may be predicated the right of recovery out of the United States Government from the railroads, then this bill not only starves the particular department but it is apparently designed to prevent the collection from the railroads of the amount that is due from them unto the United States, and in effect repeals the existing law.

It has been determined by the United States Supreme Court in a case that is familiar to all Senators, the Dayton-Goose Creek case, that these sums under the recapture clause are due to the United States Government. It is a fact that some $12,000,000 have been collected under the particular clause. It is also a fact for years the work of revaluation and other necessary activities, in order that a recovery may be had, have been pursued by the Interstate Commerce Commission, and if the money shall be denied the commission upon which they may proceed to make the recoveries for the United States, we are doing something here that to my mind is not only reprehensible, but in this particular period, when we are crying about economy and the necessity of our people to have money due them, and crying as well about taxation upon the overburdened people of this Nation, under those circumstances I say we are doing something that is infinitely worse than merely reprehensible.

Mr. President, I have not much sympathy with some kinds of economy; I have not much sympathy with some kinds of taxation; I have not much sympathy with the peculiar policies which have been pursued by this Government by which taxation and economies—economies cruel and tragic in character; taxation that is burdensome and onerous in character—have been put upon the American people.

I recall, sir—and I only recall it in order that we may remember some things that have passed, lest we forget—the $250,000,000, almost a quarter of the deficit that was necessary for us to raise in order to balance the Budget, which we gave to nations of Europe in December last year by a moratorium, and that by providing for a moratorium ourselves then we made another moratorium this year practically inevitable at the demand of our debtors. This year, then, we have in addition $270,000,000 of money that belongs to our taxpayers that will be accorded to our debtors by another moratorium. So we have $250,000,000 last year, $270,000,000 this year, $520,000,000 in all, representing one-half the deficit, one-half practically of the amount in order to collect which we have levied these burdensome taxes upon our people; one-half the amount that in this time of depression and cataclysmic disaster we have had to search the pockets of those who are little able to pay, in order to make up the deficit. Now, sir, if at all I be correct in the premises to which I recur, by this bill we add substantially $360,000,000 to the $510,000,000 that so generously we give to Europe, making $870,000,000 that in our generosity, first, we have given to debtors across the sea, who are well able to pay, and, secondly, to railroads, some of which are well able to pay also. It makes no difference if it may be asserted that some railroads have difficulty in paying. The fact of the matter is that the railroads which may pay represent the greater proportion of the $360,000,000 that are due from them.

The steel corporation roads owe $56,258,000 of this fund of $360,000,000, or about 15.6 per cent. The dividends paid by the steel corporation roads between 1920 and 1930 were $84,947,625. Of course, they can pay. Every one of the steel railroads, if those dividends were thus paid by them, can, of course, pay what it owes the Government. The only decision upon the subject which has been rendered by the United States Supreme Court says not only are they liable to pay but that they ought to pay. In addition to the steel company railroads to which I have alluded, there are the Pocahontas coal carriers which owe to the United States Government $102,491,357, or 28.4 per cent of the total from all railroads. The dividends paid by these railroads in 1920 to 1930 aggregated $238,959,711. Equally, of course, these roads can pay.

Beyond that, whether the dividends have been of one sort or another, whether the railroads have paid large dividends or small, it is an obligation due to the United States Government that these railroads owe, and if it be essential for the United States Government to collect at this time the sums that may be due to it, it is outrageous that the appropriation cut beyond hope of consummation shall preclude that possibility.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Connecticut?

Mr. JOHNSON. I yield.

Mr. BINGHAM. Mr. President, if the Senator will look on page 26 of the bill, under the head of "Regulating commerce," he will find the item in which he is interested. In that paragraph we find the appropriation which has to do with the recapture of the amounts mentioned by the Senator. The House of Representatives cut that item down very greatly, $383,560. The Senate Appropriations Committee, after hearing the situation explained, increased that appropriation by $500,000. The question before us now is with regard to the valuation of the properties. That involves a very expensive proceeding, which, in the judgment of many people——

Mr. JOHNSON. Mr. President, did the Senator ask me to yield for a question or for a speech?

Mr. BINGHAM. I merely want to call the Senator's attention to the fact that he was arguing one item while we were considering another.

Mr. JOHNSON. Oh, no; I was speaking of the reduction of the appropriation for railroad valuation work from $2,750,000 to $750,000.

Mr. BINGHAM. That item does not come just at this point in the bill.

Mr. JOHNSON. That may be all right; but it is not accurate. At any rate we are coming to it sooner or later, and I am presenting my views concerning it. The Senator does not have any objection to my presenting my views in relation to that particular item, does he?

Mr. BINGHAM. I was only sorry the Senator seemed to regard that item as being concerned with the recapture clause.

Mr. JOHNSON. I conceive the item to which I am addressing myself to be the most important one in this bill; and for fear I might not have the opportunity subsequently to be heard upon the subject or that I might be necessarily absent, I was presenting my views now upon that subject. That, however, is a privilege which is accorded to every Member of the Senate upon any amendment at any time and under any circumstances. So the Senate will pardon me if I proceed in that regard.

The amendment to which the Senator adverts does not affect in the slightest degree what I have been saying nor in any degree my criticism of the particular amendment that is contained in this bill and to which I am addressing myself. I insist that the reduction which has been made in the appropriation in the particular which I have indicated is a reduction which, if not designed to prevent the collection of the debt due to the United States Government, has that very effect. I object to that sort of reduction being made at this particular time.

There is another aspect of the amendment, too, in that it will result in the discharge of hundreds upon hundreds of skilled employees who through the years have been taught this very technical and this very trying work and who alone understand it and understand it thoroughly; and if that organization be once destroyed it will be with the utmost difficulty that it again can be created or again can perform the duties that it has been performing in the past. From every aspect it would be a gross error and mistake upon our part to destroy the organization that has been built up in the years. It will be worse than that to destroy it at this time and preclude the collection of the amount that may be due the United States Government under the railroad law and recapture clause from railroads well able to pay their just debts.

I protest, therefore, against a peculiar reduction such as this. There has not been in any other appropriation bill a reduction of 79 per cent; and there is not any reason on the face of the earth for a reduction here, in this particular item, except the desire and design to preclude the collection from the railroads of the country of the amounts that are justly due from those railroads, and indirectly to repeal the existing law.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). The question is on the amendment of the committee.

Mr. LA FOLLETTE. Mr. President, it is perfectly obvious to anyone who has made a study of the item under consideration that what is sought to be accomplished by the Committee on Appropriations is the repeal of the valuation act. The adoption of the amendment as recommended by the committee can have no other effect than wrecking the valuation division of the Interstate Commerce Commission. My information is that it will result in the discharge of 700 highly trained employees who have been engaged in making these important valuation studies over a period of years.

I would like to draw to the attention of the Senate a letter which I received from Commissioner Eastman under date of June 13:

INTERSTATE COMMERCE COMMISSION,
Washington, June 13, 1932.

Hon. ROBERT M. LA FOLLETTE, Jr.,
United States Senate.

MY DEAR SENATOR: In accordance with your request, I am sending you herewith a memorandum in regard to our Bureau of Valuation, and the effect upon that bureau and its work of the proposed cut of nearly 80 per cent in its appropriation.

As has been just pointed out by the senior Senator from California.

The following table with respect to the appropriations for the various departments of the commission's work may be of interest in this connection:

	1932 appropriation	Budget, 1933 estimate	House 1933 appropriation	Proposed Senate appropriation
General	$3,090,900	$2,925,254	$2,875,254	$2,600,000
Accounts	1,504,420	1,383,560	383,560	883,560
Safety	534,660	511,732	511,732	600,000
Signals	48,260	47,174	47,174	40,000
Locomotives	504,865	485,359	485,359	400,000
Valuation	3,554,368	3,233,231	2,750,000	750,000
Printing	175,000	175,000	175,000	175,000
Total	9,412,473	8,761,410	7,228,089	5,348,560

The proposed appropriation does not, we understand, make allowance for the further reduction which may result from the cutting of salaries and wages or the establishment of the furlough plan.

It will be noted that the chief cuts made by the House under the Budget estimates were in the appropriations for the Bureau of Accounts and the Bureau of Valuation. These cuts were made on the theory that the recapture provisions of the law would be repealed.

Here is a complete answer to the contention made by the Senator from Connecticut.

Upon that theory we did not object to the cut in our valuation appropriation to $2,750,000—

Commissioner Eastman, of course, refers to the cut made by the House from $3,554,368, which was the appropriation in 1932. The Budget estimated $3,233,231, and the House cut the item to $2,750,000.

But we did object to the proposed slaughter of our Bureau of Accounts. At the hearing before the Senate subcommittee we concentrated upon the proposed cut of $1,000,000 in the appropriation for that bureau, showing that it was based upon a complete misapprehension of the effect of recapture repeal upon the need for that bureau and its work. Apparently that argument had some effect, as is shown by the restoration of $500,000. But the Senate committee now proposes to slaughter the Bureau of Valuation instead. In the meantime it has become apparent that recapture will not be repealed at this session.

The memorandum which I am sending you is confined to the Bureau of Valuation. As for the other cuts, they will hamper us in our work, but under present emergency conditions we are not disposed to press an objection.

A very reasonable point of view, I submit, Mr. President.

The cut is very severe in the case of the Bureau of Accounts, and we are of the opinion that even in the present emergency the reduction should stop at $1,000,000 instead of going to $883,560. However, we shall hope to recover some of this lost ground in future years, and in the meantime we may be able to avoid wholesale discharge in that bureau by some scheme of voluntary furloughs without pay or possibly by reducing materially per diem for traveling expenses. Of course, this means sacrifice by the men in addition to that imposed by the threatened pay cuts. In the case of the Bureau of Valuation, however, the cut goes so far that there would be no possibility of saving the bureau from ruin.

In my judgment, the record of the commission shows that it has never asked for greater appropriations than it needed. After the war, its work increased enormously, in view of the many new duties imposed upon it. It was obliged to ask for increased appropriations, but even with their aid it has not been able to keep fully abreast of its work, although of late there has been marked improvement in that direction. I believe that all who are familiar with the commission's work will concede that it is a hard-working body. Moreover, I call attention to the fact that at the present session Congress has imposed two new duties upon the commission, one in connection with railroad loans and the other in connection with the proposed 6-hour day for railroad employees. The first of these new duties has proved to be of great magnitude, and the second to be of very considerable magnitude.

Respectfully yours,

JOSEPH G. EASTMAN, *Commissioner.*

Now, I refer to the memorandum which was inclosed in the letter from Commissioner Eastman concerning the Bureau of Valuation, because I agree with the statement made by the Senator from California that this is one of the most important questions that the Congress has confronted—the proposal to repeal the valuation act by indirection.

There is not a Senator here who believes that if the proposition to repeal the valuation act was presented in a separate bill it would have any chance to be passed at this session of

Congress, but the Appropriations Committee, hostile to the purposes and the public protection contained in the valuation section of the law, proposes by indirection to achieve that objective. It proposes to hamstring and destroy the valuation work of the Interstate Commerce Commission by cutting off its funds.

Mr. President, there never was a time when it was more necessary for the protection of the Government and the protection of the public interest that the valuation work should be carried on.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I do.

Mr. COUZENS. I want to ask the Senator if he does not think this appropriation is perhaps more necessary than ever at this time in view of the general clamor for railroad consolidations. They can not, of course, approve any consolidation without knowing the value of the property to be consolidated.

Mr. LA FOLLETTE. Of course; but the railroads and their friends would be delighted to have this bureau destroyed, because it is the only agency which can protect the public in the premises, not only in the consolidations but in the other vital and important problems which will be presented for solution during this period of depression concerning the steam transportation systems of the United States.

Referring now to the memorandum:

The appropriation for this bureau for the year ending June 30, 1932, is $3,554,368. The commission asked the Bureau of the Budget for the same appropriation for the year ending June 30, 1933. The Budget cut this to $3,238,231. The House of Representatives voted to appropriate $2,750,000. The Senate committee now proposes to reduce this to $750,000. This would cut the present appropriation by $2,804,368, or 78.9 per cent.

Such a reduction would disrupt and ruin an organization of engineers, accountants, land appraisers, examiners, and attorneys, trained in the work of valuation over a long period of years. There is no better equipped or more efficient valuation organization in the country. It would compel the discharge of about 700 of these specialists, many of them supporting families on small salaries, at a time when it would be impossible for most of them to obtain other employment.

This sum of $750,000 is to be appropriated, according to the proposed bill—

Now, mark this, Mr. President—

to enable the commission to "complete carrying out" the objects of the valuation act of 1913, now section 19a of the interstate commerce act. The idea, apparently, is that this appropriation is to wind up and close the valuation work. In other words, the proposal is to repeal the valuation act by indirection, without any actual repeal or even consideration of repeal by Congress.

Moreover, to "complete carrying out" the objects of the valuation act within a single year is impossible. The idea betrays ignorance of that act. The act contemplates by its very terms a continuing process of valuation, a readjustment of values each year to reflect changes in property and depreciation and after considering changes in unit prices and land values. There is nothing static about railroad properties or their values. They are continually changing, a fact which was clearly recognized in the 1913 act.

The practical repeal of the valuation act was urged at this session of Congress by the Association of Railway Executives before the House Committee on Interstate and Foreign Commerce.

They tried the direct method, Mr. President. Let us see how far they got with it.

The commission opposed such action, and the arguments pro and con were presented at length at public hearings. The House committee was unanimous against such repeal. The subject has not even been considered by any Senate committee.

And I am sure the chairman of the Interstate Commerce Committee of the Senate will confirm that statement of fact.

Yet it is here proposed, in the last days of the session and without any bill to repeal before Congress, to accomplish the same purpose and ruin the valuation organization of the commission by cutting the life out of its appropriation.

One of the important uses of valuation, under the present law, is in connection with the recapture of excess railroad earnings, dating back to 1920.

Here is the answer to the statement made by the Senator from Connecticut that the valuation bureau had nothing to do with recapture:

The commission favors the repeal of the recapture provisions, both for the future and retroactively, and has presented its reasons therefor to the House Committee on Interstate and Foreign Commerce. That committee has reported in favor of such repeal, but it has been able to obtain no action by the House on its recommendation. The subject has not been considered at all by any Senate committee. But if the valuation appropriation is reduced as now proposed all effective work on valuation must stop. The bureau of accounts is also utilized by the commission in this recapture work to audit the income accounts of the carriers. Its present appropriation is $1,504,420, and it is proposed to cut this to $883,560.

I submit, Mr. President, that the statement made by the Senator from Connecticut, a member of the Appropriations Committee, shows how ill-considered is the recommendation of the committee in regard to this amendment. The Senator was under the impression that the valuation division had nothing to do with recapture.

Mr. BINGHAM. Oh, no, Mr. President! The Senator has made a great many statements in his enthusiasm that are not quite in accordance with my own understanding of my own statements.

(At this point a message was received from the House of Representatives, which appears elsewhere in the Senate proceedings.)

Mr. BINGHAM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. LA FOLLETTE. I will yield in a moment. I wish to make a statement in my own right.

I heard what the Senator from Connecticut said when he interrupted the Senator from California. The Senator from California was making a very telling argument concerning the recapture provisions of the interstate commerce act and its importance to the Treasury, to the taxpayers, and to the public generally. He had adverted at the outset to the drastic cut of practically 80 per cent in the valuation item in this appropriation bill.

The Senator from Connecticut rose, interrupted the Senator from California, and tried to tell the Senator from California that his remarks on recapture in connection with the appropriation for the valuation bureau were irrelevant because the bureau had nothing to do with recapture.

I am perfectly willing to yield to the Senater from Connecticut, but I stand upon the interpretation of his interruption which I have made.

Mr. BINGHAM. Mr. President, if the Senator will permit me, what I tried to say, but evidently did not make myself clear, was that the item which the Senator is now discussing, relating to valuation, while, of course, the basis for the work on recapture, did not concern the actual business of securing the actions in connection with recapture, and I adverted to the fact that the committee had increased that item, which we were told was the item connected with the actual recapturing of these amounts, by some $500,000.

We all understand perfectly that the work of revaluation, which I shall have something to say about in a few minutes, is the basis on which these other claims are made; but the Government has already spent over $41,000,000 for that purpose.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. In just a second. The Senator from Connecticut has served to muddy the water a little, but if he will only allow his remarks to stand without revision the way they were uttered, I am perfectly willing to let my interpretation of them stand.

Now I yield to the Senator from California.

Mr. JOHNSON. Mr. President, I shall be very glad also, because the initial premise of the Senator from Connecticut was that the Senate was dealing with an amendment other than that of which I was speaking, and he referred to that other amendment and said that it had nothing whatever to do with the particular matter which I was discussing, and with some degree of pleasantry I said to him that under those circumstances I had a right of discussion anyway, and so I would proceed.

Mr. LA FOLLETTE. Mr. President, the explanation of the Senator from Connecticut has not altered my opinion

of the value of the recommendation made by the committee concerning this item, because the committee either did not understand what it was doing, or else it knew too well. I have not made up my mind as yet which is the proper interpretation of its action.

If recapture work is to be carried on, both of these bureaus will need every cent that the commission has asked for them. It has not been possible to keep the work fully current on the present appropriations, although tremendous progress has been made in bringing the recapture proceedings to culmination.

It is respectfully submitted that it is contrary to all sound public policy to put an end, without repeal, to important provisions of the law by withholding in the last hours of the session, when there is no opportunity for adequate consideration, the appropriations necessary to carry them out. It is also submitted, if the financial emergency be offered as an excuse, that it will not help the country to put 700 or more employees, most of them heads of families, on the street.

I continue to quote from this memorandum, which I think is very compelling in the force of the argument which it presents:

HISTORY OF VALUATION ACT

The valuation act of 1913 was passed by Congress after repeated recommendations for such legislation by the commission beginning as early as 1903. It was then an admitted fact that the property investment accounts of the railroads did not, in general, record either cost or value and were utterly unreliable. The Supreme Court had laid down the rule that a railroad or other public utility company is entitled to a reasonable return on the fair value of its property used in the public service, and the railroads were beginning to submit in rate cases before the commission and before the courts elaborate property valuations prepared by their own engineers and experts. Shippers were without protection against such evidence. Valuation questions were also continually arising in connection with taxation. This was, in brief, the genesis of the valuation act.

It does not, however, adequately describe the long legislative battle fought over the question of establishing the principle of valuing the railroad properties of the United States. My illustrious father fought for years on the floor of the Senate, defeated time and time again, but in 1913 he forced through the Congress the valuation act.

What the country would have been up against without the bureau of valuation may be indicated by a single illustration, which is completely typical. In the recapture case of the Richmond, Fredericksburg & Potomac the carrier claimed a value of $62,359,946 for the year ended December 31, 1923. The commission's valuation for that year, which was above the actual cost of the property, was $30,100,000.

The undertaking was a gigantic one, and it has cost the Government a great deal of money.

No one denies that.

Since 1913 the total expenditures have been about $42,000,000, but that is a small sum, spread over 19 years of work, when compared with the property involved, costing upwards of $20,000,000,000. The basic valuations have been practically completed, and the Government has an accurate inventory of all railroad property checked up to about 1927.

Yet, Mr. President, this committee proposes by indirection to destroy this valuable work when it is about to be checked up and brought down to date.

The work of bringing the inventory and valuations down to date has not been completed, but great progress has been made in that direction. As already pointed out, it is, of course, a continuing process.

USES OF VALUATION

What has been done has been of great value to the railroads and to the country. Any idea to the contrary is based on a misunderstanding of the situation. It has given the railroads an inventory and knowledge of their own property which they did not theretofore have, which they could have got in no other way, and which has been of positive money benefit to them. It has disclosed the railroads which are overcapitalized and those which are undercapitalized. This information is continually used by the commission in the regulation of security issues, and is now being used every day in passing upon the matter of loans by the Reconstruction Finance Corporation to the railroads. Engineers and attorneys of the bureau of valuation have been impressed into that emergency work.

Mr. President, at the very time when we are extending the largesse of this Government to these railroads through loans from the Reconstruction Finance Corporation it is proposed by the Committee on Appropriations to cut off the arm of the Government service prepared to protect the public interest in connection with the making of those loans, just as it has been protecting it in the issuance of securities.

In my judgment, Mr. President, these are two of the vital reasons for the slash in this item made by the committee.

Under the law, valuations must be taken into account in passing upon consolidations of railroads, and such valuations form an important part of the evidence in the proceeding involving the so-called 4-system plan of consolidation in eastern territory which is now pending before the commission.

It was to that work of the valuation bureau that the Senator from Michigan drew attention a moment ago.

Under the law, also, they must be taken into consideration in passing upon the divisions of joint rates between railroads.

There is hardly an activity of the Interstate Commerce Commission which, when we run it down, is not found in some way, either directly or indirectly, related to the work of the valuation division.

In the new system of depreciation accounting which the commission has prescribed for the railroads at the behest of Congress, valuation data were found to be absolutely essential in establishing a uniform and reliable base for such accounting.

Yet it is proposed, Mr. President, to destroy this bureau, and to cut off the gathering of these essential data, so necessary to the many activities and vitally important work of the Interstate Commerce Commission.

States are constantly calling on the commission for valuation information to aid them in equalizing taxation.

Special needs for valuation data are continually arising. Last Friday a tentative valuation of the Pullman Co. as of December 31, 1931, was approved for service. It brings the valuation up to that date from the basic valuation as of June 30, 1919. It was called for six weeks ago for use in a Pullman fare case. Occasion has arisen for a valuation of the property of the Inland Waterways Corporation. Requisition was made on the bureau of valuation in late April. The report as of current date was placed in the hands of the commission last Saturday. It was requested by the Secretary of War. A requisition was made on April 20 for a current valuation of railroad warehouse property in New York and vicinity, and it is now ready. It was called for in connection with an investigation of the warehouse situation by the commission. There are similar requisitions out for current valuations of railroad properties in the Chicago switching district for use in the adjudication of switching rates, and for similar valuations of Kansas City terminal properties for use in adjusting charges between litigating carriers. Work will soon be begun on a current valuation of ice-manufacturing plants of transcontinental carriers, in connection with an investigation of the cost of refrigeration service and the charges therefor.

These uses for valuation data have been mentioned to show that the use in connection with the recapture of excess earnings is far from the sole use. So long as recapture is a part of the law, valuation is absolutely essential. There is no possible escape from it, but the uses do not end there by any manner of means.

Not only does the bureau of valuation undertake to maintain a complete inventory of railroad property and to keep informed of the constant changes in that property, but it undertakes also to keep fully informed as to changes in the unit costs for labor and materials in railroad construction work and the similar changes in railroad land values. It further keeps informed in regard to the progress of depreciation in railroad physical property resulting not only from the action of wear and tear and the elements but also from such factors as obsolescence and inadequacy.

Mark this:

The commission is in a position to produce within 60 days a reliable estimate of the current physical valuation of the railroads, as a whole, or for the recognized rate groups.

Are we ready, Mr. President, to destroy the valuation work and thus leave not only the commission but the Congress without this vitally essential information when treating with these vast problems which are constantly arising?

The commission is in a position to produce within 60 days a reliable estimate of the current physical valuation of the railroads, as a whole or for the recognized rate groups. Such data were produced in the recent 15 per cent rate increase case, Ex parte No. 103. While the commission can not now do this for each individual railroad, it will soon be able to do so, provided it is permitted to go ahead with its work.

Under present conditions and on the basis of present earnings and present market values for their securities, it may be argued that valuation of the physical properties of the railroads has lost all practical importance. But it was only a brief three or four years ago, when market prices for securities and reproduction cost indices were at top levels, that some estimates of aggregate railroad values ran as high as $40,000,000,000 or even $50,000,000,000. Based on past experience with prophecies, it is a rash man who can be sure that the situation will not change as radically in the other direction within the next three or four years.

Furthermore, the railroads have until recently been claiming the benefit of valuations based on reproduction costs much higher

than original cost, and the tendency of the Supreme Court has been to sustain them in such claims. At the present time reproduction costs are trending rapidly in the other direction. There are many railroads whose reproduction cost is now below original cost, and there soon will be more. Under these conditions the interest of both railroads and public utilities in physical valuation is evaporating. The public is clearly entitled to the services of an organization which can produce on short notice the facts in regard to current reproduction costs and current depreciation, and this is what the bureau of valuation, as at present organized and equipped, can do. It is impossible to say when the need for such information may arise.

It is at least conceivable that if the present economic depression continues, it may be necessary for the Government to take over the railroads, as it did in the war emergency, for a period of time. If there should be need for such action in any one of a number of possible forms, the existence of a well-equipped bureau of valuation with complete valuation data at its command would be an invaluable protection to the country against possible unwarranted claims. Under such circumstances it would be folly now to disrupt and ruin this organization.

It requires years of time to build up a trained and experienced organization, such as the commission now has in its Bureau of Valuation. It takes only a short time to wreck such an organization, and that is what is now proposed. It is respectfully submitted that not even the present financial emergency is justification for such drastic action.

Mr. President, it is perfectly clear what is proposed by the committee. It is proposed by the committee to reduce so drastically the appropriations as in effect to achieve the repeal of the valuation act, now section 19 (a) of the interstate commerce act. It is also perfectly clear that this is part and parcel of the campaign which has been carried on in this country to wreck not only the valuation division of the Interstate Commerce Commission, but finally and eventually to curtail its activities altogether. The wildest and most absurd kind of charges have been made that the Interstate Commerce Commission has resulted in wrecking the railroads, whereas, on the contrary, any person who has studied the problem knows that it is the Interstate Commerce Commission which has made it possible for the railroads to survive the impact of the general economic situation as well as they have done.

The Interstate Commerce Commission is responsible for curbing the unjustifiable and indefensible financial policies of the railroads. It forced the railroads to adopt an accounting system which would protect not only the stockholders, but also the shippers and the traveling public. It is the Interstate Commerce Commission which has stood four-square against mergers and consolidations such as that proposed by the Van Swearingens, and it was only when they found the new device of holding companies that they were able to go on with their scheme for unloading upon the public millions upon millions of dollars of worthless securities. Mr. President, it would be a tragedy, in the face of the emergency character of the depression, for us at this time to strike down the only arm of the Federal Government which can protect the public interests in meeting some of the critical transportation problems which will arise.

As has been suggested in the concluding paragraph of the memorandum, which I have read to the Senate, and as I have suggested myself upon the floor of the Senate on several different occasions, if the present economic trend in this country continues in the direction which it has been going in the last 26 months, it will in all probability be necessary for the Government to take over the steam-transportation systems of the United States in order to secure a distribution of the essential commodities—food, clothing, and other materials—without which the great metropolitan cities can not exist for more than 48 hours. Can it be that intelligent Senators charged with the responsibility of protecting the public interest will now do away with the valuation division? If the necessity arises of taking over the railroads it would be the only agency that checks the claimed value of the railroads and prove their actual value at the time when they were taken over. We had an experience in taking over the railroads during the war. We had experience with the exorbitant claims which they presented when they were returned to private management.

In view of the situation, Mr. President, I appeal to the Senate to reject the committee amendment and to let the item as agreed upon in the House committee and by the House of Representatives stand in the bill. It is already a drastic cut over the 1932 appropriation. In view of its record of service and efficiency I think we can rely upon the statements made by such men as Joseph B. Eastman and other commissioners that the sum of $2,750,000 is the irreducible minimum with which this bureau may be maintained and may continue its valuable services in protecting the public interests in connection with one of the most important phases in the present economic situation.

Mr. SMOOT. Mr. President, as a member of the Appropriations Committee I was not present when this reduction was considered and made. I was engaged night and day with the Finance Committee meetings and was not able to be present at the meeting of the Appropriations Committee. I know the Appropriations Committee decided that under the present circumstances and conditions in the country it would be almost useless to continue the valuation of property, when no one could really arrive at what the real valuation may be. I am quite sure that is the reason why the Appropriations Committee made the reduction in this item. In other words, I can not myself see what advantage there would be to try to arrive at the valuation of a railroad property under conditions existing to-day as compared to what they were two years ago or as compared to what they may be two years from now. Nobody could tell. I think the committee took the position, that being the case, that there is no necessity for appropriation $2,750,000. I know of no other reason. I can not think of any other reason than that for the reduction in the appropriation.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. I yield.

Mr. COPELAND. I was at the meeting of the Appropriations Committee when this matter was considered. We were under compulsion to effect an economy in the appropriation bill of at least 10 per cent. It was a dreadful experience anyhow, and we were almost at a loss to know what to do or how to change the bill to bring about a 10 per cent reduction. I am sure there was no feeling in the committee as regards the principles contended for here so ably by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from California [Mr. JOHNSON]. It was a question of where we could get the money. That was our problem.

In looking over the various activities involved in the bill and because of the necessity for making a reduction of 10 per cent, it seemed it might be done in part here. There was no question of the principle involved, I am confident. There was no desire on the part of the committee to do what was done, but we had orders, or expected to have orders, from the Senate to save 10 per cent on the bill, and that is what we tried to do. I dare say, from what I have heard to-day, that it was an unfortunate thing we did.

I feel sorry for the chairman of the Appropriations Committee. He has had a battle all through these weeks, because on every bill which came to his committee the committee was under a command, or threat of a command, to reduce the amounts 10 per cent. That is why it was done here. The Senate has to decide whether it will exercise the economy seeking to make the aggregate 10 per cent reduction and include this reduction, or whether they will disregard their order to the committee for a 10 per cent reduction.

Mr. SMOOT. The Senator from Wisconsin intimated at least that the railroads had been asking for this reduction. I do not know of a single railroad man that ever wrote a letter to the committee; I do not know about the individual members of the committee, but they did not write to me; and no railroad man ever called upon me in any way, shape, manner, or form with reference to this item. I think the statement of the Senator from New York and what I have said covers the whole question as it occurred. It is with the Senate. We thought that by making the cuts as we have made them, we were making those least detrimental to the Government service. Our judgment may be wrong. But I want every Senator to understand that there was no feeling in this regard whatsoever.

Mr. President, I have been here nearly 30 years. I have been on the Appropriations Committee for nearly 20 years. I have never passed through such strenuous times, I have never had such experiences in all my life, and I never anticipated ever having such experiences as we have had in that committee during this session. I know just as well as I know that I am living that we make mistakes, but what body of men ever lived under such circumstances that would not make mistakes? We do not say that all the bills reported by our committee are perfect. We do not say our action is the best that could be taken. But I do say that our action is the best that the committee in its judgment thought proper to recommend to be taken. That much I do know.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from New York?

Mr. SMOOT. I yield.

Mr. COPELAND. I only want to say in confirmation of what the Senator from Utah has said that I do not believe there was a bit of railroad influence either pro or con involved in this cut. I know that it did not enter my mind. It will be recalled that I introduced a resolution a long time ago and it was referred to the Appropriations Committee providing that instead of taking 10 per cent off each bill, we would make the aggregate reduction of 10 per cent on all bills together, but it was not considered. The only thing I saw in the committee was evidence of a sincere desire to find the way to make the 10 per cent reduction. Here we found $2,000,000 of the 10 per cent, though what we have heard here to-day makes me think it was a bad economy; but it seems that we have to find it and here is a way to reduce by $2,000,000.

Mr. SMOOT. It was also called to the attention of the committee that the basic valuation was about completed. The Senator from Wisconsin [Mr. LA FOLLETTE] made that statement here to-day, identically the same statement.

So when we considered, all the items in the bill, trying to cut appropriations with the least detriment to the service, the committee decided that this was a place where a reduction could appropriately be made.

Whatever the Senate desires to do in the matter, I am not going to object, but I do not want to be criticized, and I am quite sure the committee does not, in a way that is altogether uncalled for. No railroad men had any influence with us; no railroad man ever spoke to a member of the committee so far as I know.

Furthermore, we know, as has been stated here, that the basic valuation of the railroads has been about completed; and I thought that in a work that was so nearly completed there could possibly be made a reduction in the appropriation, particularly in view of the fact that when the valuation shall be completed there can be no assurance of what it means, because there is no property in the United States, or in the world for that matter, which to-day has any fixed value; the only value that can be put upon most things now is what some one is willing to pay for them. The value may be one thing to-day, and it may be entirely different on the morrow.

Mr. NORRIS. Mr. President, I am going to attempt to pour some oil on the troubled waters, and I should like to have the attention of members of the committee.

I have no doubt the committee were moved by no motive that was dishonorable or ulterior. I realize that the committee had a difficult task; there is no question about that. If those of us who are not on the Committee of Appropriations will just call to mind the conditions under which certain appropriation bills were sent back to the committee and the conditions under which we have tried and the House has tried to bring about economy, on the one hand, and increase taxation where it would be felt the least, on the other hand, we will realize what a tremendous task has been imposed upon the committee. There never was such a task imposed upon the Appropriations Committee heretofore. However, it ought to be apparent now to the members of the committee—and of course no disrespect is intended to them when this statement is made—that a mistake has been made in this particular instance. With all the burdens the committee had resting upon them in connection with the various appropriation bills referred to them for consideration and all the other work the members of the committee have had to do, it is to be wondered that they did not make more mistakes. It ought to be plain now, however, as I have said, that in this particular instance a reduction made with the best of intentions, without any ulterior motives or anything of that kind, was a mistake, and it seems to me the committee ought now to realize, as the Senator from New York [Mr. COPELAND] so courageously says, that probably a mistake was made. Of course, it is only human to make mistakes. I do not think anybody is finding fault with the members of the committee because we feel they have made a mistake, for they have been overburdened, as I have said. It is to be wondered that they have not made more mistakes.

Mr. President, involved in this item is $361,000,000 due to the Government of the United States from railroad companies. If this amendment shall be adopted and carried into execution, it will have the effect of preventing the collection of this amount of money and of preventing it even from drawing interest. That is one of the peculiarities under the law, as I understand it.

I think the argument made by Mr. Eastman, a member of the Interstate Commerce Commission, as read by the Senator from Wisconsin, is absolutely unanswerable. No Senator doubts Mr. Eastman's sincerity or his ability or his unselfishness, and he has presented the facts. The effect, if this amendment shall be approved, will redound to the benefit of the railroad companies, which together owe the Government of the United States $360,000,000, which at this time would more than balance the Budget.

It has been decided by the Supreme Court of the United States in at least two cases that the money is the property of the United States; but there is some work yet to be done, even in those cases, as I said a moment ago, to put the claims of the Government in a condition where the amounts due it will commence to draw interest if they are not paid. It happens that most of the railroads which owe the Government money under the recapture clause of the transportation act are railroad companies owned by the United States Steel Corporation and four of the great coal-carrying roads which have been enormously prosperous. Of course, if they had not been prosperous, they would not have owed this money. The money now due the Government of the United States represents excess earnings. According to the information I have, it will take some time for the valuations bureau to get the cases in proper shape.

The Senator from Utah said the work, as he understood, is about finished, and such a conclusion might be drawn by many people; but, in my opinion, the valuation of the railroads never will be finished because, as the Senator from Utah truly said, what the valuation of a given property was last year may not be a fair valuation now. We must have a board continually at work on the subject. The railroads were valued as of a certain date; then, in order to keep the valuation up to date, there have to be added to the valuation such increases as may have affected the value or subtracted such decreases as may have affected it.

Under the provisions of the law there are a little over $360,000,000 now due the Government, and it is entitled to the money. It has been decided by the Supreme Court of the United States in the Dayton-Goose Creek case, and in one other case, that this money is due and belongs to the Government of the United States, amounting to $360,000,000, as I have said, which would more than balance the Budget.

There will be due interest on this amount of money. It will not be an exact amount; the total sum due will probably be a little more than I have indicated when the figures are brought up to date, and interest will begin to accrue to the Government of the United States as soon as the cases are heard and an order issued stating the exact amount due. That work has not been completed as yet, and that is what the valuation bureau is going to do. That is the bureau

that is to be put out of business if the committee amendment shall be adopted. So its indirect effect, but its effect just the same, is finally to stop this bureau from any further action.

The bureau of valuation is composed of technical men, high-class men, engineers, who have given a world of service to this character of work. The adoption of this amendment will scatter them to the four winds of heaven. So the effect will be the same as to repeal the law under which the Government of the United States is entitled to $360,000,000. As Commissioner Eastman says in the memorandum which the Senator from Wisconsin read, the Board of Railway Executives appeared before the House committee and made a direct attack upon this bureau. They wanted to repeal the law itself. The commission resisted it before the House committee. The House committee heard arguments on both sides and, I understand, unanimously decided with the commission and against the contention of the railroads. If such a provision had been put in the bill, it would have had exactly, as I understand, the same effect as though we would adopt this amendment reported by the committee. So this is an indirect method of accomplishing what the railroads were unable to accomplish by direct methods.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Florida?

Mr. NORRIS. I yield.

Mr. FLETCHER. I want to inquire of the Senator whether he is advised that a bill has been introduced in the House which proposes to forgive this entire indebtedness of $360,000,000.

Mr. NORRIS. I think there is such a bill pending there.

Mr. FLETCHER. There is some measure of that kind pending; and, of course, if it should be passed, there would not be any need of any further valuation proceedings.

Mr. NORRIS. No.

Mr. FLETCHER. I did not know how far that bill had progressed.

Mr. NORRIS. At least it will have to pass the Senate before it can become a law, and, in fact, it will also have to pass the House, for I understand it has not as yet passed that body.

In other words, this $360,000,000 is as it were hanging in the air. Before the Government of the United States can get it, orders must be issued and in many cases the valuation brought down to date. I understand that it will take from two to three years to complete that work. Some of it probably can be accomplished in a shorter time in the case of some of the railroads, but in other cases a longer time will be required.

The memorandum which I have from the Interstate Commerce Commission indicates that from two to three years' work by the present corps of the bureau of valuation will dispose of the pending cases involving $361,000,000. I do not think that is disputed; I do not think there is any controversy about it. What the railroad presidents undertook to do, as the Senator from Florida has intimated, was to have this debt forgiven unless the railroads keep it. The money is now in the hands of the railroads, the steel-company railroads, and the coal railroads mostly, and until the work of valuation is completed by the bureau the money will stay with them, and if it is never completed, they will never pay the amounts due.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I yield.

Mr. COPELAND. I want to say to the Senator that the committee would have been delighted if the attitude now expressed had been given voice before it passed on this bill. The committee did not want to take this action.

Mr. NORRIS. Of course it did not; I realize that.

Mr. COPELAND. But it had a hammer over its head; it was required to cut the appropriations contained in this bill 10 per cent. If the Senator can convince the Senate that that 10 per cent mandate that was sent us has been set aside, there will not be anybody more pleased than will I.

Mr. NORRIS. Of course I can not set aside a mandate, but because the Senate sent the bill back to the committee with instructions to reduce the aggregate 10 per cent it does not follow that when it comes back here, we are bound by the action of the committee. This is a reduction, so far as the Interstate Commerce Commission is concerned, of practically 80 per cent.

Mr. COPELAND. Yes. I agree with what the Senator says, and, so far as I am concerned, I am ready to vote with him to put the appropriation back, and I venture to say other members of the committee will be in the same frame of mind; but when we had the item before the committee, there was nothing left for us to do but to dig up this million dollars.

Mr. NORRIS. I agree with the Senator; but I wanted to make it plain that I did not want, even by indirection, to cast any reflection upon the committee; and the readiness with which the Senator from New York shows his willingness to right what has been a mistake, caused evidently by overburdening the committee with work which was put upon them, is very gratifying. We can rectify it by rejecting the amendment.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. COPELAND. I may be courageous, but I am not going to say we made a mistake. We carried out the instructions of the Senate, and that is all.

Mr. NORRIS. Yes.

Mr. COPELAND. I am willing to disregard that instruction if the Senate desires.

Mr. NORRIS. The Senator can put it in that way if he wishes; I will not even say they made a mistake, although I think they did make a perfectly innocent mistake, and, as I said a while ago, it is a wonder to me that they have not made more of them, in view of the enormous burden which the Senate has put upon their shoulders.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. SMOOT. In order to be perfectly fair to the committee, I want also to call attention to the fact that after the Senate instructed the Appropriations Committee to bring in the bill with a 10 per cent reduction, the House itself began to cut the appropriations 10 per cent.

Mr. NORRIS. I have not any doubt about that.

Mr. SMOOT. And then when that 10 per cent was taken off and the bills came to the Senate, instructions were given that another 10 per cent be taken off.

Mr. NORRIS. I realize that; and I said that, in substance, in one of the bills that we sent back.

Now, Mr. President, I should like to call attention to some of these railroads, and how much of this $361,000,000 they owe.

Here is the Bessemer & Lake Erie, owned by the Steel Corporation. It is one of the steel roads. It is an open secret that some of those roads made enormous profits. That road owes the Government of the United States—and it is a part of this $361,000,000—$11,370,624.

The Birmingham Southern owes $236,077.

The Carbon County Railroad owes $21,995.

The Donora Southern owes $14,773.

The Duluth & Iron Range owes $1,670,203.

The Duluth, Missabe & Northern owes $25,462,836.

The Elgin, Joliet & Eastern owes $9,374,365.

The Etna & Montrose owes $18,208.

The Hannibal Connecting Railroad owes $29,455.

The Johnstown & Stony Creek owes $24,868.

The Lake Terminal Railroad owes $58,589.

The Newburgh & South Shore owes $61,132.

The Northampton & Bath owes $78,660.

The Union Railroad owes $3,814,226.

The Youngstown & Northern owes $22,630.

Those are steel railroads, owned by the United States Steel Corporation. Most of them are engaged to a very large extent in the transportation from the mines to the factories

of iron ore and the transportation of steel products. The amount owed by these steel railroads makes a total of $56,258,641, or 15.6 per cent of the recapture liability of all the railroads in the United States.

They owe that money to the Government of the United States. If we ever expect to get it, we must defeat the Senate committee amendment, because that makes it impossible to carry on the work that is going to perfect the title of the Government of the United States to this money. At the present time it does not draw interest—none of it.

Now let us see what the dividends paid by those roads were. This is no hardship on anybody.

The dividends paid by these railroads from 1920 to 1930 amounted to $84,947,625.

Here are some coal railroads that get a good percentage of this money:

The Chesapeake & Ohio owes the Government of the United States $47,779,611.

The Hocking Valley owes the United States Government, as a part of this $361,000,000, $5,241,114.

The Norfolk & Western, as its part of that $361,000,000, owes the Government $42,106,462.

The Virginian Railway owes the Government $7,384,770.

Making a total of $102,491,957, or 28.4 per cent of the total owed by all the railroads in the United States.

The dividends paid by these railroads from 1920 to 1930 amounted to $239,959,711.

Let me call attention again to the fact that every penny of this money constitutes excess earnings which, under the law, it was the duty of those railroads to pay to the Government of the United States; so not a cent of it comes from anybody who has not made excess earnings, because that is what it is made up of entirely—every penny of it. That stands now not drawing interest, not under the law, as I understand, in such condition that a legal suit could be maintained. First, there is work in every one of these instances that I have mentioned and others that I have not mentioned, to which I have only referred. That amounts to some 44 per cent, not quite half. Other railroads owe the balance; and the other railroads the same as these owe it, if they owe a penny, because of excess earnings.

Mr. President, I think when we understand that, even the members of the committee are not going to contest this question any longer. When it is once understood as to just what this is and just what the facts are, there is not any question as to what the duty of the Senate is in the matter.

We are now trying to save money. We are now trying to balance the Budget. We have taxed our people almost beyond the limit of endurance; and here is $361,000,000 that within a year or two, if this bureau is continued and these experts are continued, will become absolutely due, and from that moment on will draw 6 per cent interest, payable to the Government of the United States.

So it seems to me that we ought unanimously to reach this conclusion—the members of the committee and the others—that with all these facts laid before us there is only one thing to do, and that is to reject the amendment in order that this bureau may continue to ripen into legal effect these amounts that are due the Government of the United States from the railroads.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The LEGISLATIVE CLERK. Total, Interstate Commerce Commission, page 29, line 23: Strike out $7,228,179, and insert $5,348,560.

Mr. ROBINSON of Arkansas. Mr. President, that needs to be corrected to conform to the rejection of the amendment last voted on. I ask unanimous consent that the correction be made.

The VICE PRESIDENT. Without objection, the clerks will be authorized to make the correction.

That completes the amendments passed over.

Mr. COPELAND. Mr. President, I want to reconsider the amendment with reference to the Radio Commission. I do not see the Senator from Connecticut [Mr. BINGHAM] in the Chamber.

Mr. SMOOT. Mr. President, I suggest that the Senator let that go over until the Senator from Connecticut returns. I will send for him.

Mr. COPELAND. Very well. I thank the Senator.

Mr. COUZENS. Mr. President, may I say to the Senator from Utah that the Senator from Connecticut said that he did not care to concern himself further about the Federal Radio Commission. Is that the matter the Senator had in mind?

Mr. SMOOT. Yes.

Mr. COUZENS. I spoke to the Senator about it this morning. He said he did not care to go into it any further.

Mr. COPELAND. Mr. President, if that is the case, I ask unanimous consent to reconsider the vote by which we adopted these amendments, in order that I may explain to the Senate why, in my opinion, they are not right.

Mr. SMOOT. Mr. President, I think I called the Senator's attention to the fact that I asked the Senate to do exactly what the Senator from New York is going to ask to be done, and the Senate voted contrary to my request.

The VICE PRESIDENT. Is there objection to the request for reconsideration? The Chair hears none, and the vote is reconsidered. The clerk will state the first amendment.

The CHIEF CLERK. On page 21, line 1, strike out "$399,360" and insert "$350,000."

Mr. COPELAND. Mr. President, I ask that that sum be changed to $366,000. This is an increase of $16,000. At the same time, I ask that on line 5 the sum be decreased from $20,000 to $16,000. That makes an increase of $12,000 in the appropriation; and the purpose of the increase is to provide money for stenographic reporting. They have spent this year $14,868 for stenographic reporting. They feel that they can do it next year for $12,000. It must be remembered that the Radio Commission is a judicial body, and its hearings have to be reviewed by the courts, and it is necessary that there should be stenographic reports of these hearings. So if the amount on line 1 is increased to $366,000, and the amount on line 5 is decreased to $16,000, there will be provision then for the stenographic reporting.

Mr. SMOOT. I have no objection to the Senator's suggestion, because that was the amendment that I asked to have adopted.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. COUZENS. I still think these appropriations are excessive, because of the fact that the work of the commission is decreasing all the time, as fast as they dispose of the contests for wave lengths and licenses. It seems to me the item of $350,000 is quite enough even to include the reporting item which the Senator spoke of, and which I agree is wholly necessary; but I think that can be done well within the $350,000.

Mr. COPELAND. General Saltzman thinks otherwise, and he has made a strong statement regarding it. I hope the Senator from Michigan will not resist the change.

The VICE PRESIDENT. The amendment proposed by the Senator from New York to the amendment of the committee will be stated.

The CHIEF CLERK. On page 21, line 1, strike out "$350,000" and insert "$366,000."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New York to the amendment of the committee. [Putting the question.] The Chair is in doubt. Those in favor of the amendment will rise and remain standing until counted. [A pause.]

Mr. WHITE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHITE. If it is permitted before the result of the vote is announced, I should like to say a word on this amendment.

The VICE PRESIDENT. Let the amendment be restated; and the Senator from Maine is recognized.

Mr. BINGHAM. Mr. President, a point of order. In view of the fact that the committee amendment has already been adopted, how can the motion of the Senator from New York be considered?

The VICE PRESIDENT. The vote was reconsidered.

The LEGISLATIVE CLERK. On page 21, line 1, in the committee amendment, the Senator from New York proposes to strike out "$350,000" and insert "$366,000."

The VICE PRESIDENT. The Senator from Maine.

Mr. WHITE. Mr. President, I have had no opportunity to consult the hearings in connection with this matter; but there are some general considerations in my mind which lead me to doubt the wisdom of the reductions which the committee recommends.

I call to the attention of Senators the fact that under other legislation we are proposing to transfer all of the functions of the Radio Division of the Department of Commerce to this Federal Radio Commission, and that means imposing upon the Federal Radio Commission some substantial duties and obligations not now vested in them by law.

The Radio Division of the Department of Commerce at this time has the responsibility of issuing all of the operators' licenses in the United States, and there are outstanding approximately 37,000 licenses to operators of all classes within this country. That burden, under proposed legislation, is now to be placed upon the Federal Radio Commission.

The Radio Division of the Department of Commerce, as matters now stand, has the responsibility of making all the inspections of radio stations within the United States. They inspect, and have a staff for that purpose, all the land stations within the United States, and all stations upon ships of the United States. That is a burden to be transferred from the Department of Commerce to the Federal Radio Commission.

Under existing law, and in pursuance of international treaty, the Radio Division of the Department of Commerce has full responsibility with respect to international accounts arising out of international communications by radio, and that is a troublesome and a burdensome duty, and that, too, is to be transferred to the Federal Radio Commission.

Then, under existing law, the Radio Division of the Department of Commerce publishes from time to time the call letters of every station in the United States. That is a further burden which is to be transferred to the Federal Radio Commission.

We are imposing, therefore, substantial and new burdens upon the Federal Radio Commission, and I have grave doubt, in the light of these added responsibilities, as to whether there is justification for making the reductions which the bill contemplates.

There is another thing which ought not to be overlooked. The coming fall there is to be held abroad the most important international-communications conference that has ever been held. There is to be in Spain a conference dealing with international communications by wire—telephone, telegraph, and cable—and concurrently there is to be held a conference for the revision of the international radio treaty. This international radio treaty makes an allocation, not to nations but to services, of the entire radio spectrum. It says what wave length and what channels may be used for ship-to-shore communication, for ship-to-ship communication, for aircraft communication, for point-to-point communication continentally, for point-to-point communication internationally, and it fixes the broadcasting bands which all the nations of the world must respect.

It occurs to me that within the next year the Federal Radio Commission may have to reorder the entire radio set-up of the United States in order to conform its prior allocations and its prior licenses to the changes which may be worked out in this forthcoming international conference; and if that burden is placed on the commission, it will be a responsibility calling not only for its present personnel, with all the resources now contemplated, but it may place a burden on them which would call for very enlarged personnel and additional resources.

In the light of these transfers of present authority and these possibilities of new burdens, I have the gravest doubt as to the wisdom of reducing at all the appropriations for this commission. Certainly, I concur in the suggestions of the Senator from New York that the appropriations ought to be at least in the amount he suggests.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. VANDENBERG. The Senator recites numerous functions which are being transferred to the Radio Commission from existing service points. Can he tell me whether the appropriations for these existing service points have been reduced to offset the transfers?

Mr. WHITE. I said at the beginning that I had not had a chance to go through the hearings, but I presume they have to some degree at least; but I doubt whether they have to such an extent as to meet these added costs in a new organization. I can not speak with authority as to that, however.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from New York [Mr. COPELAND] to the committee amendment.

On a division, the amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COPELAND. Mr. President, now I move to reduce the appropriation in line 5 from $20,000 to $16,000.

The VICE PRESIDENT. It will be necessary to reconsider the vote by which that amendment was agreed to. Without objection, the vote will be reconsidered, and the question is on agreeing to the amendment offered by the Senator from New York to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COUZENS. Mr. President, on Saturday I made a motion to reconsider the vote whereby the Senate agreed to the appropriation for the National Advisory Committee for Aeronautics, found on page 30. The Senate approved an appropriation on page 31, line 4, of $850,000. At that time there was no apparent adequate information as to what that money was to be used for. The Senator from Utah, in answer to a query I made, said that there were 278 employees engaged with that committee. I said that I would not object to the amendment going through, but that I would file a motion to reconsider, and that is the motion I now call up.

Since that time I have received a telegram from Dearborn, Mich., as follows:

> My friends in National Advisory Committee for Aeronautics advise me bill comes up this morning relative to appropriation for coming year's appropriations. Government has already given committee fine laboratories and equipment, and I consider committee are doing very fine research job for manufacturers and airplane operators. Although advocating strict Government economy, recommend advisory appropriations be reduced as little as possible.

It was one of the contentions made Saturday that a large part of this appropriation was used for private manufacturers and airplane operators. At the same time it was contended that much of this work was done by the Army and Navy, and as to that I may be in error, because the Senator from Maine [Mr. HALE] tells me that that is not true, and others have said that there is no duplication.

I have a letter handed me just this moment from the National Advisory Committee for Aeronautics, located in the Navy Building at Washington, signed by the acting chairman. I ask that the clerk may read it, so that their side of the question may be presented at the same time I am presenting mine.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS,
Washington, D. C., June 27, 1932.

Senator JAMES COUZENS,
Senate Office Building, Washington, D. C.

DEAR SENATOR COUZENS: With reference to your inquiries on the floor of the Senate regarding the work of the National Advisory

Committee for Aeronautics, I beg to submit the following brief statements on the points you raised:

(a) This appropriation is for the conduct of scientific research on the fundamental problems of aeronautics. The War, Navy, and Commerce Departments do not conduct fundamental research in aeronautics, but are represented on the National Advisory Committee for Aeronautics and submit all such problems to the committee. Coordination is thus effectively accomplished and duplication and waste avoided.

(b) The Army and Navy have equal representation on the committee. The committee's headquarters are located in the Navy Building, Washington, and its laboratories at the Army station known as Langley Field, Va. This location of the Government's laboratory for fundamental research in aeronautics was in recognition of the need and advantage of linking laboratory research with flight research, and Langley Field was selected in 1916 by joint agreement of the Army and Navy.

(c) If the committee were discontinued, as was suggested Saturday, it would lead to independent conduct of aeronautical research by at least three other agencies of the Government, instead of one as at present, and would result in inefficiency, duplication, and waste. The continuous prosecution of scientific research on fundamental problems is the most essential constructive activity of the Government in aeronautics to-day and offers the greatest hope for continued improvement in the performance, efficiency, and safety of aircraft.

(d) The committee's work can not be done by the Army and Navy without each building up scientific organizations which they do not now possess; and even then the work under military and naval auspices could not receive the high caliber of scientific direction that is necessary for the best results and that is now afforded by the National Advisory Committee for Aeronautics at a minimum of expense, made possible by the patriotic and devoted service of eminent scientists and aeronautical authorities appointed from private life, who serve on the main committee and on the technical subcommittees without compensation.

If you can spare the time, I beg your indulgence to scan the attached memorandum and some of the extracts from unsolicited comment by authorities in American aeronautics dealing with the work of the committee. I should be happy to furnish any additional information you may desire.

Respectfully,

C. F. MARVIN,
Acting Chairman, Chief United States Weather Bureau.

Mr. BINGHAM. Mr. President, I have in my hand a letter from Dr. Joseph S. Ames, president of the Johns Hopkins University and chairman of the National Advisory Committee for Aeronautics, which he wrote to the chairman of the subcommittee at the beginning of the hearings on this bill in support of the appropriation as it came from the House. The House cut down the original appropriation and the appropriation asked for this year is $958,310.

This letter is a little too long to read at this time and I will not have it read unless it is desired; but I shall ask unanimous consent that it be printed in connection with the letter just read.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS,
Washington, D. C., April 9, 1932.

Senator HENRY W. KEYES,
Chairman Subcommittee on Independent Offices,
Senate Committee on Appropriations, Washington, D. C.

MY DEAR SENATOR KEYES: In support of the appropriation item of $958,310 for the National Advisory Committee for Aeronautics carried in the independent offices bill I desire briefly to invite attention to the following considerations:

1. Aeronautics is an engineering science and, as in other engineering sciences, progress is dependent upon the continuous prosecution of organized scientific research on the fundamental problems.

2. The National Advisory Committee for Aeronautics is charged by law with the supervision and direction of the scientific study of the problems of flight. It has 15 members, appointed by the President, and serving as such without compensation. They include 2 representatives each of the Army and Navy air organizations, 1 representative each of the Bureau of Standards, the Weather Bureau, and the Smithsonian Institution, and 8 members from private life. Technical subcommittees, similarly organized and kept informed of scientific and technical developments abroad, prepare research programs to meet the needs of all branches of aviation.

3. Aeronautical research is thus effectively coordinated and duplication prevented, as the War, Navy, and Commerce Departments submit their fundamental problems to the committee.

4. Investigations of fundamental problems are conducted under the committee's immediate direction at the Langley Memorial Aeronautical Laboratory at Langley Field, Va. This is the world's foremost and best-equipped aeronautical research laboratory. The results of its work are eagerly used by all agencies concerned and in some cases, on request of the Army or Navy, results of unusual military significance are kept secret.

5. Existing research programs are comprehensive in scope and pressing in character. On the results depend largely the efforts of the Army and Navy to keep abreast of military developments abroad, the safety of life and property in the air, and the substantial hope for ultimate realization of the undeveloped possibilities of aircraft as an improved agency of transportation and as a factor of increasing importance in national defense.

6. The Government has spent in connection with aviation during the past five fiscal years, 1927–1931, inclusive, $647,545,778, including direct expenditures of $136,301,458 for aircraft, $63,143,845 for air mail subsidies, $25,671,619 for air-navigation facilities and air regulation, $851,580 for the Coast Guard, and $223,880 for forest-fire patrol. Other expenditures for personnel, construction, maintenance, and operation of stations and carriers, equipment, supplies, helium, ordnance, etc., including antiaircraft artillery totaled during the past five years $416,978,819. In the face of this vast expenditure and investment, whose ultimate value is so largely dependent upon progress in aeronautics, the National Advisory Committee for Aeronautics during the same period spent for scientific research on the fundamental problems of flight less than 1 per cent; that is, $4,374,577, or 0.68 per cent of the total.

7. The committee's appropriation for 1933 as it passed the House is $30,000 less than the Budget figure and $164,760 less than the committee's original estimate. Unless the committee's appropriations are adequate to conduct the necessary fundamental researches in aeronautics in a single coordinated effort for the benefit of all, independent investigations by the War, Navy, and Commerce Departments will inevitably ensue, with resultant duplication in equipment and personnel, which means decreased efficiency and increased cost.

8. The committee's item of $958,310 as it passed the House represents the minimum amount that will enable the committee to meet the urgent needs of the War, Navy, and Commerce Departments for fundamental information. Any further reduction will lessen the committee's capacity and efficiency, and any material reduction will definitely retard progress in improving the safety and efficiency of aircraft for all purposes.

9. Attention is invited to the statements of the chiefs of the Army and Navy air organizations and of the Director of the Bureau of Standards, as per the inclosed extract from the minutes of a meeting of the National Advisory Committee for Aeronautics held on March 2, 1932.

Very respectfully,

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS,
JOSEPH S. AMES, *Chairman.*

EXTRACT FROM MINUTES OF MEETING OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS, MARCH 2, 1932

(Replies of certain members to inquiry by Chairman Ames as to whether anyone knew of duplication of effort in the field of aeronautical research.)

By Rear Admiral W. A. Moffett, United States Navy, Chief, Bureau of Aeronautics, Navy Department: "We have no aeronautical research. We are careful to omit even the word 'research' in any of our activities. Our research work is all done by the national advisory committee."

By Brig. Gen. H. C. Pratt, United States Army, chief matériel division, Army Air Corps: "When I first succeeded General Foulois as Chief of the matériel division of the Air Corps at Wright Field, Dayton, Ohio, I thought there was a great deal of duplication. The average individual would think so. I now find that the matériel division's activities are devoted primarily to engineering experimentation, and I have been unable to find any duplication of its work with that of the National Advisory Committee for Aeronautics or of any other agency. I think the way the subcommittee of the national advisory committee are organized and function prevents any duplication in aeronautical research."

By Maj. Gen. B. D. Foulois, United States Army, Chief of the Air Corps of the Army: "I support what General Pratt said. I am perfectly willing to state before any committee of Congress that there is no duplication in aeronautical research. The work is very well worked out and coordinated by the committee."

By Dr. George K. Burgess, Director Bureau of Standards: "The Bureau of Standards does only what other agencies request. I know of no duplication."

Mr. BINGHAM. Mr. President, I hope very much that the motion to reconsider will not prevail. The National Advisory Committee for Aeronautics was formed during the early days of the war, when it became necessary to coordinate the various activities and find out all we could about the fundamental basis of this new science. It has grown in importance from that day to this and has demanded the services of some of the greatest scientists of this country.

On the committee from the beginning has been Orville Wright, the world's first pilot, and the last person to be placed on the committee was Col. Charles A. Lindbergh. On the committee are also representatives of every branch of the Government which deals with aeronautics. They all serve without pay. We have provided for a few offices in the Navy Building, and a very elaborate research laboratory at Langley Field, Va. The station at Langley Field was

built during the war for their use. Later they turned a part of it over to the Army, and on part of the field is the Army's bombing group. The laboratories of the National Advisory Committee of Aeronautics contain at this time the world's most important and largest wind tunnel. Recently there has been erected a wind tunnel permitting a full-sized airplane to be tested within the wind tunnel. Most of the wind tunnels are built to accommodate only very small models.

The work which has been done by this committee is of vital importance to aeronautics. It is the fundamental research on which many other advances are made. It is extremely expensive, extremely fundamental, and it takes sometimes four or five years for a problem to be worked out. If the aeronautical industry were in the prosperous condition that the electrical industry has been for the past 15 or 20 years, one might well expect laboratories such as the great research laboratories of the General Electric Co. to help in many of these investigations; but under the circumstances it is absolutely necessary, if American aeronautics are to proceed, that we should not handicap this laboratory in the work it is doing.

One of its functions is to sift out the thousands of plans and designs which are presented to the Government by various inventors and to winnow the wheat from the chaff and find what is worth considering. There are experiments in connection with the necessary strength of the different parts of the airplane wings and of the fuselage of the airplane which have led to differences in construction which have greatly increased the structural strength and design of airplanes. I might, if there were time, mention a great many things they have undertaken. Most of them are of such a highly technical nature that even those who are deeply interested in aeronautics find it difficult to read and understand them. They are of the most vital concern to aeronautical engineers all over the country.

I hope very much, in view of the splendid work that has been done by the committee, that its activities will not be any further curtailed than they have been by the Senate amendment, which, I regret to say, will cause the closing of several of the new buildings at Langley Field because no money is provided in the appropriation to run the new branches of the laboratory. To do what the Senator from Michigan proposes would be a vital blow at the advancement of aviation in this country.

Mr. President, the National Advisory Committee for Aeronautics, during the past five years, has provided at its laboratories at Langley Field, with the support of the Congress, scientific equipment for the study of aeronautical problems that is not equaled anywhere else in the world. Some of this equipment has recently been completed and is just being placed in operation. It is the opinion of the committee that this equipment will play a most important part in the solution of the fundamental problems involved in increasing safety and economy in aircraft operation. I refer in particular to the full-scale wind tunnel, by means of which, for the first time in the history of the world, the scientist is enabled to study under flying conditions the aerodynamic forces affecting the performance characteristics and the control of an airplane. The committee, realizing the difficulty and seriousness of the problems of aviation, foresaw the necessity of providing scientific equipment of a highly specialized nature to hasten the development of aviation.

Although the equipment at the committee's laboratory is unique and the best in the world for the study of the fundamental problems of aviation, there is another important fact to be emphasized, and that is the development of a group of young engineers and scientists especially qualified for the study of the special problems of aeronautics. The wealth of a nation, especially in any industry, is not measured alone by its material resources, but largely by its intellectual development. This is a recognized fact in industry, and practically all large industries at the present time consider research as a form of insurance. They believe that research is essential to continued economic welfare in any industry, and that an industry can not afford to run the unnecessary risk of not providing adequate research laboratories. Research for an industry is like fire insurance for a merchant, and a large, if not the major, portion of the value of a research organization is the wealth of intellectual resources that have been developed in the research laboratory.

Looking at the question from a purely commercial standpoint, the Government has invested a large sum of money in the development of commercial and military aviation, and the amount expended on research is a very small percentage—less than 1 per cent—of this sum to assure the soundness and the future safety of this investment.

With reference to the purchases of the Army and Navy, during the past five fiscal years, from 1927 to 1931, inclusive, the Navy Department expended $68,492,621.97 for the purchase of aircraft, aircraft engines, and accessories. During the same period the Army Air Corps expended for the same purpose approximately $67,808,837. This money has been absorbed by the aircraft industry and was used in the development of the industry as it now exists. During the fiscal year 1931 the expenditures of the Navy for new aircraft construction were $13,819,518.75, and of the Army about $17,866,252.

In expending this large sum of money, the Government should be assured that the aircraft purchased are up to date, economical, and safe. It is important in the construction of new aircraft that the design include all features that will permit the use of the aircraft as a first-line unit of defense as long as possible. The only way to be certain of this assurance is to provide for the continuous study of those factors that will improve the performance, speed, maneuverability, and safety of military types of aircraft.

The National Advisory Committee for Aeronautics works in close cooperation with the Army Air Corps and the Bureau of Aeronautics of the Navy. Both these organizations, as a result of their tactical maneuvers, present to the committee for investigation special technical problems, such as those arising from the inadequate performance of an airplane or the failure of structural parts, and these problems are studied by the committee and the results transmitted to the services. This information is made available to the manufacturers, which makes it possible for the designer to incorporate in new designs such features as will prevent the recurrence of failures and provide for greater safety and efficiency in the new types being developed.

The Army Air Corps maintains at Wright Field an experimental station for the study of finished aircraft delivered to the Air Corps to ascertain their suitability for the military requirements of the Air Corps. Tests are made on completed structures and on component parts to see that they fulfill the specifications.

The Bureau of Aeronautics maintains at the naval aircraft factory a similar organization for the structural testing of aircraft and for the performance testing of various types of aircraft engines under all conditions of aircraft operation.

It will be seen from the foregoing statement that the Government is investing a large amount of money, not only in the purchase of military aircraft but also in fostering the development of an aircraft industry in this country. The National Advisory Committee for Aeronautics is designated by law to supervise and direct the scientific study of the problems of flight with a view to their practical solution and is authorized to direct and conduct research and experiments in aeronautics in the laboratories placed under its direction. In carrying out these functions the committee keeps in close contact with other governmental agencies so that the problems investigated under its direction reflect the needs of every other Government organization concerned with aeronautics. As a result of this coordination, there is no duplication in the conduct of scientific research in aeronautics. The organization of the committee as an independent establishment, including in its membership and in the membership of its subcommittees representatives of the principal Government agencies concerned with aeronautics, makes possible the pooling of ideas on investigations under the direction of the committee and keeps those responsible for the development of aircraft in the Army and the Navy and for the regulation of air navigation in the

Department of Commerce fully cognizant of each other's problems. By this coordination of ideas and elimination of duplication in the conduct of scientific research in aeronautics, the committee is of the utmost service to all the branches of the Government concerned and to the aircraft industry in the development of the science of aeronautics.

Mr. HALE. Mr. President, I do not think I can add anything to the statement made by the Senator from Connecticut, who is very familiar with aviation and has done a great deal of work, I know, with the National Committee for Aeronautics. Also, I think the letter which was placed in the RECORD in a very fair way by the Senator from Michigan, who makes the motion to reconsider, covers the case very fully.

The work that is done by this committee has to be done in some way. If it is not to be done by the National Advisory Committee, the same work will have to be done by the Army and by the Navy and by the Department of Commerce. This committee brings all three together and cuts down the overhead. I hope very much that the motion of the Senator from Michigan will not prevail.

Mr. COUZENS. Mr. President, this is just another evidence of the rugged individualism we hear so much about in the Nation at this time. We are taught from the throne down to the page boys that we must rely upon "rugged individualism," that there must not be any unification of effort or consolidation of effort even to help the unemployed, because that destroys our individual initiative. And yet we have two of the strongest advocates of "rugged individualism" getting up here in the Senate and indorsing the use of public money to aid in the consolidation of the efforts of airplane manufacturers and operators. If that suggestion came from me, it would be socialism and it would destroy the "rugged individualism" that built up our country.

I merely want to mention the fact that in spite of the letters and the propaganda being sent out by Marshall Field and Du Pont and others, talking about the multiplicity of bureaus, the multiplicity of commissions, how the boards and commissions ought to be disposed of and done away with, yet when we come to touch one that has anything to do with industry, protests arise against effecting an appropriation for that particular board or bureau. That, of course, is statesmanship; but to get up here and plead for what Governor Roosevelt calls "the man in the lower part of the pyramid" is demagoguery. Yet just as soon as we ask to have eliminated from governmental activities those agencies which help to develop business and industry, a loud protest is made.

From my viewpoint, this is a perfectly logical activity; but I resent the suggestion about this kind of activities being the only ones that are statesmanlike and that should be maintained. I am utterly indifferent whether the amendment is reconsidered or not, because, as a matter of fact, we have had an opportunity to show the American public what this "rugged individualism" really means when it comes down to touching those who have and those who have not.

Mr. BINGHAM. Mr. President, the Senator from Michigan is not acquainted with the activities at Langley Field nor with the work done by the committee; otherwise he would not be arguing as he is. A great majority of the work done there—I may say 97 per cent of it—has not been done for manufacturers of aircraft in Dearborn, Mich., or Detroit, or any other place. It has not been done at the request of air-transport companies or of business concerns. Ninety-seven per cent of their activities have been at the request of the Army and Navy in their anxiety to improve the national defense in so far as aviation is concerned and to make it as good as it can possibly be made. That was the object in establishing the committee and that is the chief part of its work.

Incidentally, as always happens when we build up a science for the sake of getting the national defense perfected, we benefit incidentally commercial activities along the same lines; but the Senator must not have the idea that the chief activities of this committee are to benefit commercial aeronautics, because that is not true.

Mr. COUZENS. Mr. President, the Senator's own statement, which was in response to a statement I made a while ago, is that it assists the patentees to analyze their work.

Mr. BINGHAM. As offered to the Army and Navy.

Mr. COUZENS. Yes, of course, as long as they are public property they would be of value to private industry, if they were to purchase the patent rights issued under them.

Mr. BINGHAM. There is a board of patents and designs, consisting of the Assistant Secretary of War, the Assistant Secretary of the Navy, and the Assistant Secretary of Commerce for Aeronautics, which considers all offers of patents and designs for purchase by the United States Government for the use of the Army and the Navy. It has nothing to do with the granting of patents, but with the offer of patents if useful for the Army and Navy.

Mr. COUZENS. I understand that, of course. I know they have nothing to do with the issuing of patents. If the patents are valuable, this committee so determines, and, of course, that determination, if it is favorable, is valuable to the patent owner. I understand the situation and the country also understands it, because immediately an objection was made to the appropriation last Saturday it spread all over the country, and protests began to come in from manufacturers and operators who are opposed to the elimination of the item.

I read a telegram from W. B. Mayo, of Dearborn, saying that it would be an injury to the manufacturers of airplanes and they do not want to have it eliminated. I am not concerned with whether the matter is reconsidered or not so long as I have had an opportunity of showing the country what some people mean by "rugged individualism" and what other people mean by it.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Michigan to reconsider.

The motion to reconsider was not agreed to.

Mr. SMOOT. Mr. President, I call attention to the amendment on page 23, line 7, which has not yet been agreed to.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 23, line 7, strike out "$83,000" and insert "$75,000," so as to read:

For all printing and binding for the General Accounting Office, including monthly and annual editions of selected decisions of the Comptroller General of the United States, $75,000.

The amendment was agreed to.

Mr. SMOOT. Now the amendment in line 8 should be agreed to.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 23, line 8, the committee proposes to strike out "$4,290,820" and insert "$3,710,000," so as to read:

Total, General Accounting Office, $3,710,000.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I ask the clerk to report the amendment which I offered this morning.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. The Senator from Arkansas offers the following amendment: On page 21, line 22, after the word "act," strike out "$1,236,500" and insert in lieu thereof "$1,536,500," so as to read, under the head "Federal Trade Commission," as follows:

For five commissioners, at $10,000 each per annum, and for all other authorized expenditures of the Federal Trade Commission in performing the duties imposed by law or in pursuance of law, including secretary to the commission and other personal services, contract stenographic reporting services without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); supplies and equipment, law books, books of reference, periodicals, garage rental, traveling expenses, including not to exceed $900 for expenses of attendance, when specifically authorized by the commission, at meetings concerned with the work of the Federal Trade Commission, not to exceed $300 for newspapers, foreign postage, and witness fees, and mileage in accordance with section 9 of the Federal Trade Commission act, $1,536,500,

And so forth.

Mr. SMOOT. That is an increase in the total for the Federal Trade Commission.

Mr. ROBINSON of Arkansas. It is an increase of $300,000 in the appropriation for personal services in the

District of Columbia. May I say that during the current year the Federal Trade Commission has had available $1,751,766 and that the amount carried in the House text is $1,236,500, representing a reduction of 29.4 per cent over the current year.

Mr. LA FOLLETTE. Mr. President, I think this is one of the most important items in the bill, and I hope the Senator will yield to enable me to suggest the absence of a quorum.

Mr. ROBINSON of Arkansas. I am afraid we could not get a quorum at this time.

Mr. SMOOT. Mr. President, this matter has been called to my attention, and I rather think the Senator's proposal is all right. I am willing to accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. I will be necessary to have certain totals corrected because of the amendment.

Mr. SMOOT. We already have a unanimous-consent agreement that the clerks shall correct the totals where necessary.

Mr. ROBINSON of Arkansas. On page 22, line 1, and on page 22, line 7, it will be necessary that the totals shall be corrected.

The VICE PRESIDENT. Without objection, the clerks will correct all totals.

Mr. HATFIELD. Mr. President, I wish to call the attention of the Senator from Utah to a letter which I have received from Mr. Morrow, of the Board of Mediation. Has this matter been called to the attention of the Senator?

Mr. SMOOT. It has.

Mr. HATFIELD. From the statement made by this member of the Board of Mediation regarding the reductions made in 1931 and coming down to the present time as to the amount of money allowed the board, taking into consideration the great amount of work to be done and what it has been able to accomplish between employer and employee, I am convinced that Mr. Morrow's contentions are right. I am wondering what the Senator is willing to do.

Mr. SMOOT. Mr. President, as long as we have a number of these things and they have all been brought up we might as well take this to conference. I ask unanimous consent that the vote by which the amendment was agreed to may be reconsidered. I refer to the amendment on page 7, beginning in line 7, down to and including the word "boards," in line 12.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 7, under "Board of Mediation," the committee proposed to strike out "$151,135" and insert the following:

$115,000, and in addition thereto there is hereby reappropriated and made available for this purpose for the fiscal year 1933, $30,000 of the combined unexpended balances of the appropriations for the fiscal years 1930 and 1931 for arbitration and emergency boards.

The VICE PRESIDENT. The amendment was agreed to. Is there objection to a reconsideration of the vote by which the amendment was agreed to? The Chair hears none, and it is so ordered.

Mr. SMOOT. I ask now that we disagree to the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. HATFIELD. I ask that there may be printed in the RECORD at this point the letter to which I referred from the Board of Mediation.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

UNITED STATES BOARD OF MEDIATION,
Washington, June 27, 1932.

Hon. HENRY D. HATFIELD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Through evident mistake and total misapprehension, the Senate is about to destroy the Board of Mediation, which is the only means of keeping orderly procedure in railway labor disputes. The Senate, on June 24, on recommendation of Senator SMOOT, cut $30,000 from the appropriation of the Board of Mediation. The Senator said this cut was made because "it is provided for in another place." This is a clear mistake since there is no provision made for it in any other place.

I inclose brief statement of cuts made which will show you at a glance that some mistake must have been made. The $30,000 must be restored if the board is to have any available funds to send its men into the field where labor disputes occur and where they must, and can alone, be settled. A cut of $30,000 will destroy the Board of Mediation, which has, from its inception, prevented strikes in the entire railroad world and settled hundreds of disputes which threatened to interrupt interstate commerce.

Both the railroads and the employees know that this board can not operate unless this mistake is corrected, and they want it corrected.

This matter must be acted upon before the Senate disposes of the appropriation bill which it is considering at this moment.

Very truly yours,

EDWIN P. MORROW,
Member, Board of Mediation.

United States Board of Mediation

		Step-by-step reduction	Total reduction
Allotment for 1931–32	$188,185		
Board of Mediation estimate for 1932–33	186,665	$1,520	
Budget estimate and allowance to Congress	169,865	16,800	$18,320
House appropriation bill (H. R. 10022)	152,135	17,730	36,050
Senate proposal (June 24, Congressional Record, p. 13869)	116,000	36,135	72,185

NOTE.—The above figures show a reduction of $72,185 which would be taken away from $188,185, which, on its face, should demonstrate that the proposed cut is beyond all reason and that the Board of Mediation can not function under such a cut.

Mr. SMOOT. Mr. President, after the adoption of the amendment proposed by the Senator from Arkansas on page 21, line 22, it seems to me that we shall have also to add "$300,000" to line 1 on page 22.

Mr. ROBINSON of Arkansas. I have just had that done.

Mr. SMOOT. Very well; I did not know that.

The VICE PRESIDENT. That correction has been made.

Mr. ROBINSON of Arkansas. An order has also been made for the correction of the total on line 7.

Mr. SMOOT. Yes; but this is not in the total.

Mr. ROBINSON of Arkansas. I have also had that done. That was done, was it not, Mr. President?

The VICE PRESIDENT. The clerk has been authorized to make the necessary changes in the bill.

Mr. LA FOLLETTE. Mr. President, I send an amendment to the desk, which I ask may be read for the information of the Senate.

The VICE PRESIDENT. The amendment offered by the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 45, after line 21, it is proposed to insert the following:

No part of the funds of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be available for the maintenance of a sea service bureau.

Mr. LA FOLLETTE. Mr. President, in previous independent offices appropriation bills for a number of years I have secured the adoption of this limitation amendment. In each case, however, the amendment has gone out in conference. In the consideration of the bill immediately preceding the one now under consideration the Senator from Tennessee [Mr. MCKELLAR], on behalf of the committee, offered a similar amendment to the one I now offer, and it was adopted.

For the information of the Senate, I desire to say that the sea service bureau was organized during the World War by the Shipping Board when it was operating a tremendous fleet of vessels. It was, in fact, a recruiting agency for the Emergency Fleet Corporation vessels. It has been maintained, Mr. President, in spite of the fact that all the functions which that bureau has discharged since the war are being performed by the United States shipping commissioners.

I wish to invite attention to the report of the United States Bureau of Efficiency, to be found on page 643 of the House hearings on the pending bill, in which this sentence occurs:

In view of this specific assignment of duty there seems to be no justification for the assumption of this work by the Shipping Board.

I also wish to invite the attention of the Senate to a statement made by Representative DAVIS, of Tennessee, to be found on page 655 of the hearings, which is as follows:

Mr. DAVIS. Mr. Chairman and gentlemen, I know you are naturally seeking means by which you may effect reductions, and I want to make a suggestion by which you can make a saving without embarrassing any useful activity of the Government, by getting rid of an old war hold-over.

During the World War, when we were carrying on a tremendous ship-building and ship-purchasing program, and putting the ships into service, which resulted finally in the Government putting 2,500 ships into service, they were naturally confronted with a very serious need of seamen.

There were not enough seamen available to man the ships, so they established a sea service bureau for the purpose of recruiting and, in a sense, training seamen.

That is not mentioned in any statute, but the Fleet Corporation is still maintaining that same service, although all the Shipping Board lines except nine have been disposed of, and this sea service bureau is simply duplicating the service as specifically authorized by law to be performed by the shipping commissioners.

The shipping commissioners are under the United States Commissioner of Navigation, specifically authorized by law, and their duties are defined. Those duties are to register seamen and to certify them to sail on American vessels.

There is a shipping commissioner in every port and everywhere that a sea service bureau is, as well as at places where there are no sea service bureau offices.

Mr. President, it was indicated in the testimony before the House Appropriations Committee that $91,460 would be needed in order to continue the sea service bureau.

In view of the fact that the need for this bureau has disappeared with the war emergency, in view of the fact that the United States shipping commissioners are charged under the law with responsibility for performing all the service which the sea service bureau is performing, and in view of the further fact that the Senate has repeatedly gone on record by its action in favor of the abandonment of this bureau and the elimination of this expenditure, it does seem to me that at a time when efforts are being made toward economy, the Senate conferees should stand up and fight for this amendment, if it shall be adopted at this time, which I hope it may be.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. NYE. Mr. President, on Saturday last I gave notice of an intention to move a reconsideration of the action by which the Senate reduced the amount available for the Federal Farm Board to $600,000. Before moving to reconsider, I am going now to ask the Senator from Utah whether he will accept an amendment that would restore the amount to $1,000,000?

Mr. SMOOT. What is the Senator's amendment?

Mr. NYE. The Senate on Saturday limited the amount of available balances that could be expended by the Farm Board for the ensuing fiscal year to $600,000, which compared with $1,800,000 which was made available to the board last year. A request for a million dollars, it seems to me, is only in keeping with fair play, in view of the original recommendation of the committee and of the result which would follow if the Senate were to accept $600,000 as the limit to be expended by the Farm Board.

Mr. SMOOT. Mr. President, conforming with what we have done in two or three other cases, I shall accept the amendment, so far as I am concerned, if there is no objection by any other Senator.

Mr. ASHURST. Mr. President, I stated Saturday and I say again——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Arizona?

Mr. NYE. I yield.

Mr. ASHURST. I desire to state my view——

Mr. SMOOT. I will say to the Senator that I merely said, that, so far as I was concerned, I would accept the suggestion of the Senator from North Dakota.

The VICE PRESIDENT. The Chair recognizes the Senator from Arizona in his own right.

Mr. ASHURST. Mr. President, I wish to clear my own record so far as I may on this Farm Board matter.

When the original bill to create the Farm Board was before the Senate, I was warned by men of sagacity and judgment not to vote for it, and when the proposal to appropriate $500,000,000 for the Farm Board came before the Senate I was again warned not to vote for it.

Mr. President, we find that the Federal Farm Board has spent $499,000,000. Will some Senator please tell me where that money is; what the Farm Board did with it; what has become of it?

Mr. NYE. Mr. President, I assume the Senator is asking the question for information.

Mr. ASHURST. It is due to the Senate and to the country that there should go into the RECORD a complete statement as to what became of this huge sum of Federal money, $500,000,000, derived from taxes paid by the people. I think there should go into the RECORD a statement why the Federal Farm Board permitted one official, as I am reliably informed, to draw a salary of over $50,000 per year.

Mr. THOMAS of Idaho. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. ASHURST. I yield.

Mr. THOMAS of Idaho. I do not want to interrupt the enlightening remarks of the Senator from Arizona, but the statement that the Federal Farm Board had allowed any official of the Farm Board to receive $50,000 is not correct. The salary of that amount, which was paid, was paid by a cooperative association which was financed by the Farm Board.

Mr. ASHURST. Very well; the salary was paid, then, by a cooperative with the permission or the knowledge of the Farm Board.

Mr. THOMAS of Idaho. That is correct.

Mr. ASHURST. And the $50,000 a year which was paid to that official came out of the farmers whose annual income did not exceed $300 a year in cash.

Mr. THOMAS of Idaho. I am quite in accord with the Senator's position on that question.

Mr. ASHURST. Very well; so much for that.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Iowa?

Mr. ASHURST. Certainly.

Mr. BROOKHART. The Senator is not quite accurate in his statement.

Mr. ASHURST. I beg the Senator to believe that I desire to be corrected.

Mr. BROOKHART. I will correct the Senator in one respect, as I was at the hearing and remember the facts. The salary paid in the case to which reference was made where farmers were receiving $300 a year was not $50,000 but was $75,000, and was paid in connection with a cotton cooperative association. The $50,000 salary was paid by a cooperative association of wheat farmers, and in that case the official receiving the salary was manager of two corporations, the Stabilization Corporation and the National Grain Marketing Corporation, and he testified that on a certain day he would be buying wheat for one of these corporations of which he was general manager, and on the very same day selling wheat for the other corporation of which he was a general manager, making it a wash-sale operation of the rankest kind. Then perhaps the very next day that would be reversed and the other one of those corporations would be buying and the other selling.

Mr. ASHURST. I am glad to be corrected on that point.

It may suggest itself to Senators that I ought not to be particularly interested in the operations of the Farm Board. Arizona produces cotton and wheat, and for that reason has a legitimate interest in the operations of the Federal Farm Board; but even if the State of Arizona did not produce a bale of cotton or a bushel of wheat I would not find it to comport with my duty to sit silent while an effort was being made to grant the Farm Board an additional sum of money until we know what became of the $500,000,000.

Senators should read the speech of the junior Senator from South Carolina [Mr. BYRNES] on Saturday last, beginning on page 13970 of the RECORD and extending over some pages.

I shall surrender the floor to any Senator who will give an explanation and an accounting of what happened to this $500,000,000 of the people's revenues and who will give a reason why we should grant to the Federal Farm Board another $1,000,000. A Senator telephoned officials of the Farm Board the other day and asked them what was their unexpended balance. On the telephone he was informed that it was a certain amount. A further investigation, however, disclosed that the Farm Board official did not know how much their own unexpended balance was, and it developed to be a higher sum, thereby convincing some, at least, that either the official who responded by telephone did not know how much was the unexpended balance or attempted to deceive the Senate.

Mr. NYE. Mr. President——

Mr. ASHURST. I yield to the Senator from North Dakota.

Mr. NYE. I am sure the Senator from Arizona would not want to do any injustice to anyone connected with the Farm Board or any other board. The understanding is that when the request was made by a member of the Committee on Appropriations for information as to the unexpended balance the officials of the Farm Board assumed that the balance as to which information was requested was the balance of the 1932 appropriation, because the records were here in the Senate and in the committee revealing what balances there were from previous years. The information was quickly given as to the balance of the 1932 appropriation; but as soon as the chairman of the Farm Board understood that there was a misunderstanding here with respect to that statement, I am advised he carefully informed one member of the committee that he had not given an accounting of all the unexpended balances, but only the unexpended balance for one year, and he stated that the balances for the previous years had already been accounted for.

Mr. ASHURST. I accept that statement.

Now, Mr. President, I am not going to, and I do not think I have up to date, charged that any member of the Farm Board himself corruptly or dishonestly used any of this money. I do not charge that. What I want explained, and I think I have a right to the explanation, is, what became of the $499,000,000? What good came to the farmers of the United States from the expenditure of $499,000,000?

Mr. NYE. Mr. President, I am sure the Senator from Arizona, in his request for information, is entitled to all of the information that may be available.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NYE. Just a moment, please. I have seen no inclination on the part of the Federal Farm Board to deny to anybody—any Member of the Senate or any Member of the House—information as to what was done with the $500,000,000 that was made available to the Farm Board; and I am going to be very, very brief in reciting just what was done with that money.

In less than three years of operation by the Farm Board, the Farm Board has made loans of $985,295,427.24 from this so-called revolving fund of $500,000,000. Of that amount there has been repaid $516,069,688.66, leaving a balance unpaid of $469,225,738.58.

That unpaid balance is divided as follows:

Owing the Farm Board by the cooperative associations that have borrowed from the Farm Board or from the revolving fund, $166,172,488.49.

The stabilization loans left unpaid are $303,053,250.09.

Those two items, combined with a balance of $30,774,261.42, account for the $500,000,000 revolving fund which was appropriated by the Congress.

Mr. President, I do not want to be misunderstood in asking for a restoration of a larger amount of appropriation this year than was provided by the Senate committee, for I am just as severe a critic, I believe, as is the Senator from Arizona of some of the practices of the Federal Farm Board.

I think there is a great deal that the board has done and has not done that merits criticism. However, I think we are very unjust if we proceed now—and I am delighted to note that the Senator from Utah is ready to concede the point and to afford a sufficient amount to enable the board to carry on—I think it would be a terrible mistake on our part if we were to destroy the Farm Board by starving it to death in the appropriations of this year, particularly in view of the fact that the Senate has instructed the Agricultural Committee to make an investigation into the activities of the Federal Farm Board and the activities as well of those influences that are engaged in undermining and trying to destroy the Farm Board. Until we have the results of that investigation I ask the Senator from Arizona in all frankness if it is not better that we continue to enable to Farm Board to carry on for the ensuing year and await any repeal action or any action that would completely destroy the farm marketing act and the Farm Board until we have the results of that investigation?

Mr. ASHURST. Mr. President, if any class of the people of the United States require governmental encouragement, the farmer does. His condition is such that his profits are very meager, if he ever receives any at all. I am moved because of my disappointment that the Farm Board, with $500,000,000 at its command, has done, so far as I can see, so little. Wheat is lower than when the Farm Board took charge.

Mr. NYE. Mr. President, the cooperatives that have handled grain particularly will not agree with the Senator that nothing has been accomplished.

Mr. ASHURST. Measured by results alone, I should say that the Farm Board does not justify its own existence. If the Senator will yield——

Mr. NYE. I yield; certainly.

Mr. ASHURST. There is some force in the suggestion that we ought not to starve the board out of existence. That would not comport with my idea of fighting. I do not want to starve it out of existence. I should like to vote it out of existence openly, manfully.

If those who represent the wheat and cotton States believe, as they appear to, that this Farm Board could, with another million dollars, be of assistance to the farmer, I shall not consume much time; but I shall vote "no," and I desire that the country, so far as it deigns to pay attention to what I say, and the Senate shall know that I do not intend to share any more responsibility for the reckless and relentless actions of the Federal Farm Board.

I heard the Senator from South Carolina [Mr. BYRNES] and I think he had a definite understanding that the Senate was not going to increase the appropriation beyond the $600,000. I hope the Senate will not grant more than the $600,000 to the Farm Board.

Mr. NYE. I am going to move that it be limited to $1,000,000.

Mr. REED. Mr. President——

Mr. ASHURST. I yield if I have the floor.

Mr. REED. It seems to me this is wholly unfair to the Senator from South Carolina [Mr. BYRNES]. He made a very vigorous argument on Saturday in favor of the $600,000 limitation. He convinced everybody who heard him, I think.

Mr. ASHURST. He convinced me.

Mr. REED. He certainly convinced me. He pointed out that the Farm Board is maintaining a most expensive bureau of agricultural economics, which is wholly unnecessary, because a similar bureau is maintained in the Department of Agriculture——

Mr. ASHURST. Quite so.

Mr. REED. And that the two are doing the same thing at the same time, in the same town, for the same Government, duplicating work with a totally unnecessary expense.

The Senator from South Carolina [Mr. BYRNES] had to go away, and here in his absence, after he has carried his point, we are moving to rescind his action. It will not go to conference at all, because if this amount is increased to

$1,000,000 it will agree with the action of the House on the subject, and the conferees will have no power to act.

I rather dissent from the statement of the Senator that the Senators from the agricultural States, the grain and cotton States, all regard the Farm Board as a blessing. A great many of them have convinced me that the Farm Board is the principal trouble to-day with the price of wheat and cotton; that if it were not for those great stocks overhanging the market in the hands of the Farm Board, the natural working of economic forces would bring about higher prices for both of those commodities. Maybe that is not so. I am no agricultural expert. I do not know, but I am impressed by the number of former advocates of the Farm Board who have come to think that, and to think that the Farm Board has done more harm and is at this minute doing more harm to the farmer than it ever did him any good.

Mr. ASHURST. I thank the Senator.

Mr. REED. I do know of my own knowledge, on top of that, that somewhere, down some rat hole, has gone $500,000,000 of money that we took from American taxpayers who paid it with the utmost difficulty.

Mr. ASHURST. I am, of course, delighted to have the support of the able Senator from Pennsylvania upon this point.

I do not pretend to be a practical agriculturist or farmer, and I draw conclusions as the Senator from Pennsylvania has drawn them. We were promised many things, and, as the Senator from Pennsylvania with cameolike distinctness says, the net result is that $500,000,000 has gone down some place, nobody knows where.

Mr. THOMAS of Idaho. Mr. President——

Mr. ASHURST. I yield to the Senator from Idaho.

Mr. THOMAS of Idaho. Just an observation.

In answer to the $500,000,000 that so much has been said about, I desire to say that the Farm Board authorized the setting up of stabilization corporations; and immediately upon the signing of the act by the President and the organization of the board the Members of Congress from wheat States, Senators and Members of the House, both moved in on the Farm Board and insisted that the wheat market be stabilized. The same thing happened with cotton; and the Farm Board, at the urgent request of Members of Congress from both the wheat States and the cotton States, insisted that they buy this wheat and cotton. They have bought it, and they have made the loss.

Now, I am not making any defense of the Farm Board at all. Maybe they did right and maybe they did wrong; but I do think Congress ought to take part of the blame, because certainly this act was at the urgent request of Members from cotton States and from wheat States.

Part of the $500,000,000 has been lost as a result of this kind of an operation, and one hundred and fifty or two hundred million dollars has been loaned to cooperative associations that is not lost. The Farm Board considered them good loans, actually made under the direction and authorization of the board; so the $500,000,000 is not lost. It may be expended. The report shows that they had some fifty-odd million dollars on hand when this report was made. Forty million bushels of wheat were taken and given to the Red Cross without compensating the Farm Board for it.

The members of the Farm Board are earnest, honest representatives of the different branches of agriculture. They are doing the best they can. Congress authorized them to do these things, and I think we ought to give them at least a square deal. You hamstring them when you cut this appropriation from $1,750,000 down to $600,000. In justice to the Farm Board, I think that until the investigation has been made, until we have finally considered what we ought to do with the board, we ought at least to give them enough money to operate on.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. The Senator from Arizona [Mr. ASHURST] has the floor.

Mr. ASHURST. I yield to the Senator.

Mr. ROBINSON of Arkansas. I thank the Senator from Arizona.

Several times this afternoon during the discussion of this subject reference has been made to an investigation as if it had been authorized. Has the Senate authorized an investigation of the Federal Farm Board's expenditures?

Mr. THOMAS of Idaho. By resolution, the Senate has authorized the Agricultural Committee to make a complete investigation of the Farm Board.

Mr. ROBINSON of Arkansas. Has the committee taken any action under the resolution?

Mr. THOMAS of Idaho. The actual investigation has not been started. The chairman of the committee is not present in the chamber. I might say that he advises me that just as soon as Congress adjourns, so that he can have time to give it attention, he expects to inaugurate a very searching investigation.

Mr. ROBINSON of Arkansas. Is the investigation to be made by the full Committee on Agriculture and Forestry, or by a subcommittee?

Mr. THOMAS of Idaho. I can not advise the Senator.

Mr. REED. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. The Senator from Arizona has the floor.

Mr. ASHURST. I yield further to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I have had some information that it is proposed that this investigation shall be stifled; and it seems to me that now is a very good time to ascertain whether or not that is true.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Pennsylvania?

Mr. ASHURST. I now yield to the Senator from Pennsylvania.

Mr. REED. I think the Senator from Idaho has misunderstood me. I did not mean to put the blame for this mess upon the individuals who compose the Farm Board. I agree with the Senator from Idaho; the blame is principally upon Congress. I, for one, want to say that I voted for the conference report in which the Farm Board was created, and I am more ashamed of that vote than of any I have cast in the 10 years since I have been in the Senate. I accept my share of the blame.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. DICKINSON. I want to make this suggestion, that a lot of us voted for the Reconstruction Finance Corporation act, and that corporation has been attempting to do exactly the same thing for a lot of business institutions and financial institutions that the Farm Board attempted to do for the farming interests of this country, and the statement that we are just shoveling this money down a rat hole is absolutely unfair and should not go unchallenged on the Senate floor. As a matter of fact, the Farm Board was established at a time when the whole world was going into an economic decline. I want to know what banker there is in the United States who wants his reputation as a banker judged by what has happened to his financial institution in the last three years. I want to know what Senator there is who wants his record as a Senator judged by how he has been able to meet the demands of the correspondence that comes into his office. I want to say, Mr. President, that we are not able to meet it legislatively. The present economic depression does not affect only one line, it affects every line; and to come here and say we need a Reconstruction Finance Corporation for business and then that we ought to strangle the Farm Board because of the activities they have carried on the past two years is simply petting one interest and punishing another interest of the United States.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Arizona yield further?

Mr. ASHURST. I yield.

Mr. ROBINSON of Arkansas. Frankly, I do not understand the statement just made by the Senator from Iowa [Mr. DICKINSON]. So far as I know, the Reconstruction

Finance Corporation is not involved in this amendment. The amendment has no relation whatever either to the powers or the activities of the Reconstruction Finance Corporation.

Mr. DICKINSON. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON of Arkansas. In just a moment. It is true that the Reconstruction Finance Corporation has been created and that its operations have not been as successful as the proponents of the measure establishing it hoped they would be. But does the Senator from Iowa think that the operations of the Federal Farm Board, in the stabilization of wheat and cotton, have been fairly effective? Does he feel that they have justified the hopes we all had when we voted for the creation of the Federal Farm Board and gave it the very large fund we appropriated for its use?

Frankly, Mr. President, I have been unable to see the benefits of the stabilization policy of the Federal Farm Board. I have been unable to comprehend its recommendation for the destruction of crops already produced—of one-third of the cotton crop, for instance—as the best means of raising prices and of solving the surplus problem.

Undoubtedly our times are characterized by the existence of numerous problems, some of them new, some of them presenting new aspects; but to me it is not a complete vindication of the Federal Farm Board to say that the Reconstruction Finance Corporation has not worked well. It is rather begging the question.

I yield now, with the permission of the Senator from Arizona.

Mr. ASHURST. I yield.

Mr. DICKINSON. Mr. President, I want to make this suggestion: I did not say that the Reconstruction Finance Corporation had not accomplished the purposes for which we had appropriated the money. The thing I have in mind is that we attempted to do exactly for business through the Reconstruction Finance Corporation what we attempted to do for agriculture.

Mr. ROBINSON of Arkansas. The entire implication of the Senator's declaration was that a failure comparable to that which has attended the efforts of the Federal Farm Board has marked the labors of the Reconstruction Finance Corporation. His argument could have no other significance. I am not posing as the champion of the Reconstruction Finance Corporation.

Mr. ASHURST. Mr. President, I am going to surrender the floor now.

Mr. REED. Mr. President, will the Senator yield?

Mr. ASHURST. I yield first to the Senator from Pennsylvania, but I wish to close in a moment.

Mr. REED. If the Senator from Iowa wished to find a parallel to the Reconstruction Finance Corporation, which lends money on adequate security to banks and similar institutions, he might find it in the various agricultural credit establishments which we have set up. He will not find in the Reconstruction Finance Corporation anything like the economic folly of buying the output of any particular type of producer and carrying it at Government risk, which is what we have done in the Farm Board and its affiliated cooperatives. There is a declining market, the Government has incurred a huge risk, and to-day the producers of the country, suffering from the desperate crop shortage of winter wheat, are confronted with the lowest price in history.

Mr. ASHURST. Mr. President, in conclusion, the able Senator from Pennsylvania said he was willing, and other Senators have said they were willing, to assume and share their part of the blame for the creation of the Federal Farm Board. I fancy when I apply introspection to myself that I am a little sensitive about the vote I cast, because I have been most severely criticized all over the State of Arizona for that vote, and therefore possibly I show an undue degree of animation. But so far as sharing the blame is concerned, I seek to avoid none of the responsibility for the vote I cast. I cast it in good faith; and if any Senator feels that any part of the blame is irksome to him, I will bear his share also. I am not seeking to avoid any part of the blame or responsibility for that vote.

Since it can not be corrected, surely we can ascertain what they have done, what good has been accomplished, what they purpose doing with additional moneys. It is a good rule in life when you trust a man with a huge sum of money and get disappointing results not to trust him with smaller sums, even. That is all I care to say, and I yield the floor.

Mr. SCHALL. Mr. President, I ask unanimous consent to insert in the RECORD an answer in defense of the Federal Farm Board by the Hon. W. F. Schilling, of Minnesota, to an editorial in the Minneapolis Journal. Everyone who reads this article can readily see who is the farmers' friend—the Minneapolis Journal and the private grain gamblers or the Federal Farm Board.

There being no objection, Mr. Schilling's article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Journal, June 26, 1932]

SCHILLING DEFENDS FARM BOARD; ASKS LONGER TRIAL OF ITS PLAN—POINTS TO DECLINES IN OTHER COMMODITIES AND IN SECURITIES—DECLARES FARMERS HAVE FARED BETTER COMPARATIVELY—DENIES GRAIN TRADE COULD PREVENT LOSSES

To the EDITOR OF THE JOURNAL:

I do not like the editorial in your paper of the 25th of May entitled, "The Futile Farm Board." It is not fair to the farmers of this country; it is not fair to the men who worked so hard to find a way out for the farmer; it is not fair to the Congress that passed the marketing act; it is not fair to the board; and, lastly, and of as much importance, it is not fair to the thousands of citizens of the Northwest, who are in a sad state because agriculture is not now and has not for many years been getting a square deal.

The first paragraph of your editorial reads:

"The Farm Board wants a hundred million dollars from the Reconstruction Finance Corporation's credit pool placed at the disposal of cashless and presumably creditless foreign customers so that they can buy the board's surplus wheat."

In fairness to your readers you should have told them that the international bankers of this country loaned these creditless foreign governments over $14,000,000,000 before the board came into being, taking the credit away from the American farmers so as to get a better rate of interest and to have their finances "liquid."

The result of this is that the Government had to come to the rescue of the bankers, the railroads, and the insurance companies to the tune of the $2,000,000,000 Reconstruction Finance Corporation. Now, we farmers are not saying a word about this, because if it helps the banks and others, maybe it will help us a bit. That is the Government's "stabilization" effort for industry, and no one doubts for a moment that some of this money will be lost. One railroad man has already said that the Government was saving the banks and buying the railroads. Why do you not in The Journal say something about this program while criticizing the Government's efforts in loaning money to assist the farmers' cooperative associations? Both are "cooperative." On the one hand, men engaged in industry cooperate to get better results from their capital and labor, and on the other the farmers are doing it.

Then you go on with:

"The Strong bill, now in Congress, would in effect grant this request. American taxpayers, already out the greater part of half a billion dollars because of the board's fantastic grain and cotton operations, would be left holding the bag for another hundred million. The growers of wheat would be helped no more by the disposal of the surplus under this plan than by its disposal in any other way that did not break the market."

I am sure the taxpayers of the country will not have occasion to complain of Government expenditure of money to save agriculture any more than they would to save industry, for the farmers have never had, and do not now have, anywhere near the advantages that industry has in getting Government funds to support it.

SAYS BOARD HELPED HOLD WHEAT PRICES

I am quite sure that under ordinary times and conditions, and with a few years' experience, the marketing of wheat and other commodities might be carried on to better advantage; for we farmers were laboring under the handicap of competing with old-line companies that had played the game for well onto 50 years; and while some of these men helped to write the marketing act, they immediately set out to kill its effectiveness by engaging in one of the most gigantic propaganda exhibitions detrimental to its use ever put on in this country.

But what has happened? Wheat, so badly handled, is to-day practically without exception the only commodity, either agricultural or industrial, that has shown any improvement in price during the past 11 months. If you are familiar with the markets, you will see that because of orderly marketing the domestic price has been from 5 to 15 cents above the world market price parity.

The Grain Stabilization Corporation possesses only about a quarter of the surplus wheat; and if the speculators want to do a real service to the farmers of the country, why do they not experiment for a time on the other three-fourths and "market them at an advanced price," as has been suggested?

Why would it not be advisable for you to suggest also that the private interests, which once handled practically all the butter

that was made in Minnesota, should take over the large holdings of dairy products now possessed by the big Land O'Lakes cooperative organization. Do you know that in Minnesota the first real effort was made to make high-quality butter and, further, that the Land O'Lakes organization is the first institution to put a quality product on the market in a national way and that, instead of a few commission merchants handling the product of your city, you now have several hundred employees on a steady pay roll making, wrapping, and marketing in a manner never before heard of until Land O'Lakes was established. And it is truly cooperative.

This system of marketing gave the farmers of Minnesota in and out of that organization 1.98 cents per pound for butter more than they ever received for it, based upon the New York price quotations.

Do you recall only 16 years ago that I and four other farmers were under indictment in the city of Minneapolis for forming a cooperative milk organization, and would you be so unwise as to suggest that the 8,000 farmers that are now members of that institution should go back to their former way of handling their product? I am sure you would not. And please remember the condemnation we had at that time.

CITES DECLINES IN OTHER COMMODITIES

Would you even surmise that the handling of grain cooperatively, after 50 years of the other method, should run along smoothly under conditions and in times such as were never heard of before by the oldest operator? If you do, then you certainly are not familiar with conditions as they are.

What about the price of butter, eggs, and dairy products? Why do not the "friends of the farmers" try their hands in these commodities? Surely they represent many times the interest and wealth represented in wheat.

I am quoting you herewith tables representing price declines of agricultural commodities and also common-stock price indexes. These tables are taken from Standard Statistics and are presumably correct:

TABLE 1.—*Price declines of agricultural commodities*

Commodity	Price September, 1929	Price May 18, 1932	Per cent, decrease
Wheat, No. 2 hard winter, Kansas City	$1.240	$0.52	58.1
Cotton, New Orleans, spot	.1845	.0674	63.9
Butter, 92 score, New York	.490	.18	60.9
Cheese, single daisies, Chicago	.227	.1075	52.6
Wool	.930	.495	46.8

TABLE 2.—*Common-stock price indexes*

[1926 equals 100]

Stocks	High, 1929	May 18, 1932	Per cent, decrease
404 stocks combined	228.1	39.2	82.81
337 industrials	218.9	37.7	82.78
33 rails	173.5	16.6	90.43
34 utilities	330.4	66.5	79.87
Industrial groups:			
Autos (including General Motors)	294.4	29.5	89.98
General Motors	397.3	45.5	88.55
Chemicals	345.6	51.2	85.19
Copper and brass	344.1	20.8	93.96
Electrical equipment	419.0	51.1	87.80
Radio	765.5	26.3	96.56
Steel (including United States Steel)	256.0	25.5	90.00
United States Steel	265.7	29.2	89.01
Electric, gas, water, etc., holding companies	468.1	62.8	86.72
Electric, gas, water, etc., operating companies	338.4	91.9	72.84
New York City banks	297.4	45.1	84.65

TABLE 3.—*Price declines of bank stocks*

Stock	Price September, 1929	May 24, 1932, price	Per cent, decrease
First Bank stock, St. Paul and Minneapolis	$64.50	$7.38	88.56
Northwest Banco Corporation, Minneapolis	99.75	10.50	89.48

Of course, I appreciate that agricultural prices have met a terrible tumble in the depression, and it may be that the Farm Board has been somewhat of a Jonah; but surely you missed the chance of a lifetime that you did not also state that the stock-market manipulations should be turned over to the Farm Board, for the record of this board in the interest of agriculture is a vast improvement on the operations in the stock market in behalf of industry. Many a creamery has been saved by this board where their all is frozen solid in closed banks.

I will grant, for the sake of argument, that the board is not perfect and has made mistakes. Why should it be perfect? Did it have any pattern to go by? It has undertaken a gigantic task with the entrenched grain trade, with vast experience, resources, and press propaganda fighting cooperative marketing to the last ditch. It was all well and good and nothing happened as long as the country farmers' elevator acted as a field agent for the grain trade and turned its products over to the terminals where the profits were.

DENIES EXCHANGES WOULD HELP FARMER

I want to ask the readers of the Journal if they do not remember 16 years ago when the Twin City Milk Producers Association was formed what happened. The old-line handlers of milk had us farmers arrested and put under indictment in Hennepin County for forming a "gigantic milk trust for the purpose of raising the price of milk to starve the women and children." We were just trying to get a square deal, as the farmers are now in other commodities.

You further state:

"Why, in the name of common sense, should Uncle Sam throw good money after bad to enable the Farm Board to get rid of Government wheat when experts in the grain trade can do the job for him at no cost at all?"

Experts in the grain trade might do this at no cost to the Government, but what about the cost to the farmers of America? What about the cost to the farmers if they turn this 100,000,000 bushels of wheat over to the grain trade, after paying carrying and storage charges and all on it since the last crop, and, with a short crop in sight, it would be a beautiful picture to see them take the cooperatives' grain mingled with three times as much? In the face of a rising market they could easily make back the profits that have been denied them the past two years, but the farmer would not be in a very good frame of mind when this had happened.

Why is Mr. Carey so interested in selling Farm Board wheat when there is three times that much in other hands that he might sell "for the benefit of farmers"?

Again, your editorial states:

"But men who know the grain business from the inside out (in contrast with the Farm Board's favorites who apparently know little about anything except making big promises and cashing fat salary checks) say they can sell this surplus wheat, and for spot cash, while the market, instead of breaking, actually advances. Why should not Congress take the matter clear out of the board's hands and give the grain men the chance?"

If the men who know the grain trade from "inside out" have been doing such a good job of marketing the farmer's wheat there would have been no excuse whatsoever for the marketing act and farmers would be content and happy now, instead of in a condition that imperils that stability of our whole economic structure. The grain men have had their chance and your reference to fat salary checks is one that is amusing, to say the least.

DEFENDS SALARIES PAID FARM BOARD

If you will read the CONGRESSIONAL RECORD, you will find that when the Reconstruction Finance Corporation was set up to assist the banks, the railroads, and insurance companies, some "indiscreet" Congressman suggested that inasmuch as the grain trade wanted to limit organizations borrowing from the Farm Board to salaries of $15,000 a year that the same restriction should apply to organizations obtaining loans from the Reconstruction Finance Corporation. But it was soon discovered that there were no borrowers in that line who had their executive receiving such paltry sums as $15,000 and consequently, after trying hard to fix a limit up to $50,000, or even $75,000 and $100,000, Congress threw up its hands and let it go wild.

It would be interesting for the Journal to print the salaries and commissions of the leading grain men in this country who handled half as much grain as the Farmers' National side by side with the Farmers' National employees so that the farmers might get the truth in this matter.

I can not understand why such a splendid publication as the Minneapolis Journal could be content to print but one side of this story and expect the farmers of the Central Northwest to be content with such propaganda. Such work as this forebodes trouble.

Witness, please, your story of May 30, under the caption "Board Wrecked Wheat Growers, Paper Charges, Cooperative Farmer Attacks Federal Agency, Cites Failure and Promises." Why don't you state that this Cooperative Manager and Farmer from which you quote is a Minneapolis publication printed in the interests of the grain trade, and has no semblance whatsoever of farmer cooperation in its make-up? What did the United States Circuit Court of Appeals in its May term, 1926, on petition to review on order of the Federal Trade Commission in Equity Cooperative Exchange case, say, relative to this publication:

"That the respondent manager publication company is a corporation publishing a grain trade paper (the Cooperative Manager and Farmer), which circulates in the trade territory tributary to Minneapolis, and respondents, John H. Adams and John F. Fleming, are stockholders therein and editors thereof."

In its report of December 28, 1923, the Federal Trade Commission said, in so many words, that the policy of this publication was dictated by the Minneapolis Chamber of Commerce. Its exact language was:

"The policy of the Cooperative Manager and Farmer during all of said time was dominated and controlled by the secretary of the respondent chamber of commerce to furnish the data and material for a great number of articles for the policy hereinafter described."

Isn't it too bad to mislead and deceive honest cooperative farmers by having the word "cooperative" attached to a publication of this kind?

POINTS TO CONDITION OF TOBACCO MARKET

The Cooperative Manager and Farmer is the same to-day as it was, as J. F. Fleming is editor and general manager, and one, W. D. Fleming, is associate editor. This paper is filled with advertisements of grain dealers and grain commission men, and it is quite natural that every issue it puts out is teeming with anti-Farm Board propaganda, for it realizes that when farmers market their own grain, as is contemplated by the marketing act, its usefulness will be very limited.

The last paragraph of your editorial:

"The Farm Board, which originally set out to keep wheat prices up in the face of a bearish supply and demand situation, has succeeded only in keeping wheat prices down in the face of a bullish supply and demand situation."

As stated above, the stabilization stocks of wheat are only one-quarter of the surplus supply and it has been marketed on a basis of 5,000,000 bushels a month, which every grain man knew about. This being the case, why did not the operators in the grain trade push up the price on the wheat they had in this bullish situation, or were they afraid that the grain held in the Stabilization Corporation would immediately follow along up and the price situation work out to the credit of the Stabilization Corporation?

Speaking of "supply and demand," it would be interesting to have some of those who have been harping along on that string to witness what is going on in the tobacco trade at the present time. In the face of the largest supply of tobacco ever known in this country and a price to the tobacco growers down to the starvation point, the manufacturers of cigarettes have, within the past year, raised the price of their product and one manufacturer has made a profit of $36,000,000, while the entire crop of Burley tobacco was bought from the farmers at only $35,000,000.

I do not believe that many farmer readers of the Journal realize that men high up in the councils of the grain trade had more to do with the framing of the agricultural marketing act than did the farmers themselves, and it seems too bad at this time, when farmers and others are all in such dire need, that the marketing act should be blamed for so much of the distress that is visited upon agriculture and others. Is the marketing act responsible for the loss of $2,800,000,000 in the value of United States Steel and General Motors?

ASKS LONGER TRIAL FOR MARKET ACT

After your readers have perused the stock and commodity market report in this article they will see that, though mistakes may have been made in marketing, the farmer has fared as well or better in wheat operations as have those with many, many years of experience in dealing in his commodities or in manufacture or industry. But you must remember that higher commodity prices must lead the way out.

It took eight long years and countless proposals to the Members of Congress from every source to make a decision on what was really best for agriculture. After the entire matter of farm relief was hashed over by Congress, the agricultural marketing act we now have was passed and should be given a fair trial. The trial years of the Twin City Milk Producers' Association and also the Land O'Lakes would not be fair judgment on these two splendid cooperative agencies and why should this institution be condemned before it has had a fair trial in normal times? Its enemies certainly have picked ideal conditions under which to judge it if they wish to see it a failure, but the farmers should notice who these enemies are and judge their motives.

I have studied in recent weeks much of the mass of material that went before Congress before it made its decision to pass the agricultural marketing act. Many able men in the grain trade were called in to testify relative to a farm-relief program, and perhaps the ablest of them all, especially in the eyes of those who know him in Minneapolis, Mr. Fred B. Wells, appeared before the Agricultural Committee of the House of Representatives on April 4, 1929, and much of the material embodied in the marketing act is substantially the outgrowth of Mr. Wells's testimony.

QUOTES WELLS ON HOPE OF FARMERS

Mr. Wells said in the course of his remarks:

"All of this may seem irrelevant and as having no bearing upon the subject which you have under consideration, but to me the experience in other lines of industry points the way to possible assistance for agriculture through legislation which will afford sympathetic leadership and will cultivate the appreciation of the fact that agriculture can hope to achieve success only through organization, cooperative action, and the utilization of information made available by Federal and State agricultural research work. I have said that I do not believe that legislation is the cure for the more serious agricultural troubles, but I am hopeful that sound legislation, designed to assist producers in their work of organization and in the financing of their initial cooperative efforts, would be of lasting benefit.

"Loans to cooperative commodity organizations: The Farm Board should be authorized upon the request of any cooperative commodity organization to make loans to such organization for the purpose of assisting in the financing of its merchandising operations, providing that the cooperative meets the requirements of the board in its form of organization, its financial condition, its methods of accounting, the character of its management, and that the board is satisfied that all other available credit facilities have been exhausted before application has been made to the board for a loan.

"Loans to cooperatives for the purchase, construction, or leasing of marketing facilities should only be authorized by the board if, after a careful survey, it develops that the service required can not be secured through existing facilities at a reasonable charge. No loans for the construction of marketing facilities should be authorized if existing facilities suitable for the required purpose are available for purchase. It should be noted that the duplication of marketing facilities inevitably leads to an increased toll exacted from producers, as a natural result of the decreased volume handled by each operating unit.

"Stabilization corporations: Upon application of a commodity cooperative marketing association or of a group of cooperatives engaged in handling the same commodity the board may grant authority for the creation of a commodity stabilization corporation if, upon investigation, the board is convinced that an emergency exists, or is imminent, in respect to the commodity involved, and that the operations of the corporation can be reasonably expected to prevent undue price depression and safeguard the producers against unusual losses.

"In granting the authorization for the creation of a commodity stabilization corporation, the board shall stipulate the form of organization to be adopted, the methods of accounting to be employed, and the amount of capital to be subscribed by cooperative stockholders, and the character of management of such corporations must be acceptable to the board.

COOPERATION OFFERED BY GRAIN TRADE

"The board should be empowered to make loans to authorized commodity stabilization corporations for the purpose of assisting in the financing of their merchandising operations, but no loans should be made by the board until other credit facilities have been exhausted, and all such loans should be secured by a lien upon the commodity involved. * * *

"In conclusion, I would again state that while I do not believe that legislation can or will cure all agricultural ills, I feel confident that if the producers will assume their share of the responsibility and if they are given the assistance of a sympathetic Farm Board of outstanding ability, the condition of agriculture can be greatly improved through the passage of legislation of the general character which I have suggested, and I can assure you that, as far as is consistent, the grain trade and the leading markets of the country will cooperate with the Farm Board and other agencies to the end that this worth-while experiment may receive a fair trial."

(The farmers of this country are watching with much interest the cooperation from the grain trade.)

"In my statement I have expressed my personal views on proposed legislation, but I am authorized to advise you that in a general way the grain markets enumerated concur in my recommendations: Chicago, New York, St. Louis, Kansas City, Minneapolis, Duluth, and Omaha * * *.

"Mr. ASWELL. Mr. Wells, if such a bill as you have outlined should be enacted and put into operation, and it was successful, would not this board you have described in a few years be doing the business which you and your associates are doing now?

"Mr. WELLS. Eventually that would be my expectation and my hope. * * *

"Mr. ASWELL. How much salary would you pay the members of the board?

"Mr. WELLS. I have not given that matter a thought.

"Mr. ASWELL. But you are a business man, and we want to have your opinion as a successful business man. You represent the very position you have been describing. What would you pay the members of the board?

"Mr. WELLS. If you were going to run a private business, and the question of a desire for public service was eliminated, you would have to pay the members of such a board $50,000 a year, and the chairman probably $75,000.

"Mr. ASWELL. Leave out the 'ifs.' How much would you pay them?

"Mr. WELLS. I think men might be found for possibly $15,000 a year, $12,000 or $15,000 a year, who would be anxious to be of public service. The chairman would have to be paid more, undoubtedly. * * *

"Mr. WILLIAMS. Would the cooperatives be inclined to organize stabilization corporations in emergency cases if the total loss was to be assumed by them?

"Mr. WELLS. The total loss would not be assumed by them, as I had it in mind. The cooperative members of a stabilization corporation, as organizations holding the stock, could only lose their stock, the amount which they had subscribed to the capital stock of the stabilization corporation, and any losses incurred beyond that would fall upon the Treasury.

WELLS PREDICTED LOSSES BY BOARD

"Mr. WILLIAMS. The Treasury of the United States, out of this fund?

"Mr. WELLS. Yes; and be reimbursed later on by any profits the corporations might make.

"Mr. WILLIAMS. I think that is, perhaps, the idea that the majority of the committee have, that the security required for the stabilization corporations might be a little thin at times.

"Mr. WELLS. It undoubtedly would be thin, from a commercial standpoint.

"Mr. WILLIAMS. From a commercial standpoint, and this being an experiment, a new trail we are blazing, that the Government rather than the organized farmers should assume the major risk in the stabilization corporations. * * *

"Mr. KINCHELOE. Mr. Wells, you think, I imagine, that if the American farmer is to get an American price—that is, the world price plus the tariff—by reason of this legislation, that there is

going to be a loss in the transactions of this stabilize corporation; is that not true?

"Mr. WELLS. I do not think that as a result of this legislation you can guarantee the American farmer the world price plus the tariff.

"Mr. KINCHELOE. I say, if he does get that, which is the hope of this legislation, then you think there will be losses in the transactions of this stabilization corporation, do you not?

"Mr. WELLS. If that is the purpose of the stabilization corporation, in the majority of cases the operations will be conducted at a loss, and a substantial loss.

"Mr. KINCHELOE. And, of course, that loss would come out of the Treasury?

"Mr. WELLS. Yes; it would come out of the Treasury, except that any profit realized would go to offset the loss.

"Mr. KINCHELOE. Would you have a stabilization corporation for each commodity?

"Mr. WELLS. Inevitably you must have.

"Mr. KINCHELOE. And the stock of it would be farmer owned and farmer controlled.

"Mr. WELLS. Oh, yes; absolutely.

"Mr. KINCHELOE. You think this is a constructive proposition?

"Mr. WELLS. I think it is affording the American farmer an opportunity never afforded to any group of our citizens.

"Mr. KINCHELOE. I do, too. Do you think this is sound?

"Mr. WELLS. I think this is perfectly sound.

"Mr. JONES. Pursuing the questions asked by Mr. Purnell, in reference to your statement that the loan should not be made until existing credit facilities had been exhausted, I agree that there should not be any loans made except on a sound basis. And yet it seems to me that one of the important reasons for these loans is to enable them to get the money at a lower rate of interest than many of them have been able to get it for. If the board could make a sound loan at 4 per cent and existing credit facilities would not enable them to get it for less than 6 or 8 per cent, would you still make the proposition?

DECLARED ONLY HELP THROUGH COOPERATIVES

"Mr. WELLS. I believe that the creation of a suitable farm board will do more toward improving the morale of the producers of this country than anything that could be done. The shipper has been able to go to the Interstate Commerce Commission, the business man who thinks he is subjected to unfair competition can go to the Federal Trade Commission, and other agencies have been set up which have been of assistance to the business and commercial interests of the country. You might say that the Department of Agriculture is working for the benefit of the farmer or could work for the benefit of the farmer. It can, of course, but is largely on the production side.

"When it comes to marketing, their organization can explain the theory, but so far as practical operations are concerned, they are not in a position to assist the farmer. I think that the moment the farmers of the country realize that they have a board composed of men who are sympathetically inclined toward them, to whom they can present their problems and state their views as to what can be done, from whom they can receive advice and financial assistance, I believe it will help the cooperative organization movement through this country tremendously.

"Mr. KETCHAM. And in that you believe we will find the key to the situation?

"Mr. WELLS. Yes. I think that it is only through the cooperatives that we can balance agricultural production with the market requirements. * * *

"Mr. FULMER. Mr. Wells, I believe I understood you to say in your opening remarks that it was your belief that it would be hard for Congress to pass any legislation that would help make the agricultural interests prosperous in this country; or, in other words, that it would depend largely upon the agricultural interests organizing and using better methods, employing improved machinery, and so forth.

"Mr. WELLS. Yes, sir; and I think I said that by affording sympathetic leadership and impressing upon the agricultural interests the fact that they can only achieve success through cooperative organization and the utilization of information which has been made available by the research departments of the Government and of the States, they could be assisted. I said that was the only hope for success."

Mr. Wells was evidently the spokesman for organized industry when he advocated this plan, for the Business Men's Commission in its report of 1927 and the United States Chamber of Commerce in its 1928 report advocated the same general plan. While this plan is the result of the efforts of organized agriculture, it was not dictated by agriculture. There is enough of merit in the plan so that agriculture has almost unanimously supported it and have made a sincere effort to make it successful. In fact, it has succeeded to such an extent that the grain trade and their associates now fear that it will be made a permanent success and that it will take out of their hands and put into the hands of the farmers themselves the privilege of handling their own products, thus avoiding the speculation and the waste to which farm products have been subject for generations past. However, it comes with very poor grace at this time for the representatives of the grain trade and other speculators in agricultural products to train their guns on the very things they advocated three years ago.

W. F. SCHILLING,
Member Federal Farm Board.

Mr. SMOOT. Mr. President, I want to say to the Senator from North Dakota that the committee amendment was amended by an amendment offered by the Senator from South Carolina [Mr. BYRNES]. Therefore I think the only thing to do is to have a reconsideration of the vote by which that amendment was agreed to.

Mr. NYE. Mr. President, I ask that the Senate reconsider the vote whereby the amendment of the Senator from South Carolina to the committee amendment was agreed to.

Mr. REED. I ask for the yeas and nays.

The VICE PRESIDENT. The first question would be on reconsidering the vote whereby the committee amendment as amended was adopted.

Mr. FLETCHER. Mr. President, I share the expression of the Senator from Pennsylvania in regard to the unfairness to the Senator from South Carolina of reviewing this matter now. He was very much in earnest about it; he is not here now, the Senate acted, and he had accomplished what he set out to accomplish on the expressed view of Senators; and now, while he is away, an effort is made to take up the whole subject and review it again. I do not think that is quite fair to him. I do not like to delay, but it seems to me that if there were some way of avoiding that and getting something in conference about it, I would not object to it.

I might say further, in reference to the Federal Farm Board——

Mr. NYE. Mr. President, will the Senator yield before he leaves the point he has just been discussing?

Mr. FLETCHER. I yield.

Mr. NYE. If I felt that the Senator from South Carolina on Saturday did not appreciate that we were going to have a test on this question of reconsideration I certainly would not move for it to-day, but he knew on Saturday that an attempt would be made to have the vote reconsidered, and I am sure the Senator from South Carolina would be the last one to criticize anyone in the Senate for doing what we are trying to accomplish here at this time.

Mr. FLETCHER. I know the Senator from North Dakota would not take advantage of any Senator on any question. I appreciate his situation and his understanding in the matter. I simply want to make the point, however.

When it comes to the question of the Federal Farm Board I voted to establish the board, and I had in mind that it was not intended simply to create an organization here to stabilize agriculture solely. One of the objects was to help to stabilize prices of agricultural products, but one of the chief things, it seemed to me, was to create an organization here which would devise and establish a system of marketing agricultural products, devise and establish an economical system for the proper distribution of the products of agriculture. That was the thing I thought we were attempting to accomplish.

Some years ago we had difficulty about financing agriculture. The farmers could not get accommodations as business people could. Banks would not lend on farm products. Then we thought the need of the agricultural interests of the country would be met by a system whereby they could be accommodated on their own terms financially. Therefore, we created the Farm Loan Board, passed the farm loan act, and established that system, which has been of great help to agriculture. Two billion dollars have been made available to the farmers of the country at 5½ per cent interest, payable 1 per cent annually on the principal, practically on their own terms. That has been of great value to agriculture.

We have gradually extended and expanded the Department of Agriculture for the purpose of helping the agricultural interests of the country, and I have supported every one of the measures and every one of those steps, because I look upon agriculture as the foundation of all our strength and prosperity. I think it is our duty to see if we can establish a healthy agriculture in this country.

After we did that, the farmers obtained financial accommodations on those terms. The Department of Agriculture was very active and rendered immense service to the farmers

throughout the country. We found that the products of agriculture were yielding no return to the farmers. The farmers could produce and did produce, the yield was tremendous; there was an overproduction, it was claimed.

It was not a question of overproduction, in my judgment; it was a question of underconsumption. The lack of purchasing power has caused the terrible decline and languishing condition of agriculture. So we found we needed another thing—we needed to devise some plan whereby the farmers of the country could get their products to market and realize something from them. They were producing abundantly the finest kind of products, needed by the people, furnishing the food of the Nation, but they were not getting the cost of production out of it. Transportation has something to do with it. I think the rates have always been too high on agricultural products. Among other things, marketing conditions did not avail. There was not a proper system, or any system at all, scarcely. Farmers would ship their products to market and get practically nothing for them. So what we did was to establish an organization here that would devise and establish a system of economical distribution, proper distribution, of agricultural products, not necessarily raising the prices to the consumers at all, but a plan whereby the producer would get a larger share of the proceeds from his products than he has been getting.

That was my purpose, but I fail to see that there has been devised any system of marketing. They have established cooperative organizations and it may be that is their theory upon which the whole thing must be worked out. Certainly the cooperative organizations have not been helping the producer so far as I can see. That is not the final thing to be accomplished by this great board. It was to establish a proper system of marketing of agricultural products. I do not know whether the appropriation will help to do anything in that direction or not. I am willing to vote for any appropriation that will bring about that object and thereby help the producer. He is the man in whom I am interested.

The consumers are not paying too much, and we do not ask that they pay more than they are paying, but we do ask that the producer shall receive a larger share of the proceeds from his product than he is now receiving. That, I think, could be accomplished if there was a proper system for the distribution of agricultural products and proper marketing arrangements established. I am willing to vote for the appropriation if they are working out something along that line. I can not see that they have accomplished very much in that direction up to this time.

Mr. FRAZIER. Mr. President, I agree with much that the Senator from Florida has said. One thing the Farm Board was to do was to work out cooperative organizations. They have made great progress along that line. It is true the cooperatives have not brought about the advantage to the producer that had been hoped for, but under existing conditions there has been no progress in any line of business. I can not think of a single line of business in which there has been any progress or any profit in the last two or three years. Agriculture, of course, has been hit harder than any other business interest because of the general conditions. But it is not the fault of the Farm Board. Perhaps they have made mistakes; I believe they have.

In the first place, the marketing act was not what the farmers themselves wanted, and it was not what their organizations had advocated, but it was a proposal that was forced upon them by Congress. The members of the Farm Board were appointed by the President and confirmed by the Senate. Several members of the Farm Board were not those whom the farmers or their organizations wanted, but they were appointed by the President and confirmed by the Senate. While some of them have done the best they could and the best they knew how, some others knew mighty little of the marketing problems of the farmer. They may have learned something. I hold no brief for them. At the same time I think it is unfair to cut off their appropriation at this time.

At the beginning of the session a resolution was introduced providing for an investigation by the Committee on Agriculture and Forestry; they were directed to investigate the activities of the Farm Board. Since that resolution was adopted the cooperatives have been organized under the Farm Board and have been here persistently requesting and demanding that the investigation be held. It has not been held because of the other duties of the chairman of the Committee on Agriculture and Forestry and the other members of the committee. The chairman has promised that just as soon as the session adjourns the investigation will be started.

I think it is absolutely unfair to cut off the appropriation for the board at this time. Give them a chance. No one here who is fair will make the statement that the Farm Board is responsible for the prices of farm products at the present time. The prices of farm products during the past year have been higher than the world prices practically all the time for the same products, and in my opinion the Farm Board should have some credit for keeping the products even as high as they are, although they are lower than they have ever been before. The prices of our wheat, for instance, have been higher consistently at Minneapolis than for like grain in Winnipeg, just across the line.

Members of the Farm Board may be criticized. Perhaps when the investigation is held it will be found that a lot of mistakes have been made. I am anxious to see the investigation begun and carried on, but until it is made I think it is absolutely unfair to cut off the appropriation at this time. I am satisfied that some of the things that have been forced upon them have not been their fault, but the fault of those higher up who appointed them and were responsible for the farm marketing act.

Mr. LA FOLLETTE. Mr. President, I want to make a brief statement for the RECORD. It was stated by the Senator from Pennsylvania [Mr. REED] and now it has been repeated by the Senator from North Dakota [Mr. FRAZIER] that the Farm Board bill was framed by Congress. I do not think that is historically accurate. The bill was written by the President of the United States and it was jammed through the Congress because all of the farm organizations and the Senators who have worked upon farm-relief problems became convinced that it was the only measure that would receive the approval of the President of the United States. So far as I was concerned I did not approve of abandoning the fight that had been made here through several sessions of Congress for the principle involved in those measures for farm relief. I think I was one of eight Senators who voted against the agricultural marketing act.

I did not want the statement to go unchallenged in the RECORD that this bill was a responsibility solely of Congress. It was Herbert Hoover's answer to the pledge he made in the 1928 campaign that he would put agriculture back on an equal footing with other industries in the country.

Mr. BROOKHART. Mr. President, I think the Senator from Wisconsin [Mr. LA FOLLETTE] is correct in placing the real responsibility for the Farm Board bill. Nevertheless Congress has some responsibility for yielding to that influence and that suggestion.

The farm marketing act for one thing gave the Farm Board the job of organizing cooperatives for marketing purposes and also gave to the board the job of handling indirectly the exportable surplus of agriculture. The exportable surplus of agriculture for many years in ordinary times amounted to some $1,800,000,000 or $2,000,000,000 a year. Congress gave them $500,000,000 to handle that job.

The Senator from Pennsylvania [Mr. REED] now comes here criticizing the business methods of the board. When we came to creating the Reconstruction Finance Corporation to help out the railroads and the banks and the insurance companies—and that is about all that was included in it in the beginning—we gave them $2,000,000,000 more money than all the others combined.

The Farm Board started out with the very elements of failure in it to begin with. Its financing machinery was wholly inadequate. The two are just alike in principle so far as that is concerned. The Farm Board does not buy farm products at all. It makes loans to stabilization corporations and cooperatives for the purpose of buying the products to stabilize and for the purpose of marketing them

through the cooperatives. In the same way the Reconstruction Finance Corporation makes loans. It does not go out and do the business directly. They are both Bolshevik measures so far as that is concerned, putting the Government into the money-lending business, into the banking business as it were. But in the one case, as soon as it was found the Reconstruction Finance Corporation did not have enough funds to relieve the depression, as soon as it was found that $2,000,000,000 was only a drop in the bucket, we came right in at once and passed another bill through the Senate and the House providing $1,500,000,000 more to go into that corporation, and that bill is now in conference and is being considered by us at this moment.

Here is agriculture with only $500,000,000 to handle a surplus that amounts to $2,000,000,000—not that much at present low prices—and to organize the cooperative marketing system in addition to that, and they are given the pusillanimous sum of $500,000,000 to do the whole job. The Senator from Pennsylvania [Mr. REED] knows, and every man who has considered a proposition like this knew from the beginning, that it could not succeed. I voted for that bill only in the hope that when it was apparent it would not succeed, they would come to Congress, as has been done in the case of the Reconstruction Finance Corporation, and ask for enough more so as to succeed and so they could properly perform the functions given to them by the act. But nobody comes here with that proposition. Instead of that we talk about cutting off the appropriation altogether and abolishing the board.

I do not approve of abolishing the board itself. I think first they ought to come back and point out the deficiency in the funds we provided and demand that we increase their appropriation to the proper amount. I think they have wholly failed in their duty in that regard. I think in buying the surplus that they did buy or loan the money to buy they bought it like a set of gamblers. They did not buy all of it. They did not pursue any such policy as that, and of course they had to take a gambler's chance. Besides that, I think they held the surplus as a menace over the world market all the time, and in that regard I do not quite agree with the senior Senator from North Dakota [Mr. NYE]. I think, however, they held the surplus as a menace over the world market and broke down or helped to break down the world market itself. Probably they did the world market more damage than they did good to the domestic market.

In 1929 it was the other way. They did not operate on the domestic market. Wheat was 15 to 20 cents better than the world price throughout the entire harvesting period of 1929, but some time in 1930 and again in 1931 they claimed to have raised it 15 cents above the world market, but they always neglected to show what they did to the world market itself by holding this surplus as a menace over the world market.

During the consideration of this legislation and since its enactment there has never been a time when I have not pointed out to the Senate that the funds were inadequate and that we had not granted enough funds and enough authority to properly finance and handle this surplus. As I have said so many times, it was the President of the United States himself who pointed out this policy to the Congress in handling the Wheat Corporation and the Food Administration during and after the war, the last time being on the 4th of March, 1919, when Congress passed a bill providing $1,000,000,000 for wheat alone and further authorizing the Wheat Corporation to borrow more millions if it needed it to handle the exportable surplus of wheat at that time.

Instead of looking at this in a businesslike way and meeting the facts, we are here saying the Farm Board ought to be abolished. I agree that it ought to be abolished if we are going to continue this policy and if we will not give them funds enough and give them a policy which will enable them to work out something for the benefit of the farmers of the country.

Mr. NYE. Mr. President, is the question upon the reconsideration of the committee amendment as amended?

The PRESIDENT pro tempore. The Chair understands that the request for reconsideration has been granted and the question now is upon the amendment submitted by the Senator from North Dakota to the amendment of the committee.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. NYE. I am glad to yield.

Mr. VANDENBERG. The Senator presented some very interesting figures for the RECORD reflecting the loans that had been made from the revolving fund. Will he give me again the total of the loans that have been made?

Mr. NYE. The total loans made by the Federal Farm Board were $985,295,427.24 as of May 1, 1932.

Mr. VANDENBERG. Does the Senator's table show the average rate of interest at which those loans were made?

Mr. NYE. No; I do not have that information, Mr. President.

Mr. VANDENBERG. Mr. President, does the Senator think that it is probably correct that the rate of interest is well under 2 per cent?

Mr. LEWIS. Mr. President, if the conversation between my eminent friends is not meant to be kept entirely secret, may I ask to have the advantage of hearing the figures? They interest me to a very considerable degree.

Mr. VANDENBERG. Mr. President, I am trying to disclose the figures so that they may not be confidential. I am trying to discover the average rate of interest at which the $900,000,000 has been loaned to cooperatives and to stabilization corporations under the Farm Board act.

Mr. REED. Mr. President, if the Senator will yield, it occurs to me that it is a matter of complete indifference whether we are going to get any interest. If we are going to lose the huge amount of the principal, it is not important what is the rate of interest.

Mr. VANDENBERG. The fact remains that I think it is exceedingly important as bearing upon the attitude of Congress in respect of the whole situation, and I persist in the wish to know if the information is available.

Mr. NYE. If I may make the suggestion, I think it would be very safe to conclude that the recovery by the Federal Farm Board of loans outstanding against the cooperatives will be as large as will be the recovery by the Reconstruction Finance Corporation from those to whom it loans money.

Mr. BORAH. That corporation may never recover any.

Mr. NYE. It may recover very little, if any.

Mr. REED. Mr. President, apparently all questions in this Congress are to be settled by recriminations about the Reconstruction Finance Corporation.

Mr. NYE. Mr. President, the Senator from Maine has the information which the Senator from Michigan was requesting, and I yield to him.

Mr. FLETCHER. May I say there——

The PRESIDENT pro tempore. The Senator from South Dakota yielded to the Senator from Maine.

Mr. FLETCHER. Let me ask the Senator this question: If the Farm Board had $500,000,000—and that is all they had—how could they loan $980,000,000?

Mr. NYE. It is a revolving fund that is being loaned out and paid back and reloaned to other cooperatives or to the same cooperatives as advances are required from the revolving fund.

Mr. REED. Mr. President, can the Senator tell us how much is outstanding in loans at the present time?

Mr. NYE. Will round figures answer the Senator's question?

Mr. REED. Yes.

Mr. NYE. The outstanding cooperative loans are $166,000,000 and the outstanding stabilization loans are $303,000,000.

Mr. REED. Can the Senator tell us the value at present prices of the commodities held by the stabilization corporations?

Mr. NYE. I can not; but I am sure any member of the Committee on Agriculture and Forestry who attended the hearings can give that information. Perhaps the Senator from Maine has the information.

Mr. WHITE. Mr. President, I have a statement here as of March 26 in respect to these loans and the rates of interest thereon. Before giving the figures, let me say that it is interesting to bear in mind that the language under which these loans were made was almost precisely the same as that contained in the merchant marine act of 1928 with respect to loans for the building of American ships. However, in the marketing act there was added a provision placing a maximum upon the rate of interest—that no loan should call for a rate of interest in excess of 4 per cent.

As of March 26 and at about that time or shortly thereafter these figures were given me: The highest rate of interest on any loan was 3⅝ per cent; the lowest rate was one-eighth of 1 per cent; and the average rate of interest was 1.7 per cent. I can not go into any greater detail than that.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota.

Mr. BLAINE. Mr. President, may I inquire of the Senator from North Dakota whether his proposed amendment has any reference to loans to cooperatives?

Mr. NYE. None whatever.

Mr. BLAINE. The proposal is merely to appropriate money for the operating expenses of the Federal Farm Board?

Mr. NYE. Yes, Mr. President; I am at a loss to understand just how my motion can be pending before the Senate, because I have not made the motion I intend to make after reconsideration is granted.

The PRESIDENT pro tempore. The present occupant of the chair will say that he obtained that information from the Vice President.

Mr. NYE. If the Chair holds that the Senate has given consent to reconsideration, I now move that the committee amendment as amended by the Senate be amended by striking out the figures "$600,000" and inserting "$1,000,000."

Mr. REED. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REED. Has consent for reconsideration been given?

The PRESIDENT pro tempore. When the present occupant of the chair took the chair, he was informed by the Vice President that consent for reconsideration had been granted, and that the Senator from North Dakota had entered the motion, which was the pending question.

Mr. REED. I understood the Senator from North Dakota moved to reconsider; on that we asked for the yeas and nays, and then debate was resumed. That motion was never disposed of. It is a matter of indifference, however, for we will reach the same result by voting on the amendment of the Senator from North Dakota.

Mr. NYE. I am sure we will reach the same result in either event. Would the Senator like to have the RECORD cleared now?

Mr. REED. I will not insist on it. We may just as well settle it by voting on the Senator's motion to amend.

Mr. NYE. Very well. Then the amendment which I have proposed would make the provision read as follows:

All unexpended balances of appropriations for the Federal Farm Board are hereby made available for the purposes enumerated in this paragraph, not exceeding $1,000,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from North Dakota to the committee amendment.

Mr. ASHURST. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BLAINE. Mr. President, I have no desire to delay a vote upon the amendment. The Senator from Michigan [Mr. VANDENBERG] made inquiry respecting the rates of interest which have been charged cooperatives on loans from the Federal Farm Board. The Senator from Maine gave information as of March, 1932. I just sent to my office for a letter from the Federal Farm Board dated June 20, 1932, and have obtained it. In that letter Mr. Stone, chairman of the Federal Farm Board, states that five loans since January, 1930, aggregating $584,629, have been made to cooperatives on which the interest rates range from 1⅜ to 3⅜ per cent, or an average of 2.231 per cent.

Also, referring to three other loans, he says interest rates vary from one-half of 1 per cent to 2⅛ per cent, or an average of 1.208 per cent, on those loans. So the interest rates vary materially from one-half of 1 per cent to 3⅜ per cent, and on some classes of loans the average is 2.23 per cent.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from North Dakota to the amendment of the committee, on which the yeas and nays have been ordered.

Mr. ASHURST. I ask that the amendment to the amendment may be stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated for the information of the Senate.

The CHIEF CLERK. In lieu of the committee amendment it is proposed to insert the following:

All unexpended balances of appropriations for the Federal Farm Board are hereby made available for the purposes enumerated in this paragraph, not exceeding $1,000,000.

The PRESIDENT pro tempore. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. AUSTIN (when his name was called). I have a pair on this vote with the junior Senator from South Carolina [Mr. BYRNES]. If he were present, he would vote "nay," and if I were at liberty to vote I should vote "yea." I withhold my vote.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. CAREY (when his name was called). On this question, I have a pair with the Senator from Ohio [Mr. BULKLEY], who is absent, and therefore withhold my vote.

Mr. HOWELL (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. NEELY]. I do not know how he would vote, and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I do not know how he would vote, and so I will have to withhold my vote.

Mr. METCALF (when his name was called). I have a pair with the Senator from Maryland [Mr. TYDINGS]. I understand that if he were present he would vote as I intend to vote. I vote "nay."

Mr. NYE (when his name was called). Upon this question I have a general pair with the Senator from North Carolina [Mr. BAILEY]. I understand that if he were present he would vote "nay." If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the junior Senator from Georgia [Mr. COHEN]. Not knowing how he would vote, I withhold my vote.

Mr. SHORTRIDGE (when his name was called). I have a general pair with the senior Senator from Montana [Mr. WALSH]. I am not advised as to how he would vote. I therefore must withhold my vote. If at liberty to vote, I should vote "nay."

Mr. STEIWER (when his name was called). On this question I am paired with the junior Senator from Texas [Mr. CONNALLY]. In his absence, not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. Not knowing how he would vote, I withhold my vote.

Mr. WATSON (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH]

to the Senator from Maryland [Mr. TYDINGS], and will vote. I vote "nay."

The roll call was concluded.

Mr. HATFIELD (after having voted in the affirmative). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. Not being able to secure a transfer, I withdraw my vote.

Mr. BINGHAM. I am informed that the junior Senator from Virginia [Mr. GLASS] would vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

Mr. McNARY (after having voted in the affirmative). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if he were present he would vote as I have voted, so I will permit my vote to stand.

Mr. HASTINGS. I have a pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. DICKINSON (after having voted in the affirmative). I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY]. Not knowing how he would vote if present, I withdraw my vote.

Mr. DALE. On this matter I have a pair with the junior Senator from Alabama [Mr. BANKHEAD], and therefore withhold my vote.

Mr. JONES. I am advised that the Senator from Virginia [Mr. SWANSON], if present, would vote as I shall vote, so I feel at liberty to vote. I vote "nay."

Mr. McNARY. I desire to announce the following general pairs:

The Senator from Ohio [Mr. FESS] with the Senator from Utah [Mr. KING];

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. LONG];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Washington [Mr. DILL];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Oklahoma [Mr. GORE];

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN]; and

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Massachusetts [Mr. WALSH].

Mr. SHEPPARD. I desire to announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Colorado [Mr. COSTIGAN] are necessarily detained from the Senate.

The Senator from Missouri [Mr. HAWES], the Senator from Illinois [Mr. LEWIS], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Louisiana [Mr. BROUSSARD], and the Senator from Alabama [Mr. BLACK] are necessarily detained from the Senate on official business.

The roll call resulted—yeas 12, nays 33, as follows:

YEAS—12

Brookhart	Frazier	McNary	Robinson, Ind.
Capper	Hayden	Norbeck	Schall
Fletcher	Johnson	Oddie	Sheppard

NAYS—33

Ashurst	George	Metcalf	Trammell
Barbour	Hale	Moses	Vandenberg
Bingham	Hebert	Norris	Wagner
Blaine	Jones	Pittman	Walcott
Borah	Kean	Reed	Watson
Bratton	Kendrick	Robinson, Ark.	White
Bulow	Keyes	Smoot	
Copeland	La Follette	Stephens	
Couzens	McGill	Thomas, Okla.	

NOT VOTING—51

Austin	Costigan	Hatfield	Shipstead
Bailey	Cutting	Hawes	Shortridge
Bankhead	Dale	Howell	Smith
Barkley	Davis	Hull	Steiwer
Black	Dickinson	King	Swanson
Broussard	Dill	Lewis	Thomas, Idaho
Bulkley	Fess	Logan	Townsend
Byrnes	Glass	Long	Tydings
Caraway	Glenn	McKellar	Walsh, Mass.
Carey	Goldsborough	Morrison	Walsh, Mont.
Cohen	Gore	Neely	Waterman
Connally	Harrison	Nye	Wheeler
Coolidge	Hastings	Patterson	

The PRESIDENT pro tempore. On this question the yeas are 12 and the nays are 33. Inasmuch as a quorum has not voted, the Chair desires to have noted in the Journal the fact that Senators AUSTIN, CAREY, HOWELL, NYE, SHIPSTEAD, SHORTRIDGE, STEIWER, THOMAS of Idaho, TOWNSEND, HATFIELD, HASTINGS, DICKINSON, and DALE are present in the Chamber and paired, thus constituting a quorum present. The amendment of the Senator from North Dakota [Mr. NYE] to the amendment of the committee is therefore rejected.

The question now recurs upon the committee amendment as amended.

The amendment, as amended, was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of the Senator from Utah. On page 22, line 4, after the word "available," I propose to strike out the period and insert:

For the payment of salaries and expenses in the fiscal year 1932.

This provision of $60,000 was made immediately available for the purpose of paying salaries and expenses during the present fiscal year. I think there can be no objection to the amendment, and will content myself with the very brief explanation already made.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to withdraw the entry of the motion which I filed to reconsider the vote whereby the amendments on page 14 were agreed to; and in that connection I ask unanimous consent to have inserted in the RECORD as a part of my remarks a letter from Mr. J. C. Wright, Director of the Federal Board for Vocational Education.

The PRESIDENT pro tempore. Without objection, both orders will be entered.

The letter referred to is as follows:

FEDERAL BOARD FOR VOCATIONAL EDUCATION,
Washington, June 25, 1932.

Hon. R. M. LA FOLLETTE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In response to a telephone request from your office received to-day I am submitting herewith a statement showing reductions in the appropriations to the Federal Board for Vocational Education under the independent offices appropriation bill, H. R. 10022, and the economy bill, H. R. 11267, for the fiscal year 1933.

Very truly yours,

J. C. WRIGHT, *Director.*

REDUCTIONS UNDER H. R. 10022, MAKING APPROPRIATIONS FOR THE EXECUTIVE OFFICES, INDEPENDENT ESTABLISHMENTS, ETC. (PP. 13–17)

Item 1: The appropriation of $30,000 authorized for the Territory of Hawaii is not reduced in the independent offices appropriation bill.

Item 2: The act known as the George-Reed Act, providing additional funds for agriculture and home economics, approved February 5, 1929, authorized $2,000,000 for allotment to the States for the fiscal year 1933. The Bureau of the Budget reduced this amount to $1,500,000 in the President's estimates submitted to Congress, and this estimate was not further reduced in the House or Senate.

Item 3: Under the George-Reed Act Congress provided $100,000 to the Federal Board for Vocational Education for administrative purposes. The Budget submitted $93,805, which was reduced by the Senate Appropriation Committee to $85,000, a reduction of $8,805.

Item 4: Under the act of June 2, 1920, as amended, Congress provided $1,097,000 for cooperative vocational rehabilitation of persons disabled in industry, this amount being allotted to the States. No reduction in this item was made.

Item 5: Under the foregoing act Congress authorized to the Federal board $80,000 for administrative expenses. The Bureau of the Budget estimated $77,860 and the Senate Committee on Appropriations reduced this amount to $65,000.

Under the cooperative vocational rehabilitation act for the District of Columbia Congress authorized $15,000 to the Federal board. This item was reduced by the Bureau of the Budget to $14,740 and was further reduced by the Senate Appropriations Committee to $12,000, a reduction of $2,740.

Item 6: Under the act extending the benefits of vocational education to Puerto Rico, approved March 3, 1931, Congress authorized $105,000. This amount was reduced by the Senate Committee on Appropriations to $75,000, a reduction of $30,000.

REDUCTIONS UNDER H. R. 11267, OR THE SO-CALLED ECONOMY BILL (PP. 78–80, JUNE 9, 1932—PRINTING)

In this bill Congress has provided for the following additional reductions not covered in the independent-offices appropriation bill:

Item 1: On page 79, under paragraph (b), a graduated flat 10 per cent reduction in appropriations to be allotted to the States

for vocational education under the Smith-Hughes Act, approved February 23, 1917, of $716,700.

Item 2: The economy bill in paragraph (d), on page 80, makes a reduction in the appropriation to the Territory of Hawaii of $3,000.

SUMMARY

The foregoing reductions when compared with the amounts authorized to be appropriated or appropriated for the fiscal year ending June 30, 1933, represent a total reduction of 11.8 per cent for vocational education and vocational rehabilitation in the 48 States, the Territory of Hawaii, and the island of Puerto Rico.

Mr. BLAINE. Mr. President, on Saturday I gave notice that on to-day, at the first opportunity, I should make a motion to have the Committee on the District of Columbia discharged from the further consideration of Senate bill 4781, authorizing an emergency appropriation for the relief of needy and distressed residents of the District of Columbia and for the temporary care of transient and homeless persons in said District. On Saturday I debated this matter briefly. I did not care to interrupt the consideration of the appropriation bill, but I understand that we are about to recess or adjourn. I therefore desire to renew, first, my request for unanimous consent that the Committee on the District of Columbia be discharged from the further consideration of Senate bill 4781.

Mr. SMOOT. Mr. President, will not the Senator wait until we pass the appropriation bill and then ask recognition?

Mr. BLAINE. I fear that the Senator from Oregon [Mr. McNARY] may make a motion to recess or adjourn when that is done.

Mr. SMOOT. Then I suggest that the Senator ask unanimous consent now.

Mr. McNARY. Mr. President, I have no intention at the present moment to do what is suggested; but I should have to object to the request at this time because of the absence of the chairman of the Committee on the District of Columbia. I suggest that the Senator bide his time. I have sent for the chairman of the committee, the Senator from Kansas [Mr. CAPPER]; and meanwhile we can probably pass this bill.

Mr. BLAINE. The statement of the Senator is satisfactory to me.

PASSAGE OF INDEPENDENT OFFICES APPROPRIATION BILL

The PRESIDENT pro tempore. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LEGISLATIVE APPROPRIATION BILL—CONFERENCE REPORT

Mr. JONES. Mr. President, earlier in the day I entered a motion to reconsider the vote whereby the legislative bill was sent back to conference. Pursuant to that, I now ask that the House be requested to return the papers to the Senate.

The PRESIDENT pro tempore. The question is on the motion proposed by the Senator from Washington.

Mr. BINGHAM. What is the motion?

The PRESIDENT pro tempore. The Senator from Washington moves that the House be requested to return the papers in the matter of the legislative appropriation bill. The question is on agreeing to that motion.

Mr. BINGHAM. What is the object of the motion?

Mr. LA FOLLETTE. Mr. President——

Mr. JONES. The motion is not debatable. The object, of course, is to give the Senate a chance to reconsider the vote by which the conference report was rejected.

Mr. LA FOLLETTE. I ask unanimous consent to make a statement for two minutes.

The PRESIDENT pro tempore. Is there objection?

Mr. JONES. I object, Mr. President, and ask for a vote.

The PRESIDENT pro tempore. Objection is made.

Mr. BINGHAM. Why does the Senator ask unanimous consent?

Mr. LA FOLLETTE. The motion is not debatable under the rules.

The PRESIDENT pro tempore. The question is on agreeing to the motion proposed by the Senator from Washington.

Mr. LA FOLLETTE. I call for the yeas and nays.

Mr. BINGHAM. I move to lay the motion on the table.

The PRESIDENT pro tempore. The Senator from Connecticut moves to lay on the table the motion of the Senator from Washington. That motion also is not debatable. [Putting the question:] By the sound the "noes" seem to have it.

Mr. LA FOLLETTE. I call for a division.

Mr. BRATTON and Mr. JOHNSON called for the yeas and nays.

Mr. ASHURST. Mr. President, I know this motion is not debatable, but I do think the Senate ought to have two minutes to understand it. We do not know what it is about. Will not the Senate give some one, I do not care whom—certainly not myself—two minutes to say what it is all about?

Mr. BINGHAM. I withdraw the motion to lay the motion of the Senator from Washington on the table, in the hope that the motion may be explained.

Mr. ASHURST. Two minutes!

The PRESIDENT pro tempore. Unanimous consent is requested for the Senator from Washington to explain the purpose of his motion. Is there objection?

Mr. LA FOLLETTE. Mr. President, I shall object to the Senator from Washington having an opportunity to explain his motion unless my own request be granted also.

Mr. WATSON. I ask unanimous consent that each of the Senators shall have three minutes to explain.

The PRESIDENT pro tempore. Is there objection?

Mr. COUZENS. I object.

The PRESIDENT pro tempore. Objection is made. The question is on agreeing to the motion proposed by the Senator from Washington. On that question the yeas and nays have been demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. ASHURST voted "yea."

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. No debate is in order, the Senator from Arizona having voted.

Mr. BROOKHART. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BROOKHART. What is the question before the Senate?

The PRESIDENT pro tempore. The question before the Senate is the motion proposed by the Senator from Washington [Mr. JONES] that the House be requested to return to the Senate the papers in the case of the legislative appropriation bill. The clerk will continue the calling of the roll.

The Chief Clerk resumed the calling of the roll.

Mr. DICKINSON (when his name was called). On this question I have a general pair with the Senator from Kentucky [Mr. BARKLEY]. Not knowing how he would vote, I withhold my vote.

Mr. HATFIELD (when his name was called). I am paired with the Senator from North Carolina [Mr. MORRISON]. Not knowing how he would vote, I withhold my vote.

Mr. HOWELL (when his name was called). I have a pair with the junior Senator from West Virginia [Mr. NEELY]. Not knowing how he would vote, I withhold my vote.

Mr. JONES (when his name was called). I announce my pair with the senior Senator from Virginia [Mr. SWANSON], as I did before. I am informed that if he were present he would vote as I expect to vote. I vote "yea."

Mr. McNARY (when his name was called). I have a general pair with the Senator from Mississippi [Mr. HARRISON]. I am advised that if he were present, he would vote as I am about to vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the senior Senator from Maryland [Mr.

TYDINGS]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I should vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a general pair with the junior Senator from Georgia [Mr. COHEN]. I am informed that if he were present he would vote as I intend to vote. I vote "nay."

Mr. STEIWER (when his name was called). Repeating the announcement of my pair as on the last vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. COPELAND (when Mr. WAGNER'S name was called). My colleague is detained by official business. If he were present and permitted to vote, he would vote "nay."

Mr. WATSON (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Mississippi [Mr. HARRISON] and vote "yea."

The roll call was concluded.

Mr. McNARY. I desire to announce the following general pairs:

The Senator from Ohio [Mr. FESS] with the Senator from Utah [Mr. KING];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. LONG];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Washington [Mr. DILL];

The Senator from Delaware [Mr. TOWNSEND] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY]; and

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN].

I also desire to announce the general pair of the Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Massachusetts [Mr. WALSH].

Mr. DICKINSON. I am informed that if the Senator from Kentucky [Mr. BARKLEY] were present he would vote as I intend to vote, and therefore I feel at liberty to vote. I vote "yea."

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL], but I understand that he would vote as I intend to vote. Therefore I vote "yea."

Mr. AUSTIN (after having voted in the affirmative). I have a pair with the junior Senator from South Carolina [Mr. BYRNES], who, I understand, if present would vote as I have voted. Therefore I permit my vote to stand.

Mr. LA FOLLETTE. I desire to announce the unavoidable absence of the junior Senator from New Mexico [Mr. CUTTING], who is paired with the junior Senator from Oklahoma [Mr. GORE], who is also absent. If the junior Senator from New Mexico were present, he would vote "nay."

Mr. BINGHAM (after having voted in the negative). I have a pair with the junior Senator from Virginia [Mr. GLASS]. When I voted I believed that he would vote as I intended to vote. As some very strange announcements have been made, I withdraw my vote.

Mr. SHORTRIDGE. Making the same announcement of my pair with the senior Senator from Montana [Mr. WALSH], not being advised as to how he would vote, I must decline to vote. If permitted to vote, I would vote "nay."

Mr. NYE. I have a general pair with the Senator from North Carolina [Mr. BAILEY]. I understand that if he were present he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore must withhold my vote.

Mr. LEWIS. Mr. President, I bespeak you for some parliamentary information. I was out of the Chamber, and I want to cast a vote that would be in favor of the married women to have a right to earn their living as well as the men. How should I vote?

The PRESIDENT pro tempore. The Chair is unable to answer.

Mr. LEWIS. Then, if the Chair can not answer me as to the married women, I would like to know if he can give me an expert opinion as to one who is not. [Laughter.] I vote "nay."

Mr. SHEPPARD. I desire to announce the following special pair on this question:

The Senator from Arkansas [Mrs. CARAWAY] with the Senator from Colorado [Mr. COSTIGAN].

I desire also to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Missouri [Mr. HAWES], the Senator from Louisiana [Mr. BROUSSARD], and the Senator from Massachusetts [Mr. COOLIDGE] are necessarily detained from the Senate on official business.

I also wish to announce the necessary absence of the junior Senator from Alabama [Mr. BANKHEAD]. He has a general pair with the senior Senator from Vermont [Mr. DALE].

The roll call resulted—yeas 29, nays 18—as follows:

YEAS—29

Ashurst	Couzens	Jones	Stephens
Austin	Dickinson	Kean	Trammell
Barbour	Fletcher	Keyes	Vandenberg
Black	George	McGill	Watson
Borah	Hale	McNary	White
Bratton	Hastings	Moses	
Bulow	Hayden	Robinson, Ark.	
Capper	Hebert	Smoot	

NAYS—18

Blaine	Johnson	Norris	Sheppard
Brookhart	Kendrick	Oddie	Thomas, Okla.
Copeland	La Follette	Reed	Walcott
Dale	Lewis	Robinson, Ind.	
Frazier	Norbeck	Schall	

NOT VOTING—49

Bailey	Cutting	King	Steiwer
Bankhead	Davis	Logan	Swanson
Barkley	Dill	Long	Thomas, Idaho
Bingham	Fess	McKellar	Townsend
Broussard	Glass	Metcalf	Tydings
Bulkley	Glenn	Morrison	Wagner
Byrnes	Goldsborough	Neely	Walsh, Mass.
Caraway	Gore	Nye	Walsh, Mont.
Carey	Harrison	Patterson	Waterman
Cohen	Hatfield	Pittman	Wheeler
Connally	Hawes	Shipstead	
Coolidge	Howell	Shortridge	
Costigan	Hull	Smith	

The PRESIDENT pro tempore. On this vote the yeas are 27, the nays are 18. A quorum not having voted, the Chair directs that there be entered in the Journal the fact that Senators HATFIELD, HOWELL, METCALF, SHIPSTEAD, STEIWER, THOMAS of Idaho, BINGHAM, SHORTRIDGE, and NYE were present in the Chamber and paired, thus constituting a quorum. So the motion of the senior Senator from Washington [Mr. JONES] that the House of Representatives be requested to return the papers connected with the legislative appropriation bill is agreed to.

Mr. BINGHAM. Mr. President, the Senate has just indulged in a very curious procedure. It is true that under the rules no debate was permitted on the motion offered by the Senator from Washington. It was never intended under the rules that no explanation could be had. As I read the rules, the motion should have been made immediately upon the motion being offered by the Senator from Oregon to reconsider the vote whereby the conference report on the economy bill was rejected and new conferees were requested.

During the debate on the economy bill it became apparent that there were three or four measures in the bill which did not meet the views of the Senate at all. In the first place, there was the provision that savings from the so-called furlough plan would not result in the employment of employees who would otherwise be discharged, but that the manner in which the comptroller would interpret the bill would lead to the employment of all employees who could be employed under the amount of any given appropriation as passed by the Senate, and that then those employees would have to take a furlough or be subject to an 8⅓ per cent cut.

The Senator from Tennessee [Mr. McKELLAR] in the debate at that time admitted that that was his object, namely, that many employees should be discharged, and that we should therefore save money by this provision. But the Senator from New Mexico [Mr. BRATTON], who was one of the

conferees, explained that that was not the object of the conference report at all; that it was his understanding of it that the full amount of the appropriation might be used, and if, due to the action of the furlough plan, the money could be spread over a larger number of employees than otherwise, it might be possible that no employees would be discharged. At any rate, there was a clear misunderstanding on the part of the two distinguished Members across the aisle as to the meaning of it, and the hope that it might be cleared up by the conferees was one of the reasons why we disagreed to the conference report.

Another reason was that many of us believed that the section requiring the discharge or compulsory furloughing for a long period of time of persons living with husband or wife, both husband and wife being employed by the Government, was a cruel measure, working unnecessary hardships, and would not save one single dollar for the Treasury—was not, in truth, an economy measure at all, but was changing a Government policy—and that that ought to go back to conference.

Another question was the question of the forced retirement on the part of employees performing their duties satisfactorily. That measure was believed by the Senate Economy Committee to be not in the public interest, in that it did not save money. Others would have to be appointed in their places, and they would have to receive their retirement pay, and it might actually cost the Government more money, so it had no place in the bill.

Another question was the matter of the restricting of that part of their retirement pay which was due to Army and Navy officers who have served us faithfully for many years, the matter pointed out very clearly and explicitly by the Senator from Pennsylvania [Mr. REED], the chairman of the Committee on Military Affairs.

For these and other reasons the Senate voted at that time to send the bill back to conference at that time, having no difficulty in securing a quorum on any motion, there being no great excitement in Chicago as at present, which has not only decimated but fairly almost extinguished the distinguished representation on the other side, with the exception of some 10 distinguished gentlemen, who are doing their best to represent the minority party. At present some 25 or more of them are absent on very important business, and I for one regret that the Senate did not take a recess to give them and their colleagues an opportunity to attend the very interesting function going on in Chicago.

Be that as it may, Mr. President, at the suggestion of the chairman of the conference committee himself, who suggested that the Senate vote to send the matter back to conference by disagreeing to the conference report, without a record vote the conference report was rejected, and the matter automatically then went back to conference.

On the subsequent day the Senator from Oregon [Mr. MCNARY] announced that he proposed to enter a motion to reconsider. As I read the debate, he did that with no thought that it might be immediately necessary to do it, but in the thought that if the House should refuse to appoint conferees and should hold up this matter for indefinite delay it might then be important that the Senate should be able to reconsider the vote whereby we had rejected the conference report. It was in a measure a technical motion that he was making to protect the Senate against any situation that might arise which might permit us to adjourn without having passed the proper economy measure. As such I thought he was well within his rights.

Now the Senator from Washington comes here and requests a return of the papers, thereby undoing all that we did. We turned down the conference report and sent it back to the House and asked for the appointment of new conferees. But, lo and behold, there are some Members of the House—some important Members of the House—who believe that their presence in Chicago is more necessary than their attention to their duties here in the Congress and the Speaker apparently being unwilling to appoint new conferees, no conferees are appointed and the matter is in abeyance; and lest the matter be delayed too long, this motion of the Senator from Oregon is pending. But now the Senator from Washington, without any explanation, calls back the papers from the House, so that at present the House is not even requested to appoint new conferees. Conferees are not even requested to attempt to straighten out the matters to which we objected on the floor of the Senate.

Mr. DALE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Vermont?

Mr. BINGHAM. I yield.

Mr. DALE. The Senator says "without any explanation." Has the Senator read in the press the reason why this action has been taken?

Mr. BINGHAM. No. I am accustomed to taking my news of Congress, or at least of the Senate, from activities and statements on the floor of the Senate. I do not know the article to which the Senator refers, but I do know the Senator from Washington is unwilling to give the Senator from Wisconsin an opportunity for two minutes to discuss the matter.

Mr. DALE. That I may remain wholly within the rules, I can not speak in detail as I would like to do and state the reason, but the reason has been given by the press and the reason has been stated to Members of the Senate and the threat has been made, and the man who made it sat on the floor of the Senate until we took the vote and then went back to the House.

Mr. BINGHAM. The Senator is speaking in riddles so far as I am concerned. We spent three weeks day and night in trying to work out an economy bill.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Arkansas?

Mr. BINGHAM. I yield.

Mr. ROBINSON of Arkansas. The Senator has referred to the motion or the proposed motion of the Senator from Oregon to reconsider the vote by which the conference report was not agreed to. The Senator from Connecticut, of course, understands that the rule requires that before such a motion shall be considered the papers must be recalled, in the event they have passed out of the possession of the Senate. I take it that was the object of the Senator from Washington in making the motion that he did make, namely, to request the House to return the papers in order to give jurisdiction to the Senate to vote on the motion to reconsider. There is nothing extraordinary about it at all. It has been done many times. Of course, we could not with propriety discuss the question of reconsideration until the papers were returned.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Pennsylvania?

Mr. BINGHAM. I yield.

Mr. REED. I would like to suggest to the Senator that when the time comes to consider the motion to reconsider the vote by which we rejected the conference report, that motion is debatable, and I have not the slightest doubt that it will be debated very fully. The Senate will then have a chance to reaffirm its action rejecting the conference report and it will then be confronted with an opportunity to say whether it is going to be backed down by the action of the House in refusing to meet us in conference.

Mr. BINGHAM. I thank the Senator. Probably the cause of my disquietude was due to the statement made by the Senator from Oregon [Mr. MCNARY] in the debate that his notice of the motion to reconsider was merely to put the Senate in a technical position where it could once more consider the question in case the House delayed unduly. If that remark of his was not well founded—and it would seem that it was not well founded, because, as has been pointed out by the Senator from Arkansas, as soon as the motion to reconsider is entered the next motion that properly can be made is for a return of the papers—it would seem that we have been put in a very unfortunate position. We sent the papers

back and asked for a conference in order to see if some of these matters could not be straightened out.

Only one day has passed and now we are informed that we must ask for the papers in order that the motion to reconsider may be disposed of. There is no evidence that the House has been unwilling to appoint new conferees to consider the matter and see whether it could not meet us half way.

I hope the motion to reconsider under these circumstances will be defeated; but if it is defeated, we are faced with a very serious situation. I had hoped that the matter might go to conference again and that we might reach some middle ground between the extreme position taken by the House and the position desired by the Senate when we rejected the conference report. I wish our expert parliamentarian might find some way out of the dilemma in which we now find ourselves. The papers having come back, there is nothing to do but vote up or down the motion to reconsider. If we vote that down, then we are faced with a situation where we may not get any economy bill at all.

Mr. BINGHAM subsequently said: Mr. President, so that the remarks between the Senator from Vermont [Mr. DALE] and myself may be understood by the patient and industrious readers of the CONGRESSIONAL RECORD, I ask that there may be inserted at the conclusion of that colloquy the article in the Evening Star, to which the Senator from Vermont referred, which explains why the motion was made, and explains the statement of the Speaker of the House that he is not going to appoint new conferees and will name the same ones "if we stay here until August."

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

HOUSE TO RENAME CONFEREES IN ROW ON ECONOMY BILL—GARNER DECLARES HE WILL NOT CHANGE STAND "IF WE STAY HERE UNTIL AUGUST"—MCNARY ACTS TO BAR FINAL DEATH OF PROGRAM—SENATE RECONSIDERATION OF VOTE WOULD LEAVE DOOR OPEN TO ACCEPT PREVIOUS REPORT

The much-contested national economy bill to-day seemed headed for additional conflict before becoming law.

The Senate sent the $150,000,000 measure back to conference Friday. To-day Speaker GARNER said he would reappoint the same House conferees, two of whom are in Chicago.

Chairman MCDUFFIE, of the House group, will not return until Wednesday night. DOUGLAS of Arizona is expected back about the same time.

This would delay another meeting until Thursday, last day of the fiscal year.

WILL STICK TO DEMANDS

"I'm not going to appoint new conferees," GARNER said. "I'll name the same ones if we stay here until August."

The House, in session for the first time since Thursday, was formally notified to-day of the Senate's unexpected action. MCDUFFIE is chairman of the House conferees and the success of the new conference is largely dependent on his willingness to acquiesce in the demands of the Senate. Before leaving Washington, MCDUFFIE served notice that the House would refuse to yield and declared a deadlock would be inevitable.

In anticipation of such an eventuality, Senator MCNARY, of Oregon, assistant Republican leader of the Senate, has taken a parliamentary step, however, to prevent the death of the bill in conference and salvage at least some of the $150,000,000 savings it is estimated to produce. MCNARY plans to offer a motion in the Senate some time to-day to have the Senate reconsider the viva voce vote by which it returned the bill to conference.

MAY RECALL MEASURE

The move is designed solely to give the Senate jurisdiction over the bill so it can recall the measure and accept the conference report should a deadlock develop in conference. MCNARY feels the Senate will accept the report, despite the injustice the bill might work on the Government employees, rather than have it fail.

Throughout the debate on the bill belief was expressed by some Senators that the injustices might be worked out in administration, although they would rather have them removed before enactment, if that can be done without jeopardizing passage of the measure before adjournment of Congress.

One thing is certain—Congress does not propose to let its pet economy bill go to an untimely death.

The PRESIDENT pro tempore. The Chair lays before the Senate the following message from the House of Representatives and invites the attention of the Senator from Connecticut [Mr. BINGHAM].

Mr. JONES. Just a moment, Mr. President. I have something to say before that is done.

The PRESIDENT pro tempore. Very well. Although it is a privileged matter at any time, the Chair withdraws the message and the Senator from Washington is recognized.

Mr. JONES. Mr. President, I feel that I should say a word in reply to the Senator from Connecticut. It is true, as all Senators know, that this matter was sent to the House asking for a conference. It was done in rather an informal way. I had hoped that the next day we would get the conference and adjust our differences, if possible. It is true that there are some Members of the House in Chicago who would act as conferees. They will not be back here for several days, in all probability. The House has not provided for any new conferees. We are confronted with a situation which is not a theory.

Mr. ROBINSON of Arkansas. Does the Senator understand that the House will not provide for new conferees?

Mr. JONES. I understand so. I understand the House will not provide for new conferees. What is the situation that confronts the Senate? We must have our appropriation bills passed by Thursday evening or else the financial and business affairs of the Government will be in chaos. That is the situation which confronts us. We have a provision in the economy bill that applies to all appropriation bills. If we are not going to pass the economy bill, then we must recall the appropriation bills upon which we have acted and incorporate a provision in each one of them with reference to employees, and all that sort of thing. In other words, the situation which confronts us now is that unless we get the economy bill through in ample time to let the appropriation bills go through by Thursday night, then the business of the United States Government will be in a chaotic condition. If Senators want to do that, if Senators want that condition to come about, I have no complaint, but I feel that I am discharging my responsibility in bringing the situation to the attention of the Senate.

Of course, I expected this discussion to come up to-morrow when the proposal comes before the Senate as to whether or not the Senate will reconsider the vote by which we rejected the conference report. If the Senate rejects the conference report, as it has a right to do, then, of course, we will do the best we can. I expect the discussion that will take place to-morrow to bring the situation squarely before the Senate. Then, of course, we shall be in a position where every Senator can discharge his responsibility.

The Senator from Connecticut points out two or three matters that are at issue. That is all true enough. Take the proposition with reference to the impounding of money that he presses upon the Senate. I want to call the Senator's attention to this fact. That situation is like this: Suppose there are 12 employees getting $1,200 a year. Under the economy bill as we have prepared it now there would be $1,200 that would be saved on account of the furlough. Shall we take that $1,200 and put it into the Treasury or shall we take it to hire somebody else? I take it that these are not times when we are taking on new employees. That is the situation in relation to that matter.

Mr. JOHNSON. Mr. President, will the Senator yield for a question?

Mr. JONES. In just a moment.

Mr. JOHNSON. I simply want to ask a very brief question. If all these things are so, why did the Senator from Washington stand on the floor of the Senate and suggest the rejection of the conference report?

Mr. JONES. Because of the confusion and the misapprehension of Senators when they would not listen to any argument with reference to the actual situation confronting the Senate.

Mr. JOHNSON. Senators argued all day upon the proposition and it was after all that argument that the Senator from Washington made his suggestion.

Mr. JONES. Senators got considerably excited along toward the end of the afternoon and we got all mixed up with reference to the different propositions. Whether I may

be mistaken or not, I am willing to assume all responsibility for it so far as that is concerned and take all the blame if that will help anybody out or relieve them from an embarrassing situation.

That is the situation which confronts us. There are two policies involved, first, whether we want the money really saved or, second, whether we want to use it for hiring other people. I do not think this is the time when we want to consider employing new employees.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. JONES. I would like to say what I have to say and then quit, but I will yield to the Senator.

Mr. BINGHAM. There was no question in my mind, and I do not think in the mind of any other Senator, about the hiring of new employees, as the Senator said, but rather the possibility that under a smaller appropriation, with the furlough or the pay cut, it might not be necessary to discharge so many employees.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORRIS. Is there any question pending before the Senate?

The PRESIDENT pro tempore. There is not. The Chair attempted to lay a perfectly proper message before the Senate, but objection was made by the Senator from Washington.

Mr. NORRIS. Then all of this debate is out of order?

The PRESIDENT pro tempore. It is.

Mr. LA FOLLETTE. Regular order!

The PRESIDENT pro tempore. The regular order is demanded.

WAR DEBTS, FARM RELIEF—STATEMENT BY B. M. BARUCH

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD at this point as a part of my remarks a statement by Mr. B. M. Baruch on war debts, farm relief, and certain other economic and fiscal problems.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

[New York Herald Tribune, Monday, June 27, 1932]

BARUCH OFFERS ECONOMIC IDEA FOR CONSIDERATION BY DEMOCRATIC PLATFORM BUILDERS—URGES PRIORITY FOR FARM, IDLE, FISCAL ISSUES—"IF WE FAIL TO MEET THESE EMERGENCIES," HE SAYS, "WE ARE INVITING DELUGE"—FAVORS WAGNER AID BILL—OPPOSES CANCELLATION OF WAR DEBTS AS "PEACE BRIBE"

CHICAGO, June 26.—In a remarkable statement given out here to-day, Bernard M. Baruch, of New York, set forth what he called "a recitation of economic principles."

While Mr. Baruch said these principles were applicable equally to both parties, his purpose in setting them forth was to influence the making of the Democratic platform.

Mr. Baruch declared he was not speaking for or against any particular candidate. He would not admit his statement was aimed against Governor Roosevelt or anyone else. He said he was astonished to find those assembled for the convention talking more about prohibition than about the much more important qustion of what is to be done for the man out of a job.

Mr. Baruch said his primary concern was for the new generation coming on, for the young men and women. He declared they had a right to expect that the door of opportunity be not closed to them and that present economic conditions be righted.

FAVORS WAGNER BILL

Mr. Baruch called for economy in government—Federal, State, and local—for real relief to agriculture and not "illusory platitudes" of campaign years, and for repeal of the eighteenth amendment, though he dismissed this with a few brief words. He said employment depended on recovery of business, but in the meantime such emergency expedients as the Wagner bill should be utilized in order to see that "no means are left unused to prevent physical suffering."

"If we fail in this," he said, "we invite the deluge."

Mr. Baruch said the fiscal, agricultural, prohibition, and employment problems are emergency and should have "priority." He called for consideration after these of such things as tariff, reparations, war debts, and disarmament.

He declared against shifting the burden of the European war debts to the shoulders of the American people. "Adjustment of reparations, disarmament, or any other return to international sanity, bought by us through debt forgiveness, would not be worth the parchment on which such a treaty might be written," declared Mr. Baruch.

TEXT OF THE STATEMENT

Mr. Baruch called for the nomination of a man of "sincerity, responsibility, and patriotism sufficient to hold these principles above any consideration of personal or party advantage."

The statement of Mr. Baruch follows:

"This great crisis goes to the very right of man to earn his daily bread. There has been no violence, because all have suffered, because no one is being exploited and because everyone has recognized the duty to help to the limit. We are all in the same boat.

"To many the enemy seems hard to locate and to bring to grips. Yet the situation is not hopeless if we know and face realities and if we are willing to reject those "isms" which have always proved roads to greater disaster.

"First. Our people must know the facts concerning the Government's own finances. They must then insist on such genuine and effective economy, such dependable and rational revenue measures, and such candor and skill in Federal finance as will end the reign of fiscal and economic doubt which has paralyzed our economic life during the last three years. Reform in this regard is indispensable to recovery and to the success of any plan for the betterment of present conditions.

URGES BILLION CUT IN UNITED STATES COSTS

"New tax burdens are not the answer. The weakness of our political system is such that the more the available revenue the greater the reckless squandering. The essence of fiscal reform is to cut the cost of government. Platform generalities about 'economical administration' will not serve. One billion dollars can and must be set as the measure of reduction.

"Federal statements of existing and prospective deficits and Federal financing of deficits and extraordinary expenditures must be put on a forthright basis. Our new, unscientific, and hasty revenue law is wholly insufficient in yield and it is bad enough in substance to prostrate even active business. It must be rationalized and made sufficient.

"What is said of the Federal Government's spending and taxing is equally applicable to the spending and taxing of States, counties, and municipalities.

"Unless these things are done promptly, there will be no hope for this generation, and our oncoming youth will be slaves chained to the oars of this economic galley. Youth has the right to refuse this cruel inheritance, and we, of this generation, are in duty bound to change this stupid bequest before it is too late.

FISCAL REFORM NECESSARY

"With unnecessary spending reduced to balance a sane and dependable revenue, and with Federal fiscal administration reformed, confidence in our financial institutions will replace the fear generated by the last three years. A plentitude of money will flow out of hiding, seeking investment. Suddenly we shall realize that the elements of our great wealth remain intact. Business will revive, and as a Nation we shall advance to the enjoyment of a rich future. No matter what emergency plans we try, this can never happen so long as the present timid, selfish, and political administration of Federal finance continues.

"Second. On the eve of every election our ruined agriculture has been fed illusory platitudes, and every time it has been fooled thereby. There can be no recovery with half our population within our tariff walls and the rest thrust outside. Our farmers deserve an American price for that part of their export production consumed within the American market. That equity has been recognized in many previous platforms. It has never been accorded. It is an immediate and indispensable necessity to economic recovery.

"Third. Every element of the liquor question has been sufficiently discussed. The eighteenth amendment should be repealed.

"Fourth. Employment depends on recovery of business. That can be had by attending to the three fundamentals just considered, and in no other way. In the meantime, the best we can do is to see to it, by such emergency expedients as the Wagner bill, that no means are left unused to prevent physical suffering. If we fail in this we invite the deluge. But if we fail to return to the homely virtues of equity, courage, and candor in government, neither the Wagner bill nor the reconstruction finance act nor any other palliative can succeed, and we deserve the deluge.

DEMANDS PRIORITY FOR THEM

"The fiscal, agricultural, prohibition, and employment problems are in a field which I call emergent. In the Great War what we call 'priority' was given to the more essential matters. So, now, we must give 'priority' to these most immediate problems. Everything else must be deferred. Nevertheless, we can not afford to err in the deferred class, in which are the questions of the tariff, reparations, disarmament, and war debts.

"By the Smoot-Hawley tariff we have induced an international honeycomb of water-tight economic compartments, and almost ruined the commerce of the world. But it would be piling blunder upon blunder to reduce our wall now in favor of all comers, by a horizontal slash. This is not a matter for general international conference. It is a matter for separate trading, conducting by our own competent negotiators who should deal with representatives of each great commercial nation, and arrive by mutual give-and-take at separate agreements, which would restore to our agriculture and our industry the great export markets lost to them by recent plunders in the international field.

OPPOSED DEBT CANCELLATION

"Economic administration touching the vast volume of European debts has been equally inept. It is exemplified by such exhibitions as that of our chief debtors under the protection of a moratorium we had granted them, thereafter threatening our monetary standard by implacable withdrawals of our gold. For us to shift the burdens of these debts from the shoulders of their people to those of our people would be a fatuity equaled only by the other para-

doxes of the present depression. There may come a time when meeting in a spirit of mutual helpfulness and with at least as much regard for the welfare of our own people as for that of our neighbors we can adjust these burdens to realities.

"But let us not now rush forth on any quixotic policy of wholesale forgiveness induced by platitudes from the mouths of unsound doctrinnaires. Let us not now handicap our economic future for the benefit of competitors. They are perhaps so greatly distressed as we, but by reason of their own peculiar elements of economic strength they will be quite as well fitted as we to compete for the commerce of the world when times again approach normality.

REPARATIONS AND DEBTS

"Reparations and debts must be kept separate, but there is a certain reciprocal relation. This question is almost exclusively European. Yet, in consideration of the value of peace to the world, we could well afford to contribute any aid within our power but never as a bribe. Adjustment of reparations, disarmament, or any other return to international sanity bought by us through debt forgiveness would not be worth the parchment on which such a treaty might be written.

"If the age-old enmities among Teuton, Gaul, and Pole could be composed on some spontaneous and honest basis, that would be an event which we could well afford to celebrate by any reasonable concession. But we must not attempt to force these things by gifts or inducements. They must come from European nations themselves, acting for their own permanent and enlightened self-interest.

"This is a recitation of economic principles equally applicable to both parties. It is not exaggerating to say that application of them is necessary to sustain our national life. They have thus far failed even of recognition, owing to the timidity, selfishness, and obtuseness generated by partisan politics.

"I do not make political pronouncements, but I do venture to hope that, in this hour of trial and danger, the Democrats will select a man of sincerity, responsibility, and patriotism sufficient to hold these principles above any consideration of personal or party advantage—a man who will possess enough of stability of character, force, and courage to make them effective in spite of all opposition."

Mr. Baruch was chairman of the War Industries Board from March 5, 1918, to January 1, 1919.

DISTRICT OF COLUMBIA APPROPRIATION BILL

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives relative to certain amendments to House bill 11361, the District of Columbia appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 27, 1932.

Resolved, That the House recede from its disagreement to amendments of the Senate Nos. 39, 62, and 69 to the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 22, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

"For the acquisition of land in the municipal center, and for grading and paving of streets, and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center, $222,000, and in addition thereto not to exceed $1,278,000 of the unexpended balance of the appropriation for the municipal center contained in the District of Columbia appropriation act for the fiscal year 1932, of which sums not to exceed $900,000 shall be available for the acquisition of land in the municipal center, and not to exceed $600,000 shall be available for grading and paving of streets, and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center: *Provided*, That the Washington Railway & Electric Co. is hereby directed to rebuild and relocate at its own expense the tracks of said company in D Street NW. between Fifth Street and Indiana Avenue, and in Indiana Avenue east of Fifth Street to the vicinity of Second Street, in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia, and in the event of the failure of said Washington Railway & Electric Co. to perform the work herein directed within the time fixed by the said commissioners the said work shall be performed by the District of Columbia, and this appropriation shall be available for such purposes, and the cost of said work shall be a valid and subsisting lien against the franchises and property of the said railway company, and shall constitute a legal indebtedness of said company in favor of the District of Columbia, and the said lien may be enforced in the name of the District of Columbia by a bill in equity brought by the Commissioners of the District of Columbia in the Supreme Court of the District of Columbia, or by any other lawful proceeding against the said railway company."

That the House recede from its disagreement to the amendment of the Senate No. 135 and concur therein, with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

"EMERGENCY RELIEF

"For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia, by loan, employment, and/or direct relief, under rules and regulations to be prescribed by the Board of Commissioners, and without regard to the provisions of any other law, to be immediately available, payable from the revenues of the District of Columbia, $350,000: *Provided*, That not to exceed $35,000 of this amount shall be available for administrative expenses including necessary personal services."

Mr. BINGHAM obtained the floor.

Mr. JONES. Mr. President——

Mr. BINGHAM. I yield to the Senator from Washington.

Mr. JONES. I do not ask the Senator to yield to me.

Mr. BINGHAM. Then, I move that the Senate agree to the amendments of the House of Representatives to Senate amendments Nos. 22 and 135 to the bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion submitted by the Senator from Connecticut.

Mr. JONES. Mr. President, there is something before the Senate now. Recurring to the economy bill, there is a simple proposition involved whether the Senate wants to use the money that is saved by the furloughs to employ other employees or additional employees, or whether it really wants to save the money by impounding it in the Treasury. The other things the Senator from Connecticut [Mr. BINGHAM] has mentioned I shall not discuss at this time. All I will do is to ask the Senate to refrain from forming an opinion as to just what should be done to-morrow on the motion to reconsider the vote.

I am not going to take the time of the Senate to discuss the proposition any further to-night except to say that I want every Senator to consider what confronts the Senate now. If we do not pass the economy bill I do not know what we can do with reference to the appropriation measures that should be passed by Thursday night, and I fear that Government financial matters will be thrown into chaos. Whether the matters are of sufficient importance in this bill about which we may disagree to justify bringing about that state of affairs and that condition of things is for each Senator, of course, to determine for himself.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Connecticut that the Senate agree to the amendments of the House of Representatives to Senate amendments numbered 22 and 135 to the bill.

The motion was agreed to.

ADJUSTMENT OF REIMBURSABLE DEBTS OF CERTAIN INDIANS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. FRAZIER. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. FRAZIER, Mr. SCHALL, and Mr. ASHURST conferees on the part of the Senate.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McNARY. I move that the Senate insist on its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. McNARY, Mr. NORRIS, and Mr. KENDRICK conferees on the part of the Senate.

INTERNATIONAL ECONOMIC CONFERENCE

Mr. ODDIE. Mr. President, it will take me only a moment to present a matter of great importance to the Senate.

On June 24, 1932, President Hoover transmitted a communication to the Senate and the estimate of the Director of the Budget to make available the necessary funds to cover the expenses of the representatives of the United States to an international economic conference to be called by the British Government to meet in London during the summer. The international conference, according to the President's communication, is for "the purpose of considering various economic and monetary questions, including methods of improving world-market prices."

The discussion of "monetary questions" will include the greater monetary use of silver as supplementary to gold in carrying the increasing credit and currency burdens of the world. The outcome of such an international conference will undoubtedly result in great economic benefits not only to silver but in expediting the return to normal conditions of industry and trade, particularly in the Orient where silver is the dominant currency and the monetary standard.

Mr. President, I request permission to insert in the RECORD at this point the President's brief communication transmitting the supplemental estimate of the Bureau of the Budget.

The PRESIDENT pro tempore. Without objection it is so ordered.

The matter referred to is as follows:

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE STATE DEPARTMENT FOR AN INTERNATIONAL ECONOMIC CONFERENCE TO BE HELD IN LONDON DURING THE YEAR 1932, AMOUNTING TO $40,000

THE WHITE HOUSE,
Washington.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the Department of State for the fiscal year 1932, to remain available until June 30, 1933, amounting to $40,000, for an International Economic Conference to be held in London during the year 1932.

The details of this estimate, the necessity therefor, and the reason for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

HERBERT HOOVER.

BUREAU OF THE BUDGET,
Washington, June 24, 1932.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the Department of State for the fiscal year 1932, to remain available until June 30, 1933, amounting to $40,000.

International Economic Conference to be held in London during the year 1932: For the expenses of participation by the United States in an economic conference to be held in London during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards, entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State, fiscal year 1932, to remain available until June 30, 1933.... $40,000

There has been an exchange of views recently between the British and American Governments with regard to the desirability of convening a general economic conference, which would be for the purpose of considering various economic and monetary questions, including methods of improving world-market prices. The British Government later made the suggestion that the conference should be called by the British Government. After due consideration, this Government expressed the opinion that the early convocation of the conference might be of real value in the present depression.

The purpose of this estimate is to provide for the expenses of participation of the United States in the conference.

The foregoing estimate is to meet a contingency which has arisen since the transmission of the Budgets for the fiscal years 1932 and 1933, and its approval is recommended.

Very respectfully,

J. CLAWSON ROOP,
Director of the Bureau of the Budget.

The PRESIDENT.

Mr. ODDIE. Mr. President, I herewith send to the desk an amendment, which I intend to propose to H. R. 12443, the second deficiency appropriation bill, to provide for the funds requested by the President, which I shall ask to be printed and also included in the RECORD at this point. Since the International Economic Conference is to meet in London this summer, the funds to cover expenses of our representatives will have to be made available before Congress adjourns.

The PRESIDENT pro tempore. Without objection, and out of order, the amendment will be received, printed, and lie on the table, and will also be printed in the RECORD in connection with the Senator's remarks at this point.

The amendment intended to be proposed by Mr. ODDIE to House bill 12443 is as follows:

Amendment intended to be proposed by Mr. ODDIE to House bill 12443, the second deficiency appropriation bill. Insert the following at the proper place in H. R. 12443, the second deficiency appropriation bill:

"That for the expenses of participation by the United States in an economic conference to be held in London during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards; entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $40,000, to remain available until June 30, 1933."

Mr. ODDIE. The President's communication further states that "after due consideration this Government expressed the opinion that the early convocation of the conference might be of real value in the present depression."

For some time past I have urged the necessity for an international monetary conference to discuss monetary gold and silver questions, and I am glad that the conditions now are favorable and that this Government is to participate. The solution of the monetary problem with an increased demand for silver for currency and in metallic monetary reserves is fundamental in overcoming the present depression and in laying the solid foundation upon which the world's industry and trade can be more securely built in the future.

METROPOLITAN WATER DISTRICT OF LOS ANGELES

Mr. SHORTRIDGE. Mr. President, I have been furnished with a resolution adopted by the board of supervisors of the county of Los Angeles, Calif., urging Congress to enact necessary legislation to permit the Reconstruction Finance Corporation to purchase bonds of the Metropolitan Water District. I ask that the letter and accompanying resolution may be printed in the RECORD, and I invite the attention of Senators to the resolution and trust they will read it, as it will appear in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS,
Los Angeles, Calif., June 23, 1932.

HON. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SIR: I inclose herewith copy of resolution adopted by the board of supervisors of the county of Los Angeles on June 20, urging Congress to enact necessary legislation to permit the

Reconstruction Finance Corporation to purchase bonds of the Metropolitan Water District.

Very truly yours,

MAME B. BEATTY,
Chief Clerk Board of Supervisors.

OFFICE OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA,
Monday, June 20, 1932.

The board met in regular session. Present: Supervisors Henry W. Wright (chairman, presiding), Hugh A. Thatcher, Frank L. Shaw, Harry M. Baine, and John R. Quinn; and L. E. Lampton, clerk, by Mame B. Beatty, deputy clerk. (Minute book No. 180, p. —.)

IN RE UNEMPLOYMENT RELIEF: RESOLUTION URGING CONGRESS OF THE UNITED STATES TO ENACT NECESSARY LEGISLATION TO PERMIT THE RECONSTRUCTION FINANCE CORPORATION TO PURCHASE METROPOLITAN WATER DISTRICT BONDS

On motion of Supervisor Baine, duly carried, it is ordered that the following resolution be, and the same is hereby, adopted, to wit:

"Whereas during existing conditions it is imperative that plans be made for the employment of heads of families by every possible means to forestall poverty and hunger that threaten so many of our citizens; and

"Whereas a $220,000,000 bond issue was voted by the citizens of the metropolitan water district for construction of the Colorado River aqueduct and the validity of these bonds has been made certain by a decision of our State courts; and

"Whereas due to a stringency in the national-investment market it might be difficult to market these bonds through the usual channels of finance without costly sacrifice, but it is a policy of Federal Government to make possible income-yielding public works of this character through Government financing agencies; and

"Whereas a plan was suggested to officials of the Reconstruction Finance Corporation, one of these Government agencies, whereby with a slight amendment to the enabling act creating that corporation and the provision of additional funds for its use, the corporation could purchase these and other bonds necessary for income-yielding public works, thus making possible the immediate beginning of construction of the Colorado River aqueduct, giving employment to thousands of men in the operations and giving employment to many additional thousands through the purchase of materials and equipment and their transportation; and

"Whereas such action would afford an immense stimulus to the return of prosperity in the Southwest, at the same time tending to greatly relieve our taxpayers of burdens created by the present urgent necessity for relief funds: Now, therefore, be it

"*Resolved by the Board of Supervisors of the County of Los Angeles*, That this body urges upon Congress the enactment, before adjournment of its present session, of legislation necessary to permit the Reconstruction Finance Corporation to purchase the bonds of the Metropolitan Water District from time to time in such quantities as will be required to begin and carry on the aqueduct construction; and be it further

"*Resolved*, That copies of this resolution be sent to each of the boards of supervisors in the counties of the Metropolitan Water District, to the city councils of each city in the district, to the chambers of commerce, and all other civic and business organizations and that they be urged to use their influence to bring about the required amendment and to prevail upon the Reconstruction Finance Corporation to grant the request for purchase of the bonds, thus supporting the officials and directors of the district in their plan and the members of the California delegation in Congress in their efforts to hasten the construction of the aqueduct."

The foregoing resolution was adopted by the board of supervisors of the county of Los Angeles, State of California, on Monday, June 20, 1932, and is entered in the minutes of said board.

L. E. LAMPTON,
County Clerk of the County of Los Angeles, State of California, and Ex Officio Clerk of the Board of Supervisors of said County.
[SEAL.] By MAME B. BEATTY, *Deputy.*

PRINTING OF LAWS RELATING TO VETERANS OF VARIOUS WARS

Mr. SHIPSTEAD. Mr. President, I move that the managers of the conference on the part of the Senate on the disagreeing votes of the two Houses on the amendments of the House to the concurrent resolution (S. Con. Res. 29) authorizing the printing and distribution of copies of the Federal laws relating to the veterans of various wars, be discharged from its further consideration, and that the Senate recede from its disagreement to the amendments of the House, and agree to the same.

The motion was agreed to.

ADDITIONAL COPIES OF HEARINGS ON UNEMPLOYMENT INSURANCE

Mr. SHIPSTEAD. From the Committee on Printing, I report back favorably Senate resolution 247 and invite the attention of the junior Senator from Rhode Island [Mr. HEBERT] to it.

Mr. HEBERT. I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDENT pro tempore. Let the resolution be reported for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 247) submitted by Mr. HEBERT on the 20th instant, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Select Committee on Unemployment Insurance of the Senate be, and is hereby, empowered to have printed 960 additional copies of the hearings held before the select committee during the Seventy-first Congress on unemployment insurance.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

EMERGENCY RELIEF FOR FORMER SERVICE MEN

Mr. BLAINE. Mr. President, the chairman of the Committee on the District of Columbia is now present. I renew my request for unanimous consent that the Committee on the District of Columbia be discharged from the further consideration of Senate bill 4781, which relates to the veterans who are present here in Washington, respecting their food, sanitation, and housing.

Mr. McNARY. Mr. President, if it is only a formal matter and will not be debated, I shall not object.

Mr. BLAINE. I debated the matter last Saturday.

Mr. McNARY. Has the chairman of the committee any objection to the request?

Mr. CAPPER. No; none at all.

Mr. McNARY. Very well.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Wisconsin that the Committee on the District of Columbia be discharged from the further consideration of Senate bill 4781.

The motion was agreed to.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEES

Mr. SMOOT, from the Committee on Finance, reported favorably the nomination of Fred A. Bradley, of Buffalo, N. Y., to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y. (reappointment).

Mr. BRATTON, from the Committee on the Judiciary, reported favorably the nomination of Frederick W. Dallinger, of Massachusetts, to be a judge of the United States Customs Court.

Mr. HEBERT, from the Committee on the Judiciary, reported favorably the nomination of Harlan Besson, of New Jersey, to be United States attorney, district of New Jersey, to succeed Phillip Forman, nominated to be United States district judge, district of New Jersey.

The PRESIDENT pro tempore. The reports will be placed on the calendar.

If there be no further reports of committees the calendar is in order.

THE JUDICIARY

The Chief Clerk read the nomination of B. B. Montgomery to be United States marshal, northern district of Mississippi.

Mr. McNARY. Mr. President, the Senator from California [Mr. SHORTRIDGE] requested that that go over for this evening.

The PRESIDENT pro tempore. The nomination will be passed over.

UNITED STATES TARIFF COMMISSION

The Chief Clerk read the nomination of Edgar Bernard Broussard to be a member of the United States Tariff Commission.

Mr. McNARY. At the request of the Senator from Colorado [Mr. COSTIGAN], who is necessarily absent from the Chamber, I ask that that nomination go over.

The PRESIDENT pro tempore. The nomination will be passed over.

FEDERAL FARM BOARD

The Chief Clerk read the nomination of C. B. Denman, to be a member of the Federal Farm Board.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Kean	Oddie
Austin	Couzens	Kendrick	Reed
Barbour	Dickinson	Keyes	Robinson, Ind.
Bingham	George	La Follette	Schall
Black	Hale	McGill	Shortridge
Blaine	Hatfield	McNary	Smoot
Bratton	Hayden	Metcalf	Stephens
Brookhart	Hebert	Moses	Thomas, Idaho
Capper	Jones	Nye	Vandenberg

The PRESIDENT pro tempore. Thirty-six Senators having answered to their names, there is not a quorum present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. STEIWER answered to his name when called.

The PRESIDENT pro tempore. Thirty-seven Senators having answered to their names, there is not a quorum present.

ADJOURNMENT

Mr. McNARY. Mr. President, I move that the Senate adjourn.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LA FOLLETTE. An order having been entered at the opening of the Congress that until further order the Senate should meet at 12 o'clock, if the motion of the Senator from Oregon is agreed to, will the Senate meet at 12 o'clock to-morrow?

The PRESIDENT pro tempore. The Senate will adjourn in executive session until 12 o'clock to-morrow. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and the Senate, in executive session, at 6 o'clock and 30 minutes p. m., adjourned until to-morrow, Tuesday, June 28, 1932, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate June 27, 1932

MEMBER OF THE FEDERAL FARM BOARD

C. B. Denman to be a member of the Federal Farm Board.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 27, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We trust that we are deeply grateful, blessed Lord, as we bow in Thy holy presence and look unto Thee as the one perfect source of all wisdom, goodness, and mercy. As Thy children we pray Thee to attend us in all our ways. Stay our souls upon this undying truth, "The memory of the just is blessed." We praise Thee that there is an everlasting equity and that unselfish toil shall never be forgotten. O God, let this immortal truth break forth and bear the fruits of happiness, contentment, and brotherhood throughout our land; hasten the day when justice shall prevail everywhere. Oh, may it soon come to pass when men shall have learned to love as they have learned to hate; thus the contagion and the pestilence which blacken the soul shall be no more. Let Heaven's blessings abide with our Speaker, the Members, the officers, and the employees of this Congress. Amen.

The Journal of the proceedings of Friday, June 24, 1932, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9349) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes."

The message also announced that the Senate disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes."

The message also announced that the Senate disagrees to the amendment of the House to the amendment of the Senate, No. 46, to the bill (H. R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," that the Senate further insists on its amendments Nos. 46 to 168, inclusive, to said bill, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. SMOOT, Mr. HALE, Mr. BROUSSARD, and Mr. BRATTON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 14, 15, 30, 56, and 82 to the bill (H. R. 7912) entitled 'An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes;" still further insists upon its amendment No. 77 to said bill, asks a still further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCNARY, Mr. JONES, Mr. KEYES, Mr. KENDRICK, and Mr. HAYDEN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 96) entitled "An act to punish the sending through the mails of certain threatening communications," requests a conference with the House thereon, and appoints Mr. BORAH, Mr. HASTINGS, and Mr. WALSH of Montana to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills, joint resolutions, and a concurrent resolution of the House of the following titles:

H. R. 437. An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes;

H. R. 5062. An act to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners;

H. R. 5651. An act to amend chapter 15 of the Code of Laws for the District of Columbia relating to the condemnation of land for public use;

H. R. 8766. An act to amend the sixth exception in section 3 of the immigration act of 1924 with reference to nonimmigrant status of certain aliens;

H. R. 10246. An act to fix the fees to be charged for the issue of domestic money orders;

H. R. 10494. An act to provide a postage charge on notices to publishers regarding undeliverable second-class matter;

H. R. 10600. An act to exempt from the quota husbands of American citizens;

H. R. 10884. An act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians;

H. J. Res. 336. Joint resolution construing section 503 (b) of the tariff act of 1930;

H. J. Res. 418. Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress; and

H. Con. Res. 26. Concurrent resolution to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 564. An act for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.;

S. 931. An act to amend a part of section 1 of the act of May 27, 1908, chapter 200, as amended (U. S. C., title 28, sec. 592);

S. 1492. An act to add certain lands to the Columbia National Forest in the State of Washington;

S. 1978. An act for the relief of Daisy Anderson;

S. 2620. An act for the relief of Thomas W. H. Ball;

S. 3375. An act for the relief of Wiener Bank Verein;

S. 3531. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof;

S. 3532. An act to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes;

S. 4034. An act to provide that transferors for collection of negotiable instruments shall be preferred creditors of national banks in certain cases;

S. 4095. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913, as amended (U. S. C., title 18, secs. 409–411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken;

S. 4340. An act authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians;

S. 4557. An act to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma;

S. 4673. An act to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown, and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874;

S. 4680. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands;

S. 4756. An act to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability or to estates of such deceased Indians;

S. 4806. An act for the relief of Earl A. Ross;

S. 4807. An act for the relief of Frank P. Ross;

S. 4835. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

S. J. Res. 157. Joint resolution to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes; and

S. J. Res. 169. Joint resolution to provide information and direction to individuals and agencies concerned with relieving unemployment through finding opportunities for subsistence in rural areas.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3987. An act for the relief of R. K. Stiles & Co.;

H. R. 4594. An act to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located;

H. R. 5649. An act to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes";

H. R. 7238. An act to amend section 5 of the suits in admiralty act, approved March 9, 1920;

H. R. 8031. An act to provide for expenses of the Crow and Fort Peck Indian Tribal Councils and authorized delegates of such tribes;

H. R. 8548. An act authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes;

H. R. 8777. An act for the relief of J. N. Gordon;

H. R. 9306. An act to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended;

H. R. 10161. An act amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes;

H. R. 10587. An act to provide for alternate jurors in certain criminal cases;

H. R. 10590. An act to prohibit the misuse of official insignia;

H. R. 10599. An act to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws;

H. R. 10683. An act to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut;

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 11639. An act to authorize extensions of time on oil and gas prospecting permits, and for other purposes; and

H. R. 11944. An act to facilitate execution of and economy in field season contracts of the Forest Service.

CLERK OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives, which was read:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
Washington, D. C., June 24, 1932.

Hon. JOHN N. GARNER,
Speaker of the House, House of Representatives,
Washington, D. C.

DEAR SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. Newlin Megill, an official in my office, to

sign any and all papers for me which he would be authorized to sign by virtue of this designation and of clause 4, Rule III, of the House.

Yours respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. OVERTON until July 2, 1932.

H. R. 8167, A BILL REQUIRING LAND BANKS TO ACCEPT THEIR BONDS IN SATISFACTION OF MORTGAGES

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill H. R. 8167.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARE. Mr. Speaker, for nearly two years we have been endeavoring to secure the passage of a bill that would require Federal land banks and joint-stock land banks to accept their bonds in satisfaction of mortgages when presented by a mortgagor. The purpose, of course, is to give a borrower the advantage of the depreciation in the market value of such bonds. In my State the bonds have depreciated in value very much in proportion to the reduction in value of the lands against which the bonds were issued. We all know instances where good farming lands have depreciated in value from 50 per cent to 75 per cent within the past 10 years. In these same sections land-bank bonds have in many cases depreciated to a corresponding extent. The passage of this bill would give a borrower the right to buy bonds in the amount corresponding to his mortgage and present them in satisfaction of same.

The borrower is now liable to the bank for the full value of his mortgage, and the bank ordinarily is liable to the bondholder for the par value of the bonds. The banks are holding the farmer liable to the full extent of his indebtedness, although the bondholder is willing to relieve the bank of its full liability by selling bonds to the bank for much less than par. That is, the banks have the right to retire their indebtedness to the bondholder in my State for as low as 25 cents on the dollar, but the same banks are demanding of the farmer 100 per cent on his indebtedness. This bill simply gives the farmer the same right to pay off his indebtedness to the bank as the bank has to pay its obligation to the bondholder. In other words, it simply gives the borrower the right to purchase bonds and become a bondholder to whom the bank would be liable for the value of the bond just as the bank would be liable to any other holder of the bond. It provides further that a borrower shall have a right to surrender or deliver to the bank one or more of its bonds and thereby wipe out the liability of the bank upon condition that the bank will credit the borrower's indebtedness to the same extent. The bank would not lose anything by such a transaction, unless it be the exclusive right to speculate on its own liabilities, and the proponents of this measure believe that in fairness and in justice to both the farmer should be accorded the same right.

To illustrate: A few years ago, we will say, a farmer wanted to borrow $10,000 on a farm with a market value of $20,000 or more. He filed an application with the land bank. An inspector or appraiser looked over the property and inquired into the business ability and moral risk of the applicant. The appraiser recommended the loan. The bank issued bonds to the extent of $10,000, sold same, and turned the money over to the farmer, who gave a mortgage on the farm as security. In the meantime there has been a great depreciation in the value of the land, as well as the bonds. It develops that the borrower is unable to meet his installments, or finds that the revenues from the land are insufficient to warrant further expenditures without a great sacrifice. Upon failure to pay the installments, the bank proceeds to foreclose the mortgage and sells the land. The property is sold for, we will say, $5,000 and turned over to the bank, whereupon the bank goes into the market and purchases $10,000 worth of its bonds for $2,500. The bonds are retired and the bank relieves itself of a liability to the extent of $10,000 and has the difference between the purchase price of the bonds and the sale price of the land, or $2,500, profit by the transaction. The farmer lost his home and the bondholder has lost $7,500. However, the bank goes further and has judgment written up against the borrower for the difference between the amount due on the mortgage and the sale price of the land, which would probably be between $4,000 and $4,500, making it practically impossible for the farmer to ever "come back" with a judgment of record standing against him. We may be wrong in our reasoning, but it looks to me like it would only be fair and just to give the borrower, in this illustration, the same right to take advantage of the low-priced bonds and retire his liability to the same extent that the bank is permitted to retire its liability.

The Secretary of the Treasury, the Farm Board, and some of the land banks are opposing this legislation. One of the arguments advanced is that the banks may be required to call for and retire bonds before maturity, saying there is grave doubt whether this can be legally done. They insist that this would be manifestly unfair to the bondholders, because it may require them to surrender bonds before maturity and thereby deprive them of the right of interest on such bonds until they mature. This argument is entirely misleading, for under existing law a bank has the right to call for bonds after they have been issued for a period of five years. The bonds are purchased with this understanding and agreement by the bondholders. The authority for this statement is found in section 20 of the original act, which reads as follows:

> Bonds provided for in this act shall be issued in denominations of $25, $50, $100, and $1,000 and they shall run for specified minimum and maximum periods, subject to payment and retirement at the option of the land bank at any time after five years from the date of their issue.

It will be observed that the bonds are issued and sold—

> Subject to payment and retirement, at the option of the land banks, at any time, after five years from the date of their issue.

When a bondholder purchases a bond he knows and agrees that such bond may be called for and demanded by the bank issuing same for retirement at any time after such bond has been in force for a period of five years, and it would, therefore, be absurd to say it will be illegal to accept and retire the bonds before maturity. The law clearly gives these banks the right to demand the bonds from the bondholder upon the payment of the market value and retire them. Under the provisions of this bill the bonds would not be demanded but are to be accepted and retired only when voluntarily surrendered by the bondholder himself. The bill specifically states that the mortgage to be satisfied must have been in full force and effect for a period of at least five years before the mortgagor will have the right to tender bonds in satisfaction of same. It is not contemplated that the borrower would buy or be permitted to buy for this purpose a bond or bonds issued subsequent to the date his mortgage was given. Therefore, the question as to whether bonds issued by land banks can be legally demanded and retired before maturity is answered completely by the provisions of the existing law and does not require further discussion.

Another question raised by the land banks is whether Congress can legally amend existing contracts between the borrowers and the banks by enacting legislation that would, in effect, deprive such banks of their right to demand legal tender from borrowers in payment of their obligations. That is, the banks say it is doubtful whether Congress has the right to require them to accept their bonds in place of legal tender in satisfaction of a mortgage.

If there were really any doubt in the minds of those opposing the legislation, such doubt is completely dissipated by the provisions of section 25 of the original act which gives a farm-loan association or agent through which a

mortgage was received the right to present cash or bonds in payment of installments or in satisfaction of a mortgage where the mortgagor has defaulted. That is, in case of default by a member of a farm-loan association, section 25 of the law provides:

Said association or agent may make good said default, either by payment in cash or by the substitution of an equal amount of farm mortgage bonds issued by said land bank.

In other words, the original act by specific directions provided that even installments on mortgages may be paid in bonds issued by the bank making the loans. Therefore if the provisions referred to as sections 20 and 25 are legal, under the original Federal farm loan act, there can be no question as to the legality of the provisions of this bill, for it does not establish any new principle of law, but simply provides an enlargement by making the law applicable to joint-stock land banks, as well as Federal land banks, and by giving the individual borrower from a Federal land bank or a joint-stock land bank the right to obtain and present bonds in satisfaction of his mortgage to the same extent that such right is now accorded a farm-loan association of which such borrower may be a member.

Some have said that if the bill were enacted into law it would operate largely for the benefit of those who are able to pay their installments but the men who are unable to purchase the bonds would be no better off. Of course, the borrower who would be unable to purchase the bonds would not be able to take advantage of their low prices but he would be no worse off upon the passage of the bill than he is at present, but it would help a large number of borrowers. I think it will be found that many of the borrowers have given a second mortgage on their lands. In such cases it may be that the person holding the second mortgage would be able to advance sufficient additional funds for the borrower to purchase bonds to be used in satisfying the first mortgage. In cases of this kind the second mortgagee would have better security, the mortgagor would have a reduced liability, and the bank would be none the worse off. As a matter of fact, if a large percentage of borrowers should purchase bonds and tender them in satisfaction of their mortgages the bank's liability would be greatly reduced and the unimpaired capital stock would certainly give the bank a much better financial status and it would then be in much better position to make additional loans at a time when the security would not have an inflated value. In addition the bonds would increase in value which should result in giving the bank a better commercial rating. If I am correct in my statement of facts and in my line of reasoning, I feel that Congress should act at once and give thousands of farmers who are on the verge of losing their homes an opportunity to redeem their lands and a chance to pay off their indebtedness.

I really think the committee made a mistake when it amended by striking out the last provision on page 2, which stated:

That where a mortgage has been foreclosed and the mortgagee bank was the purchaser at the foreclosure sale and still has title to the property the mortgagor shall have the right to purchase and tender such bonds in full satisfaction of the mortgage indebtedness and redeem said lands, the bank being required to execute deed for same.

This would relieve the banks of an enormous liability in the way of outstanding bonds and at the same time relieve them of what now amounts to an enormous tax on some of these banks, because they are having to pay county and State taxes on all lands obtained and held as result of foreclosures. Furthermore, it would give the original landowner another chance in life.

Congress should not hesitate to pass this bill, and pass it now. In view of the interest manifested by a large number of Members of the House, I am satisfied the bill would pass with an overwhelming vote if an opportunity should be afforded. We recently appeared before the Rules Committee for a special rule, and I sincerely trust that favorable consideration may be given at once.

The bill as amended and reported by the Banking and Currency Committee is as follows:

Be it enacted, etc., That section 27 of the Federal farm loan act, as amended (U. S. C., title 12, secs. 941–943), is amended by adding at the end thereof the following: "Any person having obtained a loan from a Federal land bank or a joint-stock land bank may buy and sell farm-loan bonds issued by the mortgagee bank, and any such bank is authorized and directed to accept such bonds with unearned coupons attached at par value when presented by a mortgagor in full satisfaction of a mortgage after it has been in full force and effect for a period of five years."

RADIOBROADCAST FROM THE DEMOCRATIC CONVENTION

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for one minute to make an announcement.

The SPEAKER. Is it concerning anyone in the gallery?

Mr. McCLINTIC of Oklahoma. No, sir.

The SPEAKER. The Chair desires to state that after consultation with a great many Members, he believes it is the better policy not to recognize Members to call attention to guests in the gallery. The Chair does not intend to recognize anyone in the future for that purpose. [Applause.]

Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, a number of Members have expressed a desire to have some opportunity to hear the proceedings that are now taking place in Chicago at the Democratic National Convention. I desire to announce that a radio has been placed in the caucus room, which is on the third floor of the House Office Building, and if any of the Republican Members want to know who will be the next President, they are invited to go over there and listen. [Laughter and applause.]

PAYMENT OF THE SOLDIERS' BONUS

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the recent bonus legislation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BUSBY. Mr. Speaker, I would like to make these further observations in regard to cash payment of the soldiers' bonus certificates. These certificates were issued in 1925, seven years after the close of the war, to cover adjusted pay the soldiers were entitled to for fighting the battles of our country and for service in the World War.

The pay for men in the service during the war was $1 per day, or $30 per month. Often one-half of this amount was taken from them and allotted to some dependent at home. About $6.50 of the remainder was taken to pay the premium on war-risk insurance. Then, there were Liberty-bond installments and other charges which often consumed almost the whole of the soldier's pay while he was in service.

Whether he benefited by his service in the Army would have to be determined by the individual case, but as a whole it seems to me that he got very poor pay for the sacrifices he made for his country in fighting its battles and offering his life, if need be, to defend our liberty and the property of our people from the smallest possession to the great wealth of the millionaire class. I say this especially in view of the fact that business men in this country during the war were piling up tremendous fortunes. Millionaires were being made by the thousands, and labor was being paid $6, $10, and even $15 per day.

In 1924 I voted for the bonus law, and when it was vetoed by President Coolidge, I voted to help pass it over his veto. I believed then and I believe now that I was doing right and that it was only common justice to pay to the soldier an additional amount in recognition of his service to his country. However, we did not give him any money then. We gave him an insurance or bonus certificate, payable in 1945 with interest compounded semiannually at 4 per cent. He could not sell this certificate, although he was permitted to borrow on it if he could find a bank that would lend him money at 6 per cent.

Two years ago we provided that he might borrow on his certificate from the Government. Distress and unemployment have become so general in this country and so many of these former soldiers who have families—wives and little children now in distress—come to Congress and ask it to pay them the value of their bonus certificates and let them have, in this time of their great need and distress, the money we should have paid them in 1925.

The President is against them. The Republican administration is against them. Big business is against them—it has always been against them, except when it was cheering them on to the battle front in those uncertain days of 1917 and 1918 when the people of the country were saying to the departing soldiers, "Go on, fight our battles and win. Make the world safe for democracy; and when you return, we will not forget you."

I believe it is right that the Government should pay the soldiers what is due them on their bonus certificates.

It never could come at a time when they would need it more. Many of them are hungry and in rags through no fault of their own. It would come now at a time when the country needs an increase in the money in circulation. There could be no better way to distribute money to the poorer classes of the people throughout the land. At the same time we would discharge an obligation that the Government owes and has agreed to pay.

It would lay no additional burden at the present time on the taxpayers. It is true that if the bonus certificates were paid, the soldiers in Mississippi would receive $21,464,888. I am setting out the amounts that would be received by counties in our State:

Adams	$251,663.52
Alcorn	252,614.04
Amite	210,524.16
Attala	278,053.80
Benton	104,802.84
Bolivar	758,824.68
Calhoun	193,094.40
Carroll	211,090.20
Chickasaw	222,517.80
Choctaw	131,780.52
Claiborne	129,783.36
Clarke	210,171.72
Clay	191,503.08
Coahoma	494,772.36
Copiah	337,637.52
Covington	160,499.04
De Soto	271,677.84
Forrest	321,628.20
Franklin	131,022.24
George	80,345.64
Greene	113,677.92
Grenada	179,445.36
Hancock	121,912.20
Harrison	471,447.24
Hinds	909,060.24
Holmes	411,543.12
Humphreys	264,105.72
Issaquena	61,239.12
Itawamba	194,643.00
Jackson	170,591.64
Jasper	199,011.12
Jefferson	152,627.88
Jefferson Davis	152,521.08
Jones	443,134.56
Kemper	233,689.08
Lafayette	213,365.04
Lamar	137,216.64
Lauderdale	563,348.64
Lawrence	133,190.28
Leake	232,856.04
Lee	377,142.84
Leflore	571,444.08
Lincoln	281,492.76
Lowndes	320,261.16
Madison	382,301.28
Marion	212,777.64
Marshall	265,600.92
Monroe	385,985.88
Montgomery	160,296.12
Neshoba	285,059.88
Newton	244,678.80
Noxubee	272,980.80
Oktibbeha	204,190.92
Panola	305,960.64
Pearl River	$207,245.40
Perry	87,543.96
Pike	343,906.68
Pontotoc	235,323.12
Prentiss	205,750.20
Quitman	270,246.72
Rankin	217,370.04
Scott	223,361.52
Sharkey	148,206.36
Simpson	223,179.96
Smith	196,565.40
Stone	60,918.72
Sunflower	708,767.52
Tallahatchie	379,866.24
Tate	183,726.28
Tippah	199,267.44
Tishomingo	175,269.48
Tunica	226,768.44
Union	227,142.24
Walthall	148,142.28
Warren	382,183.80
Washington	580,030.80
Wayne	163,350.60
Webster	129,527.04
Wilkinson	149,060.76
Winston	226,832.52
Yalobusha	189,570.00
Yazoo	397,958.16
Total	21,464,888.28

Mississippi would pay to the Government in Federal taxes only about one and one-half million dollars a year. We would get decidedly the advantage in this transaction for our State.

The big taxpayers of the North and East say this is unfair; that we would receive through the payment of the bonus a great deal more than we should be required to pay into the Treasury. But it is fair. Since the Civil War Mississippi and the South have helped to pay more than $7,000,000,000 of Federal pensions, which pensions go almost wholly to the North and East sections of our country. Much of this pension money is paid to widows and dependents, who were born since the Civil War, of Federal soldiers.

Mississippi and other States situated like her have paid heavily to the North and East under the unfair tariff system which has levied tribute against our people for two generations. It is true that the big Federal taxpayers live in the North and the East. They are the ones who are scattering opposition against the cash settlement of the soldiers' bonus. In view of all that has been done for their section of the country by laws passed by Congress, I do not feel that they are in a position to complain because Mississippi would get eighteen or twenty million dollars more through the cash payment of the bonus certificates than she would be required to pay in Federal taxes.

THE COUNTRY IS IN AN AWFUL FINANCIAL WAY

We must have more money in the hands of the people in order to give the people more buying power, and there is no better way for the Government to place that money in the needy places than by paying in cash the amount that is due the soldiers on their bonus.

I remember the days shortly after the close of the World War, when the services of our soldiers were still appreciated and their brave deeds and acts of valor yet remembered. The American heart swelled with pride at the mention of their deeds. We love to think of the beginning of their services and how nobly they played their part.

THE AMERICAN SOLDIER IN THE WORLD WAR

There came a call for our Nation to enter the great World War. Out of the bleeding heart of Europe came the cry heard above the moans of the broken body of justice, racked with pain. The soul of freedom, at bay with death, cried out to our people to save liberty for the races of men. It was your liberty, your Nation's freedom, your children's birthright that was fighting for its life. All that life held sacred for you as an American was at stake in that war—your property, your honor, your liberty; yes, your very hearthstone and home.

Imperialism was making its last stand among the nations of the earth. The outworn theory of the divine right of kings was under attack from all sides. It was the prayer of the world that the last great battle was soon to be fought and that there would soon dawn an era of peace on earth and good will among all men.

Then came the call of our Government to the young men and youth of the land. They, backed by America, responded unselfishly to the call. Discarding personal interest and bidding good-bye to all save their zeal for their country, placed themselves, their all, at its service to the end. We told them that nothing but good could come to them if they played their parts well. If wounded, they would have the esteem and admiration of all men and the approbation of their consciences; if killed, more than any other men they could face the unknown without misgiving. We told them that so long as death came upon them in a moment of courage and enthusiasm for their country their memories would be honored and held sacred. We told them—our fighting men of America—not to falter, and when the fight was won, to come home to their country and their God.

They braved the dangers and crossed the seas unafraid. They were anxious to finish the task. They determined, "They shall not pass."

It was a repetition of the fine old stories. The mountaineers of East Tennessee stood up and beat Ferguson's trained soldiers at Kings Mountain. Jackson's men met Pakenham's veterans from the Peninsula at New Orleans. The place of contact for the American soldier in the late war was Chateau-Thierry. Remember that name. The onrush of the German soldiers upon Paris was stopped. The Second American Division took over a 12-mile front on either side of the road to Paris. As the Germans advanced these young warriors from the west fell upon them. Then the Third American Division was thrown into action. The Germans were driven back.

The tide of war had turned. After four days of savage fighting the American soldiers drove the Germans from Belleau Woods. On either side of the Americans stood the French, holding firmly against the invaders. The drive on Paris was over.

This was America's answer to the frantic call that had come from across the Atlantic: "Never mind if the men are not yet thoroughly trained—send them on! The need now is for men and more men, and yet more men."

Who does not yet remember how our hearts swelled in those days with joy and pride because of the valor of our soldiers? Chateau Thierry! That name must be inscribed upon the battle flags and liberty flags of America, for it was there the sons of democracy met and beat the best soldiers of imperialism.

During the titanic struggle, while our brave boys were uncomplainingly submitting to the deadly rain of shot and shell, fired sometimes from the air by swift-flying planes, sometimes from under the sea by murderous submarines, or from the surface of land or water; while they were facing death from poisonous gases, or from German bayonets, or from sickness caused by exposure from rain and mud; while they were sleeping and fighting in the trenches of France, their bodies covered with slime and loathsome vermin—while these conditions prevailed, we all delighted to sing the praise of our soldiery, to laud their valor and matchless prowess, and to do them honor. From one end of our country to the other we boasted. From the pulpit and platform, through the press, and in the Halls of Congress we assured them that their beloved country would never forget their splendid service, nor cease to be grateful to them for it.

The questions now comes to all, Were we sincere then? Have we forgotten? Have we kept the faith?

REDEEMING AGRICULTURAL LANDS FROM MORTGAGE DEBT

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on a bill that I recently introduced.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GLOVER. Mr. Speaker, we are living in a perilous day for business of all kinds, and especially for agriculture. Agriculture is the foundation on which this Nation has been built. If we continue, we must preserve this foundation to rebuild on. We are living in a day of plenty, and yet it is a day of adversity and want. Never in the history of this Nation has there been so much distress and want as there is now. Never in the history of our country was there such a bountiful supply of food and clothing, and yet many people are hungry and need clothing, and have nothing with which to buy it. We hear on every hand the cry that we are producing too much. I do not believe that is the cause of distress.

If every man, woman, and child could be properly fed and clothed, you would not have a surplus of anything. It is the lack of proper distribution of that which is produced and making it possible for those needing to get the money with which to buy it. With the centralization of wealth as we have now, the rich will grow richer and the poor poorer, unless something is done and done quickly to change it. Sixty per cent of the money of the world is hid away, and there is nothing left with which to buy. Are we powerless to help this situation? I answer "No; a thousand times no." If the President of the United States would exercise the power given him and require the Federal reserve and Federal reserve banks to exercise the power given them to enlarge and expand the currency as Congress has given them power to do, this Nation could be saved at once from ruin, but they will not do it. The people are going to demand, by the exercise of their franchise, that we place some one there that will lead us out of this condition.

I desire to call your attention especially to H. R. 12674, a bill introduced by me to redeem our agricultural lands from mortgage debt, taxes, and other liens. If this is not done, we will soon have our lands in the hands of a few corporations or individuals with great wealth. The best evidence of good citizenship is a desire to own a home that one can call his own and help to share in carrying on the things necessary to make one happy in this great Government of ours. When we take up the papers now from almost any section of the United States, we see the largest list of delinquent lands that the world has ever seen.

This is because the price of farm products has been reduced in cost to a point that it will not pay the cost of production let alone a little profit so that the farmer could pay his taxes. Many foreclosure suits are now pending, and many homes have been lost since this distress has been brought on us. This will continue unless something is done at once. My bill, if it is enacted into law, provides a plan that these lands can be saved to the farmers.

Section 1 of the act provides as follows:

That for the purpose of aiding farmers in any State who own lands in fee, which are used for agricultural purposes, the Secretary of the Interior is authorized to loan out of the revolving fund hereinafter provided for to any farmer, making application for same, an amount sufficient to redeem the mortgage indebtedness against his lands together with any interest, taxes, or judgments that may be due against said lands, if said agricultural lands are on appraisement, as hereinafter provided for, found to be of a greater value than said mortgage indebtedness and any other liens, if any, against said lands.

This provision is so safeguarded that the Government loan would be absolutely good, because it must be of a value greater than the indebtedness against it. Much of the lands now being sold are sold for 25 cents on the dollar of what it is really worth. The debt in many instances is small, but in this time of distress money can not be borrowed to pay it with and as a consequence the lands are sold.

Sections 2 and 3 of the act provide for an appraisal of the lands to see that the loan would be secure and would be paid back in the 10-year period given in the act.

Section 4 provides as follows:

Loans shall be made for a period of not exceeding 10 years, to be determined by the Secretary of the Interior, in each case, which shall bear interest at the rate of not exceeding 3 per cent per annum, and payable annually in 10 equal installments: *Provided however*, That the borrower shall have the privilege of paying back all or any part of said loan after one year.

Section 5 of the act provides as follows:

The Secretary of the Interior to secure said loans shall take the first mortgage on said property and pay off all indebtedness against said lands, and said first mortgage is hereby declared to be sufficient security and no other security shall be required.

When the taxes, judgment liens, and mortgage is paid, a first mortgage would then be due and payable in 10 years of 10 equal payments, with interest at not exceeding 3 per cent per annum. Every man then could redeem his land and save it for himself and his children. It would be the best security that the Government could get, and each year that a payment is made the security becomes that much better. The Government has taken millions of dollars in frozen assets; much of it will likely never be paid; then surely it should be willing to loan on lands that are producing and are a liquid asset instead of being a frozen asset.

Section 6 defines what is meant by the term "agricultural lands" and which is as follows:

"Agricultural lands," as used in the act, is land actually or partly in cultivation, or lands that are best suited for agricultural purposes.

Section 3 provides a way of financing these loans and is as follows:

The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the loans herein authorized. Such notes shall be legal tender for both public and private debts and printed in the same size and the same denominations and of the same form as Treasury notes, omitting the reference to any Federal reserve bank. He shall place said notes in the Federal reserve banks, subject to the order of the Secretary of the Interior, to be used for the purposes of this act. He shall issue a like amount of bonds bearing 3 per cent interest payable annually, with coupons attached, and such bonds shall be due and payable in 10 years from the date of issue, subject to the right of redemption after five years

These bonds shall be deposited in the Federal reserve banks as the agent of the United States, in approximate proportion to the current assets at the date of the passage of this act, and the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portion of said bonds as it may from time to time desire. Such currency received for such bonds, shall be exchanged for the notes hereby authorized to be issued, and they shall be returned to the Secretary of the Treasury for cancellation.

The Government under this bill could not lose a cent and could save the basic industry of our country from ruin. The bill is now before the Ways and Means Committee, and I am hoping they will report it out so we may pass it at this session of Congress. I ask each of you to get a copy of the bill and study it and lend your help to get this bill passed.

LET US HAVE THE WHOLE TRUTH

Mr. NELSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. NELSON of Missouri. Mr. Speaker, I want to talk a little while, as man to man, about a nation sick at heart, about America's first panic of plenty. Thomas Jefferson held that where the people are well informed they will properly look after their own affairs.

"IF WE COULD FIRST KNOW"

Later, Lincoln said, "If we could first know where we are, and whither we are tending, we could better judge what to do and how to do it." But before going into the cause and possible cure of these terrible times, I wish to refer to a situation in my home State, Missouri.

MISSOURI'S 99 CANDIDATES FOR CONGRESS

As a result of the 1930 census, Missouri's membership in the National House of Representatives is reduced from 16 to 13. The State legislature, Democratic in both branches, passed a redistricting bill, which was vetoed by Governor Caulfield, a Republican. Referring to this veto, the St. Louis Globe-Democrat, Republican, but independently so, said:

We are unable to see justification for the governor's action in this matter. * * * But reason or no reason, the deed is done, and the governor and the Republican Party must accept the responsibility for the congressional muddle that will trouble us for several years until a redistricting bill can be passed and signed.

So, because of the veto of the redistricting bill, each voter in Missouri may this year vote not merely for one but for 13 candidates for Congress. Democrats will choose from a list of 56 and Republicans from 30, while only 13 Socialist candidates for Congress have filed. The 13 high men on the respective tickets will become the party nominees.

The present Representatives in Congress from Missouri are: Democrats—first district, M. A. ROMJUE; second, RALPH F. LOZIER; third, J. L. MILLIGAN; fifth, JOSEPH B. SHANNON; sixth, C. C. DICKINSON; seventh, ROBERT D. JOHNSON; eighth, WILLIAM L. NELSON; ninth, CLARENCE CANNON; eleventh, JOHN J. COCHRAN; thirteenth, CLYDE WILLIAMS; fourteenth, JAMES F. FULBRIGHT; sixteenth, WILLIAM E. BARTON. Republicans—fourth district, DAVID HOPKINS; tenth, H. F. NIEDRINGHAUS; twelfth, L. C. DYER; fifteenth, JOE J. MANLOVE.

Much of the work of Congress is done in the 47 committees. Seniority, or years of continuous service, determines committee assignments. Missouri is now represented on 20 important committees, from Agriculture, and Appropriations, to Ways and Means.

With Congress still in session and with but comparatively few days between now and August 2, the date of the primary, Missouri Members of the House can not make campaigns covering the 115 divisions of the State—114 counties and the city of St. Louis. Furthermore, the expense would be too great. What was possible in the comparatively few counties of a district becomes impossible to apply alike to all counties. So no candidate can enthuse over the Caulfield congressional cafeteria. Nor can the voters when called upon to make nominations in this manner. They will, though, make the best of it until the right to local representative government in the National House of Representatives has been restored to the people.

"THE PROPHETS PROPHESY FALSELY"

Let us turn from Missouri to our country as a whole. Conditions are distressing, but they would not be so bad if those in places of power had from the first faced all the facts and told the full truth. Since the close of the Wilson administration almost 10,000 banks have failed, about half of them under President Hoover; business is ruined; what the tax-burdened farmer has to sell is bringing less than cost of production, yet the millions who are out of work are unable to buy. These are days of doubt, darkness, and despair.

Promises made in the Hoover campaign of four years ago have not been kept. Of the utterances of those days and the days that immediately followed, it may be said in the words of a prophet of old, "A wonderful and horrible thing is committed in the land; the prophets prophesy falsely."

Ignoring campaign advertisements which referred to "prosperity written on fuller wage envelopes, written in mercantile balances, and written in the peak value of stocks and bonds," and "agriculture put on a sound footing," let us turn to what Mr. Hoover said in his speech of acceptance. Here it is. Listen! Listen to the poorest prophecy ever made:

We in America to-day are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but given a chance to go forward with the policies of the last eight years, and we shall soon with the help of God be in sight of the day when poverty will be banished from this Nation. There is no guaranty against poverty equal to a job for every man.

Imagine, if you can, the feelings of the millions of men who four years ago hoped with Hoover and who to-day recall the words just quoted; the men who have come from plenty to poverty; the men who are without jobs and whose families face the poorhouse; the men who have lost home and hope.

Last night I listened to President William Green, of the American Federation of Labor, as he said:

From all indications, it looks as if next winter would be worse than anything we have yet experienced—unless we take the necessary constructive measures. Hunger and despair are spreading unrest among the masses. If unemployment keeps on increasing at this rate we shall have 13,000,000 out of work by next winter.

A BUBBLE THAT BURST

Following closely upon Inauguration Day, 1929, the people, remembering the campaign promises of plenty, began to

make whoopee with Hoover. Typical of many, one cartoonist pictured "The Hoover Market" with Mr. Wall Street astride a bucking bull and waving a Hoover flag. Speculative tendencies were encouraged instead of warnings being given. With the Government setting the example, it was but natural that the people should engage in a wild orgy of spending.

The markets went to dizzy heights. Stocks and bonds, good and bad, domestic and foreign, soared. Buyers dreamed of the day when they would be millionaires, and financial houses reaped riches in commissions. Finally the overdue crash came. On an October day of 1929 fortunes, real or fancied, were swept away, confidence crumbled, and black pages were written in our financial history. But even after the bubble had burst President Hoover, "persistently refusing to sense a panic," said, "All the evidence indicates that the worst effects of the crash upon unemployment will have been passed during the next 60 days."

The public was urged to spend. Signs on big billboards and in street cars advocated spending as usual, including installment buying. Apparently there was no thought of saving. Members of Congress who dared suggest caution were accused of making scare speeches.

Many among the millions who had voted for Mr. Hoover were slow to believe that good times were not to be. They remembered the newspaper story, "Hoover to Relieve Poverty." The writer of that story said, "When Herbert Hoover suggests a cooperative scheme to guard against unemployment to take up the labor slack in periods of depression he is talking of something he knows all about—and then some!" And he added, "It may look a little nebulous and hazy to the rest of us right now. But keep your eyes open and see if it doesn't take on the clarity and assurance of an engineer's blue print. Mr. Hoover has a way of making his dreams come true!"

But the dream was not to come true. Prices went down. Eggs no longer sold at from 25 to 30 cents; sweet cream, 44 to 48 cents; hogs, above 11 cents; cattle up to 15 cents; sheep, 15 cents; wheat, above $1; corn at 90 cents; and oats at 45 cents.

Gradually but surely the depression spread. There was no shortage of gold or goods, no nation-wide drought or flood. Granaries and warehouses were filled. It was America's first panic of plenty.

How, people anxiously asked, could it happen under Hoover? But, they reasoned, he must have sensed the coming storm and must have a plan that will bring back prosperity. Instead, the President turned to commissions and conferences, with resultant confusion.

One remedy after another has been proposed. To-day surprise suggestions, generally too late to do any good even if they were good, no longer surprise. So many have been the presidential messages that the thought has been expressed that a message a day keeps prosperity away. Appeals have been made to the "best minds" and biggest pocketbooks to get together and save the country—just as if these could be relied upon to undo the damage which, through greed and gambling, they had helped bring about.

THE HOOVER DEBT MORATORIUM

In addition to the big bank pools there were other proposals. A little more than a year ago the President wired Members of Congress asking if we would support the European debt moratorium. I refused to do so, holding that the benefits, if any, would be but temporary, and that if there was to be a debt holiday it ought to begin at home and with the American farmer first. But when Congress met, the plan, backed by international bankers and others having private loans in Europe, was approved. So Europe, with practically all the $252,000,000 due us, being due from Great Britain, France, and Italy, got her debt holiday, while American taxpayers now have to make up that amount.

I call attention to the fact that in 1930 the outlay of the eight principal European debtor nations for armaments was $1,779,346,162, or seven times what they were to pay us. Of this, as of other foreign relations, it may be said that for three years we have been "shooting at a foreign bear and bringing down an American cow."

FOR AMERICA FIRST

While having deep sympathy for the suffering people of Europe, I am for America first. I voted against the European debt settlements, including that with Italy at less than 25 cents on the dollar. Every time I hear talk of more taxes I think of the millions of American money invested in foreign bonds, some of them worth about a dime on the dollar; of the yet more millions tied up in business abroad, and of the more than $10,000,000,000 in debts still due us. I think of the millions of farm homes and the homes in town which might have been saved to their owners if our financiers had shown their faith in America first. Would not it be a grand and glorious thing if all this money could be put to work for America!

THE RECONSTRUCTION FINANCE CORPORATION

After the moratorium came the two-billion-dollar Reconstruction Finance Corporation proposal of the President. It went through, but not by my vote. Speaking of the measure, a writer in the Washington Star, of January 17, said:

> Uncle Sam is ready to inject a $2,000,000,000 stimulant into the nervous wreck that is business. Loading a hypodermic with $500,000,000 from the United States Treasury, with a reserve of $1,500,000,000 from possible bond issues, the country's old reliable physician will give the banking system a few healthy "shots" of credit, a friendly slap on the back for confidence, and a guaranty of favorable results in the immediate emergency, at least.

THE "NEW ANTITOXIN"

The Washington Star also carried a cartoon entitled "The New Antitoxin," and, mark you, this was six months ago, when times were better than now. The picture showed tanks of mammoth capacity. The first was labeled, "Hoover Reconstruction Corporation—Capacity $2,000,000,000." With a mighty syringe Mr. Hoover was injecting the magic fluid after it had been drawn off into containers marked, "Credit" and "Expansion," into patients who reacted miraculously. "Mr. Stocks and Bonds" got the first shot, then went laughing, whooping, and jumping. Next came "Credit Market," "Farm Prices," "Business," and many other maimed and crippled, including a long, long line of unemployed who were supposed to discard their crutches as they were made over.

As I studied that cartoon I recalled how I had seen serum manufactured at the plants, how many pigtails were made to bleed in the process, and of how, in the old days before the method was perfected, the then costly serum so frequently failed to save. Just so with the Reconstruction Finance Corporation "shots" administered to business. And they are big "shots"—$80,000,000 to one bank!

"CONGRESS MUST BE DESTROYED"

Throughout the Nation there has been ruin, and where there is ruin there is apt to be resentment. Naturally, this resentment would be against those most directly responsible, against the administration in power. If, though, it can be made to appear that the House of Representatives, which entered upon its legislative work six months ago, is responsible for the fix the country has gotten into during the more than three President Hoover years, to say nothing of the eight Secretary of Commerce Hoover years, Mr. Hoover may escape criticism. Such is the present strategy.

At first the tactics were to have it appear that some people "just wouldn't be nice" to Mr. Hoover. The slightest criticism of any White House proposal was represented as an effort to "smear" the President.

Later, to quote the words of a distinguished Republican Senator, "The heavy guns of propaganda were wheeled into line for action and a broadside of vilification was turned upon Congress." This selfish-interests attack, although nonpartisan, made by those who had failed to get what they wanted from Congress, worked perfectly with the political attack upon the House, but brought no protest from administration press. What if Members were referred to as "demagogues," "cowards," "traitors," "trifling and unworthy," "a disorderly crowd of secondary politicians?" Had they not refused to take orders from the outside?

Let it be remembered that the great majority of the Members of the House of Representatives—both Democrats

and Republicans—have been in Congress for years and have served under other Presidents. It is unreasonable to believe that they have suddenly ceased to love their country, under whose flag they have always lived, or that they have become incapable of legislating for it. Much of the present criticism comes from men who find fault with this House because it has not been able to put into effect a program which they have not even been able to suggest.

For years the growing power of privilege has threatened and to-day presents a greater danger than in all the years that have gone before. Certain interests are determined to rule and to ruin, knowing that they can only rule by first being able to ruin.

In case of success of the attacks on Congress and which suggest that wholesale indictments be brought by voters against present Representatives, even men of their own parties, it ought to make everybody think seriously. If the time has come when the chosen representatives of the people are to be punished because of refusal to follow the legislative demands of special interests, of spokesmen who never were chosen to represent the people, it ought to be known and known now.

Doubtless it has never occurred to some who are to-day joining in the effort to discredit Congress that they are aiding in the growing disrespect for law. Such, though, is the case. First destroy respect for the law-making body and it becomes easier to destroy respect for the work of that body, for law.

As one reads the columns of criticism directed in this concerted campaign against Congress he must ask whether it would help to destroy representative government, your Government and mine, and let others write the tax laws, repeal the antitrust laws, and rule over us.

It might be added that finding fault with Congress is not new. As long ago as 1780 it was charged that Members of Congress were "governed by principles unworthy of the meanest of God's creatures."

PREDICTED BITTEREST OPPOSITION

The reelect Hoover movement began long before this Congress met. I quote from a leading daily newspaper which is typical of many:

President Hoover will face a political Congress next winter from which even at the best, and if his party is in control of it, he will get no cooperation, but only the bitterest and most partisan opposition to everything he tries to do.

Then we have this, written back in the "dog days" of 1931:

President Hoover has the assurance that the opposition party in Congress and a good many members of his own party will fight every proposal he makes to the last ditch.

Several months later, but before the convening of Congress, were these headlines:

To Dig Hoover Pit—Democrats' Efforts in Coming Congress to be Concentrated on Putting Him in a Hole.

What are the facts? As the work got under way the Democratic House, instead of trying to put the President in a "deep, dark hole" went out of its way to go along with him—went too far, in the minds of many—in approving his "sure-shot" prosperity plans, from European moratorium to Reconstruction Finance Corporation.

Senator SMOOT (Republican) not long ago declared that in this Congress there has been a noticeable lack of partisanship. Yet the press told how "Over the protests of disorganized opposition, President Hoover is forcing through Congress with unexpected speed the administration's economic program." It was added, "The President is cracking the whip over Congress as he never had attempted before." Picture, if you can, Herbert Hoover cracking a "blacksnake" over JACK GARNER!

NOT AS CHAMP CLARK SAW IT

Knowing how terribly hard times are, half truths, always worse than whole falsehoods, are told in an effort to prejudice the public against Congress. The life of a Congressman is represented as being one of ease and luxury. I quote:

They have offices—fine offices, luxurious offices, with mahogany furniture. A simple task to put in Murphy beds those modern contraptions that are pulled out of the wall by night and shoved into hiding by day; or a Pullman effect, with porters in attendance, shoes left outside the door to be shined overnight.

Knowing that because of low prices for everything the farmer has to sell there is the greatest need for economy, the reader is asked, "How would you like to have all the things generous Uncle Sam provides for the welfare of his 435 Representatives?" Reference is made to "a fine office in a marble palace." Champ Clark, thinking of how inconvenient the building is, said that it reminded him of an old-fashioned livery stable with a driveway through the center and stalls on the sides. The writer goes on to say that both branches of Congress have their own restaurants and barber shops, but neglects to explain that these are for the purpose of saving time and that the service is far from free. Prices at the House restaurant, for instance, are equally as high as in leading hotels in Washington.

LACK OF INFORMATION RESPONSIBLE

At the close of this session, perhaps the most trying Members have ever experienced, largely because of the terrible condition of the country, and when so many people find themselves in desperate circumstances through no fault of their own, I can understand all reasonable criticism of Congress. The feeling that somebody is to blame is but natural when incomes have gone down and taxes—local, county, State, and Federal—have gone up.

PRESIDENT OPPOSED CONSOLIDATION

On the other hand, none of us find ourselves quite so sympathetic when the daily mail brings hundreds of letters, many identical in language and all accusing us of doing something we did not do. The wholesale charge, leveled, I believe, against every Member of the Missouri delegation some time ago, was made that the House had "wrecked the President's economy program."

Of course, it was all a case of propaganda and misinformation. The writers honestly believed that the Democratic House had wrecked the President's economy program. They did not know that the biggest single economy item in the more than $200,000,000 economy bill referred to at that time was that providing for Army-Navy consolidation at a saving estimated up to $100,000,000 annually. Nor did they know that the President's political secretary was frequently in the Capitol, "buttonholing members of his own party against it," as Representative BYRNS, chairman of the Appropriations Committee, has stated.

REPRESENTATIVES VOTE TO CUT OWN PAY

The facts are that this Congress—just as it should have done—has brought about great reductions in appropriations, going much below President Hoover's figures as recommended in his message at the opening of the session. All Members have voted to reduce their own salaries, as well as other salaries which could be reached by law.

PRESIDENT HAS POWER TO ACT

We have a top-heavy, tax-heavy Government. The President, without further authorization from Congress, is authorized to act and bring about immense savings at his will.

APPROPRIATIONS CUT $700,000,000

The present Congress, in cutting appropriations a quarter of a billion dollars below President Hoover's own estimate and approximately three-quarters of a billion dollars for next year's governmental costs, out of a controllable expense of less than two billions, as compared with this year, has made a good start. In many cases, though, I voted for still heavier cuts.

THE SALES TAX

After more than 10 years of Secretary Mellon, the United States Treasury got in such shape that the administration recommended a more-than-a-billion-dollar revenue bill to balance the Budget. Under this it was proposed, through a sales tax, to unload more than half the taxes on the overburdened backs of those least able to pay, to work an injustice against farmers who are losing their homes and workers who have lost their positions.

The suggestion of this foreign tax scheme, which is based not upon ability to pay but upon necessity to buy, met with

active opposition and in the end was decisively beaten by united Democratic and Republican votes. No greater victory has ever been won for the people, yet that victory was the signal for such an attack on the House as had never before been made. Great wealth, objecting to increases in the bigger income taxes, estate taxes, inheritance taxes, and gift taxes, had hoped for the passage of the sales tax, even if only as an entering wedge, for once the camel's nose was in the tent, the whole ugly body would follow. Then, in time, the sales tax might replace other taxes, thus largely relieving the Mellons, Morgans, and other multimillionaires.

In one of his memorable messages to Congress, President Woodrow Wilson, who opposed the sales tax, said: "We have found the main sources from which our taxation must be drawn. I take it for granted that its mainstays will henceforth be the income tax, the excess-profits tax, and the estate tax." So those of us who spoke and voted against the sales tax were following good leadership.

THE HOUSE WOULD NOT SURRENDER

It is safe to say that had the House quietly accepted the Mellon revenue bill, including the sales-tax feature, and agreed generally with every other proposal as made by the President—if the legislative branch had completely surrendered to the executive branch—the open attack might have been delayed but not prevented. The House did not surrender. It should not have surrendered, for, in the words of Representative BECK, Republican and recognized constitutional authority, "The aggrandizement of the executive at the expense of the legislative branch of the Government" has already gone too far.

"MAIN STREET" OR WALL STREET?

My guess is that "Main Street," typifying the millions of American men and women, is more powerful than Wall Street, than all the professional politicians and all the high financiers together. Once the people understand the war that is on the people will win.

LITTLE THOUGHT OF THE TAXPAYER

"Mr. Hoover is the most expensive luxury that was ever fastened upon this country," once said an outstanding Republican Member of the House, while Senator BORAH, Republican, declared:

Whatever may be the great ability of Mr. Hoover, there is one individual whom he does not know exists in this country, and that is the taxpayer.

"RATHER THAN STRICT ECONOMY"

Maybe the White House bill of around half a million dollars, as compared with less than $200,000 during President Wilson's last year, is too big; maybe the President was not justified in increasing the number of servants and White House police, in having three times as many secretaries as his predecessor, and in keeping so many marines at his camp on the Rapidan. Maybe the modern motor ship *Sequoia*, which replaces the *Mayflower*, is more costly than the President needs. All these, though, are minor matters when compared with the hundreds of millions in appropriations approved by the President, who, according to the Kansas City Star, "began his administration with a disposition toward productive expenditure rather than strict economy."

ACRES OF MONUMENTAL BUILDINGS

As a Cabinet officer Mr. Hoover added millions to the cost of his department and "capped the climax" by securing a $17,500,000 Department of Commerce Building, with its 40 acres of floor space, 1,600 telephones, massive bronze doors, private elevator for the Secretary, modern kitchen, and big cafeteria. It cost more than the entire Louisiana purchase under Jefferson, and more than three times the cost of the Missouri State capitol. It is one of many acres of monumental buildings being constructed in Washington under the Hoover administration.

There are other examples of how the money of the taxpayers is being spent, until, with Benjamin Franklin, we may say, "There is nothing certain but death and taxes." A memorial bridge across the Potomac, together with a dozen miles of highway, cost some $20,000,000, the cost being estimated at $7 an inch.

DREAMED DREAMS OF BIGNESS

As Secretary of Commerce, Mr. Hoover dreamed dreams of bigness, and that is still his dream. Cost seems not to be considered. It is proposed to tear down the Post Office Department building, erected here in Washington at a cost of more than three and one-half million dollars, and which represents twice that value to-day, and to erect a far more expensive building which will please the eye of the artist. Other large buildings, including the Bureau of Internal Revenue building, with its 875 electric clocks, have been completed, or are in the present building program.

NO CLATTER OF HOBNAIL BOOTS THERE

Farmers will be interested in the Department of Agriculture building, one of the most palatial imaginable, and in striking contrast with so many farm homes in this day of depression. This great building is again being enlarged, bids for an addition having been let at a cost of more than $5,000,000, and when completed, at a cost of more than $12,000,000, it will compare with the immense Department of Commerce structure.

In describing the huge Department of Agriculture building, with its Corinthian columns of white marble and its inner court, fountain, and other costly features, a writer says: "Even the clatter of hobnail boots on the earresonant tavertine floors will sound like the soft tread of daintily slippered feet on velvet rugs."

MILLIONS FOR BUILDINGS IN OTHER COUNTRIES

Nor is extravagance in public buildings confined to our own country. Millions have been spent for embassies in foreign countries—$10,000,000 in one bill, against which I voted. In Berlin our Government bought a famous palace at a represented price of $1,800,000, and so on. We are told that the architecture of the American Government office building in Paris will be harmonized with neighboring buildings which were designed by Gabriel in the eighteenth century. I would add that if we keep on as we are another Gabriel will blow his trumpet before we have finished paying taxes.

MORE WASTE OF MONEY

Millions are annually wasted on all sorts of relief or emergency schemes. The Mediterranean fruit fly in Florida was an excuse for spending millions. Every crop scare means a demand for more money. Nor are crop scares necessary. A few months ago an aerial duck census was undertaken. Men in Army airplanes and with photographers and experts from the United States Biological Survey proceeded to count the ducks. Other activities of less importance might be mentioned.

A short time ago Representative CRISP, in referring to the belated conversion of Mr. Hoover to the necessity for economy, inquired why the Alien Property Custodian's Office and the war-time United States Railroad Administration "are still both flourishing, with personnel drawing good salaries, 13 years after the war"? The implication was that Mr. Hoover ought to have wiped them out long ago.

VAST SUMS IN SUBSIDIES

Each year many millions are practically given away in the form of subsidies to the holders of air-mail contracts and to the favored shipping interests which enjoy "juicy" ocean mail contracts under merchant marine acts, against which I voted.

The idea seems to be that the folks back home will never find out about the big appropriations referred to, but it is their money that is being spent, and they are entitled to know who is responsible.

CONGRESS CUTS PRESIDENT'S ESTIMATES

While Mr. Hoover is now talking economy, he has had but little to say on the subject even as late as the convening of the present Congress. He did, though, say:

Appropriation estimates for 1933 reflect a drastic curtailment of the expenses of Federal activities in all directions where a consideration of the public welfare would permit it.

Despite that "drastic curtailment," as described by the President himself, the House of Representatives has cut appropriations approximately one-third of a billion dollars

under the President's own recommendations, as made through the Bureau of the Budget, and has, I repeat, cut appropriations for the fiscal year beginning July 1, 1932, approximately three-quarters of a billion dollars, as compared with appropriations for the preceding year.

HAVE OPPOSED $10,000,000,000 IN APPROPRIATIONS

Speaking personally, I am glad to say that my enthusiasm for economy is not that of a new convert. Since I first entered the House of Representatives I have been fighting Government waste and extravagance. Those of you who have heard me in the past know this, and my voting record proves it. In the less than 10 years I have been here I have voted against more than $10,000,000,000 in appropriations. Much of this vast amount should have been saved.

Speaking from this floor some years ago, I said: "Unmindful of conditions, Uncle Sam continues to be the biggest spendthrift in America. Although Federal expenditures to-day are four or five times as great as a few years ago when the country had its first billion-dollar Congress, we are now, through an orgy of spending, attempting to buy prosperity on the installment plan, just as if there would not be a pay day." That was not said yesterday. It was said at a time when a Washington paper, strongly approving the Hoover expansion program, commented, "It is a glorious opportunity for service, doubly welcome after the lean years of the pork barrel under the stern Mr. Coolidge, who was forever preaching economy."

STILL FIGHTING IN NICARAGUA

Yes; there has been spending in peace and war. Down in Nicaragua the United States has been conducting a war—call it something else if you will—never authorized by Congress, although Congress alone is authorized to declare war. This war has cost millions of dollars and has taken many lives of fine Americans.

3,000 DAYS, 3,000 MILLION DOLLARS

While speaking of taxes and the cost of government, I want you to know, speaking in round numbers, that in 3,000 days, $3,000,000,000, in the form of income-tax returns, in cash or abatements, were given back, principally to the ultra-rich and the big corporations, under the administration of Andrew W. Mellon.

NOT A DEMOCRATIC DEFICIT

The story of the high cost of government under the administration of President Hoover has been thus referred to because of the effort that has been made to have the country believe that this Congress is to blame for the hole that has been dug nearly $3,000,000,000 deep in the Federal Treasury. That hole is not the making of this Congress, upon which was placed the disagreeable duty of having to pass the biggest peace-time tax bill in all history in order to correct a condition for which it was in no wise responsible.

No wonder that Secretary Mellon, with his man-servant, sailed for Europe on April 1, All Fools' Day. But the American people, once they get the facts, will no longer be fooled. I repeat that it is not a Democratic deficit. Since the close of the Wilson administration and until the opening of this Congress, there has not been one day when President Hoover's party, with President, Senate, and House, has not been in complete control, and if times had been good his party would have claimed credit. Then, as the late Senator Dwight Morrow suggested, "Those who claim credit for the rain must assume responsibility for the drought."

SAYS SUFFERING OF FARMERS "EXAGGERATED"

The United Press, in reporting a speech made by Secretary of Agriculture Arthur M. Hyde, in Kansas City on November 18, says he shouted: "Depression, hell; it's a state of mind." Then on June 3, 1932, the Washington Post quotes R. W. Dunlap, Assistant Secretary of Agriculture, as saying in a speech before Young Republicans of the District:

> Congressional statements that the farmers of the Nation are suffering unduly are exaggerated. Relatively few of the country's farms are mortgaged, and farmers are the folks who are best off in this country to-day.

TRUTH IS, FARMING CONDITIONS NEVER WORSE

The facts are that farming conditions were never worse. The purchasing power of the farmer, measured in prices of what he has to sell and what he must buy, are distressingly low—only about half the pre-war level, according to official figures—and the lowest in history, when it comes to paying taxes. Just here let me say that the unemployment problem will never be solved, that factories and stores will never again be busy, that permanent prosperity for all will never return until the farmer gets the cost of production and a little more for what he has to sell. A broke customer can not continue to be a good customer.

I want you, my colleagues who come from the big cities, to understand exactly what I am driving at, for the welfare of city and country are bound up together. Get this picture: The man who during the prosperous Wilson administration bought a quarter section—160 acres—of land at $100 an acre, paying half down, now owes more, measured in present prices for wheat or hogs, wool, butterfat, or eggs, than he did the day he bought the farm. Added to this, his taxes are much more, and the value of the land much less. Do you wonder that farmers and their families are not able to buy what you of the cities have to sell? They can no more do so than can the millions who are out of work in the cities, and who are the victims of a heartless and cruel economic system, buy the things that are for sale.

The Daily Drovers' Telegram, of Kansas City, under date of April 7, 1932—and prices have since gone down much more—reports declines in farm products, for the year then ending, as follows: Hogs, 49 per cent; eggs, 39 per cent; corn, 38 per cent; butterfat, 35 per cent; alfalfa, 30 per cent; lambs, 30 per cent; wheat, 24 per cent; sheep, 23 per cent; oats, 18 per cent; and cattle, 17 per cent—all that much lower.

FARM PROBLEM BIGGEST OF ALL

As a farm owner, as one whose entire life has thus far been spent on the farm or in agricultural work, and as a member of the Committee on Agriculture in the House of Representatives, I have given more thought to the farm question than to any other. It is the biggest question of all. It concerns more people than any other, and its solution would help more people.

I am heartbroken when I read letters from farmer friends who have lost all or who are about to lose all. I am saddened when I see the changes that have come in the communities I know best and among the people I love most. How I wish that for them I could honestly hold out more hope, could assure them that laws which have been passed by this Congress or any other would make them prosperous, but I can not.

THE FARM BOARD

After three years of the Farm Board and its disastrous price-stabilization experiment, costly first to farmers and then to taxpayers generally, who put up the $500,000,000, we know that the plan will not work. We know, as everybody should have known from the beginning and as the 35 of us who voted against the bill believed, that we can no more suspend the law of demand than the law of gravity.

Although millions have been sunk in an effort to hold up prices, they have dropped to record low levels. Top hogs a few weeks ago sold at $2.95 per hundredweight in Kansas City where they once reached $23.40, while wheat prices there and elsewhere have established new low marks, the spread between peak prices and present prices being greater in the United States than for any other leading nation.

Let it be suggested that the work of the Farm Board has been a disappointment, and immediately there is heard something like this: "That is only grain-exchange and commission-merchant talk." The facts are that, if the efforts of the board had helped the farmer as much as many hoped, all the commission men and all other private interests combined could not have turned farmers from the Farm Board.

MUST PROCEED IN A DIFFERENT DIRECTION

While I have voted for every farm bill, except the Hoover farm marketing act, since I came to Congress, and while I will support any other proper measure that bids fair to help, having voted for farm-organization measures in the present Congress, I am convinced that we need to proceed in a different direction, except possibly to meet emergencies.

Relieve agriculture from the handicaps, whether legislative or administrative, from which it suffers because of advantages enjoyed by others, and it will take care of itself. If this can not be done at once we should as fast as possible work toward that end. It is time to get rid of stilts, time for all to get their feet firmly on the ground together. Stilts mean subsidies, and subsidies mean taxes. While it is easy to tax people into poverty, it is impossible to tax them into riches.

STABILIZATION EFFORT HAS FAILED

Believing that the taxpayers of the country can not afford to continue indefinitely the stabilization experiment under the farm marketing act, but desiring to continue other features of the law, I have introduced a bill to abolish the Farm Board at the end of the fiscal year June 30, 1933, and turn over the unfinished work of the board to the Department of Agriculture.

A FARMER FOR SECRETARY OF AGRICULTURE

I digress here to say that the Secretary of Agriculture ought to be a man who is an actual farmer or one who throughout his life has been directly interested in agriculture. What would labor think of a Secretary of Labor who did not come from the ranks of labor?

SOME FARM BOARD SALARIES

A Federal Farm Board salary list shows one employee at $20,000 a year, 7 at $12,000, one at $10,000, one at $9,000, one at $8,000, 2 at $7,500, 6 at $6,500, 6 at $6,000, 10 at $5,600, and so on. When we get over in the list of employees of Farm Board subsidiaries we find salaries—monthly, mark you—of $1,000, $1,150, $1,250, $2,291.66, $2,500, $2,708.34, and $4,166.66, and on up to $75,000 a year. Such salaries paid in the name of farmers, when farm prices are below the cost of production, are out of all reason.

WOULD SAVE A MILLION IN SALARIES

The legislation I have in mind represents a sensible consolidation designed to discontinue conflicting advice offered by two agencies, both of which are paid out of the same pocketbook. One of these agencies, the Farm Board, warns the farmer against overproduction, while the other, the agricultural colleges, doing work of great value to farmers, contribute toward larger acre yields and better farming methods. The Government would no longer warn the father to beware of overproduction while at the same time awarding a prize to the son for a hundred-bushels-per-acre corn yield. The change would assure a salary saving of a million dollars annually, and probably savings of much more.

A HIGH PROTECTIVE TARIFF A TAX

A high protective tariff is a tax. It is worse. It is a wall that stops trade. The present Hawley-Smoot tariff, with its unreasonable rates, and the high tariffs which other countries have, in turn, set up against us, have practically destroyed our foreign markets. Europe is not buying our surplus raw products, lard, and wheat and much else we have to sell. Our home market, due to unemployment, and the foreign market, due to the tariff, have both been lost.

A few weeks ago, in Kansas City, Dr. Benjamin M. Anderson, jr., economist of the Chase National Bank of New York and a distinguished son of Boone County, Mo., spoke on The Way Out of the Crisis. He had much to say of agriculture and gave figures to show how exports from the United States have fallen off. Referring to the loss of a big part of our foreign market, Mr. Anderson asked:

KANSAS CITY AND ST. LOUIS CONCERNED

What does this mean to Missouri? We are the very center of the United States. We are removed from the sea. It would be difficult to be farther away from a foreign country than we are here in Kansas City. What difference could these foreign-trade figures make to Missouri? Is it anything to the manufacturers and merchants of Kansas City, Mo., that the price of wheat which Kansas farmers receive, which Missouri farmers receive, are very low? Is it anything to the railroads that go from Kansas City into Texas that the price of cotton is appallingly low? Does it mean anything to the manufacturers and wholesalers of Kansas City that the great South and Southwest, so much of whose outlet is in the foreign markets, is unable to buy manufactured goods? Is it anything to St. Louis that its great trade and its important financial relations with the cotton country and the grain and livestock country are shot to pieces? Is it anything to my own friends and kinsmen in the rich bluegrass country of Boone County that the great continent of Europe has radically reduced its consumption of white bread, of pork, or beef?

Let us go back to the last presidential campaign and see what Mr. Hoover said:

Cease exporting automobiles to South America or Europe and automobile workers are thrown out of employment in Michigan. The suffering does not stop there. It only begins. The steel mills slacken in Pennsylvania and Indiana. The mines employ fewer workers at Lake Superior. And every farmer in the United States suffers from the diminished purchasing power and enforced stringency in thousands of homes.

In view of what has happened, due to the suffering, to the slackening, to the employment of fewer workers, to the diminished purchasing power of every farmer, to the establishment by American firms of branch factories in foreign countries, the words of President Hoover ought to be remembered.

VOTED AGAINST TARIFF ITEMS

I am convinced that nothing has contributed more to the present misery in America, and especially on our farms, than has the present high protective tariff. Regarding such a tariff as a tax, and believing that all taxes must come down, I refused to vote for the tariff items, such as coal and petroleum, in the new revenue bill, and finally, when the bill was sent from House to Senate, I voted against it. The time has come to get rid of all needless taxes of every kind.

WILL NOT FORGET

Last year in the United States there were 2,290 bank failures, a record for all time. Hundreds of communities and many cities in agricultural States are now without banks.

Somebody has in fun said, "There are no longer any 'runs on banks,' because the depositors no longer have anything in the bank to run for." But it is far from funny to those who still had their scant savings in banks, many of which after long and earnest fights against depression closed their doors.

Only those—and there are many thousands—who have lost through bank failures can know what these closings mean. Maybe the balance represented a "nest egg" carefully saved for the dreaded "rainy day." Or perhaps it represented little "dribs," such as came from sale of eggs, a few fleeces of wool, a cow and calf, or a wagonload of hogs, all awfully low. Maybe it came from employment or profits from business, both largely of the past. Regardless of the source, the hardships resulting from bank losses are much the same.

In addition to bank failures, farm losses, business wrecks and unemployment, suicides and sorrow, the Hoover administration will be remembered for its Tom Thumb golf courses, for unemployed men selling apples on the street corners, for "gold bricks" in the way of foreign bonds and wine bricks for those who would buy, for 30-cent wheat and 30-cent politics, for 3-cent postage and 3-cent pork.

TREATMENT OF VETERANS

Upon no class have the hardships of the present depression fallen so heavily as upon those veterans of the World War, who, whether wounded or well, have somehow never been quite able to "carry on" as have others. They are deserving of every consideration; and every promise, whether actually made them or implied, must be kept. The case of each disabled veteran or dependent of a veteran should be passed upon with sympathy and understanding, and without needless "red tape" and delays.

A NATION OF SLOGAN SOUNDERS

Americans delight in slogans. Each campaign brings its crop. Whether it be "Safe for democracy," "Back to normalcy," or, as now, "Balance the Budget," it is much the same—plentiful publicity, some excitement, much emotion, pleasant promises if we do, and dire predictions if we do not. Then, the election over, comes calm and common sense—and the Nation is again saved.

WORKING FROM THE WRONG END

Prosperity, if it is to prove permanent, must represent a growth from the ground up, as grows grass, rather than from top to bottom, as grow graves.

Since the beginning of the depression many remedies have been proposed and much legislation enacted. With most, though, the proposition has been to work from the wrong end of the line, to work from the top down, forgetting the individual, and especially the average man.

BETTER THINK FIRST OF "JUST FOLKS"

It is time to be thinking of ordinary, every-day men and women, to do something that will reach them and reach them first. Save the individual farmer and agriculture will be saved. Help the individual worker and labor will benefit. The man out of work, the man about to lose his home, simply can not wait for prosperity to trickle down to him from some financial concern which has been able to borrow millions from the Government.

THINGS THAT WILL NOT SAVE

Subsidies will not save. Boards, bureaus, and commissions will not save. The "best minds" and biggest pocketbooks will not save. To destroy the confidence of the people in their duly elected representatives will not save. Better, then, that we "despise not the day of simple things," that we get rid of all needless government especially a powerful outside-of-the-Government financial group now exercising great influence, that costs be cut "to the bone," and that the Government as our fathers planned it be given back to the people.

DOING THE VERY BEST I CAN

I want to do my part, as in the past, and remembering my oath of office, I promise in the language of a great President, one who kept the faith, "I'll do the very best I can. The very best I know how. And I mean to keep doing so till the end. If the end brings me out all right what is said against me won't amount to anything. If the end brings me out wrong, 10 angels swearing I was right would make no difference."

EXTENSION OF REMARKS

Mr. DAVIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a few brief letters written to me in regard to farm legislation.

Mr. UNDERHILL. Reserving the right to object, the letters were written by whom?

Mr. DAVIS. By farm organizations.

Mr. UNDERHILL. Mr. Speaker, I object.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I call up the conference report on the bill (H. R. 11361) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes; and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 8, 9, 13, 18, 20, 21, 23, 24, 41, 42, 45, 46, 49, 51, 53, 55, 56, 58, 60, 64, 68, 76, 77, 78, 81, 82, 84, 89, 91, 95, 97, 99, 100, 102, 103, 104, 106, 112, 115, 121, 122, 126, 127, 128, 142, 143, 144, 145, 146, and 148.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 6, 7, 12, 14, 15, 16, 19, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 47, 48, 52, 57, 59, 61, 74, 79, 83, 85, 86, 90, 92, 93, 94, 96, 98, 111, 114, 134, 136, 137, 138, 140, 141, 147, 149, 150, 151, 152, 153, and 154, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,775,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$85,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Not to exceed $5,500 of the unexpended balance of the appropriation of $30,000 for the grading of the Georgetown Reservoir for utilization as a site for a Georgetown branch library, and for drawing plans for a library building to be erected on such site contained in the District of Columbia appropriation act for the fiscal year 1932, shall be available for erecting necessary retaining walls at such branch library site"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For allowances for furnishing privately owned motor vehicles in the performance of official duties at the rate of not to exceed $275 per year for each automobile, $7,380: *Provided*, That allowances under this appropriation shall be made only to persons whose duties require full-time field service or whose duties require frequent travel outside of the District of Columbia."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,863,700"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert "$957,500"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For widening to 80 feet and repaving the roadway of Constitution Avenue NW., Second Street to Pennsylvania Avenue, in accordance with plans therefor to be jointly approved by the National Capital Park and Planning Commission and the Commissioners of the District of Columbia, including the necessary reconstruction, relocation, changes, and adjustments of all water mains, sewers, in advance of paving, trees, sidewalks, lamp-posts, fire hydrants, or other structures affected, and including personal services and all necessary incidental expenses, at a total cost not to exceed $65,000, of which sum $45,000 is hereby appropriated out of the revenues of the District of Columbia, to be immediately

available, and not to exceed $30,000 shall be transferred from and in accordance with the appropriation in the Independent offices appropriation act, 1933, for the construction of the Arlington Memorial Bridge."

And the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " one-fifth "; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " one-fifth "; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $225,000 "; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " $30,000: *Provided*, That of the amount herein appropriated there may be transferred for direct expenditure and in the interest of coordinating the work of mosquito control in the District of Columbia, not to exceed $5,600 to the Public Health Service of the Treasury Department, the amount so transferred to be available for the objects herein specified "; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $6,539,764 "; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: " Douglass-Simmons School, $6,440; Harrison School, $6,440; Giddings School, $9,769; Taft Junior High School, $38,627; Crummell School, $830; Kenilworth School, $1,385; in all, $63,491 "; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $165,000 "; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $165,000 "; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $437,500 "; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $152,500 "; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $152,500 "; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " $13,000; in all, $165,500 "; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $117,500 "; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $1,473,500 "; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $71,500 "; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $75,000 "; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $7,500 "; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " $163,280: *Provided*, That this appropriation shall be so apportioned by the commissioners as to prevent a deficiency therein, and no more than $100 per month shall be paid therefrom to any one family "; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $67,500 "; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $324,000 "; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $65,000 "; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $24,500 "; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $59,000 "; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $200,000 "; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $7,000 "; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $90,930 "; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered

119, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$84,000"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$13,750"; and the Senate agree to the same.

Amendment numbered 123: That the House recede from its disagreement to the amendment of the Senate numbered 123, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$29,000"; and the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,750"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,750"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$22,500"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,500"; and the Senate agree to the same.

Amendment numbered 131: That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$62,500"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,250"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,250"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from is disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$10,000"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 22, 39, 62, 69, and 135.

CLARENCE CANNON,
WILLIAM J. GRANFIELD,
WM. P. HOLADAY,
ROBT. G. SIMMONS,
Managers on the part of the House.

HIRAM BINGHAM,
GERALD P. NYE,
ARTHUR CAPPER,
ROYAL S. COPELAND,
JOHN B. KENDRICK,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: Appropriates $7,775,000 as the contribution of the Federal Government toward defraying the expenses of the District of Columbia, instead of $8,550,000, as proposed by the Senate, and $6,500,000, as proposed by the House. It is the understanding of the conferees that the sum fixed in the pending bill is not to be construed as a precedent.

On Nos. 2 and 3: Appropriates $105,280 for personal services for care of the District Building, as proposed by the Senate, instead of $104,080, as proposed by the House.

On No. 4: Appropriates $89,780, as proposed by the House, instead of $97,220, as proposed by the Senate, for the office of corporation counsel.

On No. 5: Appropriates $7,500, as proposed by the House, instead of $8,700, as proposed by the Senate, for maintenance and repairs to markets.

On No. 6: Provides, as proposed by the Senate, that the limitation in the House bill prohibiting the use of appropriations for the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs shall not be construed to affect any order or part of any order in any respect other than with respect to the requirement of the installation of such meters.

On No. 7: Appropriates $20,880, as proposed by the Senate, instead of $19,880, as proposed by the House, for the department of insurance.

On Nos. 8 and 9: Appropriates $86,380, as proposed by the House, in lieu of $88,000, as proposed by the Senate, for personal services in the department of vehicles and traffic.

On No. 10: Appropriates $85,000 for the purchase, installation, and modification of electric traffic lights, etc., instead of $100,000, as proposed by the Senate, and $70,000, as proposed by the House.

On No. 11: Strikes out that portion of the Senate amendment providing for the appropriation of $75,000 for a building and equipment for the Georgetown branch library, and retains the portion making an unexpended balance of $5,500 available for erection of necessary retaining walls at such branch library site.

On No. 12: Appropriates $74,720, as proposed by the Senate, in lieu of $70,000, as proposed by the House, for personal services in the office of the register of wills.

On No. 13: Appropriates $100,000, as proposed by the House, instead of $105,020, as proposed by the Senate, for personal services in the office of the recorder of deeds.

On No. 14: Appropriates $41,000, as proposed by the Senate, instead of $37,500, as proposed by the House, for contingent and miscellaneous expenses.

On No. 15: Eliminates the heading "Printing and binding" as proposed by the Senate.

On No. 16: Provides $3,000 for the exchange of two motor ambulances as proposed by the Senate.

On No. 17: Provides for allowances for privately owned automobiles used on official business at not to exceed $275 per year instead of $312, as proposed by the Senate, and restricts number of employees eligible for such allowance.

On No. 18: Strikes out the exception from the limitation of $650 on the purchase price of passenger-carrying automobiles inserted by the Senate.

On No. 19: Increases the authorization for use of funds for street car and bus fares from $8,300 to $9,500, as proposed by the Senate.

On No. 20: Appropriates $5,000 as proposed by the House instead of $9,500 as proposed by the Senate, for general advertising, and restores to the bill the House provision prohibiting the use of the appropriation for payment of advertising in newspapers published outside of the District of Columbia.

On No. 21: Appropriates $8,000, as proposed by the House, instead of $9,500, as proposed by the Senate, for advertising notice of taxes in arrears.

On No. 23: Appropriates $250,000, as proposed by the House, in lieu of $260,000, as proposed by the Senate.

On No. 24: Strikes out the appropriation of $96,300 for paving Good Hope Road, Minnesota Avenue to Naylor Road, SE., inserted by the Senate.

On Nos. 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36: Appropriates for the following items for paving streets, in the amounts proposed by the Senate:

Northeast: Sixteenth Street, Irving to Lawrence Streets	$13,700
Northeast: Varnum Street, Tenth to Twelfth Streets	7,500
Northeast: Fourth Street, Franklin Street to Michigan Avenue	35,600
Northwest: Third Street, Sheridan to Underwood Streets	9,300
Northwest: Tuckerman Street, Eighth Street to Georgia Avenue	11,200
Northwest: Piney Branch Road, Georgia Avenue to Van Buren Street	36,000
Northwest: Dahlia Street, Georgia Avenue to Ninth Street	4,100
Northwest: Hamilton Street, Thirteenth Street to Fourteenth Street	12,700
Northwest: Forty-third Street, Jenifer Street to Military Road	9,000
Northwest: Ingomar Street, Forty-second Street to Wisconsin Avenue	10,700
Northwest: Waterside Drive, Massachusetts Avenue south	15,300
Northwest: Fifteenth Street, Florida Avenue to Euclid Street	37,500

On No. 37: Corrects a total.

On No. 38: Appropriates $957,500, instead of $1,015,000, as proposed by the Senate, and $900,000, as proposed by the House, for repairs to streets.

On No. 40: Appropriates $45,000 from revenues of the District for paving Constitution Avenue from Second Street to Pennsylvania Avenue, instead of $126,200 for paving Constitution Avenue from North Capitol Street to Tenth Street, as proposed by the Senate.

On Nos. 41 and 42: Strikes out the sum of $15,000, inserted by the Senate, for surveys, plans, and investigations for viaducts in line of Michigan Avenue and New Hampshire Avenue over tracks of Baltimore & Ohio Railroad.

On Nos. 43 and 44: Provides that one-fifth of the cost of constructing the Benning Bridge over the Anacostia River shall be paid by the Washington Railway & Electric Co., instead of one-fourth, as proposed by the House, and one-sixth, as proposed by the Senate.

On No. 45: Strikes out the paragraph, inserted by the Senate, providing for the P Street Bridge over Rock Creek.

On No. 46: Appropriates $112,500, as proposed by the House, instead of $122,500, as proposed by the Senate, for planting and caring for trees and shrubs.

On No. 47: Appropriates $248,000, as proposed by the Senate, instead of $238,000, as proposed by the House, for cleaning and repairing sewers.

On No. 48: Appropriates $210,000, as proposed by the Senate, instead of $190,000, as proposed by the House, for cleaning and repairing sewers.

On No. 49: Appropriates $610,000, as proposed by the House, instead of $650,000, as proposed by the Senate, and eliminates provision for construction of a temporary sewage plant at First and Atlantic Avenue.

On No. 50: Appropriates $225,000 for assessment and permit work for sewers, instead of $200,000, as proposed by the House, and $250,000, as proposed by the Senate.

On No. 51: Strikes out the sum $25,000, inserted by the Senate, for beginning surveys of the Rock Creek drainage area.

On Nos. 52, 53, and 54: Appropriates $30,000 for the control of mosquitoes in the District, instead of $20,000, as proposed by the House, and $40,000, as proposed by the Senate, and makes $5,600 available for expenditure by the Public Health Service.

On No. 55: Appropriates $550,000, as proposed by the House, instead of $575,000, as proposed by the Senate, for cleaning streets.

On Nos. 56 and 57: Appropriates $1,000,000 for garbage and trash disposal, as proposed by the House, instead of $1,115,000, as proposed by the Senate, and makes $10,000, as proposed by the Senate, available for construction of a bunk house.

On No. 58: Appropriates $115,940, as proposed by the House, instead of $117,560, as proposed by the Senate, for personal services in connection with playgrounds.

On No. 59: Appropriates $40,000, as proposed by the Senate, instead of $35,000, as proposed by the House, for supplies for playgrounds.

On No. 60: Appropriates $25,000, as proposed by the House, instead of $28,000, as proposed by the Senate, for placing wires of fire alarm, police patrol, and so forth.

On No. 61: Appropriates $1,006,000, as proposed by the Senate, instead of $910,000, as proposed by the House, for lighting streets.

On No. 63: Appropriates $6,539,764 for personal services of teachers and librarians, instead of $6,510,333, as proposed by the House, and $6,556,700, as proposed by the Senate. The increase of $29,431 over the House bill is to cover $13,400 for teachers on temporary tenure and $16,031 for teachers on leave of absence.

On No. 64: Appropriates $889,260, as proposed by the House, instead of $900,000, as proposed by the Senate, for care of buildings and grounds.

On No. 65: Appropriates $63,491 for furniture for various schools, instead of $60,000, as proposed by the House, and $66,982, as proposed by the Senate.

On No. 66: Appropriates $165,000 for furniture and equipment for the Roosevelt High School, instead of $150,000, as proposed by the House, and $180,000, as proposed by the Senate.

On No. 67: Appropriates $165,000 for contingent expenses of schools, instead of $150,000, as proposed by the House, and $175,000, as proposed by the Senate.

On No. 68: Appropriates $200,000, as proposed by the House, instead of $225,000, as proposed by the Senate, for textbooks.

On No. 70: Appropriates $437,500 for repairs and improvements to school buildings, instead of $400,000, as proposed by the House, and $475,000, as proposed by the Senate.

On No. 71: Appropriates $12,500 for improvements at Western High School, instead of $10,000, as proposed by the House, and $15,000, as proposed by the Senate.

On Nos. 72 and 73: Appropriate $165,500 for repairs to the old Business High School building and the old Cardozo High School building, instead of $162,000, as proposed by the House, and $169,000, as proposed by the Senate.

On No. 74: Makes available an unexpended balance of $10,000 for buildings and grounds for use in moving library, laboratory, and cafeteria equipment from the Wilson Teachers College to the old Columbia Junior High School building, and return, as proposed by the Senate.

On No. 75: Appropriates $117,500 for completion of construction and improvement of grounds of the Roosevelt High School, instead of $100,000, as proposed by the House, and $135,000, as proposed by the Senate.

On Nos. 76, 77, and 78: Strike out the authority inserted by the Senate for the preparation of plans and specifications for a new senior high school in the Manor Park section.

On No. 79: Appropriates $100,000, as proposed by the Senate, for the construction of a school building in the vicinity of Foxhall Village.

On No. 80: Corrects a total.

On Nos. 81 and 82: Restores House amounts for salaries for the metropolitan police, making available $3,092,964, instead of $3,163,000, as proposed by the Senate, for officers and members of the force, and $123,050, instead of $137,270, as proposed by the Senate, for personal services.

On Nos. 83, 84, 85, 86, and 87, regarding miscellaneous expenses of the Metropolitan police: Appropriates $8,500, as proposed by the Senate, instead of $7,500, as proposed by the House, for fuel; allows $12,500, as proposed by the House, for repairs and improvements, instead of $15,000, as proposed by the Senate; includes the Senate provision for the purchase of an additional radiobroadcasting system, and makes available for miscellaneous and contingent expenses $71,500, instead of $78,988, as proposed by the Senate, and $65,000, as proposed by the House.

On No. 88: Appropriates $75,000 for the purchase of motor vehicles, instead of $65,000, as proposed by the House, and $85,000, as proposed by the Senate.

On Nos. 89, 90, and 91, regarding the fire department: Appropriates $2,165,100, as proposed by the House, instead

of $2,198,000, as proposed by the Senate, for pay of officers and members; provides $28,000, as proposed by the Senate, instead of $23,000, as proposed by the House, for fuel; and eliminates the proposal of the Senate to construct a fire house at Fourteenth Street and Rhode Island Avenue NE., at a cost of $83,500.

On Nos. 92, 93, and 94: Makes available $44,000, as proposed by the Senate, instead of $36,000, as proposed by the House, for the maintenance of dispensaries under the health department.

On No. 95: Appropriates $95,980, as proposed by the House, instead of $107,200, as proposed by the Senate, for hygiene and sanitation in the public schools.

On No. 96: Appropriates $8,300 and includes the Senate provision granting an allowance of $480 per car to dairy inspectors using privately owned cars on official business, instead of $5,300, as proposed by the House.

On No. 97: Appropriates $52,000, as proposed by the House, instead of $54.000, as proposed by the Senate, for maintaining a child-hygiene service.

On Nos. 98, 99, 100, 101, and 102, regarding courts and prisons: Appropriates $3,500, as proposed by the Senate, instead of $2,750, as proposed by the House, for miscellaneous expenses of the juvenile court; allows $33,600, as proposed by the House, instead of $37,200, as proposed by the Senate, for compensation of jurors, police court; provides $38,330, as proposed by the House, instead of $39,410, as proposed by the Senate, for personal services for care and protection of the courthouse; grants $7,500 instead of $6,500, as proposed by the House, and $8,500, as proposed by the Senate, for repairs and improvements to the courthouse; and appropriates $65,000, as proposed by the House, instead of $75,000, as proposed by the Senate, for miscellaneous court expenses.

On No. 103: Appropriates $116,300, as proposed by the House, instead of $118,100, as proposed by the Senate, for personal services under the Board of Public Welfare.

On Nos. 104 and 105: Appropriates $163,280, instead of $153,280, as provided by the House, and $164,900, as provided by the Senate, for home care for dependent children, and restores the limitation of the House, stricken out by the Senate, as to the amount which may be paid to any one family, increasing the limit of $75 per month contained in the House bill to $100 per month.

On No. 106: Appropriates $38,000, as proposed by the House, instead of $42,360, as proposed by the Senate, for maintenance of the House of Detention.

On No. 107: Appropriates $67,500, instead of $65,000, as proposed by the House, and $70,000, as proposed by the Senate, for maintenance and support of prisoners at the jail.

On Nos. 108, 109, 110, and 111, regarding the workhouse and reformatory: Appropriates $324,000, instead of $300,000, as proposed by the House, and $348,000, as proposed by the Senate, for maintenance, care, and support of inmates; allows $65,000, instead of $60,000, as proposed by the House, and $70,000, as proposed by the Senate, for continuing construction of permanent buildings; grants $24,500, instead of $17,000, as proposed by the House, and $32,000, as proposed by the Senate, for repairs to buildings and grounds; and eliminates the proposal of the House requiring that the Federal Government as a whole shall be treated as a single customer in connection with services performed under the working-capital fund.

On No. 112: Appropriates $34,180, as proposed by the House, instead of $35,200, as proposed by the Senate, for supplies and provisions for the National Training School for Girls.

On No. 113: Appropriates $59,000, instead of $55,000, as proposed by the House, and $63,000, as proposed by the Senate, for provisions and supplies for the Tuberculosis Hospital.

On No. 114: Appropriates $240,000, as proposed by the Senate, instead of $225,000, as proposed by the House, for completion of the Children's Tuberculosis Sanatorium, and includes language inserted by the Senate making the appropriation available for remodeling existing structures.

On Nos. 115, 116, and 117, relating to Gallinger Municipal Hospital: Appropriates $358,620, as proposed by the House, instead of $368,960, as proposed by the Senate, for personal services; allows $200,000, instead of $175,000, as proposed by the House, and $211,000, as proposed by the Senate, for maintenance of the hospital; and grants $7,000, instead of $6,500, as proposed by the House, and $7,500, as proposed by the Senate, for repairs and improvements.

On Nos. 118, 119, and 120, regarding the District Training School: Appropriates $90,930, instead of $88,140, as proposed by the House, and $93,720, as proposed by the Senate; allows $84,000, instead of $75,000, as proposed by the House, and $93,000, as proposed by the Senate, for maintenance; and grants $13,750, instead of $12,500, as proposed by the House, and $15,000, as proposed by the Senate, for repairs and improvements to buildings and grounds.

On Nos. 121, 122, 123, 124, 125, and 126, regarding the Industrial Home School for Colored Children: Appropriates $38,760, as proposed by the House, instead of $42,120, as proposed by the Senate, for salaries; allows $29,000, instead of $25,000, as proposed by the House, and $33,000, as proposed by the Senate, for maintenance; grants $2,750, instead of $2,500, as proposed by the House, and $3,000, as proposed by the Senate, for repairs and improvements to buildings and grounds; allows $3,750, instead of $2,500, as proposed by the House, and $5,000, as proposed by the Senate, for furniture and household furnishings; and strikes out the proposal of the Senate for the purchase of a truck at a cost of $700.

On Nos. 127, 128, 129, and 130, relating to the Industrial Home School: Appropriates $26,600, as proposed by the House, instead of $28,640, as proposed by the Senate, for salaries; allows $22,500 instead of $20,000, as proposed by the House, and $25,000, as proposed by the Senate, for maintenance; and allows $5,500 instead of $5,000, as proposed by the House, and $6,000, as proposed by the Senate, for repairs and improvements.

On Nos. 131, 132, and 133, relating to the Home for Aged and Infirm: Appropriates $62,500 instead of $60,000, as proposed by the House, and $65,000, as proposed by the Senate, for provisions, fuel, etc.; allows $8,250 instead of $7,500, as proposed by the House, and $9,000, as proposed by the Senate; and allows $11,250 instead of $10,000, as proposed by the House, and $12,500, as proposed by the Senate, for construction of an addition to colored men's ward.

On No. 134: Appropriates $8,000, as proposed by the Senate, instead of $7,000, as proposed by the House, for the municipal lodging house and wood yard.

On Nos. 136, 137, 138, 139, 140, and 141, relating to the militia: Appropriates $34,150, as proposed by the Senate, instead of $25,000, as proposed by the House, for personal services; allows $12,500, as proposed by the Senate, instead of $7,500, as proposed by the House, for expenses of camps; allows $10,000, instead of $11,000, as proposed by the Senate, for pay of troops; provides $950, as proposed by the Senate, for printing and stationery, instead of $500, as proposed by the House; and allows $1,000, as proposed by the Senate, instead of $400, as proposed by the House, for cleaning and repairing uniforms and equipment.

On No. 142: Appropriates $400,000, as proposed by the House, instead of $405,900, as proposed by the Senate, for personal services in the Office of Public Buildings and Public Parks.

On Nos. 143 and 144: Provides two passenger-carrying automobiles, as proposed by the House, instead of four, as proposed by the Senate, and $500,000, as proposed by the House, instead of $625,000, as proposed by the Senate, for general expenses of public parks.

On Nos. 145 and 146: Appropriates $180,885, as proposed by the House, instead of $183,800, as proposed by the Senate, for salaries of park police, and allows $12,500, as proposed by the House, instead of $15,400, as proposed by the Senate, for uniforming and equipping the park police force.

On No. 147: Eliminates the provision of the House bill restricting the use of unexpended balances for the purchase of land under the so-called Capper-Cramton Act.

On No. 148: Appropriates $228,880, as proposed by the House, instead of $233,880, as proposed by the Senate, for the National Zoological Park.

On Nos. 149, 150, 151, and 152, relating to the Water Department: Appropriates $366,000, as proposed by the Senate, instead of $341,000, as proposed by the House, for maintenance of the distribution system; allows $275,000, as proposed by the Senate, instead of $250,000, as proposed by the House, for extension of the water distribution system; allows $25,000, as proposed by the Senate, instead of $20,000, as proposed by the House, for installing fire and public hydrants; and grants $150,000, as proposed by the Senate, instead of $125,000, as proposed by the House, for replacement of old mains and divide valves in advance of pavements.

On Nos. 153 and 154, regarding the filling of vacancies and granting of promotions: Strikes these sections from the bill, similar provision being contained in the so-called economy bill.

The committee of conference report in disagreement the following amendments of the Senate:

On No. 22, relating to the municipal center.

On No. 39, relating to the use of the testing laboratory of the highway department.

On No. 62, providing for the waiving of competitive bidding and the waiving of salary classification in connection with expenditures for the completion of a power survey.

On No. 69, relating to the payment of tuition in the public schools by children of nonresident parents.

On No. 135, making an appropriation for emergency relief for the District of Columbia.

CLARENCE CANNON,
WILLIAM J. GRANFIELD,
WM. P. HOLADAY,
ROBT. G. SIMMONS,
Managers on the part of the House.

Mr. BYRNS. Mr. Speaker, I have called up this conference report in the absence of the gentleman from Missouri [Mr. CANNON], who is chairman of the subcommittee on the District of Columbia appropriation bill, and who signed this report, and who now is absent attending the Democratic convention at Chicago as chief parliamentarian. His services are needed there, and he is in the discharge of what I consider a very, very important duty. Before the gentleman from Missouri left he and his fellow conferees agreed upon this report, and this report is signed by all of the House conferees and all of the Senate conferees, with the exception of the gentleman from Texas, who sat in the conference, as I am told, but who left before it was signed.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BYRNS. I yield.

Mr. SNELL. I understand this is not a complete conference report.

Mr. BYRNS. There are five amendments which were not agreed to; but it will be my purpose later on, in accordance with an understanding that was had between the conferees, to offer a motion to recede and concur with an amendment as those are reached.

Mr. SNELL. Then it is practically a complete agreement, as far as the conferees are concerned?

Mr. BYRNS. So I understand. If I am mistaken about that, the gentleman from Illinois [Mr. HOLADAY], the ranking minority member of the committee, is present and can correct me; but I understand there is complete agreement between the conferees.

Mr. HOLADAY. The conferees are in complete agreement on the amendments that will be offered.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LAGUARDIA. As the gentleman knows, I am very much interested in the item providing funds for relief in the District of Columbia. In fact the conferees were kind enough to permit me to confer with them about it. Is that an item that is in complete agreement at this time, or does that require further action on the part of either House?

Mr. BYRNS. Yes. That will come up later on a motion to recede and concur with an amendment.

Mr. LAGUARDIA. And provisions have been made for $350,000?

Mr. BYRNS. That will be the motion that will be offered for the consideration of the House, but that will come up later.

Mr. MAPES. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MAPES. I have spoken to the gentleman from Tennessee, and the gentleman knows I would like to discuss the bill.

Mr. BYRNS. I shall be pleased to yield to the gentleman later on. I wanted to make a brief statement. I am not one of the conferees.

I wish to call the attention of the House to these figures:

The amount of the regular and supplemental estimates for 1933 was $44,094,919.

The amount of the bill as agreed to by the conferees is $41,245,622.

The amount under the Budget estimate as agreed to by the conferees is $2,849,297.

The amount of the 1932 appropriation was $45,811,888.

The amount of the appropriations recommended in this report is $41,245,622, representing a reduction over the appropriation carried for this year of $4,566,266.

The amount of the 1933 bill as it passed the Senate was $43,789,728.

The amount of the 1933 bill as it passed the House was $39,913,810.

In other words, the Senate increased the House bill in the sum of $3,875,918.

The amount carried in this report representing House recession is $1,331,812.

The amount of the Senate recession is $2,544,106.

I think I should call the attention of the House to the fact that this report carries an appropriation in the way of a Federal contribution to the expenses of the District of $7,775,000.

The amount of the Federal contribution for the present, or 1932 year, is $9,500,000.

The Members will remember that the House adopted the recommendation of the special committee which made an investigation on the subject and provided for an appropriation of $6,500,000. The Senate increased this amount to $8,550,000. The conferees, after lengthy conferences and considerable discussion of the matter, finally agreed upon a compromise of $7,775,000.

That is all I care to say on the subject.

Mr. PATTERSON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. PATTERSON. I call the gentleman's attention to amendment No. 6 in reference to taximeters. Will the gentleman explain the change embodied in the amendment and the effect of the change?

Mr. BYRNS. This simply means that the prohibition placed in the act by the House was amended by the Senate so as to provide that it should not be construed to affect any order or part of an order of said Public Utilities Commission other than with respect to the requirement of the installation of such meters. In other words, it was the idea of the Senate and the conferees, as I understand it, to make certain this proposition should only apply to the installation of taximeters.

Mr. PATTERSON. And nothing else?

Mr. BYRNS. And nothing else.

Mr. PATTERSON. But it does apply to the installation of taximeters?

Mr. BYRNS. It does, undoubtedly.

Mr. PARSONS. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. PARSONS. What is the tax rate in the District of Columbia for the fiscal year 1933?

Mr. BYRNS. It is $1.70.

Mr. PARSONS. How does that compare with the tax rate in other cities of the same size?

Mr. BYRNS. I think the gentleman will agree with my statement that it is much smaller than the rate in any other city I know of in the country.

I yield to the gentleman from New York.

Mr. SNELL. Will the gentleman give the amount carried as our contribution to the District when the bill left the House? Was it $6,500,000?

Mr. BYRNS. Yes; $6,500,000.

Mr. SNELL. The Senate raised it to $9,500,000.

Mr. BYRNS. No; $8,550,000.

Mr. SNELL. And what was the amount finally agreed upon?

Mr. BYRNS. Seven million seven hundred and seventy-five thousand dollars.

Mr. SNELL. What was the amount we contributed last year?

Mr. BYRNS. Nine million five hundred thousand dollars. Does the gentleman mean this year?

Mr. SNELL. I mean for this year.

Mr. BYRNS. Nine million five hundred thousand dollars.

Mr. SNELL. Then it is practically $1,750,000 less?

Mr. BYRNS. Yes.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LAGUARDIA. What provision is made in this bill coordinating with the so-called economy bill as to District employees?

Is the same mistake made here as was made in the other appropriation bills, arbitrarily slashing them 10 per cent without consideration of the bearing of the amount of economies made in the other bill?

Mr. BYRNS. The Senate did not cut this bill. This is one of the bills the Senate increased. As I stated a while ago, they increased this bill over the House bill in the sum of $3,875,918. There is no cut.

Now, I would like to know of the gentleman from Illinois [Mr. HOLADAY], the ranking member of the committee, if he desires some time?

Mr. HOLADAY. The gentleman from Michigan [Mr. MAPES] would like some time.

Mr. BYRNS. I know he would, but I thought the gentleman from Illinois might wish some time.

Mr. HOLADAY. Not at this time.

Mr. BYRNS. I yield five minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I am not going to attempt to suggest to anyone else what he should do; but for myself, I expect to vote against this conference report.

The membership of the House will recall that over six months ago, before the holidays, the House sent to the Senate five rather simple bills relating to tax matters in the District. We are not permitted to discuss what takes place in the Senate, but those bills have not returned to the House. None of them, it seems to me, should require any very extensive consideration by mature men who have given the subject of legislation their study and thought for a great many years in order to reach a conclusion about them, such as, for example, whether or not the gasoline tax in the District of Columbia should be raised from 2 cents per gallon to 4 cents per gallon, that being lower than the average throughout the United States. Another one which should not require extensive study by mature men is whether or not we should adopt an automobile weight tax for the District of Columbia.

If those two bills had been passed they would have raised during the year $2,000,000 extra in money in the District of Columbia. No action has been taken on those bills as far as the records of the House of Representatives are concerned since they passed the House in December.

There were two other bills which it would seem to me mature men would have some judgment about without very extensive consideration, and they related to an inheritance tax and an income tax for the District of Columbia. They have not been returned to the House.

If those four bills had been passed in some such manner as they passed the House of Representatives they would increase the receipts of the District of Columbia $4,000,000 per year. This amount, together with the Federal contribution of $6,500,000 recommended by the special committee and carried in the appropriation bill as it passed the House, would more than meet the expenses of the District under present tax rates.

The special committee indicated that if these bills passed it would not be necessary to raise the general property tax in the District of Columbia. The general property tax is so low, so much lower than it is in any other place in the United States, that your special committee felt that if these bills were not passed then the general property tax ought to be raised. I doubt whether it will be necessary to raise the general property tax this coming year even without the passage of these bills, because of the reduction in the appropriations for the next fiscal year, but these other bills ought to be passed and the revenues of the District increased so as to take care of additional improvements in the future.

Mr. LINTHICUM. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. LINTHICUM. Does not the gentleman think that one reason why the property tax is as low as it is here, is because there is a very great overassessment in the District of Columbia?

Mr. MAPES. No; I do not believe so. Our committee made a very thorough study of the assessments here and the tax rates. We compared them with the assessments and tax rates in cities of similar size and after adjusting the tax rates, we found that the adjusted tax rate in the District of Columbia was lower than in any other city of similar size and advantages in the United States.

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. LINTHICUM. I want to say to the gentleman that I have a friend who bought a piece of property here which could not now be sold for $40,000. It is assessed at $80,000. The revenues from the property are $2,400 and the taxes $1,200.

Mr. MAPES. The gentleman may find some individual instances like that; but I venture to say he will find many more such situations in his own city of Baltimore than he will here in the District of Columbia. The tax rate in the city of Baltimore—though I do not have the figures now before me—is much higher than it is in the District of Columbia.

Mr. UNDERHILL. Will the gentleman yield?

Mr. MAPES. Yes.

Mr. UNDERHILL. If the Government tries to buy a piece of land here—and the Government has bought a lot of land in the last two of three years—you will find that the assessed valuation is about one-third of what the Government has to pay for the land.

Mr. LINTHICUM. I do not think it is that much, but it is naturally higher.

Mr. MAPES. Let me say this: That the people in the District of Columbia have changed their attitude entirely within the last year. Since the report of the special committee they no longer attempt to defend their tax rates on the basis of comparisons between what they pay and what is paid in other cities, as they formerly did. The report of this special committee was so conclusive that they no longer attempt to defend that position; but they now say that the Federal Government has so much property here that it ought to contribute toward the expenses of the District of Columbia, no matter what the tax rate is and no matter how cheaply the District citizens get off in comparison with citizens in other communities. The citizen is supposed to support the Government in every other community, but here the Government is expected to support the citizen.

Mr. MANLOVE. Will the gentleman yield?

Mr. MAPES. Yes.

Mr. MANLOVE. Let me call the gentleman's attention to the fact that in the State of Missouri it costs a Missourian $16 for an automobile license—and I imagine the same rate applies throughout the States of the country—that in the city of Washington costs $2 or $2.50.

Mr. MAPES. Let me ask the gentleman how long it would take him to deliberate over the proposition to determine whether there ought to be a weight tax in the District of Columbia that was comparable to the weight tax imposed in the State of Missouri?

Mr. MANLOVE. It would take me about half a second.

Mr. MAPES. And it ought not to take anybody any longer than that.

Mr. PARSONS. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. PARSONS. The fact that the Government has its buildings here is the thing that makes private property valuable.

Mr. MAPES. Absolutely.

Mr. PARSONS. Therefore, the proposition that we should donate money to the District because the Government has buildings here does not hold good?

Mr. MAPES. Certainly not.

Mr. SIMMONS. Will the gentleman yield in order to complete the statement made by the gentleman from Illinois?

Mr. MAPES. I yield.

Mr. SIMMONS. The other side of it is that private property here adds nothing to the value of Government property.

Mr. MAPES. Nothing at all.

Mr. LINTHICUM. The gentleman is so interested in the District of Columbia, why does he not attempt to provide for a sewage-disposal plant here instead of dumping all of the refuse in the Potomac River, thus ruining the fishing interests and making it impossible to have a clear stream? It seems to me it is pretty nearly time to make provision for a sewage-disposal plant in the District of Columbia, such as we provided in Baltimore 20 years ago?

Mr. MAPES. Is the gentleman in favor of that now, when economic conditions in the country are as they are at present?

Mr. LINTHICUM. I imagine we will have to wait a while now, but we have been waiting so long.

Mr. MAPES. There is no other place in the United States that has as many improvements generally as the District of Columbia already has.

It seems to me this is no time to start additional improvements.

Mr. LINTHICUM. It is a very important one.

Mr. MANLOVE. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. MANLOVE. Let me call the gentleman's attention to the fact that the people of Virginia and the people of Maryland have imposed a $5 fishing tax on the people of the District of Columbia or any other nonresident who goes there to fish, and I do not know that we should be so very guarded in taking care of their interests when they are not taking care of the interests of the people of the District.

Mr. LINTHICUM. They do not do that on the Potomac River, because there are no fish there any more, not even oysters.

Mr. MAPES. Mr. Speaker, we are not allowed to discuss what takes place in the other body, but we are not prohibited from reading the newspapers, and in yesterday's paper I read this:

> Belief that the $7,775,000 Federal lump sum fixed by the Senate as its District contribution is not enough for local needs was expressed last night by Senator ARTHUR CAPPER (Republican), Kansas, chairman of the Senate District Committee, in a radio address over WMAL.

I shall not attempt to read all of this newspaper article——

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. MAPES. But to show the attitude that is being displayed toward the bills which were sent from this body to another body I read as follows:

> He cited services furnished the Federal Government by the District, such as fire protection, adding:
> "It would require considerable time to go into the details of the benefits that the Federal Government gets from the District."
> Referring to the new $7,775,000 lump sum, he said:
> "I do not think that is enough, but it was the best that could be done. I hope we will be able to give the District more generous treatment next year."

Before the next appropriation bill for the District is considered in the House let me express the hope that the Senate will take some action upon the bills which have been sent over there from this body. For one, I am going to vote against this conference report, and I shall have more to say in the next session of the Congress if no action is taken before that time on the bills that passed the House over six months ago.

Mr. SIMMONS. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. SIMMONS. I do not think it would be violating any confidence or stating any secrets to say that Members of the House in the conference urged upon the Senate the absolute necessity of acting upon the five Mapes bills before this Congress adjourned on March 4 next.

Mr. MAPES. I may say, Mr. Speaker, I think every Member of the House conference committee is in sympathy with the bills which were passed, and only accepted this report as a compromise because the new fiscal year is so near at hand.

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, I wish to concur in the statements and conclusions expressed by the gentleman from Michigan. As one of the members of the special committee which investigated and reported upon the fiscal relations between the Federal Government and the District of Columbia, I know that his statements are fully in accord with the facts.

I realize the difficulty that the conferees were confronted with on this bill, and that the present parliamentary situation is such that nothing can be done, but I do hope that Members of this House will hereafter, when the time is sufficient to take appropriate action, bear in mind not only the report made last December by the special committee, which was unanimously adopted by the House, but also the fact that the five bills which were reported by the committee were unanimously passed by the House.

As suggested by the gentleman from Michigan [Mr. MAPES], I see no reason why the gasoline tax in the District of Columbia should not be raised from 2 to 4 cents in order to be somewhat comparable with the tax paid in other jurisdictions.

It is not fair for the taxpayers of the country as a whole to have to contribute to support the District of Columbia, as long as they are not paying any greater taxes in the District of Columbia. [Applause.]

With respect to the gasoline tax, it is not only unfair to the taxpayers of the balance of the country, but it is unfair in a commercial way to the adjoining States, because they all have a 4 or 5 cent gas tax.

Another thing: It is absolutely ridiculous to permit a situation to continue under which an automobile license in the District of Columbia costs only $1, and that applies not only to the automobile but to the large busses and the large trucks. They only pay a license fee of $1. There is no such situation anywhere else in the country comparable to that. We should have a graduated weight tax, as they have in practically all the States.

There is no reason whatever why that bill should not pass to raise additional funds, as recommended by the special committee, which was unanimously adopted by the House, to the end that the Federal contribution should not be more than $6,500,000.

I think that hereafter, when there will be time to hold out and stand for our position, the House ought to make a persistent effort to carry out the objects unanimously expressed by the House.

We all realize the difficulties that now confront us. I am sure the conferees did the best they could in order to reach an agreement at all, and it was necessary to reach an agreement before adjournment. [Applause.]

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Speaker, the increase carried in the conference report is $1,331,812 over the amount carried in the bill as it passed the House. I am in full accord with the views expressed by the gentleman from Michigan [Mr. MAPES] and the gentleman from Tennessee [Mr. DAVIS].

The Senate passed the bill giving a lump sum of $8,550,000. The House provision carried $6,500,000.

There has long been a difference of opinion between the House and the Senate. The conferees were confronted with that condition. There seemed to be only one of two things we could do—either compromise at the figures we agreed upon or, failing in that, to pass a continuing resolution. There was a feeling that such a resolution was not in the best interests of the public. Therefore this agreement was made, with the understanding between us that the figures carried in the bill this year were not to have any bearing on the figures in the succeeding years. There was a general feeling that an effort should be made, when Congress meets again in December, to get the Mapes bill through the Senate, with an agreement on the lump-sum appropriation, and if we succeed, that amount will hereafter be carried in the bill, and the long-standing differences between the House and Senate will be eliminated.

A part of the difference between the House and Senate is represented by the $350,000 that is appropriated for general relief. This matter came to the House Committee on Appropriations in the closing days of our hearings on this bill. It developed that there existed a peculiar condition with reference to the community chest and affiliated agencies in Washington. The House subcommittee asked for certain information with reference to salaries, which was not forthcoming. Therefore we did not carry any amount in the House bill. The bill went over to the Senate, and the Senate placed $600,000 in the bill for relief purposes. This $600,000 was to go to the Board of Public Welfare, but its inclusion had been insisted upon by the workers of the community chest and affiliated agencies.

A further investigation developed, of which I think the members should be informed, because the probabilities are that this proposition will be presented to the House in December next. The community chest raised approximately $2,400,000, and I call to the attention of the House the fact that out of the $2,400,000 more than $1,833,000 is used to pay the salaries of 2,682 employees of the community chest and affiliated agencies who draw salaries ranging from $10,000 a year down. It is claimed that this does not represent the true picture, in that this money goes to pay these salaries, and other funds are used by the affiliated charities, and, therefore, the $1,833,000 paid for salaries should be considered in connection with the entire amount that is used for charitable purposes amounting to about $5,500,000. Your conferees felt that we were not warranted in appropriating public money when out of $2,400,000 raised for charitable purposes, $1,833,000 was being used to pay salaries of 2,682 employees. I hope that the citizens of Washington, before they come back to Congress and ask Congress to make a further appropriation, will look into this matter and see if some changes can not be made. In view of the economic situation we agreed on $350,000. This money does not go to the community chest. It goes to the Board of Public Welfare, to be expended under the direction of that board, and of course indirectly is a benefit to the community chest because it does work that the community chest and affiliated agencies otherwise would do.

Mr. KETCHAM. Mr. Speaker, will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. KETCHAM. What did I understand the gentleman to say the total amount distributed for relief in the District is?

Mr. HOLADAY. The amount subscribed to the community chest was about $2,400,000.

Mr. KETCHAM. Then did I understand the gentleman further to say that out of that $1,833,000 went for the payment of salaries to people who were connected with the pay roll of this particular institution?

Mr. HOLADAY. I do not have the exact figures, but it is an amount in excess of $1,833,000.

Mr. KETCHAM. The gentleman surely must be in error about that. No one ever heard of such an amount of overhead required to distribute something like $400,000.

Mr. HOLADAY. I admit that I never before heard of any such thing, but I use these figures advisedly. I have them in writing signed by Newbold Noyes, vice president of the community chest board.

Mr. KETCHAM. Welfare work that requires 85 per cent of overhead to distribute 15 per cent of actual money?

Mr. HOLADAY. The welfare workers who were before the committee put up the argument that if the charity organizations were functioning 100 per cent all of the money would be spent for salaries.

Mr. KETCHAM. That is a sufficient argument for me to vote against this conference report.

Mr. HOLADAY. I am telling the gentleman that this is their argument, not that I believe in it—that if they were as efficient as they should be, then they would so rectify economic conditions that they would not need to spend any money for direct relief. Therefore, the ideal condition would be to spend all of the money for salaries.

It should be remembered that the $1,833,000 spent for salaries should be considered in connection with a total amount of about $5,500,000 collected for relief in the District, or at least this is the claim of Mr. Noyes.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, I think an erroneous impression unwittingly created by the gentleman from Illinois [Mr. HOLADAY] ought to be corrected. I have not all of the figures here, I did not know this matter was coming up this morning. I have looked into this matter, and I have the figures in my office. The community chest has absolutely nothing to do with the matter of immediate relief for needy residents and transients in the District of Columbia. The community chest was in existence long before we got into this unfortunate economic crisis. What is the community chest? The community chest is a conference or agreement between all social organizations and welfare organizations whereby one collection is made every year, and the amounts divided among I think 65 institutions. They include hospitals, nurseries, educational and religious organizations, and also organizations that are not engaged in relief work such as the Y. M. C. A. and the Y. W. C. A., libraries, and institutions of that kind. The budget for these institutions is made and approved by the community chest, and each year one collection is made for the 65 organizations in the District of Columbia and divided according to the allocations previously agreed upon. It is hardly fair to mix this up with the needs of providing funds for relief by reason of unemployment conditions. It is true that some of these organizations are engaged in the investigation of needy families and that is all they have to do with it. They are just investigating bodies. One of the organizations, for instance, is the nursing organization. Naturally all of the expenditures in that institution go for nurses' salaries. They go into the homes of the needy, where a trained nurse is necessary, and where the financial conditions of the family do not permit it. A large part of community chest money goes to hospitals.

So that whatever criticism there may be of the method of operation of the community chest, or what criticism there may be as to any individual organization, well and good; but that should not be confused with our responsibility, having under our jurisdiction the government of the District of Columbia, in providing sufficient funds so that the District welfare department will have funds to take care of families who are in distress and who are destitute by reason of the inability of the head of the family to find employment.

That is the matter that I wanted to clear up, particularly after the questioning by the gentleman from Kansas. The gentleman from Illinois [Mr. HOLADAY] has given this matter a great deal of consideration, I am sure. The members of the Committee on Appropriations know all about local conditions. I do not dispute or take issue with them on any

criticism they may make, but the community chest is solely a collecting agency, to gather funds once a year to distribute to the charitable, social, educational, and other public organizations that are maintained by private funds. I repeat again, that it should not be in any way confused with the extraordinary situation with which we are now confronted, namely, the necessity and duty of appropriating funds for immediate relief work. Personally, I doubt if $350,000 is sufficient. I know it is not sufficient for the fiscal year. Of that I am certain. Inasmuch as the lowest estimate was $650,000, I will vote at this time for the conferees' report. I predict now that when we return in December there will be an urgent call for immediate additional funds. We will have to appropriate and provide more funds then. Like most economy that has been suggested, it is only a paper make-believe economy. We will have to provide the deficiency later.

Mr. HOLADAY. Will the gentleman yield me about two additional minutes?

Mr. BYRNS. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Speaker, I want to make myself clear. The community chest itself does not directly expend any money for relief work. It collects the money and distributes it to 65 organizations, but the 65 organizations all submit their budgets to the community chest. When I said that $1,833,000 plus went for salaries I included in that figure 34 employees employed directly by the community chest and 2,648 employees employed by the various organizations, 65 in number, which receive money from the community chest.

Mr. BYRNS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 22: Page 17, beginning in line 24, strike out all of lines 24 and 25, on page 17, down to and including line 11, on page 18, and insert:

"For continuing the construction of the first unit of the municipal center, $1,000,000, of which sum not to exceed $900,000 shall be available for the acquisition of land in the municipal center and not to exceed $100,000, together with not to exceed $500,000 of the appropriation for beginning the construction of the first unit of the municipal center contained in the District of Columbia appropriation act, fiscal year 1932, shall be available for grading and paving of streets and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center: *Provided*, That the Commissioners of the District of Columbia are authorized to enter into a separate contract for the construction of the foundations of the said first unit: *Provided further*, That the Washington Railway & Electric Co. is hereby directed to rebuild and relocate at its own expense the tracks of said company in D Street NW. between Fifth Street and Indiana Avenue, and in Indiana Avenue east of Fifth Street to the vicinity of Second Street, in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia, and in the event of the failure of said Washington Railway & Electric Co. to perform the work herein directed within the time fixed by the said commissioners the said work shall be performed by the District of Columbia and this appropriation shall be available for such purposes, and the cost of said work shall be a valid and subsisting lien against the franchises and property of the said railway company and shall constitute a legal indebtedness of said company in favor of the District of Columbia, and the said lien may be enforced in the name of the District of Columbia by a bill in equity brought by the Commissioners of the District of Columbia in the Supreme Court of the District of Columbia, or by any other lawful proceeding against the said railway company: *Provided further*, That not to exceed $85,000 of the unexpended balance for the municipal center contained in the District of Columbia appropriation act for the fiscal year 1932 is hereby made available for the preparation of plans and specifications for the second unit of the municipal center."

Mr. BYRNS. Mr. Speaker, I offer the following motion, which I send to the desk.

The Clerk read as follows:

Mr. BYRNS moves that the House recede from its disagreement to the amendment of the Senate No. 22, and agree to the same with the following amendment:

"In lieu of the matter inserted by said amendment insert the following:

"'For the acquisition of land in the municipal center and for grading and paving of streets, and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center, $222,000, and in addition thereto not to exceed $1,278,000 of the unexpended balance of the appropriation for the municipal center contained in the District of Columbia appropriation act for the fiscal year 1932, of which sums not to exceed $900,000 shall be available for the acquisition of land in the municipal center, and not to exceed $600,000 shall be available for grading and paving of streets and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center: *Provided*, That the Washington Railway & Electric Co. is hereby directed to rebuild and relocate at its own expense the tracks of said company in D Street NW. between Fifth Street and Indiana Avenue and in Indiana Avenue east of Fifth Street to the vicinity of Second Street, in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia; and in the event of the failure of said Washington Railway & Electric Co. to perform the work herein directed within the time fixed by the said commissioners the said work shall be performed by the District of Columbia, and this appropriation shall be available for such purposes, and the cost of said work shall be a valid and subsisting lien against the franchises and property of the said railway company, and shall constitute a legal indebtedness of said company in favor of the District of Columbia, and the said lien may be enforced in the name of the District of Columbia by a bill in equity brought by the Commissioners of the District of Columbia in the Supreme Court of the District of Columbia, or by any other lawful proceeding against the said railway company.'"

Mr. BYRNS. Mr. Speaker, this meets with the unanimous approval of the conferees.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LINTHICUM. Does this appropriation provide for the paving of Constitution Avenue?

Mr. BYRNS. That has been adopted, from Second Street to Pennsylvania Avenue.

Mr. LINTHICUM. The Standard Oil Co. built a magnificent building there and they have not been able to get into it because of this paving not being completed.

Mr. BYRNS. This will take care of it.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. STAFFORD. When this item providing for additional appropriation of over a million dollars for the purchase of additional lands near the municipal center was being considered I had occasion to criticize the opportuneness of burdening the District taxpayers with the purchase of additional land to lie fallow during these depressed taxation conditions.

May I inquire of some member of the conference committee as to just how much money is available for the purchase of additional land in the municipal center? When the original item was under consideration it was stated that the amount appropriated, as I recall now, $1,200,000, was to be used for that purpose. I criticized it very severely, thinking that these were no times to authorize appropriations just merely to buy land and have it lie dormant. What is purposed with the agreement of the conferees, as far as the purchase of land is concerned?

Mr. HOLADAY. The District has already purchased a large percentage of the land in this block. In order to go forward with the work it is necessary to purchase the few remaining parcels, because the gentleman understands if they are going to put up a municipal center on the entire block, even though they own 90 or 95 per cent of it, they can not proceed with the work until they have the entire block.

Mr. STAFFORD. It is not planned to proceed with the construction of any building on the first unit of the municipal center, as I understand it?

Mr. HOLADAY. They are proceeding with the underground work, leveling, and things of that kind.

Mr. STAFFORD. All I can see is provision for building a fence to keep waifs and others from using the land.

Mr. HOLADAY. No; providing the underground work so that perhaps in another year work can go forward with the building. If it does not go forward next year, this work will not be a loss because it is work that must be done.

Mr. STAFFORD. Another question I would like to ask, with the consent of the gentleman from Tennessee, is what authority we have under the franchise agreement with the

Washington Railway & Electric Co. to compel them to change their trackage as the amendment proposes.

Mr. HOLADAY. I have not looked the matter up for several years; but I think there is no question about the authority, because this is the usual provision that has always been carried since I have had anything to do with District of Columbia appropriation bills.

Mr. STAFFORD. What trackage is involved? What trackage comes within the scope of the amendment?

Mr. HOLADAY. It is along the north side of the block where the municipal center is to be built, D Street, I believe it is, and also along Indiana Avenue.

Mr. STAFFORD. What is proposed—abandoning of the entire trackage there?

Mr. HOLADAY. The grade will be cut down some 4 feet, I think, and the tracks will have to be lowered.

Mr. BYRNS. Mr. Speaker, I ask for a vote.

The SPEAKER pro tempore (Mr. WOODRUM). The question is on the motion of the gentleman from Tennessee to recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 39: Page 29, line 10, after the "$30,000," insert "and the commissioners under such conditions as they may prescribe are further authorized to utilize the existing testing laboratory of the highways department for making tests of all materials for other departments and activities of the District government."

Mr. BYRNS. Mr. Speaker, I move to recede and concur in the Senate amendment.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 62: Page 41, line 20, strike out "$910,000" and insert in lieu thereof "said sum to be expended by contract or otherwise and without reference to section 3709 of the Revised Statutes and the classification act of 1923, as amended."

Mr. BYRNS. Mr. Speaker, I move to recede and concur in the Senate amendment.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 69: Page 49, beginning with line 5, strike out all of lines 5, 6, 7, 8, 9, and 10, and insert:
"The children of officers and men of the United States Army, Navy, and Marine Corps, and children of other employees of the United States stationed outside the District of Columbia shall be admitted to the public schools without payment of tuition."

Mr. BYRNS. Mr. Speaker, I move to recede and concur in the Senate amendment.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 135: Page 81, after line 21 insert:
"For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia, by loan, employment, and/or direct relief, under rules and regulations to be prescribed by the Board of Commissioners, and without regard to the provisions of any other law, fiscal year 1933, to be immediately available, payable from the revenues of the District of Columbia, $600,000: *Provided*, That not to exceed $60,000 of this amount shall be available for necessary personal services and expenses."

Mr. BYRNS. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

Mr. BYRNS moves that the House recede from its disagreement to the amendment of the Senate No. 135, and concur in the same with an amendment as follows:
"In lieu of the matter inserted by said amendment insert the following:

"'EMERGENCY RELIEF

"'For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia, by loan, employment, and/or direct relief, under rules and regulations prescribed by the board of commissioners and without regard to the provisions of any other law, to be immediately available, payable from the revenue of the District of Columbia, $350,000: *Provided*, That not to exceed $35,000 of this amount shall be available for administrative expenses including necessary personal services.'"

Mr. GOSS. Mr. Speaker, I reserve a point of order. My understanding is that in the House it is a recognized principle that the House may not recede from its own amendments with an amendment—and I do this for the purpose of asking the gentleman from Tennessee why he cut the amount in two as carried in the amendment from the Senate? This matter appears at page 81, and as I understand it the Senate amendment appropriated $600,000.

Mr. LAGUARDIA. And the House appropriated nothing.

Mr. BYRNS. The House did not appropriate anything.

Mr. GOSS. My opinion was that the Senate amendment provided that of the $600,000 not over $60,000 should be expended in the District of Columbia, whereas the amendment of the gentleman from Tennessee cuts the figure in two.

Mr. BYRNS. The Senate amendment providing $600,000, the conferees could agree upon anything between nothing and $600,000. In other words, the House not having appropriated anything and the Senate having appropriated $600,000, the conferees were authorized to agree upon any amount under that sum.

Mr. GOSS. Can the gentleman give any good reason why we should cut that figure?

Mr. BYRNS. I am going to ask the gentleman from Illinois to answer that, he being one of the conferees; but I want to say this from my own standpoint: That nearly every city in the United States is making a contribution for the relief of unemployment. This money is paid exclusively out of District revenues, and it does seem to me that since it is paid out of District revenues and recommended and asked by the District Commissioners, who represent the city, that as a matter of fact there can be no excuse upon the part of Congress for not making the appropriation, and for that reason the House conferees have agreed that this appropriation be made.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LAGUARDIA. In view of the many conference reports coming in, I would like to have a decision on the point of order made by the gentleman from Connecticut. I think it is very interesting to us.

Mr. BYRNS. I thought the gentleman had withdrawn his point of order.

Mr. LAGUARDIA. Oh, no.

The SPEAKER pro tempore. Does the gentleman insist on his point of order?

Mr. GOSS. I do.

Mr. HOLADAY. Mr. Speaker, I think the gentleman's point of order comes too late. The gentleman did not reserve any points of order before the report was made.

The SPEAKER pro tempore. The gentleman reserved a point of order and then made it. The Chair would like to have the gentleman restate his point of order.

Mr. GOSS. Mr. Speaker, in Jefferson's Manual, section 519, page 225, I find this language:

In the House of Representatives it is a recognized principle that the House may not recede from its own amendments with an amendment.

The SPEAKER pro tempore. The Chair will call the gentleman's attention to the fact that this is a Senate amendment.

Mr. GOSS. I understand that; but there is an amendment to the amendment.

The SPEAKER pro tempore. The motion is to recede and concur with an amendment to the Senate amendment.

Mr. COCHRAN of Missouri. If the gentleman will permit, this is new language substituted by the Senate. It being new language and not a House amendment, it is not subject to the rule quoted.

The SPEAKER pro tempore (Mr. WOODRUM). The Chair is ready to rule. The Chair overrules the point of order.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SNELL. As I understand the situation of this amendment at the present time, it is that the District of Columbia is going to pay out of its own tax money something toward the relief of the situation?

Mr. BYRNS. That is true.

Mr. SNELL. The District of Columbia is doing exactly the same thing that every other city in the country has been doing, namely, providing relief from its regular tax budget.

Mr. BYRNS. The gentleman is correct.

Mr. SNELL. Why should they not have this money?

Mr. BYRNS. I do not know of any reason. It has been recommended by the District Commissioners and it has been asked for by them. They are at the head of the District.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COCHRAN of Missouri. The question has been asked as to why this money was not made available for all citizens regardless of whether they were residents of the District of Columbia or not. The statement of the gentleman from Tennessee to the effect that this money comes out of the funds of the District of Columbia is responsible for the language which provides relief only for residents of the District of Columbia. Government funds are not affected here.

Mr. BYRNS. The gentleman is correct.

Mr. SNELL. Will the gentleman yield further?

Mr. BYRNS. Yes.

Mr. SNELL. As I understand, the reason the gentleman has moved to concur with an amendment reducing the amount is because the conferees have agreed on that amount?

Mr. BYRNS. Absolutely. That is the amount, as I understand, that was agreed upon by the conferees.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LAGUARDIA. There is one thing in this which is bothering me and that is whether the $350,000 will carry the work over until December?

Mr. BYRNS. I think it will, but I am going to let the gentleman from Illinois and the gentleman from Nebraska answer that question.

Mr. HOLADAY. I will say it was the feeling of the committee that this $350,000 would carry it over until the 1st of December and then the situation could be presented to Congress again.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee to recede and concur with an amendment.

The motion was agreed to.

ADJUSTMENT OF DEBTS OF INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, disagree to the Senate amendments, and ask for a conference.

The SPEAKER pro tempore. The gentleman from Nebraska asks unanimous consent to take from the Speaker's table the bill H. R. 10884, disagree to Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore appointed the following conferees:

Messrs. HOWARD, EVANS of Montana, and LEAVITT.

SENIORITY IN CONGRESS

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, at the present time this Nation is confronted with many vexing problems. Our citizens are more disturbed than ever before because of conditions affecting their homes. Many are unable to pay their taxes, and unless there is a revival of industry to the extent that normalcy can be restored the time is not far distant when Congress will be called on to further reduce expenditures and to put into effect different kinds of emergency legislation.

If some one started out to destroy something that can not be replaced and was of especial benefit to the people, I am sure that those interested would protect their rights regardless of the kind of methods it would be necessary to use. The seventh congressional district has a standing in Congress that will be lost forever if a change is made at the present time. Everyone who is posted knows that length of service or seniority is the rule that every Member of Congress is governed by. It has been in effect for over a hundred years, and there is no likelihood of its being changed. This being true, it is up to the people to do that which is best for themselves and their district.

My friends, by continuous support, have made it possible for me to have a length of service in the House that is only exceeded by 35 Members. In addition, I am secretary of the caucus, which is the organization that has much to do with shaping legislation. I am also chairman of the committee that assigns positions to 171 Members; also secretary of the largest group in the House interested in agricultural legislation, and as chairman of the Oklahoma House delegation I call all the meetings to handle questions affecting our State. All of the assignments that I have will either go to some other State or district should the people vote for a change; and in view of the fact the Democrats are practically sure they will be in charge of the next administration, anyone can realize the loss that would come to the district if my seniority was lost.

I have never served at the beginning of a Democratic administration, and my party has not been in power since the elections of 1920. Therefore everyone must realize that the blame for present conditions can not be charged to me. I am proud of the fact that there is not another district similar to the seventh in the Nation that has received any more benefits than the one I represent. Every vote I have cast has been in the interest of the district, and no one can say that I ever turned a deaf ear to any worthy cause.

I feel that the splendid citizenship which is responsible for the many positions of honor that I now hold will take all of the facts into consideration and then do that which is best to protect their own interest; and, of course, I will be very thankful for any assistance that is given me in my campaign for reelection.

THE GRASSHOPPER MENACE

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the grasshopper menace.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, with the adjournment of Congress near at hand the people of the Northwest are asking that help be given them, and that it be done now. The farmers of several States are faced with disaster. They are in need of help. For several weeks the seriousness of this situation has been before this Congress. An appropriation for relief work has been delayed. The responsibility for this delay rests with the Democratic leaders of the House. On three successive occasions they have led the fight against any appropriation to meet the grasshopper menace in the Northwestern States. They have been misinformed as to their duty in this deplorable situation. They have been able to defeat an appropriation with which to buy poison bait

and materials to carry on a fight against a plague of grasshoppers that threatens ruination to several States.

These affected States are doing what they can. But they need aid. This impending disaster is no local proposition. Nebraska, North Dakota, South Dakota, Minnesota, Iowa, Montana, and other States are interested. In the past, and in other sections of the United States, when relief measures were proposed for States that needed help, the people from the Northwest always responded, and the Congress of the United States did its duty, appropriated money, and took necessary steps to save its people from ruin and disaster. Now, the Northwestern States are asking for the same consideration, and the same fair treatment others have received. I quote from a letter received recently from a man familiar with the situation. He says:

Grasshoppers by the millions are crawling out of the sod in the States of North Dakota, South Dakota, Minnesota, and Montana. We have a billion-dollar crop in sight, the first real crop we have had in years, and unless Congress takes immediate steps to appropriate funds for poison bait to combat the grasshopper plague, our crop will be ruined, more farmers will be bankrupt, additional banks will close, and men and women, the backbone of our Government, will give up in despair.

This letter is typical of many that I have received. Some will say that it is now too late to render assistance. This claim is another unfortunate mistake. Effective work can be done during July. The following letter from Minnesota sets forth facts, and ought to have your serious and favorable consideration:

MINNEAPOLIS, MINN.

W. A. PITTENGER,
Congressman Eighth District, State of Minnesota,
Washington, D. C.

DEAR SIR: We can insure the prosperity of the Northwest this fall at a low rate of $1 per thousand.

The impending grasshopper scourge threatens to imperil our billion-dollar crop, the first we have had in years. If immediate action is not taken, thousands of farmers will be left without sufficient food for themselves and livestock. We shall have prospects of bare fields, gaunt cattle, and a pall of gloom over the land. Deserted farms, vacated stores, closed banks, will be in evidence, and thousands of men and women will give way to despair.

Last year the Red Cross fed 40,000 farmers in the two Dakotas. One-half of the farmers in North Dakota were compelled to borrow from the Government this spring to buy their seed. If we do not meet this emergency, there shall be no harvest; there will be more appeals to the Red Cross; more relief funds requested from the Government, with complete stagnation throughout the Northwest.

Congress has been misinformed regarding this emergency and there is still time to remedy this disastrous mistake. Poison bait is instantly available to be spread where needed and we have until the middle of July to fight this impending plague. Are you willing to act immediately and appropriate $1,500,000 to save our crop? The result of your action will mean either prosperity or despair. This is the Government's opportunity to make the people of the Northwest self-sustaining or force them to accept a dole. Surely the latter course is obnoxious to every self-respecting citizen.

A. G. DELANEY.

The letter just quoted presents the picture to you accurately. It gives facts. Surely the membership of this House will rise above partisanship, and faced with this grave emergency come to the relief of their fellow citizens. The appropriation for relief work ought to pass without further delay.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. TEMPLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TEMPLE. Mr. Speaker, the bill now under consideration provides for the immediate payment of the adjusted-service certificates, commonly called the bonus. These certificates, issued under the act of May 17, 1924, are endowment insurance policies. The Government has been appropriating each year a sum equal to the premiums on such policies, and these sums, together with the interest earned by them, will mature the policies in 1945, and they will then be due. The payment required by this bill would call for the immediate appropriation of $2,400,000,000. The money is not in the Treasury from which such an appropriation could be made. Therefore, the bill provides that sufficient paper money be printed to meet this demand.

An appropriation has already passed the House and will pass the Senate calling for more than $1,000,000,000 in 1933 for the Veterans' Administration for pensions and relief to veterans of all our wars, about $738,000,000 of which is to go during the year to veterans of the World War. There are other items of expenditure for 1933 which can not be reduced. The interest on the national debt for the year is $640,000,000. Government bonds to the amount of $497,000,000 are coming due within the year. In addition there are outstanding Treasury bills, certificates, and notes, other items of expenditure for 1933 which can not be refunded in the same year. The Government can not be permitted to go into bankruptcy. These enormous obligations must be met.

Reductions can be made and have been made in the running expenses of the Government. Appropriations for the Army and Navy have been reduced. Appropriations for the Postal Service, for the Departments of Agriculture and Commerce, and for all other departments have been reduced by cutting down services which in normal times were demanded by the country and by cutting down the salaries of Government employees and officials, including, of course, the salaries of Members of Congress and members of the Cabinet.

Appropriations for these departments, as the bills passed the House of Representatives, were $557,808,938 below the corresponding appropriations for last year. The additional reductions provided by the special "economy bill" will bring the total savings under last year's appropriations to more than seven hundred millions. This was not enough to bring expenditures down to the reduced income of the Government, and it was necessary to levy new and burdensome taxes. It took a long time to work out plans for these savings and increased taxes, and it took longer to discuss the plans and reach an agreement in a Congress which reflects every phase of opinion which can be found in the whole country. Everywhere the people have been impatient of the delay. If we should now pass this bill and impose an additional burden of $2,400,000,000 on the Treasury, the result of all this work would be destroyed and the irritation of the country would fall alike on the ex-service men for asking and the Congress for granting the payment of the bonus.

Such payment can not be made from money in the Treasury, for it is not there. It can not be raised from new taxes, for the country is already overburdened with taxes. A new bond issue in addition to the bonds and refunding already necessary is unthinkable. How is it proposed to raise the money? The Patman bill would authorize the printing of unsupported paper money to meet this appropiration, and its author avows that his purpose is to inflate the currency in order to raise prices. Have the people of this country forgotten what happened in Germany and other countries of Europe a few years ago when money was provided by running the printing press? Prices would undoubtedly be raised, but without increasing employment. What would happen then to the millions who are out of work or working only a few days a week? Higher prices without increase of employment would only add to their troubles.

Higher prices are needed, and they will come with a revival of business and a resumption of work with wages in the mills and mines. When higher prices come that way, they will be welcome and wholesome. But high prices without wages, without salaries, or other income would be a disaster such as came to certain European countries 10 years ago.

All that the Government can do for the relief of the unemployed should be done not only for the veterans but for nonveterans and veterans alike. All should be done that can be done for the revival of business. Steady work for all is what we want. I have no doubt that a relief bill will pass very soon, either the President's proposal or Senator WAGNER'S proposal or a combination of the two. When agreement has been reached on this relief bill, on the economy bill, and on the remaining supply bills for the running of the executive branch of the Government, then Congress

should adjourn and relieve the country of the fear that unwise Members of Congress, responding to unwise agitation from the outside, will pass measures that will further hinder the revival of business.

EXTENSION OF REMARKS

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief article explaining just exactly what the Congress can and can not do in reference to prohibition.

Mr. HOLADAY and Mr. SNELL rose.

Mr. HOLADAY. Mr. Speaker, reserving the right to object, is it the gentleman's own statement?

Mr. COCHRAN of Missouri. No; it is not. It is an article which I have read and one which explains the matter to everybody. It is not a wet article or a dry article.

Mr. HOLADAY. I think I shall object if it is by somebody else. I object, Mr. Speaker.

Mr. COCHRAN of Missouri. It would be of benefit to the gentleman's constituents and would give them the facts in the matter.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the joint resolution.

Mr. LAGUARDIA. Mr. Speaker, I reserve the right to object.

Mr. SNELL. As I understand, there is not very much difference between the Senate bill and the House bill?

Mr. JONES. The Senate bill applies only to wheat, and the House bill covers both wheat and cotton. The Senate, in order to get the matter to conference, struck out all after the enacting clause of the House bill and inserted the Senate bill.

Mr. SNELL. There is no reason why we can not get a conference report on this bill very quickly.

Mr. JONES. I see no reason why we should not.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, the gentleman is well aware of our anxiety in the big cities for this bill. It means the difference between furnishing food and starvation to hundreds and thousands of people, and I am not exaggerating one bit.

Mr. FISH. Millions of people.

Mr. LAGUARDIA. Yes. The gentleman knows with what we are confronted in the cities. With living conditions as they are now, unless the House bill is carried through it will mean absolutely no relief for us, and it will mean relief for livestock instead. I want to plead with the gentleman to carry out the wishes of the House with respect to the provisions of the House bill, and I know the gentleman will.

Mr. JONES. I thank the gentleman for his suggestion, and I shall do the best I can to carry out the wishes of the House in the matter.

Mr. FISH. Further reserving the right to object, I want to make a suggestion, thinking possibly the gentleman may be able to help in the matter. It has occurred to me that this wheat might be made available for the 15,000 bonus marchers, and that the Army could be called upon with the Army ovens to bake the wheat into bread and supply it, without additional expense to the Government, to the bonus marchers here in Washington. Does the gentleman think this can be arranged?

Mr. JONES. I will state to the gentleman that this matter will be placed, under the terms of both bills, in the hands of the American National Red Cross without any limitation as to where they may use it, and they may use it wherever they may find distress and need. I do not think it would be wise for Congress to undertake to take charge and dictate the persons or groups to whom it should be distributed.

Mr. FISH. There is no limitation in the bill which would prohibit the Red Cross from using the wheat in this way or prevent the Army from baking it free of charge?

Mr. JONES. In the nature of things the Congress must trust some one, and they are trusting the American National Red Cross, without setting out hampering restrictions or giving any instructions as to the manner or method of use.

Mr. FISH. I hope the bill is passed immediately.

Mr. LAGUARDIA. Our colleague the gentleman from Massachusetts [Mr. CONNERY] before leaving called the attention of the gentleman from Connecticut [Mr. GOSS] and myself to his amendment to the Jones amendment. The amendment provides—

After the needs of human consumption have been taken care of in the opinion of the director of the Red Cross.

Of course, this amendment is a part of the House bill, and I am sure is an amendment which the gentleman from Texas will bear in mind.

Mr. JONES. That is a part of the House bill, I will state to the gentleman.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I notice the Senate has materially changed the House resolution in that it provides that the Grain Corporation shall be credited in the revolving fund with the actual amount that is transferred to the Red Cross for these respective purposes. There are many here who wish to have the activities of the Farm Board brought to a close, and, though I am not going to exact any conditions on the bill's going to conference, I hope the gentleman will insist on resisting that provision whereby they will keep alive and available to the Farm Board additional moneys, so they can go into the market and keep up their nefarious practices which have cost the Government so many millions of dollars.

Mr. JONES. I will state to the gentleman that, of course, it is not proper for a member of the conference to commit himself in advance as to what he is going to do, but I desire to call the gentleman's attention to the fact that I have had pending for some time a measure to repeal the stabilization features of the Farm Board and to provide that direct buying and selling under Government supervision through stabilization corporations shall be ended. One of the purposes that I hope may be served is that the ending of this feature of activity on the part of the Government may be hastened by disposing of this surplus. I do not think anyone can properly object to legitimate activities of the cooperative associations themselves.

Mr. STAFFORD. The statement of the gentleman from Texas shows that he is sympathetic to closing up the activities of the Farm Board and not creating an additional revolving fund, as the Senate amendment would do, and therefore I shall not interpose any objection.

Mr. JONES. I will state to the gentleman in this connection that there is provision in the House bill for taking care of the commercial loans against these commodities, which would have to be taken care of before they could be taken over, and for paying the cost of carriage up to the time of delivery.

Mr. STAFFORD. That was a necessity by reason of their buying such a large quantity, which has been and is and will continue to be a drug on the world's markets until we give it away.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether the language in section 2 of the House bill which provided that the wheat can be exchanged for flour of any kind or for bread or food of any kind is in the Senate bill?

Mr. JONES. I have not the text of the Senate bill before me, but, as I recall, the Senate bill provides that it may be exchanged for flour, processed into food, or exchanged for transportation. Whether it contains the particular provision referred to I am not able to tell the gentleman. However, that issue will be in conference because it is in the House bill.

Mr. COCHRAN of Missouri. It is in the House bill, and those of us who come from the cities are greatly interested

in that part of the bill. I have information from my own home city that it is necessary to get that provision in the bill if the legislation is to be beneficial. What good is flour if the poor have no fuel to bake?

Mr. JONES. The gentleman understands that there are many food commodities in which wheat is a substantial ingredient. Even with the limitation the gentleman refers to there would be many food commodities for which it might be exchanged; that is, food commodities of which flour is a substantial component part.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Chair appointed as conferees on the part of the House Mr. JONES, Mr. FULMER, and Mr. HAUGEN.

EXTENSION OF REMARKS—FARM AND VETERANS' RELIEF

Mr. LANKFORD of Georgia. Mr. Speaker, I am, indeed, very glad that conferees have just been appointed on the joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

This bill now will soon become law and wheat and cotton will be available for this relief. I could see no reason why cotton should not be included in this relief program. I therefore, about three weeks ago, introduced a joint resolution providing for the inclusion of cotton. I am very happy that this has been done. In addition to aiding in this relief work this bill should help the price of the farmer's cotton this fall. It certainly will not hurt the price.

In fact I am sponsoring my bill to authorize and provide that for this relief work, the Red Cross purchase all vegetables, watermelons, potatoes, meats, eggs, sirup, and other food products of the farm directly from the original producers.

Why not? Why not do this and not only aid the starving of the big cities but also give the farmer a chance to live. This kind of a scheme would help everybody.

It certainly seems to me to be the height of folly for the Government to make larger appropriations to help the poor. The people make large donations to aid the starving, and then all this money is paid out for food products of the farm after several profits have been pyramided on top of the price received by the farmer. Why not get more, better, fresher food for much less money and give a market to the farmer, help him, and at the same time serve much more fully and efficiently the starving people of our country?

The question answers itself. The farmers can not sell their perishable vegetables for enough to pay the transportation cost. Their products are rotting because they can find absolutely no market at any price.

Yet these same farmers are being taxed a few cents here and a few cents yonder and their postage is being increased, all to raise money either to be loaned to the great corporations in amounts that stagger the imagination of the average man or to be used in buying for the use of the poor the very food the farmer produced and sold for one-fifth of what it now sells for, or to be squandered in some of the wasteful extravagant methods now employed by the Government.

Not only will my proposal give much more aid to the starving, it will also become a real aid to our farmers.

Why not let the Government authorize the purchase direct from the farmers of food for the starving, ragged veterans of the World War who are now in Washington. I am in receipt of many letters from farmers of my district, offering free vegetables and other foodstuffs to feed the veterans who are starving at the Nation's Capital. First, I had a letter from my good friend, Mr. J. E. Harper, of Osierfield, Ga. He offered to donate 500 pounds of beans, 500 squashes, and assured me other similar donations would be made by him and others if I would get some organization or party to pay the express charges. I notified him I would personally pay the express charges. Then upon investigation we found the express charges were more than the vegetables could be bought for here. It was found not to be practical to ship small amounts of beans, squashes, and so forth, so long a distance by freight.

So I finally made donations outright to the veterans, rather than let my good friend, Mr. Harper, and other good people of my district put themselves to a lot of trouble that in the end would be of little or no value to those they were trying to help.

I have said this much to show the noble, patriotic spirit of Mr. Harper and other good farmers of our country; to show how they feel of the veterans of the World War who are in Washington; and to show that this splendid supply of fresh vegetables should be bought by the Government directly from the farmers for the starving people rather than from those who are profiteering on the producer, the consumer, and the Nation.

Mr. Harper and other good farmers should not be required to donate vegetables to feed the veterans of the World War; neither should there be a tax imposed on them, as is now done, to buy at exorbitant prices vegetables and other food products from speculators when these same products, in much better condition, can be secured from Mr. Harper for much less money.

While Mr. Harper's beans and squashes could not be successfully handled in small amounts by express or freight, the Government, for use of the veterans and the Red Cross, could buy from Mr. Harper and his neighbors, carload lots, and get them much cheaper than here and manage the transportation in a successful manner.

This would be farm relief, veterans' relief, relief for the railroads, relief for the starving, and would relieve the Government from the expenditure of too much money.

I am also fighting for a system of selling farm products directly from the producer to the consumer; I am now urging Congress to authorize the purchase of farm products direct from the producer for the starving peoples of our country; and I am doing all I can to get the Government to buy food from the farmers for the World War veterans now in Washington.

A day or two after I received Mr. Harper's letter I introduced a joint resolution which provides as follows:

That the Secretary of War is hereby authorized, empowered, and directed until the adjournment of the present session of the Seventy-second Congress to take such steps as may be necessary to accept donations of, or purchase, food and clothing and pay for transportation thereof, and do any and all things necessary to feed, clothe, shelter, and furnish emergency medical attention for any and all such veterans of the World War as are now in or are now actually en route to Washington.

SEC. 2. That the said Secretary of War is further authorized and required to pay the traveling expenses of each of said veterans to his home as fully and completely as is now done in the case of a soldier of the Regular Army who has received an honorable discharge, provided such veteran departs for his said home during the present session of Congress or within three days thereafter.

SEC. 3. That for the purpose of carrying this joint resolution into effect there is hereby appropriated the sum of $100,000, or so much thereof as may be necessary, to become immediately available.

I hope this bill soon passes. I shall probably discuss these relief measures again in the near future.

HOME LOAN BANK BILL

Mr. LAGUARDIA. Mr. Speaker, during the consideration of the home loan bank bill there was presented by the gentleman from New Jersey [Mr. LEHLBACH], a letter of protest representing a building and loan association from New Jersey. I have prepared a reply to this protest. I think the subject is of interest to Members of the House, and I ask unanimous consent to insert at this point a letter from the gentleman from New Jersey to me on the question with a statement from the New Jersey loan association representative and my reply thereto.

Mr. STAFFORD. Reserving the right to object, when the gentleman projected his amendment into the home loan bill, I took occasion to point out that if that amendment was adopted, although I was sympathetically inclined to the gentleman's premise, it would prevent many building and loan associations, legitimately carried on, to receive the benefits of the law. The communication the gentleman referred

to showed without question that as far as New Jersey was concerned, that the building associations would not be privileged to get the benefits of that law.

Mr. LaGUARDIA. I will say to the gentleman from Wisconsin that he is in error, that my amendment simply disqualified any institution that charges usurious rates of interest.

Mr. STAFFORD. I had the favor of seeing the letter addressed to the gentleman from New Jersey [Mr. STEWART], written by the secretary of one of the loan and building associations in New Jersey, in which he said that it might bar some associations in New Jersey from receiving the benefits of the law.

Mr. MICHENER. The attorney of one of the building and loan associations says that what the gentleman from New York says will not happen will happen.

Mr. LaGUARDIA. If they charge above the legal rate of interest, it will bar them; and that is the purpose. I do not want to vote for an appropriation of $125,000,000 to aid institutions that charge more than the legal rate of interest, no matter what it may be called.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The correspondence referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 18, 1932.

Hon. FIORELLO H. LaGUARDIA,
House of Representatives, Washington, D. C.

DEAR COLLEAGUE: I am transmitting for your serious consideration the inclosed copy of a letter from Judge Stickel, of Newark, N. J., with respect to the home loan bank bill. Of course, this matter is at present no longer within the jurisdiction of the House, but it may arise in a conference report.

Yours very sincerely,

FREDERICK R. LEHLBACH.

JUNE 17, 1932.

Hon. FREDERICK R. LEHLBACH,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: We in New Jersey are much disappointed at the inclusion in the Federal home loan bank bill of the following amendment proposed by Congressman LaGUARDIA:

"No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum legal rate of interest (regardless of any exemption from usury laws) in the State where such property is located."

I say we are disappointed because the effect of the amendment is to make ineligible practically every building and loan association in the State of New Jersey and many associations throughout the United States. In fact, limited as the bill is to savings banks and building and loans, the proposed Federal system can not function successfully since the LaGuardia amendment excludes too many building and loan associations whose subscriptions are so vitally needed if the Government capital is ever to be retired. We are excluded because, under our usury law, the interest rate is limited to 6 per cent, and any charge beyond that becomes usury.

Despite the general usury laws, our legislature, realizing the home-owning, thrift-teaching service we are rendering, has always excluded building and loans from the ban of the usury law and provides in section 16 of our building and loan act: "Any such association may take from its members a premium for priority or privilege of loan or acquisition of real estate, and no premium so taken for such purposes shall be deemed usurious and it shall be lawful for the rate of said premium to be agreed upon instead of being determined by auction to the highest bidder, and the payment of interest in advance for not exceeding one month shall not be deemed usurious."

The premiums thus collected, which vary in different sections of the State, and according to the money market, are included in the profits of the association and shared with all the shareholders, including the borrowing shareholders. In that way and because of the very small expense of management and operation, and because of the interest charged on the money loaned, building and loan associations have been able in the past to make 8 or 9 per cent on their shares. That profit is added to the payments on the shares and the borrowing shareholder gets the benefit of it, so that customarily between 11 and 12 years the payments on the shares plus the profits made arrive at maturity and equal the amount of the mortgage indebtedness and cancel the same. However, it has happened and it can happen again that the profits made on the shares would not offset the premium and the interest charge, and that the "actual net cost to the home owner" would be "in excess of the maximum legal rate of interest" (6 per cent in our State). That would exclude our associations from the benefits of the Federal system.

Many of the associations do not charge premiums at all, but even such associations would be excluded under certain circumstances. They charge 6 per cent interest on the money borrowed. The principal payments made by the borrower are made upon the building and loan shares and credited to the shares and not the mortgage debt. As a consequence, the interest is payable on the full debt until the shares mature, so that if due to lean years and small profits the shares should take longer to mature than ordinarily, say, 12 years, the net actual cost to the borrower might exceed the legal rate of interest, in our State 6 per cent.

So I repeat, the bill as it passed the House excludes New Jersey from its benefits and I know you do not want that. New Jersey is the third largest building and loan State in the Union with 1,563 building and loan associations; and if there is any State that is entitled to the benefit of this system, it is New Jersey, since every one of its associations are mutual.

In some States they have a legal rate of interest which obtains in the absence of a specific contract, but a contract rate of interest may be entered into between the parties which far exceeds the legal rate and that contract rate is not usurious. For instance, I am told in one State that in the absence of a specific contract 6 per cent is the legal rate and anything beyond that is usurious, but the parties may make a specific contract to pay as much as 12 per cent without violating the usury law. It is said that the amendment had the legal contract rate of interest in mind so that as long as the net cost did not exceed 12 per cent the association so charging would be eligible. That, of course, is not what the amendment says, and even if it did say it, it would not help New Jersey, for we haven't any such contract rate or contract law. I earnestly and strongly urge that this provision be eliminated.

It is harmful to the very home owners that it is designed to protect. The common premium charge around here is 3 per cent, and there is no tendency in this State to charge exorbitant premiums and never has been. In the future, with the greatly increased reserves which building and loans will be required to set up they will not be able to make the 8 and 9 per cent that they have heretofore made, which would make this amendment just that much more dangerous and absolutely assure the exclusion of the building and loans. Certainly, the very wise course in setting up additional reserves should not assure the exclusion of building and loans from the benefit of a Federal system designed to develop home building along long-term mortgage lines.

Ample provision exists in the bill now to protect the system against gougers and against excessive premium or bonus chargers since in section 4 it is provided that no institution shall be eligible to become a member of or a nonmember borrower of a Federal home-loan bank if in the judgment of the board its financial condition is such that advances may not be safely made to such institution or the character of its management or its home financing policy is inconsistent with sound and economical home financing or with the purposes of this act. The consistent policy in Federal legislation has been to give wide power to boards and to make the legislation elastic. We building and loan men have desired from time to time more binding language in the act, but bowing to that policy we have refrained from insisting upon such language.

This LaGuardia amendment should take the same amendment, should bow to the same policy. Let us rely upon the good judgment of the board based upon the different circumstances in the different localities and different laws in the different localities.

Won't you undertake to see Congressman STEAGALL or whoever is responsible for this amendment and see what can be done to protect New Jersey? The building and loan men of the State are looking to you in the hope that you can exclude this amendment, or if some such language must remain in the bill, that whatever the language is it protects the New Jersey associations in membership in this bank. I am hopeful that I can be in Washington on Monday, and if so, I will look you up.

With personal regards, I remain, sincerely,

FRED G. STICKEL, JR.

JUNE 27, 1932.

Hon. FREDERICK R. LEHLBACH,
House Office Building, Washington, D. C.

MY DEAR COLLEAGUE: I have your letter of June 18, 1932, inclosing copy of a letter from Judge Fred G. Stickel, jr., of Newark, N. J., with reference to the home loan bank bill. The judge complains of my amendment, approved by the House, which reads as follows:

"No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum legal rate of interest (regardless of any exemption from usury laws) in the State where such property is located."

Judge Stickel makes a frank statement of facts. For the purposes of this discussion, we will accept the state of facts as stated and described by Judge Stickel on behalf of the New Jersey building and loan associations.

In determining the wisdom of the limitations set forth in my amendment we must at all times bear in mind the real purpose of the House bill. On that, too, there can be no disagreement.

Its sole purpose is to help, aid, and assist the home owner. It is a borrowers' law, not a lenders' subsidy.

In his message of January 4, 1932, President Hoover recommended "the creation of a system of home-loan banks in order * * * to mitigate the difficulties of many of our citizens in securing renewals of mortgages on their homes and farms." Surely no one will contend that the President at any time even remotely had in mind a loan-bank system to aid primarily institutions charging interest over and above the legal rate.

The report of the Committee on Banking and Currency favorably recommending the passage of this bill stated that "* * * we are drifting into a nation of tenants. The principal reason is an insufficient amount of low-cost, long-term, installment mortgage money." Any money which costs more than the legal rate of interest is not low-cost money or within the scope of the bill as stated by the committee. "A debt-free home ownership can be created as borrowers reduce their debt from month to month" is the hope expressed by the committee in urging the passage of the bill, and surely can not be based upon Congress countenancing Government aid to any system exacting usurious interest. Again the committee stressed that the bill was solely for the purpose of aiding and benefiting the home owner and not the money lender, whoever it may be, when it said "the home owner should not be subject to the vicissitudes of the general money market.

"The smaller communities as a rule are without sufficient mortgage funds for home-financing demands at all times. In the years when there has been ample money in some parts of the country there have been high rates and scarcity in others. The home loan bank system will stabilize the home-financing activities of the country and provide a device through which mortgage funds will flow into the areas of need, with resulting benefit to home ownership in the form of lower costs and more liberal loans." No language can be clearer than that. The fact that the usurious charges are made by a well-meaning building and loan association is of no comfort to the home owner. It is the high rate of interest which hurts, not the source to which it is paid. Apparently the committee, anticipating abuse of the law and misuse of the funds thereby created, was anxious to make certain the intent of the bill by repeated reference to its real purpose—that of the low cost of mortgage money—when it added: "The years 1920–21 and 1929–1932 demonstrated a permanent need for a reserve system for the home-financing institutions, just as commerce and industry has the Federal reserve system and agriculture has the Federal farm loan system. It will stabilize these thrift and home-financing institutions, will improve and standardize mortgage practices, will decrease costs of mortgage money, and will regulate the supply of mortgage credit * * *."

Frankly, how many votes do you suppose the bill would have received in favor of its passage had we not clarified and made certain that usurious interest and exorbitant fees would not be charged to home owners? Judge Stickel first points out premiums collected which "are included in the profits of the association and shared with all the shareholders, including the borrowing shareholders." True, and for every cent that is paid to the borrowing shareholder, either in profits or dividends or whatever it may be called, my amendment provides for the "deduction for all dividend refunds and cash credits of all kinds." And the amendment is intended to and does reach institutions only that charge usurious or illegal interest over and above these deductions. Can there be any objection to that? Then Judge Stickel points out that "it has happened and it can happen again that the profits made on the shares would not offset the premium and the interest charge and that the 'actual net cost to the home owner' would be 'in excess of the maximum legal rate of interest.'" Exactly. That is just what the amendment is intended to prevent.

The fact that the funds derived through excess charges or interest over the legal rate is distributed to other shareholders is no justification for legalizing usurious interest rates to borrowers. What difference does it make to the borrower if his excessive usurious interest is divided among members, among shareholders, among nonborrowers, or is kept by a single individual loan shark? Again, I say, it's the excessive, usurious interest that we are seeking to prevent, and not the methods of its distribution. That is no concern of ours. The policies and practices of loan associations are said to be justified by the fact that there is a division of the profit among all members. True. A good investment it is, indeed, for the nonborrower. It is the borrower that we are seeking to protect in this instance. The nonborrower member, eager to make profits in his investments in excess of the legal rate, may well put his money in a building and loan association when he has been exempted by local laws against usury and a removal of stigma by a general misapprehension of the profits of these associations.

It can not be said that Congress has no concern in the methods of operation of the individual loan companies eligible to membership. It has. The mere fact that it is necessary for the Government to step in and to provide for the initial fund and to establish a system of discount banks indicates the necessity for supervision, uniformity, and complete protection to the borrower for whose benefit the law is to be enacted. Do you suppose for a single moment that the American people will countenance that provision of the bill contained in section 5, which authorized "the aggregate amount expended by the United States Government for the purchase of stock under this act shall not exceed $125,000,000," unless it is made certain that no institution, however well meaning it may pretend to be, may become a member of the system, discount mortgages, and make huge profits by charging borrowers interest in excess of the legal rate?

The representative of the New Jersey building and loan associations raises the question of legal and contract rates of interest. My amendment is sufficiently broad to cover contract rates of interest. If the laws of any State permit a given interest to be charged as a result of agreement in a contract, that rate then becomes the maximum legal rate. A contract rate, where permitted, would not be barred by my amendment for the reason that the amendment specifically provides for "the maximum legal rate of interest in the State where such property is located."

Usurers complaining of a protecting provision in a bill intended for the benefit of harassed borrowers reminds me of a story my old German teacher used to tell—to explain the meaning of the word "umverschämt": "A couple were in a public park necking. All of a sudden the girl said, 'John, stop! Do be careful. There is a shameless (umverschämt) person looking at us.'"

Yours very truly,

F. H. LAGUARDIA.

ROAD CONSTRUCTION IN ALASKA

The next business on the Consent Calendar was the bill (H. R. 11717) providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object to inquire as to the propriety of transferring from the War Department to the Secretary of the Interior power to construct trails and roads in the Territory of Alaska. The construction of trails and roads in the Territory of Alaska is different from the method of constructing roads in the States. In the States we merely contribute an amount to the various States, and then the work is done under the supervision of the Secretary of Agriculture. As to the amount appropriated every year and for many years past for roads and trails in Alaska, that same money has been utilized for the building of trails to the mining camps in the far reaches of Alaska, and I think the War Department is better constituted for constructing that character of improvement than is the Department of the Interior.

Mr. COLLINS. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. COLLINS. There are three road systems in Alaska. One is under the War Department, one is under the Interior Department, and one is under the Agricultural Department. All of them of necessity are duplicating activities. It is my idea that all should be consolidated under the Bureau of Public Roads of the Agricultural Department. It does not seem possible to do this by amendment. The Richardson Highway, the lines tributary to it, and other War Department road activities therefore should be transferred to the Interior Department. If we are to get rid of duplications of road work in Alaska this bill should pass.

Later on an amendment should be offered or a new bill introduced to transfer all road work, including the agricultural road-building program in Alaska, to one central agency.

The bill before us has the approval of the President of the United States. It was introduced at his behest. I hope the gentleman will not object.

Mr. STAFFORD. Reserving the right still further to object, I was under the impression that most of the amount appropriated in the War Department appropriation bill was utilized for the building of trails to mining camps.

Mr. COLLINS. No; we built the Richardson Highway originally and we built practically all of the roads connecting with the Richardson Highway. The Agricultural Department is concerned with the building of roads and trails through national forests. As I said originally, the better plan would be to consolidate all under the Bureau of Public Roads; but it seems to be the President's idea that the activities of the War Department only should be transferred to the Interior Department because there is similarity of construction that both are doing.

Mr. STAFFORD. Of the $300,000 or $400,000 and odd in next year's War Department appropriation bill, how much will be utilized for the building of trails to mining camps?

Mr. COLLINS. Scarcely none of it.

Mr. STAFFORD. Years back, when I had the privilege of serving on the War Department subcommittee of the Appropriations Committee, most of it was used for building of trails to mining camps in the far reaches of Alaska.

Mr. COLLINS. Practically everything this year is for repair work on the Richardson Highway and the roads connected with it.

Mr. STAFFORD. And what organization has the Interior Department for doing that character of work at the present time?

Mr. COLLINS. They have an organization that is comparable in every regard with that of the War Department.

Mr. STAFFORD. Utilized at present for what kind of work?

Mr. COLLINS. Similar work on roads in Alaska.

Mr. TAYLOR of Colorado. And in the national parks. Also we have charge of the Alaska Railroad.

Mr. STAFFORD. The Alaska Railroad is cited, built by the Government at an expense of many, many millions of dollars, and we can not give it away for nothing at the present time.

Mr. TAYLOR of Colorado. That is not the fault of the Interior Department.

Mr. STAFFORD. No; it is the fault of the Congress and the original go-getters from the Pacific coast who induced the Congress to vote for that outlandish Government-owned railway.

Mr. COLLINS. I think this bill will save considerable money to the Government.

Mr. STAFFORD. Mr. Speaker, I yield now to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Speaker, this is an administration bill. It was practically prepared at the White House and was sent to Senator HOWELL, of Nebraska, and to me, with the request that we introduce it in the Senate and House, which we did. The Senate has passed the bill unanimously and in the exact words of my bill, and it is now on the Speaker's desk. I have not a particle more interest in the measure than any other Member of this House. About 15 years ago we built the Alaska Railway. We have spent about $70,000,000 on that railway. It has never paid operating expenses and probably will not for many years to come. It was built for the purpose of developing Alaska. It was not built with the expectation that it would be a paying proposition; but it has been of incalculable benefit to Alaska, and we have got to keep it up.

In 1905 Congress conceived the idea of building roads and trails and bridges and ferries throughout Alaska, and we created the Alaska Board of Road Commissioners and provided that the money derived from liquor licenses, and so forth, should be spent on roads. While most of that law is still in effect, we have been supplementing it by appropriating about $800,000 a year for that work for several years past. At that time the whole road and trail work through all Alaska was put under the jurisdiction of the War Department, and that was proper at that time, and that department and the Army engineers have done splendid work. But it has been thought for many years that it is somewhat in the nature of a duplication of work to have the War Department build the roads and trails and to have the Interior Department in charge of the Alaska Railway and of national parks and a great many other activities throughout Alaska. There is a widespread and insistent demand that there should be more of a consolidation, coordination, and reduction of the 30 or 40 boards, commissions, bureaus, and other official functions that are operating in Alaska. Many of those officials are spending a large part of their time in swivel chairs here in Washington.

This bill was prepared primarily for that purpose of consolidating and systematizing these operations. Personally I believe it will prove to be very beneficial in several ways. I described this entire matter very fully in an extension of my remarks in the RECORD of the 7th of this month. The executive departmental officials very carefully considered the matter as to what department this work should be put in. When they realized that the Interior Department has the public domain, about 98 per cent of its territory, the Mount McKinley National Park, the reindeer, the Alaska railroad, the governorship, the legislature, and the larger proportion of all the activities of Alaska in that department, the President and his Cabinet officers decided that this road work should be transferred from the War Department to the Interior Department.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

Mr. LAGUARDIA. I do not think there is any objection to the gentleman's bill.

Mr. TAYLOR of Colorado. If the gentleman from Wisconsin is going to object, I want to explain it.

Mr. STAFFORD. Mr. Speaker, from the information which the gentleman from Colorado has furnished privately, as well as information furnished by the gentleman from Mississippi, I will withdraw my reservation of objection.

Mr. TAYLOR of Colorado. Mr. Speaker, the Senate has passed the same bill in exactly the same language, and that bill is now on the Speaker's desk. I ask unanimous consent to substitute that bill (S. 4525).

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That from and after the passage of this act the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska, and upon the Secretary of War, as provided for in the act of January 27, 1905 (ch. 277, sec. 2, 33 Stat. 616), as amended by the act of May 14, 1906 (ch. 2458, sec. 2, 34 Stat. 192), and acts supplemental thereto and amendatory thereof, are hereby transferred to the Department of the Interior, and shall hereafter be administered by the Secretary of the Interior, or under his direction, by such officer or officers as may be designated by him.

SEC. 2. The Secretary of the Interior shall execute or cause to be executed all laws pertaining to the construction and maintenance of roads and trails and other works in Alaska heretofore administered by said board of road commissioners under the direction of the Secretary of War; and all appropriations heretofore made and now available or that hereafter may be made for expenditure by said board for meeting the cost of such work in the Territory of Alaska are hereby transferred to the Secretary of the Interior, to be thereafter administered in accordance with the provisions of this act; and the said board is directed to turn over to the Secretary of the Interior all equipment, materials, supplies, papers, maps, and documents, or other property utilized in the exercise of such powers, for the use of the said Secretary in the administration of the construction and maintenance of roads, tramways, ferries, bridges, and trails, and other works in the Territory of Alaska heretofore administered by said board.

SEC. 3. That, with the approval of the President, the Secretary of the Interior shall have power, by order or regulation, to distribute the duties and authority hereby transferred and appropriations pertaining thereto as he may deem proper to accomplish a more economical and effective organization thereof, and to make rules and regulations governing the use of roads, trails, and other works, including the fixing and collection of tolls where deemed necessary and advisable in the public interest.

SEC. 4. That all estimates of appropriations for the construction and maintenance of roads and trails and other works, as heretofore submitted by the Secretary of War, shall hereafter be submitted by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

TO ENCOURAGE MINING OF COAL IN ALASKA

The Clerk called the next bill, H. R. 12281, to encourage the mining of coal adjacent to the Alaska Railroad in the Territory of Alaska, and for other purposes.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I do so solely for the purpose of calling attention to a collateral matter. I am sorry my colleague, the gentleman from Pennsylvania [Mr. BECK] is not present, because I notice the author of the bill has asserted the very expression of policy and the purpose of the bill, in the body of the bill. I am in accord with that legislative practice. Some of my elder and more conservative friends object to that. Strenuous objection was made, if the gentleman will recall,

during the discussion of the injunction bill. It seems to me it ought to be a guide to the courts in construing the intent of Congress, in expressly stating the purpose of the legislation in the bill itself, as was done in this case.

I simply wanted to call attention to that, as I think it is a modern method of legislating.

Mr. DRIVER. I agree with the gentleman, and we drafted the bill to incorporate that particular provision.

Now, I want to make a little explanation of this bill. This is a bill which the department wants. It absolutely destroys the theory of contracts by competitive bids. They justify this bill by the emergency existing in this matter. We agreed to submit this bill to the House to see whether or not that emergency sufficiently justified the legislation.

We have two mines developed along the Alaska Railroad. Both are developing suitable material for fuel for the road. The only competitive article in Alaska is from British Columbia, and that is handled by vessels that are in business in that area.

There is not a sufficient amount of business aside from the railroad to justify even an effort to develop markets. Therefore they must look to the railroad for the business. There is not a sufficient amount of business there to keep two mines running, but unless two mines are prepared to furnish coal, then, necessarily, a monopoly is built up, to be controlled only by the price of the British Columbia coal, which is about three times the price they are getting for this coal under contract. The Interior Department is actually furnishing the money to keep one of the mines open, but without business, in order to keep that competition alive.

Mr. LaGUARDIA. They are pumping out the water, too.

Mr. DRIVER. They are pumping out the water and advancing the money to do it, to keep from destroying that competitor.

Now, unless they have an opportunity of purchasing coal from both mines, necessarily one of them goes down, and the competition is destroyed. That is the emergency.

Mr. STAFFORD. Will the gentleman yield?

Mr. DRIVER. I do.

Mr. STAFFORD. Do the hearings disclose what activity is taking place to-day in the Matanuska and Guggenheim coal regions?

Mr. DRIVER. No; except to this extent: That if they could get the coal from that vicinity, the rail rate on the Guggenheim road, I believe, is just about twice the rate on this road, as increased recently, and therefore it would double the price of the product.

Mr. STAFFORD. Where are the two or three instant mines located as compared with Seward? As I recall, the original project for the building of the Alaska Railroad, the Matanuska fields, were about 80 or 100 miles from Seward. The Sovereign Bank of Canada, 1 of the 13 Government banks, had gone bankrupt in promoting this railroad from Seward to Matanuska coal fields. It was one of the few Government banks in Canada that was ever closed. It was urged that the Matanuska coal region produced a very high grade of coal, and that the Navy would use this coal. Now we find that even the Government has no need for the Matanuska coal mine, but that because it is distant from the scene, they are favorable to supporting, with a general subsidy, two mines in order to keep them in operation. How far distant are those two or three mines from Seward?

Mr. DRIVER. About 75 miles from Seward, right along the railroad, and therefore very convenient. They take the coal as it is lifted out of the ground.

Mr. STAFFORD. I assume the justification for this bill is that unless we authorize the Secretary of the Interior to purchase coal from another competing mine, that other competing mine will close, and the Government will then be at the mercy of this one mine, and they must pay for the product whatever price it will bear.

Mr. DRIVER. There is no doubt about that.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, I think the record ought to show we are in agreement that the unusual state of facts and conditions does not establish a precedent or any justification for the departure from our well-established competitive system.

Mr. DRIVER. My purpose in making this statement was to bring that out.

Mr. GREEN. Mr. Speaker, reserving the right to object, is this the bill that permits them to buy from either?

Mr. DRIVER. Yes.

Mr. GREEN. I offered a suggestion in the committee that they grant say 80 per cent of the sale of the coal to the low bidder and perhaps 20 per cent to the high bidder. That is as great a concession as we should make. I do not believe in eliminating competition.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill. [After a pause.] The Chair hears none, and the Clerk will report the bill.

Mr. GREEN. Mr. Speaker, is this the Alaska coal bill? I object.

The SPEAKER pro tempore. The gentleman's objection comes too late. The Chair had ordered the reading of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order to prevent monopoly and to insure the continuance of two or more operating coal mines in the Territory of Alaska adjacent to the Alaska Railroad, the general manager of the Alaska Railroad, with the approval of the Secretary of the Interior, is hereby authorized to purchase coal annually for the railroad from two or more operating companies in that area at such reasonable price or prices as may be fixed and determined by said Secretary.

Mr. GREEN. Mr. Speaker, I rise in opposition to the bill.

The SPEAKER pro tempore. The gentleman from Florida is recognized for five minutes.

Mr. GREEN. If I understand this bill correctly, it is a bill that was before the Committee on Territories and authorizes the Secretary of the Interior to disregard the low bidder for coal contracts and give him half the business and the high bidder half the business.

In other words, the bill eliminates competition in bidding. The two coal mines are there. They each make a bid to furnish the Government railroad coal. Maybe one of them bids $7 a ton and the other bids $5 a ton. The one that bids $5 a ton should be awarded the contract. However, under the terms of this bill, if I understand the bill correctly, and I am reliably informed by the committee that my understanding is correct, both of these companies would furnish coal at $5.

It will create a combine and monopoly of these two companies, and our railroad there will be held up and the taxpayers of the country will be taxed to keep open both of these coal mines, and bidding will be eliminated. It is not fair. Competition is the life of all business, and I do not propose to give my sanction to eliminating the right of this railroad to buy its coal from the lowest bidder and permitting these two coal companies to enter into an agreement to get money from the Government that is not fair.

Mr. DRIVER. Will the gentleman yield?

Mr. GREEN. I yield.

Mr. DRIVER. If that is the gentleman's complaint, I think we can eliminate it by an amendment I expect to offer fixing the limit of price by making it the same as that now being paid under the competitive contract.

Mr. GREEN. Will the gentleman also agree to an amendment that the low bidder shall furnish 80 per cent of the coal and the high bidder 20 per cent of the coal?

Mr. DRIVER. This is an emergency, but the parties in charge should, in my opinion, have the privilege of operating this for the best interest of the railroad.

Mr. GREEN. I would like for the railroad to operate, but I do not believe Congress should destroy the right of competition and give a monopoly to one of these coal companies. I am not going to vote for the bill, and I hope this House will not pass the bill.

Mr. COLTON. Will the gentleman yield?

Mr. GREEN. I yield.

Mr. COLTON. I understood from the gentleman from Arkansas, and it is my personal understanding of the situa-

tion, that if this bill does not pass you create that particular situation by destroying one of these mines.

Mr. GREEN. That is what is said, but I do not believe such a situation exists because this mine which does not get the contract continues to furnish coal to fill commercial demands just the same as it would otherwise, and I have no fear of the coal mine of the high bidder closing, because that mine would furnish it to commercial and industrial interests.

Furthermore, if the prices for coal from these mines become outrageous, we can get coal from the Government mine to run the railroad.

I think it is a very unwise thing for Congress to abolish the right of competition by giving these coal mines a monopoly, at any price they want, to sell this Government railroad coal at the expense of our taxpayers.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. GREEN. I yield.

Mr. LAGUARDIA. I do not think the situation created will be exactly as the gentleman fears.

In the first place, the manager of the railroad, with the approval of the Secretary is empowered under this bill to go out and buy coal. If the prices from the two companies are unreasonable, he is not compelled to buy it at all. This is only permissive; it is not mandatory.

Mr. GREEN. It is in this way—there are only, I believe, two coal mines in Alaska. The Government coal mine has been shut down. What is to keep these two coal mines from getting together and holding up the Government?

I know the gentleman's stand in matters of this kind—that he is against monopoly; he stands for the taxpayers' protection. I hope he will not vote to give monopoly to these two coal mines in Alaska.

If we eliminate competitive bidding, I fear it will lead to a conspiracy by these two coal mines to get undue amounts of money from the Government.

Mr. DRIVER. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Arkansas offers an amendment, which the Clerk will report:

The Clerk read as follows:

Amendment offered by Mr. DRIVER: On page 1, line 10 of the bill, after the word "Secretary," insert a colon and the following proviso:

"*Provided, however,* That the Secretary of the Interior is limited in the price to be paid for coal to $3.15 per ton for the first grade, $3 per ton for the second grade, and $2.90 per ton for the third grade."

Mr. LAGUARDIA. Will the gentleman yield?

Mr. DRIVER. Yes.

Mr. LAGUARDIA. Is that f. o. b. mine or where?

Mr. DRIVER. At the mine. That is right at the railroad.

Mr. LAGUARDIA. What is the basis for those figures?

Mr. DRIVER. The present contractual prices; and I will say to the House that this amendment has the indorsement of Judge Finney, who has charge of this particular matter.

Mr. STAFFORD. Mr. Speaker, I rise in opposition to the amendment. The thought occurred to me on the first reading of the amendment that perhaps the gentleman is doing violence to the authoritative provisions of his bill. We all know that the price of coal varies with the condition of the run. While to-day, under present conditions, these prices may be warranted, nevertheless, with changing conditions these prices might not be warranted. I would like to inquire of the gentleman from Arkansas, who has studied this matter very carefully, whether there may not be conditions where in a rising market these prices may be out of range completely and the department would not be able to purchase any coal at all.

Mr. DRIVER. I was in accord with the gentleman's theory in the committee, but the committee indorsed this amendment and so did Judge Finney, who represented the department. I think that if the emergency is such that we should bestow upon this particular officer the discretion to deal with this matter as it was necessary we ought to make it full and complete; but the committee has expressed itself on this matter, and therefore I am bound to the extent of offering it.

Mr. GOSS. Will the gentleman yield?

Mr. DRIVER. Yes.

Mr. GOSS. I notice that in the gentleman's amendment he refers to first, second, and third grade coal. There is no such thing in the coal business, as far as I am informed.

Mr. DRIVER. If the gentleman will prepare the proper language, I will accept it.

Mr. GOSS. What kind of coal is this—bituminous or anthracite?

Mr. DRIVER. They have three grades of bituminous.

Mr. GOSS. I want to call the attention of the House to the fact that in this amendment we refer to three grades of coal. If we should adopt the amendment, I do not believe anybody could interpret accurately what those grades are. For instance, we have high and low volatile coal; we have low and high ash coal; and gentlemen from Pennsylvania and Virginia would agree with me that it is a serious question as to whether we could establish what grade 1 coal is. I see the gentleman from Pennsylvania present. He is a coal man, and he knows that we have the Navy standard and pool number so-and-so, never grade 1, grade 2, and grade 3.

I think the gentleman should withdraw the amendment and try to have it included in the Senate, after thorough study has been given to the proper language. I think some other language should be used rather than to provide for first, second, and third grade coal. In Pennsylvania coal is graded by pool numbers and Navy standards, high and low volatile coal, high and low ash coal?

Mr. BRUMM. If the gentleman will permit, what he says depends upon the purchases of the United States Navy. It has its standards, but there is no doubt in the world that the anthracite coal business has its standard No. 1 buckwheat coal, No. 2, and No. 3.

Mr. GOSS. But No. 1, No. 2, and No. 3 do not grade the coal.

Mr. BRUMM. The grade of coal is according to the amount of slate in the coal, and so on. There is no question but what the coal trade recognizes various grades of coal, grade 1, grade 2, and grade 3.

Mr. GOSS. I have purchased a hundred thousand tons of coal a year for our plants, and I have never yet heard of grade 1, grade 2, and grade 3 coal. I have heard of No. 1 buckwheat, No. 2, and No. 3, but that referred to the size.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COLTON. It would make it perfectly clear if there were added to this amendment the words "as now recognized in the Alaska trade."

Mr. STAFFORD. Mr. Speaker, I am contesting the proposed amendment because it may be unworkable and may cramp the Secretary of the Interior and prevent him from getting any coal whatsoever up in Alaska to operate the Alaska railroad. No person here wishes to put the Secretary of the Interior in such an attitude. By adopting such an amendment you may be barring him from securing coal at any price whatever. This amendment is diametrically opposed to the fundamental principle of the bill.

There is no criticism here of the Interior Department with respect to its present practices in purchasing coal or in the prices paid for it. This bill only seeks to give protection so that they may always have competitive conditions from two mines or more. You are now seeking to place a maximum limit at which the Secretary of the Interior may purchase coal at any time. Who knows whether conditions may not change, whether the cost of mining the coal may not be increased so that they will be obliged to pay a higher price? If so, you can not come to Congress, because Congress may not be in session. Legislative lethargy would deter us from supporting this character of amendment, even though it has

the support of the committee as a compromise to get the measure out of committee. It is violative of the fundamental principle of the bill and from a business standpoint, it should be defeated.

Mr. GREEN. The whole bill?

Mr. STAFFORD. This amendment should be rejected.

What does the bill do, just in a word? It confers upon the Secretary of the Interior the right to purchase coal from more than one mine, so that the railroad will not be held up in case the other two or three mines are driven out of existence because there is no other purchaser available. You are now seeking to place a price limit on it, and who can gauge the future with respect to the price of coal? I can not, and I do not believe any member of the committee can. The committee amendment should be rejected out of regard to the Treasury, out of regard to the Secretary of the Interior, out of regard to the operation of the Alaska Railroad. I would like to find some person who would receive that railroad as a gift, but I am not willing for this character of amendment to prevent the railroad from being operated at all in case the price of coal should go up.

Mr. LAGUARDIA. There are railroads in this country that you could not give away.

Mr. STAFFORD. But this was before the depression. You could not give it away because the operating expenses were $4,000,000 and the revenues only $1,000,000. There was not a railroad in the country or in the world that was in a parallel condition.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Arkansas [Mr. DRIVER].

The amendment was rejected.

Mr. GREEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: Page 1, line 10, after the period, insert a semicolon and the following:

"*Provided*, That the high bidder shall not furnish more than 20 per cent of the coal so purchased."

Mr. GREEN. Mr. Speaker, it seems to me this is as far as any of us should go in eliminating competitive bidding. It is farther than I really want to go. Suppose you were to so arrange it for your Government that when a Pennsylvania coal mine and a West Virginia coal mine went into competitive bidding to furnish coal to the Government, to be paid for with the taxpayers' money, that because the Pennsylvania mine bid lower than the one in West Virginia, it should only receive 50 per cent of the amount of coal to be furnished the Government.

The precedent of the Congress itself destroying the right of competitive bidding is the destruction of a principle that I can not subscribe to.

The fact that the low bidder on a coal contract in Alaska is disappointed because he did not get the contract, and comes to Congress and asks Congress to abrogate the principle of competitive bidding so he can get 50 per cent of the Government's contracts, regardless of the cost, should not be considered by the Congress.

I want to ask you gentlemen, as business men, whether you believe that in your own business you should give half of a contract to the higher bidder instead of giving it all to the low bidder. I do not think the argument of keeping both coal mines in operation should hold, because I do not believe that such a condition exists.

The Government has its own coal mine there, and in an emergency the Government can operate it. The Government has operated it heretofore, but the Government does not like to go into business, and I do not like for the Government to go into business when avoidable.

I believe that business concerns should operate their business and sell their products to the Government when needed rather than have the Government manufacture its own products; but it is fortunate that the Government has a coal mine in Alaska, so that if these two companies form a monopoly and undertake to raid the Treasury, which this bill would permit, then the Government can go into the operation of its own coal mine. But why force this by enacting this unnecessary bill?

I hope on a record vote you will not vote to pass a bill that eliminates competitive bidding and places your Government in the position where all contractors when they bid on a Government contract on a Federal building, or what not, may tell the Government, "While the other man bid lower than I did, yet I am entitled to half of the contract."

It is a dangerous precedent for you to pass bills eliminating competitive bidding on Federal contracts of any kind. Why should the taxpayers of America subsidize the coal companies? I hope you will adopt the amendment and I hope you will kill the bill. It is another vicious scheme to hold up the Government. I stand for economy in government. The people should begin to learn that they owe the Government something instead of expecting subsidies, donations, and gifts from it.

Mr. STAFFORD. Mr. Speaker, I rise in opposition to the amendment. The restriction to 20 per cent of the amount awarded to the next highest bidder would kill the bill. The bill is for the purpose of letting the Secretary of the Interior distribute the amount of coal purchased for the Alaskan Railroad so to keep both mines going. Twenty per cent might not keep a mine going, and the mine would be closed. Twenty per cent is an arbitrary limit; and the amendment should be rejected.

Mr. DRIVER. Twenty per cent would be of no value to enable the Secretary to keep in operation the two mines. There is no local demand for coal there; there is no development to justify it. They are unable to compete with the British Columbia coal, because they have no bunkers, and it would cost $75,000 to supply bunkers to keep the coal.

Mr. STAFFORD. It negatives the whole purpose of the bill. It is offered by the gentleman from Florida, in good faith, who is opposed to the bill—perhaps for the purpose of killing it. If gentlemen are opposed to the bill, let them vote against it, but not adopt an amendment that will be unworkable.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Florida.

The question was taken, and the amendment was rejected.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. GREEN) there were 56 ayes and 6 noes.

Mr. SCHAFER. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER pro tempore. The gentleman from Wisconsin makes the point of order that no quorum is present. The Chair will count.

Mr. SCHAFER. Mr. Speaker, owing to the fact that there are 57 Democrats absent attending the Democratic convention, I will withdraw the point of no quorum. [Laughter.]

RESEARCH LABORATORY FOR UTILIZING COTTON

The Clerk read the next resolution on the Consent Calendar, House Joint Resolution 352, authorizing and directing the Secretary of Agriculture to request allocation of funds. Also to establish a research laboratory for utilizing cotton, cotton hulls, seed, linters, and waste farm products.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. JONES. Reserving the right to object, this is a bill to authorize the Secretary of Agriculture to request the Reconstruction Finance Corporation to make available the balance of the $200,000,000 allocated to the Secretary of Agriculture, and to direct such corporation to make such funds available, regardless of the amount of notes, debentures, bonds, and other obligations of such corporation which may be outstanding at the time of making the advances.

Mr. STAFFORD. I recall the original motion made by the gentleman when the reconstruction finance bill was up—

that there should be allocated $50,000,000 of the $500,000,000 and a proportional part of all bonds and debentures that might be issued up to $1,500,000,000 additional that might be used for agriculture. It was shown that the Secretary of Agriculture could only use $30,000,000. The other day we passed through the House a bill for the utilization of that fund for other purposes. Here you are requesting the Government to provide for loans directly to farmers.

Why not small business men? Just because $200,000,000 was originally set aside in the hurry of amendment, with the House in a rather sympathetic mood toward the farmer, as always, and because it can not be used, is no justification why we should make loans direct for all kinds of purposes to the farmers.

Mr. JONES. The original amendment provided for direct loans, and $63,000,000 was used in that way, but they were limited to production loans for the year 1932, and it could not all be utilized for that purpose. Two billion dollars was made possible for loans to industry in its various forms and to banks and insurance companies, and it does seem that $200,000,000, or 10 per cent of the amount provided, or, rather, the balance of it, is not excessive to be used in the way I suggest.

Mr. STAFFORD. Mr. Speaker, this is much too important a bill to be considered in this way at this time. I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ELIJAH C. HUTCHINSON

Mr. EATON of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. EATON of New Jersey. Mr. Speaker, it is with deep sorrow that I announce the death of a gentleman who was an honored Member of this House for four terms, the Hon. Elijah C. Hutchinson, who died at his home in Trenton, N. J., on Saturday last. Mr. Hutchinson represented in his life and in his character and work those constructive forces of individual initiative and progressive achievement which have made this Nation great. He was a successful banker, business man, and manufacturer. He was deeply interested in agricultural work, serving with distinction on the Agricultural Committee of this body. His home life was ideal. He was a devout and devoted member of the church. He was elected a member of the House of the Assembly of New Jersey twice. He was a member of the Senate of New Jersey two terms and its presiding officer for a period. He served for three years as State highway commissioner. He was a Member of this House in the Sixty-fourth, the Sixty-fifth, the Sixty-sixth, and the Sixty-seventh Congresses. I report his death with a sense of profound personal loss, and I know that his old friends here will join with me in that feeling and in extending to his bereaved family our sincere sympathy.

MORTON NURSERY SITE, NEBRASKA

The next business on the Consent Calendar was the bill (H. R. 10708) to authorize the Secretary of Agriculture to sell the Morton Nursery, in the county of Cherry, State of Nebraska.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I reserve the right to object. I do not like the last line of the bill. Otherwise, so far as I am concerned, I have no objection to it. It is an unusual provision—that the proceeds of the sale shall be deposited in the Treasury of the United States as a miscellaneous receipt—

After deducting the expenses incident to said sale.

There is no limitation at all, and anything incident to the sale may be charged against the proceeds. Our policy has been not to permit deductions from any revenue. The revenue is deposited as a whole, and any expense incident thereto comes out of the regular appropriation. I wonder if the gentleman from Wisconsin [Mr. STAFFORD] agrees with me.

Mr. STAFFORD. Oh, I take issue as to that. There is no authorization made in any appropriation bill for the sale of Government real estate so that the one fund from which expenses may be paid is the fund resulting from the sale of this property. This is a very harmless clause, "after deducting expenses incident to said sale," which would involve expenses of advertising, and so forth.

Mr. LAGUARDIA. Unfortunately the gentleman was not here during the session following the World War, when we disposed of considerable surplus land. We had some expenses that were scandalous connected with the sale of property so that at one time in a series of bills authorizing the sale of surplus lands we limited the fees of the auctioneer. It was with that in mind that I was prompted to call attention to this.

Mr. STAFFORD. The property involved has only 77.93 acres, and the valuation is rather small. I do not think there can be any abuse in the operation of the bill.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CHINDBLOM. Since the period to which the gentleman from New York refers, the present Comptroller General's office was established. Does not the gentleman think that office will safeguard that matter?

Mr. LAGUARDIA. Oh, yes; but he would have no control here.

Mr. CHINDBLOM. It says "incident to," and we might add the word "necessarily" if it is not already there; but the Comptroller General certainly with his usual keenness in the matter of accounting will see to it that the amount sent into the Treasury will be the proper amount.

Mr. LAGUARDIA. He has no control of that at all if it is certified to be incident to the sale. We had cases here for hundreds of thousands of dollars paid as auctioneer's fees. I shall not object, however.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I suggest that we first should have as we usually do in these matters, an appraisal made. While the department itself might not abuse the privilege, nevertheless in the sale of all property an appraisal is first had, and we ought to have an amendment providing for an appraisal.

Mr. COLLINS. It has been appraised at $1,700.

Mr. STAFFORD. May I correct the gentleman in saying that there has been an appraisal. An appraisal has been made only of the improvements, to the amount of $1,700. That does not include the value of the land.

Mr. COLLINS. In line with the suggestion of the gentleman, why not strike out the words in lines 6 and 7 "It is in the public interest to do so" and substitute "the purchase price shall not be less than the appraised value of the property."

Mr. STAFFORD. I had intended to offer two amendments: On page 1, in line 4, after the word "sale," insert "after an appraisal has first been made"; after the word "sell," in the same line, insert "for not less than the appraised price."

The SPEAKER pro tempore. Is there objection.

There was no objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 772) will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized to advertise for sale and to sell to the highest responsible bidder the premises known as the Morton Nursery in the county of Cherry, State of Nebraska, comprising an area of 77.93 acres of land, more or less, together with the buildings and other improvements thereon, upon such terms as he may deem for the best interests of the United States; to convey such property to the purchaser thereof by quitclaim deed, and to deposit the proceeds of such sale in the Treasury of the United States as a miscellaneous receipt, after deducting the expenses incident to said sale.

SEC. 2. The Secretary of Agriculture shall reserve the right to reject any and all bids if, in his judgment, it is in the public interest to do so.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 4, after the word "sale," insert "after an appraisal has been first made."

The amendment was agreed to.

Mr. STAFFORD. I offer another amendment, Mr. Speaker.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 1, line 4, after the word "sell," insert "for not less than the appraised price."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

RIVER AND HARBOR WORK, VIRGIN ISLANDS

The Clerk called the next bill, H. R. 12202, to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, what happened to the signature of the Secretary of War?

Mr. MANSFIELD. That was an oversight in some way. I do not know how it happened. I have the original letter with his signature here.

Mr. LaGUARDIA. Are there any extensive works contemplated in the Virgin Islands on rivers and harbors?

Mr. MANSFIELD. Only very minor works. A bill was passed a short time ago, reported by the Committee on Merchant Marine, Radio, and Fisheries, for a floating dock there. They need to extend the harbor lines and some minor improvements in connection with that and other matters. The gentleman understands the Virgin Islands were acquired the year following the adoption of the rivers and harbors act, and it applies to Puerto Rico, to Hawaii, and to Alaska but it does not apply to the Virgin Islands.

Mr. LaGUARDIA. The gentleman agrees that their commerce is very badly down since we acquired them?

Mr. MANSFIELD. Yes; but we hope it will not remain that way forever. We get a little sugar from there now.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of sections 9 to 18, inclusive, of the act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1899, are hereby made applicable to the Virgin Islands and the navigable waters thereof.

SEC. 2. That violations of the provisions of this act may be prosecuted in the District Court of the Virgin Islands of the United States, and jurisdiction is hereby vested in said court to try and determine such causes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ENTRY OF EXHIBITS OF ARTS, SCIENCES, AND INDUSTRIES

The Clerk called the next bill, H. R. 12171, to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, I am going to ask unanimous consent that this bill go over without prejudice, because the author of the bill should be here. It seems to me that the law is sufficiently broad to permit the free entry of any exhibit for exhibition purposes. This bill would give a special permission to one entity, specifically named in the law. I can not see the necessity of that, and I am inclined to agree with the opinion stated, that the general law is sufficient.

Mr. BLACK. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. BLACK. The report containing the recommendations of the Treasury Department indicates that the law is not sufficiently broad to cover the importation of exhibits of a purely commercial company, as is the case here.

Mr. LaGUARDIA. It is a commercial company, then?

Mr. BLACK. It is a commercial company.

Mr. LaGUARDIA. If we start to give special permission for exhibits to commercial companies, then surely I do not think we should pick out one company. We will have a flood of these bills. It is only out of courtesy to my colleague that I do not object this time, but I will object next time.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. CHINDBLOM. Legislation similar to this is now on the statute books, in favor of the Merchants & Manufacturers Exchange of New York City. This exhibition is in what is known as Radio City in New York City. The Committee on Ways and Means was informed that it was largely an educational enterprise.

Mr. LaGUARDIA. The gentleman from New York just stated it was a commercial enterprise.

Mr. BLACK. The proposition is a commercial proposition generally, but this is an educational exhibit. As the gentleman has said, on two other occasions under practically the same circumstances, they have been allowed to bring them in duty free.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice for the present.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ACQUISITION OF LAND ADJACENT TO BOLLING FIELD, D. C.

The Clerk called the next bill, H. R. 11732, to amend section 2 of an act approved February 25, 1929 (45 Stat. 1303), to complete the acquisition of land adjacent to Bolling Field, D. C., and for other purposes.

Mr. SCHAFER. Mr. Speaker, I object.

Mr. GOSS. Will the gentleman withhold his objection for a moment?

Mr. SCHAFER. I intend to object. There is no use taking up the time of the House. I will not stand for any further holdups of the Government by real-estate speculators. I will reserve the objection, however.

Mr. HILL of Alabama. Mr. Speaker, I wish to say that the money provided for in this bill has already been authorized and appropriated for the construction of an administration building at Bolling Field. As the gentleman knows from a reading of the bill, the purpose of the bill is to take a part of the money, some $42,000, to pay for the additional land which has been condemned by the Government and which the Government needs.

Mr. SCHAFER. Yes, but the completion of the building will furnish some labor to the unemployed. The purchase of land will do no such thing.

Mr. LaGUARDIA. How can they put up a building if they do not have the land?

Mr. SCHAFER. Oh, there is plenty of land there.

Mr. HILL of Alabama. The building will not be constructed, whether this bill passes or does not pass, until other legislation is passed by the Congress. The construction will be held up, and there will be no construction unless this bill providing the money for the additional land does pass. So, if the gentleman is interested in giving work to men so that they can make meat and bread for themselves and families he will certainly not object to this bill.

Mr. SCHAFER. Will the gentleman answer this question: If the gentleman says this money is already appropriated for a building and now they are seeking the right to transfer that appropriation for land, how in the name of goodness are they going to construct the building if Congress adjourns, having purchased the land?

Mr. HILL of Alabama. Let me say to the gentleman in reply that the plans for the building have been entirely changed. They have been changed to such an extent that this money which is now available for the building will not

be used by the War Department. The department is going to ask Congress for additional money on the basis of the changed plans.

There will be no building constructed if the gentleman objects to this bill.

Mr. SCHAFER. Will the gentleman put his shoulder to the wheel and speed the enactment of that appropriation for the building after the appropriation already made is applied to the purchase of land?

Mr. HILL of Alabama. The gentleman will be delighted to do so.

Mr. SCHAFER. And the gentleman believes that they do not have sufficient land at Bolling Field now to serve the Government purposes, that the Government has got to be held up by these real-estate speculators here because they have gone through condemnation proceedings in court?

Mr. HILL of Alabama. They have not sufficient land, and they have been through condemnation proceedings, which means the prices have been fixed by juries. If this bill does not pass, the awards in the condemnation proceedings being over a year old, under the case of Miller against the United States, the chances are the court will hold that the awards having been made over a year ago and the Govment not having come in and paid the money, the Governernment has abandoned the enterprise and then the Government will have to go through condemnation proceedings all over again, which will mean additional cost and expense to the Government.

Mr. SCHAFER. I may say to the gentleman that I am a member of the Committee on Expenditures. This committee held specific hearings on the bill which was proposed to consolidate the Army and the Navy. Two witnesses testified before the committee in favor of the bill; one was the leader of the gentleman's party, the chairman of the Committee on Appropriations. They indicated that under the consolidation they would be able to consolidate these airports throughout the country, and they did not need all of these airport facilities they have now. Since I agreed they were wrong at that time, and as long as the gentleman does not follow his ill-advised Democratic leadership, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act approved February 25, 1929 (45 Stat. 1303), authorizing the Secretary of War to acquire by purchase or condemnation real estate adjacent to Bolling Field, Washington, D. C., for the extension and development of said flying field, is hereby amended so as to increase the amount therein authorized to be appropriated from $666,000 to $714,420.12, which amount includes the sum of $16,791.21, the balance due on two parcels of land numbered 13 and 14, for which final judgment in condemnation proceedings has been entered against the United States of America, together with such additional sum as may be necessary to pay interest at the rate stipulated and in accordance with the judgments rendered.

SEC. 2. That of the $42,000 authorized by an act approved February 18, 1928 (45 Stat. 129), appropriated by the act approved March 23, 1928 (45 Stat. 338), and continued available until expended by the act approved July 3, 1930 (46 Stat. 909), for the construction of an administration building at Bolling Field, so much as may be necessary is hereby authorized to be made available for the completion of the acquisition of the remaining parcels of real estate adjacent to said flying field not heretofore taken under declarations of taking pursuant to provisions of an act approved March 1, 1929 (45 Stat. 1415), authorized to be acquired by an act approved February 25, 1929, supra, including interest at the rate stipulated and in accordance with judgments.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IDAHO NATIONAL FOREST

The Clerk called the next bill, S. 3784, to add certain lands to the Idaho National Forest, Idaho.

Mr. STAFFORD and Mr. GOSS rose.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I noted that my colleague, the gentleman from Connecticut, rose to object to this bill, thinking perhaps it was similar to those bills providing for the taking of large areas into the national forests.

The difference so far as this bill is concerned is that it is limited in its extent to a township and one-half of an additional township.

Mr. GOSS. I noticed that in the report, I may say to the gentleman from Wisconsin; and, further, I was going to inquire from the author of the bill as to transfers. I notice there is nothing said in this bill about the so-called transfers I have been objecting to so much regarding the timber rights and stumpage rights.

If somebody can assure me that this feature is not involved in the bill I am not going to object. However, I may say to the gentleman that there is 175,000,000 feet of timber involved, which is quite a considerable acreage—57,000 acres.

Mr. STAFFORD. I had thought about that, and I am going to submit a query to the gentleman from Utah [Mr. COLTON] as to how this land is going to be paid for. The bill provides for the addition to the Idaho National Forest of a township and a half of an additional township. What process is provided for paying for this land? Is it part of the public domain? I assume it is.

Mr. COLTON. That is my understanding.

Mr. STAFFORD. There is no money involved, then?

Mr. COLTON. It is my understanding that no money is involved.

Mr. GOSS. Are no transfers of stumpage rights involved?

Mr. COLTON. No. This is really a conservation measure which would add to the forest lands for their protection and the protection of an important watershed.

Mr. GOSS. Of course we would have the extra expense of policing it.

I notice there will be 175,000,000 feet of timber. What will happen to the 175,000,000 feet of timber? Is anyone going to have the right to come in and log it off?

Mr. COLTON. It will be placed under the supervision of Forest Service officials.

Mr. GOSS. Let me say this. If we should sell any off, then some one may come along and make a claim on the basis of transfer of this stumpage. We are passing here 175,000,000 feet of timber. What will happen? That is why I have been objecting to these other bills in the past.

Mr. LAGUARDIA. Mr. Speaker, I have another objection. I would like to ask the gentleman from Wisconsin if we are not buying land under this bill, or taking this land over? Why should we buy anything that is subject to any adverse rights?

Mr. STAFFORD. I assume the gentleman has reference to those cases where prior entry has been made?

Mr. LAGUARDIA. Yes.

Mr. STAFFORD. Usually when we take over additional territory for the purpose of including it into national forests we only take over that which is in the public domain.

Mr. COLTON. This is all in the public domain, as I understand it.

Mr. STAFFORD. All except some which may be entered upon. Most of the land, as shown by the report, generally comprises second growth, and it is certainly to the interest of the Government to have this land in the public domain included in the national forest so that it may develop into full growth and be disposed of under the laws and regulations of the Forest Service.

Mr. LAGUARDIA. That answers my inquiry fully.

Mr. COLTON. As it is now there is no supervision at all over the land and this will give a definite supervision by the Forest Service.

Mr. BALDRIGE. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BALDRIGE. I was wondering whether the gentleman from Wisconsin does not feel that our national parks are growing and growing and we are continually adding to them?

Mr. STAFFORD. This is not a national park.

Mr. COLTON. This is a national forest.

Mr. STAFFORD. As the gentleman knows, there is a permanent law which authorizes the Government to ex-

change private lands within the confines of a national forest for timber of a like value, in order to include it within the purview of the Forest Service.

Mr. GOSS. That is the objection I have had to all of these other bills but I do not see that in this bill. The right of exchange is not in this bill and therefore I have no objection to it.

Mr. STAFFORD. This is entirely different from the other bills on the calendar, and there are several of them, the other bills seeking to include large areas within the national parks or national forests.

Mr. BALDRIGE. What is the purpose of putting this land under the National Forest Service?

Mr. STAFFORD. I have my own idea about it, but I yield to gentlemen from the Western States.

Mr. EATON of Colorado. The National Forest Department has a plan for the future of extending the area of national forests. They will show you on the maps how many hundreds of thousands of acres they want in this forest and in that forest. This bill covers about 57,000 acres, two and a half townships, in the Idaho National Forest. We ought to put on this bill the amendment which is usually put on by the Public Lands Committee. Instead of using six or seven words in protecting adverse rights the amendment I have in mind goes to great length in stating that this additional land transferred to the custody of the Department of Agriculture from the Department of the Interior shall not involve in any way or interfere in any way with the private rights of private owners of property, including rights of way, ditch rights, and other easements.

Mr. PATTERSON. I notice this language in line 5, "subject to all prior adverse rights." Are there any prior adverse rights involved in this particular proposition?

Mr. LaGUARDIA. It is all public land, and we are just transferring it from one department to another.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following-described areas be, and the same are hereby, included in and made a part of the Idaho National Forest, subject to all prior adverse rights, and that said lands shall hereafter be subject to all laws affecting national forests: All township 23 north, ranges 2 and 3 east, and that part of the west half of township 24 north, range 4 east, which is not already included in the Nez Perce National Forest; all Boise meridian.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

ADVANCES UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

The Clerk called the next bill, H. R. 10673, to provide that advances under the Reconstruction Finance Corporation act may be made to producers of livestock and to dairy farmers.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice. I am under the impression that this bill was under consideration some weeks ago, or a substantial part of it.

Mr. DAVIS. This bill was reported by the Committee on Banking and Currency and it was added as an amendment to a Senate bill. After full discussion it passed unanimously as an amendment, but it is hanging up like a great many other things are hanging up. We would like this to go through thinking that possibly we might get this through the Senate, whereas we may not be able to get the other bill through the Senate.

Mr. STAFFORD. When I first read this bill I thought it was an identic bill that the House considered.

Mr. DAVIS. It is identical word for word as adopted as an amendment to the Senate bill. The House considered it fully and there was no opposition to it, but it is flagged, like many other things. We would like this to go through, because this was what was originally reported by the Committee on Banking and Currency. It is the same as the other bill, but this may go through.

Mr. LaGUARDIA. It is a question of legislative policy as to whether we should pass identical bills twice. Senate bill 4780 contained the same provisions as the bill now before us, H. R. 10673. As the gentleman from Tennessee stated, we passed that bill and that bill is now in the other body. I can not see any advantage, strategically or otherwise.

Mr. STAFFORD. Is not the gentleman in error when he says we passed this bill as an amendment to the Senate bill? Did we not pass the original Senate bill with certain House amendments which are incorporated in this bill?

Mr. DAVIS. We passed the Senate bill with an amendment, and that amendment is identical in language with the language of this bill.

Mr. STAFFORD. As I understand the parliamentary situation, there has been passed through this House a Senate bill with an amendment which is identical to the House bill, with committee amendments, and the gentleman from Tennessee now thinks that if we send over two bills in identical form there is a chance of getting one or the other through, when they already have one of the same purport before them for consideration. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

GAMBLING SHIP BILL

The Clerk called the next bill, S. 2883, prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation.

Mr. KNUTSON and Mr. BLACK objected.

RATIFICATION OF CERTAIN LEASES WITH THE SENECA INDIANS

The Clerk called the next bill, H. R. 11331, to ratify certain leases with the Seneca Nation of Indians.

Mr. COLLINS. Mr. Speaker, reserving the right to object, it appears that this bill failed of passage in the Senate because it did not take care of the rights of the Indians. It now appears that the same bill is now before the House again. If it was objectionable in the Seventy-first Congress, why is it not objectionable in this Congress?

Mr. REED of New York. Mr. Speaker, I introduced this bill by request. The Indians are interested in getting some revenue from their leases. I have no personal interest in the bill whatever. I went before the Committee on Indian Affairs and a member of the Department of the Interior, representing the Indian Bureau, was there and I told him that I had only one interest and that was to make sure that the Indians received everything they should receive under the standard contract made by the Interior Department and to see that the Indians were protected in every manner possible. They assured me that this has been done. If it has not been done, I would be the first one to object.

Mr. COLLINS. It failed of passage in the Senate because it did not provide the Indians with sufficient return. I am wondering wherein the present bill is different.

Mr. REED of New York. The leases were submitted to the Department of the Interior and I stated to them that I wanted to be sure the Indians were fully protected.

Mr. COLLINS. The leases bear date October 18, 1929, and appear to be the same leases to which objection was raised in the Senate.

Mr. REED of New York. As I understand it, they have been modified to meet objections that have been made. I am just as much interested—and perhaps more so—in seeing the Indians protected as the gentleman from Mississippi.

Mr. COLLINS. With that assurance, Mr. Speaker, I withdraw the reservation of objection.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the report is rather vapid of information.

Mr. REED of New York. I agree with the gentleman.

Mr. STAFFORD. I think it is owing to the House to have the views of the department on all Indian matters, and here we have nothing that gives the views of the department on this important leasing provision.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. WILLIAMSON. My recollection is that there was no formal report submitted in this case by the department.

Under existing conditions they have been leasing this ground at small rental and the Indians were not getting any return. These leases give the Indians the same return upon their oil lands as any other lease, namely, 12½ per cent, which is the usual royalty in all leases of this character. In other words, this lease is for the purpose of protecting the Indians and giving them an increased return, and is for their protection, and wholly for their protection. The bill should go through in the interest of the Indians themselves.

Mr. STAFFORD. What view does the Commissioner of Indian Affairs offer with respect to these leases?

Mr. WILLIAMSON. The Commissioner of Indian Affairs is favorable to the passage of the bill.

Mr. LEAVITT. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. LEAVITT. The Indian Service was represented when the bill was before the committee and stated to the committee that in their judgment the bill should pass.

The Clerk read the bill, as follows:

Be it enacted, etc., That two leases bearing date of October, 18, 1929, between the Seneca Nation of Indians on the Allegany and Oil Spring Reservations in the State of New York and Henry A. Walter, of Buffalo, N. Y., are hereby ratified and confirmed: *Provided*, That the lessee or his assigns shall file a bond for the benefit of the lessor in the sum of $25,000 for the faithful performance of the terms of said leases, to be approved by the Secretary of the Interior: *Provided further*, That the payment of income from these leases shall be made to the Seneca Nation of Indians through the official in charge of the New York Indian Agency.

With the following committee amendment:

Page 1, line 8, after the word "a," insert "satisfactory surety."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

KLAMATH INDIAN RESERVATION, OREG.

The Clerk called the next bill, S. 2671, providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

HIGHWAY AND BRIDGE ACROSS UNITED STATES MILITARY RESERVATION AT SPRINGFIELD ARMORY, MASS.

The Clerk called the next bill, H. R. 7293, requesting the Secretary of War to grant to the city of Springfield, Mass., permission to construct and maintain a highway and bridge across United States military reservation at the Springfield Armory, Mass.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I do not want to be unduly pedantic, but it seems to me we ought to put in a proviso that the construction of said highway and bridge and the maintenance thereof shall be without cost to the United States; because, if we are going to cross a military reservation after the road is built, it seems to me we ought to make it clear that the maintenance of the road shall be without cost to the Government and shall be borne by the proper authorities.

Mr. FIESINGER. There will be no cost to the United States.

Mr. LAGUARDIA. I have an amendment prepared which I will offer providing that there shall be no cost to the Government for the maintenance.

Mr. GOSS. The gentleman from Massachusetts [Mr. GRANFIELD] was much interested in the matter and left some information with me. I am not sure that the highway is involved.

Mr. HILL of Alabama. The language of the bill is a highway across the military reservation at the Springfield Armory, and as a part thereof a highway bridge across the Watershops Pond upon said reservation.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to grant to the city of Springfield, Mass., permission to construct and to maintain a highway across the United States military reservation of the Springfield Armory and, as part thereof, a highway bridge across the Watershops Pond upon said reservation, the highway and bridge to be not over 100 feet in width, except as bridge abutments may of necessity exceed that width; the aforesaid highway and highway bridge to be located, at the option of the city of Springfield, Mass., at any position between the two limit lines marked "A–A" and "B–B" upon the plat S. A. 6066, dated October 19, 1931, and approved November 30, 1931, which limit lines are further described as follows, namely:

Line "A–A": Starting at a point on the northerly line of Hickory Street 161 feet westerly from the stone bound marking the northeasterly point of the intersection of Hickory Street and Whitman Street and running thence south 36° 35'' west to and beyond the southerly shore line of Watershops Pond, crossing the boundary of the United States military reservation at two points approximately as follows: One on the line joining corners 158 and 159 of Plate X of Springfield Armory Land Plans Book at a distance of about 35 feet easterly from corner 158 and the other point on the line joining corners 706 and 707 at a point about 35 feet northeasterly from corner 707.

Line "B–B": Starting at a point on northwesterly line of Hickory Street 65 feet southerly from a stone bound on said line of Hickory Street which is located approximately 45 feet south from the southerly side of Bonnyview Avenue, and running thence south 24° 4' 55'' east to and beyond the southerly shore line of Watershops Pond, crossing the boundary line of the United States military reservation at two points approximately as follows: One on line adjoining corners 176 and 175 at a distance of about 20 feet southwesterly from corner 176 and the other point on the line joining corners 683 and 684 at a point about 125 feet, approximately, from corner 683: *Provided, however*, That prior to construction of said highway and highway bridge across the aforesaid reservation, plans showing the location and design thereof shall be submitted to the commanding officer of the Springfield Armory, and by that officer approved as providing adequate clear channel for stream flow and as otherwise free from interference with the proper interests of the United States in and to the aforesaid reservation and the Watershops Pond located thereupon.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 3, line 17, strike out the period, insert a colon and the following: "*Provided further*, That the construction of said highway and bridge and the maintenance thereof shall be without cost to the United States."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CARRYING OUT OBLIGATIONS TO ENROLLED INDIANS

The Clerk read the next resolution on the Consent Calendar, House Joint Resolution 409, a joint resolution to carry out certain obligations to certain enrolled Indians under tribal agreements.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

There was no objection.

SETTLEMENT, ALLOWANCE, AND PAYMENT OF CERTAIN CLAIMS

The Clerk read the next bill on the Consent Calendar, H. R. 8374, to authorize the settlement, allowance, and payment of certain claims, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, it seems to me that this is an omnibus private claims bill.

Mr. PITTENGER. I do not think so.

Mr. LAGUARDIA. If it is not, what is it?

Mr. PITTENGER. It is to authorize the settlement of certain claims against the War Department, and to authorize the Comptroller General to allow certain expenditures which the department has already made. The bill is introduced at the request of the War Department.

Mr. LAGUARDIA. It is a payment to the Jay Street Terminal; to A. J. Siegel; to the Allegheny Fountain Co.; to Walter Bell; and others.

Mr. PITTENGER. It deals with a large number of matters, claims, and other things that have been in dispute before the Comptroller General. I think my friend from

Mississippi [Mr. COLLINS] has an amendment which will take care of the objections of the gentleman from New York.

Mr. COLLINS. Mr. Speaker, I have submitted this proposal to the Comptroller General, and he thinks section 4 should be eliminated; that with this section in the bill it would differentiate the benefits to employees from all other employees and citizens generally and create precedents for insurance by the Government for civilian employees.

In answer to the gentleman from New York, as suggested by the gentleman from Minnesota, section 5 of the bill is the section in the bill that makes this in order on the Consent Calendar. Section 5 deals with general legislation.

Mr. LAGUARDIA. If each one of these claims were separated and put in a separate bill, not one of them would be on this calendar.

Mr. COLLINS. The gentleman is correct in that.

Mr. LAGUARDIA. How does the gentleman justify the grouping of them in an omnibus bill and attempting to bring it up in this way?

Mr. COLLINS. Oh, I concede the point the gentleman is making.

Mr. LAGUARDIA. That is it. The gentleman concedes the point. He is always right. I object.

COMMISSIONERS TO HEAR WAR-RISK INSURANCE CASES, SOUTH CAROLINA

The next business on the Consent Calendar was the bill (H. R. 11676) providing for the appointment of a commission to hear cases arising under contracts of war-risk insurance in the district courts for the eastern and western districts of South Carolina.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, I shall have to object to this. The bill comes from my committee. I have spent a great deal of time and many sleepless nights on the bill.

Mr. DOMINICK. Mr. Speaker, will the gentleman reserve the right to object?

Mr. LAGUARDIA. I do.

Mr. DOMINICK. Mr. Speaker, I am in hopes that I might be able to convince the gentleman to remove his objection to this bill. I realize that it is peculiar legislation, something new.

Mr. LAGUARDIA. I will say it is.

Mr. DOMINICK. But we have a peculiar situation in South Carolina. Under the veterans' act veterans are entitled to bring suit in the district courts of the United States for payment of their war-risk insurance. The law gives them that remedy; but it so happens, on account of the large number of these cases pending and about to be brought in South Carolina, that it is impossible for our three Federal judges to handle this business. This bill simply provides for the appointment of a special United States commissioner in South Carolina who may hear these cases by the consent of both parties and render his findings in the matter, and those are subject to review by the district judge.

Mr. LAGUARDIA. Mr. Speaker, the gentleman from South Carolina is a far better lawyer than I ever will be. He is one of the most brilliant lawyers in this House. I admit that what the gentleman says as to conditions in his State is correct. The bill is carefully drawn, but there is just one ltitle objection to it, and that is section 2 of Article IV of the Constitution of the United States, which provides:

> The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

The bill provides that United States commissioners in South Carolina shall have jurisdiction of all cases arising under war-risk insurance as now authorized by the World War veterans' act of 1924 (sec. 19).

Section 19 of the act authorizes such actions to be brought—

> In the district court of the United States in and for the district in which such beneficiary or any one of them resides * * *."

The bill is, therefore, a denial of the privileges and immunities granted to citizens of the several States under article 4, section 2, since it denies to the citizens of 47 States the privilege of bringing a war-risk insurance action before a United States commissioner, which privilege the bill seeks to grant only to citizens of South Carolina.

The privileges and immunities clause includes the right to bring actions. This is too well settled to admit of dispute, as appears from the following quotations. Under the privileges and immunities clause the citizen—

> Has the right of free access to its seaports, through which all operations of foreign commerce are conducted, to the subtreasuries, land offices, and courts of justice in the several States. (Crandall *v.* Nevada, 6 Wall. 36.)

The above quotation is cited with approval in the outstanding case on Privileges and Immunities, in Sixteenth Wallace, 36, at page 79 (Slaughterhouse cases).

In 1889 the doctrine was reaffirmed by Chief Justice Fuller in more certain terms as follows:

> The intention of section 2 of article 4 was to confer on the citizens of the several States a general citizenship, and to communicate all the privileges and immunities which the citizens of the same State would be entitled to under the like circumstance, and this includes the right to institute actions. (Cole *v.* Cunningham, 133 U. S. 107 at 113.)

Without adverting to intervening cases it is fair to cite the last judicial declaration on the subject, handed down by Chief Justice Taft in 1922. He said:

> Under section 2 of article 4 of the Federal Constitution, the citizens of each State are entitled to all privileges and immunities of citizens in the several States. This secures citizens of one State the right to resort to the courts of another, equally with the citizens of the latter State. * * * (Missouri P. R. R. *v.* Clarendon Co., 257 U. S. 533 at 535.)

The fact that these judicial dicta are handed down in cases involving State rights under the privileges and immunities clause does not vitiate their force in the present instance. An examination of the Slaughterhouse cases decision leaves no doubt but that Article IV, section 2, guarantees to the citizens of States the same rights as against the Federal Government, in substance, as the fourteenth amendment guarantees to citizens of the United States against action by the States. Justice Miller, in the writing of that decision, treats them interchangeably. It is absurd to suppose that the Federal Government is not bound by constitutional terms against citizens of the States in equal measure with the inhibitions placed upon the States by the same language. The absence of direct judicial decision on the point may be readily accounted for by the fact that Congress has apparently never before passed a bill which confers upon the citizens of a single State specially privileged access to a type of Federal judicial process denied to the citizens of all other States.

We can not possibly do anything like that.

Mr. DOMINICK. We are not attempting by setting up this commissioner to try all of the war-risk insurance cases from all the States of the Union.

Mr. LAGUARDIA. And that destroys the gentleman's bill, because he is attempting to grant privileges to the citizens of South Carolina that are not granted to citizens of other States. It is a very interesting question. I shall have to object.

AMENDING CHARTER OF ORDER OF RED MEN

The next business on the Consent Calendar was the bill (H. R. 194) to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object to inquire whether there is going to be any further legislation requested by this Improved Order of Red Men in case this validating provision is passed, so far as their engaging in insurance is concerned?

Mr. DOMINICK. The only amendment here is the insertion of the word "members" in section 6. Section 6 of their present act of incorporation which was passed some time in 1906, I think, provides that said corporation shall not engage in any business for gain; the purposes of said corporation being fraternal, benevolent, and patriotic in providing benefits to its members, care for orphans and

widows of members and to inspire a greater love for the United States of America and the principles of American liberty, and this amendment merely inserts the word "members" so as to provide for care for members. It comes about in this way. As I understand it, from the representations made to the committee, they now have under this charter the right to give benefits and privileges to their orphans and widows. They want to extend these same benefits and privileges to their members. The judiciary committee of the great council of the order and other legal minds in the order, after making a study of the proposition, came to the conclusion that it is necessary for the charter to be amended, for unless this were done, they would have no right to extend these benefits and privileges to their members.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection, and the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the charter of the Great Council of the United States of the Improved Order of Red Men be, and the same is hereby, amended to read as follows:

"SEC. 6. That said corporation shall not engage in any business for gain; the purposes of said corporation being fraternal, benevolent, and patriotic in providing benefits to its members, care for members, orphans, and widows of members, and to inspire a greater love for the United States of America and the principles of American liberty."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CONSERVATION OF OIL AND GAS, ETC.

The Clerk called the next bill, H. R. 12076, for the conservation of oil and gas and protection of American sources thereof from injury, correlation of domestic and foreign production, and consenting to an interstate compact for such purposes.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object——

Mr. MONTAGUE. Mr. Speaker, I object.

RESTRICTED INDIAN LANDS

The Clerk called the next bill, H. R. 12529, relating to the acquisition of restricted Indian lands by States, counties, or municipalities.

Mr. STAFFORD. Reserving the right to object, is this the bill about which the gentleman spoke to me this morning?

Mr. DISNEY. No, it is not.

Mr. STAFFORD. Will the gentleman make some explanation of this bill? I notice there is no report from the department as to whether they approve the bill or not.

Mr. DISNEY. The report shows that members of the Indian Office were at the hearing before the Indian Committee, and agreed that the bill was proper and should pass. All that is involved in this bill, Mr. Speaker, is such a concrete instance as this, where cities or towns condemn restricted nontaxable Indian real estate for municipal purposes, that the funds may be reinvested after condemnation in other land not now bearing the restricted feature, that after the purchase it will then have the restricted nontaxable character.

Mr. STAFFORD. Apparently there could be no objection to that.

Mr. DISNEY. There could not possibly be any objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 4808) will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act entitled "An act to relieve restricted Indians in the Five Civilized Tribes whose nontaxable lands are required for State, county, or municipal improvements or sold to other persons, and for other purposes," approved March 2, 1931, is amended to read as follows:

"That whenever any nontaxable land of a restricted Indian of the Five Civilized Tribes or of any other Indian tribe is sold to any State, county, or municipality for public-improvement purposes, or is acquired, under existing law, by any State, county, or municipality by condemnation or other proceedings for such public purposes, or is sold under existing law to any other person or corporation for other purposes, the money received for said land may, in the discretion and with the approval of the Secretary of the Interior, be reinvested in other lands selected by said Indian, and such land so selected and purchased shall be restricted as to alienation, lease, or incumbrance, and nontaxable in the same quantity and upon the same terms and conditions as the nontaxable lands from which the reinvested funds were derived, and such restrictions shall appear in the conveyance."

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

TO AMEND SECTION 5202, UNITED STATES REVISED STATUTES

The Clerk called the next bill, H. R. 8694, to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes.

Mr. STAFFORD. Reserving the right to object, will the chairman of the committee make a brief explanation of this bill?

Mr. LAGUARDIA. It will require a great deal of explanation to satisfy me, permit me to say.

Mr. STEAGALL. I am sure the gentlemen will not object. The first provision of the bill is of no importance, particularly, and might very well go out if anybody objects, for the reason that the necessity for it does not now exist.

The law limits the borrowings of national banks to an amount equal to capital, with certain exceptions. It was desired at one time to make an exception in the case of loans made by national credit corporations. Quite a number of loans, of course, were made by national credit corporations to national banks.

Mr. LAGUARDIA. It is the elements contained in that section that I objected to, as far as I am concerned.

Mr. STEAGALL. I have no objection to striking it out, because the necessity for it no longer exists. Those loans have already been made—that is a thing of the past, as a practical proposition.

The other provision of the bill, however, is important, and I am sure the gentleman will not object.

Mr. LAGUARDIA. If the gentleman will agree that I may move to strike out section 1, I shall not object to the other portion of the bill.

Mr. STEAGALL. There is no objection to striking out section 1. The other provision is necessary in order to enable the comptroller to distribute the cost of examinations so as to allow trust departments to bear their share. As the matter stands part of the burden is borne by banks that have no trust department and the bill would correct that injustice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), be amended by adding thereto a new paragraph to read as follows:

"Ninth. Liabilities incurred directly or indirectly by borrowing individually or in association with other banks from 'The National Credit Corporation,' a Delaware corporation, or 'National Credit Corporation,' a New York banking corporation, or from an association of banks which in turn borrow from such designated corporations."

SEC. 2. That section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), be amended by adding thereto a new paragraph reading:

"In addition to the expense of examination to be assessed by the Comptroller of the Currency as heretofore provided, all national banks exercising fiduciary powers under the provisions of section 11 (k) of the Federal reserve act, as amended (U. S. C., title 12, ch. 3, sec. 248 (k)), and all banks or trust companies exercising fiduciary powers in the District of Columbia shall be assessed by the Comptroller of the Currency for the examinations of such fiduciary powers, a fee in proportion to the amount of individual trust assets under administration and the total bonds and/or notes outstanding under corporate bond and/or note issues for which the banks or trust companies are acting as trustees upon the dates of examination of the various banks or trust companies."

Mr. STEAGALL. Mr. Speaker, I offer an amendment to strike out section 1.

The Clerk read as follows:

Amendment offered by Mr. STEAGALL: On page 1, beginning with line 3, strike out the remainder of page 1 and lines 1 and 2 on page 2. Also strike out in line 3, page 2, "Sec. 2."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended to read as follows: "To amend section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), and for other purposes."

BOISE NATIONAL FOREST, STATE OF IDAHO

The Clerk called the next bill, H. R. 413, providing for the inclusion of certain lands in the Boise National Forest, State of Idaho.

Mr. GOSS. Mr. Speaker, I object.

GUNNISON NATIONAL FOREST

The Clerk called the next bill, H. R. 12126, to add certain lands to the Gunnison National Forest, Colo.

Mr. GOSS. Mr. Speaker, I object.

Mr. TAYLOR of Colorado. Will the gentleman reserve his objection?

Mr. GOSS. Yes; I will reserve the objection.

Mr. TAYLOR of Colorado. Mr. Speaker, I have had this bill pending for two or three years. During all this time there has been more or less negotiation between the people. Sometimes the Department of Agriculture did not agree to all its terms; sometimes the Department of the Interior did not agree to have all the land described in the bill put into the forest reserve. Now they have eliminated all the ground that was objectionable to anybody, and the Secretary of the Interior and the Secretary of Agriculture have both agreed to this bill and reported favorably upon it, and given the reasons for its enactment into law. In the report there is also a lengthy and forcible statement by the Board of County Commissioners of Gunnison County, Colo., urging the passage of this bill in the interest of the stock growers and people generally of that country.

There is no merchantable timber on this land. Only some brush and scrub timber. No valuable timber on it. The officials of both of those departments have examined the lands described in this bill and have decided it should be attached to the Gunnison National Forest. Everybody in that country desires this land put in the forest reserve so as to systematize the grazing between the sheep men and the cattle men and the local citizens. Also to conserve the land and the forage on it and make that region much more valuable and useful than it is now. This land should have always been included in that reserve. I inclose herewith two resolutions which conclusively show the sentiment of the local people and their reasons therefor, as follows:

Resolution

Whereas Congressman EDWARD T. TAYLOR, of Colorado, has introduced in the House of Representatives of the United States H. R. 12126, providing for the addition of approximately 260,000 acres to the Gunnison National Forest; that the land added is particularly described in the bill, and the members of the board of directors of the chamber of commerce are familiar with the land sought to be so added to the Gunnison National Forest, and believe that, taking the area as a whole, it is chiefly valuable for forest purposes; and that we know that because of the expense of grazing erosion of the soil is becoming increasingly great, and it is necessary to preserve the grasses and the coverings of the soil in order to preserve and protect the timber that is found over such areas: Now, therefore, be it

Resolved by the board of directors of the Gunnison County Chamber of Commerce, That we approve H. R. 12126, being a bill to add certain lands to the Gunnison National Forest in Colorado, and that we urge our Senators and Congressmen to support said bill and do everything in their power to secure its passage.

Passed, adopted, and approved this 10th day of June, A. D. 1932.

THE GUNNISON COUNTY CHAMBER OF COMMERCE,
By R. E. PORTER, *President*.
L. B. LASHBROOK, *Secretary pro tem*.

Resolution

Whereas it appears that there has been introduced in the House of Representatives of the United States H. R. 12126, by Congressman TAYLOR of Colorado, which provides for the addition of certain areas to the Gunnison National Forest, said areas comprising a total of approximately 260,000 acres; and it appearing that the Public Lands Committee has reported said bill favorably to the House; and

Whereas this board has read and considered said bill and has carefully examined a map showing the areas to be added to the Gunnison National Forest; and said board is acquainted with said areas and knows the character of the land contained therein and the location thereof, and is familiar with the forest conditions in this county; and

Whereas it appears that the areas sought to be added are chiefly valuable for forest purposes, taking the whole area together, is necessary for watershed protection, and the new boundary as drawn is a most practical and reasonable boundary for the protection of the Gunnison National Forest and its administration; and

Whereas it appears that over the areas sought to be added there has been extensive grazing to the extent that the watershed is no longer protected and erosion of the soil is becoming increasingly great; and it is necessary to preserve the grasses and the coverings of the soil to prevent erosion and to preserve and protect the timber that is found over such areas; and

Whereas the board knows the prevailing opinion among the people of this part of the country concerning the necessity of adding such areas to the national forest and knows that it is the prevailing opinion of those familiar with the situation that it is for the best interests of the national forest and the community at large, as well as for the protection of the leading industries of this community and the portion of the country adjacent to the Gunnison National Forest that said bill be passed and said addition to the Gunnison National Forest be approved: Now, therefore, be it

Resolved by the Board of County Commissioners of Gunnison County, Colo., in special meeting held this 10th day of June, A. D. 1932, That we approve H. R. 12126, being a bill to add certain lands to the Gunnison National Forest in Colorado, and that we urge our Senators and Congressmen to support said bill and to do everything in their power to secure its passage; be it further

Resolved, That a copy of this resolution be sent to the Congressmen and Senators from Colorado.

On motion of Whalen, seconded by Little, the above and foregoing resolution was introduced, passed, and adopted by unanimous vote of the board, this 10th day of June, A. D. 1932.

FRANK COMSTOCK,
W. H. WHALEN,
R. A. LITTLE,
Board of County Commissioners of Gunnison County, Colo.

It is in one of the finest stock-growing counties anywhere in this entire country. Their white-faced cattle take first prizes in Chicago, Kansas City, Omaha, and Denver. Those stockmen of that country are having a terrifically hard time these days. This legislation would show them some little consideration at this time, which would be very greatly appreciated. When no one from that country, or anyone who knows anything about it, objects to this bill, I hope the gentleman from Connecticut will not insist upon his objection.

Mr. GOSS. As I understand it, the gentleman says this land has no timber rights on it.

Mr. TAYLOR of Colorado. There is no appreciable amount or any merchantable timber on it.

Mr. GOSS. No merchantable timber?

Mr. TAYLOR of Colorado. No.

Mr. GOSS. But, on the other hand, if it goes into the forest it could be transferred under the transfer act for land that has timber rights on it, could it not?

Mr. TAYLOR of Colorado. Forest reserves have several beneficial purposes. The orderly and systematic grazing of stock is one of the most important. There is no timber that is merchantable on many large areas of national forests in Colorado.

Mr. GOSS. Why do they call them national forests if there is no timber on the land?

Mr. TAYLOR of Colorado. More than one-third of all the 14,000,000 acres of forest reserve in Colorado has not one foot of merchantable timber on it. Millions of acres of it is above timber line, where timber will not grow. But it is good grazing land three or four months every summer.

Mr. GOSS. Is the idea at some time to develop the second-growth timber there?

Mr. TAYLOR of Colorado. No. There is no thought of growing timber on lands at that altitude. There is no question of timber in this bill at all. There is no regulation or control of any kind whatever over the public domain outside of the forest reserves, and the desire of the stockmen is to have some orderly use and control and apportionment of that range and prevent overgrazing and destruction of the range. This bill is in the interest of both the Federal Government and the local people.

Mr. GOSS. Why are they called national forests?

Mr. TAYLOR of Colorado. The idea is to enable the forest reserve officials to fix reasonable limitations on grazing and regulate the use of the range and thereby prevent cattle and sheep wars. It is to stabilize the stock industry of that country and prevent erosion and waste.

Mr. ARENTZ. And also to provide a watershed.

Mr. SCHAFER. Mr. Speaker, I demand the regular order.

Mr. GOSS. Mr. Speaker, the regular order is demanded. I object.

BREAKWATER AT INDIANA HARBOR, IND.

The Clerk called the next bill, S. 4573, authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, it is intended, of course, to pass title to this property is it not, so the property will then be subject to State taxes?

Mr. WOOD of Indiana. Yes.

Mr. LAGUARDIA. Inasmuch as this is a Senate bill, I shall not insist on my amendment. It simply provides for the sale to the Inland Steel Co. of a portion of this breakwater. If this had been an original House bill, I would suggest that the language "sell and convey by quitclaim deed" be added, which is the proviso the gentleman from Wisconsin usually insists on going into bills conveying property.

What I am interested in, I will say to the gentleman from Wisconsin, is that we make it clear that in selling this property we are selling the title so the property will be subject to State taxes.

Mr. WOOD of Indiana. There is no doubt about that. I will state to the gentleman that the purpose is to sell to this company an unused part of the harbor. It never has been used. It is all water. The War Department has had a thorough examination made of it, and the price has been agreed upon. The price agreed upon represents what it would take to build the bulkhead at so much a lineal foot. I hope there will be no amendment to the bill.

Mr. SCHAFER. Mr. Speaker, reserving the right to object, what does the Inland Steel Co. contemplate using this project for?

Mr. WOOD of Indiana. For a large extension to their plant. They are paying the Government $114,000 for it.

Mr. MANSFIELD. For something the Government does not need.

Mr. WOOD of Indiana. Precisely.

Mr. SCHAFER. What did the Government build this property for?

Mr. WOOD of Indiana. As a breakwater to keep the waves from coming into the harbor. Also we will get rid of taking care of the breakwater hereafter.

Mr. SCHAFER. Since we have had prohibition have the waves stopped coming into Indiana Harbor?

Mr. WOOD of Indiana. No; they have not.

Mr. STAFFORD. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. STAFFORD. I notice the department arrived at the sum of $114,000. I have prepared an amendment providing that an appraisal is to be made and that the sale price shall not be any less than the appraisal nor less than the amount stated in the bill.

Mr. WOOD of Indiana. I may state to the gentleman from Wisconsin that the matter has already been arranged. The way the price was arrived at and the amount agreed upon was from a survey made by the engineers themselves as to the cost that would be incurred in building the bulkhead at $60 per lineal foot.

Mr. STAFFORD. How does the price of $114,000 compare with what an appraisal would show?

Mr. WOOD of Indiana. For any other purpose there would be no value to it whatever because of the fact that it is water, and before this area can be used the company will have to fill it in to the breakwater.

Mr. STAFFORD. Then, the gentleman can give assurance to the House that there is no question the price agreed upon as stated would be more than the appraised value?

Mr. WOOD of Indiana. Absolutely. There is no question about it.

Mr. STAFFORD. Then, I shall not press my amendment.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, in his discretion, is authorized to sell to the Inland Steel Co. approximately 1,903 feet of the southerly end of the existing east breakwater of the river and harbor improvement, Indiana Harbor, Indiana, subject to such conditions and limitations as he may impose to insure proper maintenance of the breakwater and to protect the interests of navigation, for the sum of $114,180, and pay the proceeds into the Treasury of the United States.

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

PRELIMINARY EXAMINATION OF THE GREEN RIVER, WASH.

The Clerk called the next bill, H. R. 11930, to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods.

Mr. BALDRIGE. Mr. Speaker, reserving the right to object, the question of preliminary examinations came up some time ago and I wrote to the War Department. I received a letter from the Engineering Bureau stating that there is always an expense connected with these preliminary examinations. It costs money to send men to make these examinations and in view of the conditions of the Treasury at the present time I do not see how I can avoid objecting.

Mr. HADLEY. Will the gentleman reserve his objections?

Mr. BALDRIGE. I will.

Mr. HADLEY. Of course, I will speak as to the merits of this particular bill and not as to examinations in general.

Mr. BALDRIGE. We allowed these bills to go through at first but then we decided to object to them.

Mr. LAGUARDIA. We allowed them to go through with the last three lines stricken out.

Mr. BALDRIGE. Even after that I went to the War Department and ascertained that with those lines stricken out it costs money to make these preliminary examinations.

Mr. LAGUARDIA. The language I refer to is as follows:

The cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

We have stricken that language from every bill that has been permitted to go through. However, the gentleman from Nebraska expressed the view that even that was not sufficient.

Mr. BALDRIGE. I received a letter from General Brown, stating that it costs money to send their engineers to make these examinations.

Mr. HADLEY. The gentleman knows these examinations are very essential, and it is the procedure upon which is predicated the subsequent question of the approval of the project and the improvement of streams. Somewhere and somehow these examinations must be made and they are made for information.

There is an engineering question involved here. The Green River flows through a broad alluvial flood plain in King County, Wash., and empties into the headwaters of the Duwamish waterway, which is the head waterway of the industrial heart of the city of Seattle. This plain, as I say, is very alluvial and the sediment that is deposited from the stream in the flood period is destructive of the Federal improvement that has already been made by the Federal Government under the river and harbor act.

Mr. LAGUARDIA. Is this a river and harbor project or flood control?

Mr. HADLEY. It is flood control. Farther back through the flood plain of the river, throughout the great county through which it flows, is a broad flood area which not always annually but frequently, every two or three years, is flooded, and these floods are highly destructive of property. It is a highly improved county, so it is primarily a flood question; but, incidentally, the deposits from the flood in the waterway outlet are increasing the maintenance cost of the Federal project which has already been approved.

Mr. BALDRIGE. I will say to the gentleman that these preliminary flood-control examinations are very insidious. They start out and apparently do not mean anything. The examinations are made, and then they come in with a final report which means the expenditure of a lot of money. If this is really necessary, why should it not come in under the Engineers' budget and under the regular flood-control appropriations?

Mr. HADLEY. There never has been any system of that kind established as far as I know. The appropriations are made to meet these essential expenses in the course of the procedure; and if you take the position that there can be no steps taken by way of a Federal examination and no preliminary surveys for flood purposes until there has been a project adopted, we will never have any projects. This is an investigation which is necessary and upon which Congress must predicate its future judgment as to the merits of an improvement.

Mr. LAGUARDIA. Would the gentleman object to striking out the last three lines of the bill? I will say to the gentleman that has been the procedure here.

Mr. HADLEY. If that is the procedure that has been followed, of course, I will accept an amendment striking out the last three lines of the bill.

Mr. LAGUARDIA. I want to be fair with the gentleman. That is the procedure which we have followed here, but it is not the procedure of the department. We believe they should send their officers to make a survey without going into this other fund and asking more money for it. That is my honest contention.

Mr. HADLEY. Where will the appropriation come from?

Mr. LAGUARDIA. The appropriation, of course, comes from the pay of the officers. If this requires the employment of outside help, you can not do it.

Mr. HORR. The engineering force already on the ground will make the examination, and they will be paid out of appropriations already made. It will not mean any extra appropriation.

This survey can be made by the engineering force located in this district, and will not entail additional men or expense. The project lies close into Seattle, the headquarters of the district engineer. This bill merely authorizes them to go forward on appropriations already made for the maintenance of the office.

This survey of the Green River and its tributaries for flood purposes is intended to care for periodic floods that have proven very costly and disastrous to valleys through which the Green River and its tributaries flow. These floods have caused much property damage, and in many instances have been hazardous to the health of the community.

The Green River flows through one of the finest agricultural districts in the world. During heavy rainfalls and heavy precipitation in the mountains the river and its tributaries overflow their banks, causing washouts, destruction of growing crops, and in some cases have flooded the streets of towns and cities in the area through which they flow.

The rush of flood water down the river bed carries a great amount of silt and débris into harbors, which are already under Federal control. This results in a large expenditure of Federal funds that could be avoided with proper control of the flow of this river.

Again, it is contemplated to divert the surplus waters of the Green River into Lake Washington, thereby giving a greater water storage for the operation of the Government locks.

Thus, in addition to assisting private landowners, the Government itself will be benefited. The bill, I trust, will be passed, and I am sure it will assist in procuring an improvement greatly needed by the people of the district and will prove of benefit to the Federal projects as well.

Mr. LAGUARDIA. They can only use the engineer officers.

Mr. HADLEY. If there is an appropriation available out of which the engineering force can do this work, they will do it out of that appropriation?

Mr. LAGUARDIA. That is my understanding; and I will say to the gentleman that this is the policy we have followed but it is not the administration policy. With the understanding that the gentleman will accept the amendment I have suggested, I will not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Green River, Wash., with a view to control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment: On page 1, line 9, at the end of the line, strike out the comma, insert a period, and strike out the balance of the section.

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 1, line 9, strike out the comma at the end of line 9, insert a period, and strike out the remainder of the bill.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NATIONAL FORESTS IN THE STATE OF OREGON

The Clerk called the next bill, S. 763, to extend the provisions of the forest exchange act to lands adjacent to the national forests in the State of Oregon.

Mr. STAFFORD. Mr. Speaker, I reserve the right to object to give the gentleman from Oregon [Mr. BUTLER] an opportunity to explain this bill.

Mr. BUTLER. The object and purpose of the bill are set forth in the report of the Secretary of Agriculture, and the bill does not provide for the transfer of any public land outside of the boundaries of the forest but simply extends the right of exchange for privately owned land. As stated in the report of the Secretary of Agriculture, it is, indeed, in the public interest.

There is one reason which is not pointed out why this legislation is sought. Throughout the forests State highways are constructed, and in some instances the State has gone to the trouble of acquiring lands for the purpose of preserving spots of scenic beauty along the highways and also for fire prevention. It is also desired for purposes of reforestation.

This does not involve any cheap public land that might be acquired, but privately owned land, upon the terms of the exchange act, and to be determined, of course, by the Department of Agriculture. I certainly think there should be no objection to this proposed legislation.

Mr. STAFFORD. Will the gentleman explain why this is limited to within 6 miles of the boundary?

Mr. GOSS. They are increasing it from 4 miles to 6 miles.

Mr. STAFFORD. Why not allow the exchange law to extend to all the lands within the national forests?

Mr. BUTLER. I may state that one of the reasons, as stated by me at first, is in order to try to preserve some of the timber along the public highways. Some of these highways have been constructed jointly by the State and the Federal Government, and this is to enable the State to assist in fire prevention and the protection and preservation of these forests. No public-land State in this Union, no forest State in this Union, has gone, I believe, as far as the State of Oregon has gone on its own initiative in joining with the Government at its own expense to preserve these forests and to protect the timber.

Mr. STAFFORD. Why grant preferential consideration to Oregon? What are the special conditions in Oregon that would single that State out for preferencial consideration, other than the gentleman from Oregon?

Mr. BUTLER. Some of the reasons are as stated by me and these provisions, as stated by the Secretary, have been applied to the State of Montana.

Mr. LEAVITT. Yes; this law has been in effect in Montana for many years.

Mr. COLTON. And in some of the other States as well.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GOSS. I object, Mr. Speaker.

PRODUCTION OF SULPHUR IN THE STATE OF LOUISIANA

The Clerk called the next bill, S. 3276, to amend the act entitled "An act to promote the production of sulphur upon the public domain within the State of Louisiana," approved April 17, 1926.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OF THE JUDICIAL CODE

The Clerk called the next bill, H. R. 4624, to amend the Judicial Code by adding a new section to be No. 274D.

Mr. COLLINS. Mr. Speaker, I object.

Mr. BALDRIGE. Mr. Speaker, will the gentleman withhold his objection?

Mr. COLLINS. I withhold it, Mr. Speaker.

Mr. BALDRIGE. Let me state to the gentleman that we have this provision in Nebraska, and time and time again litigants who are about to enter into some sort of contract or agreement have gone to our supreme court and have obtained a ruling on their contract. This has saved many thousands of dollars. It is one of the most beneficial changes in the code that I know about. We have had such a law for about five years and it has worked very successfully. I hope the gentleman will let this bill pass. This is not my bill. I just saw it when we were examining the measures on this Calendar.

Mr. COLLINS. I have a very high regard for the author of the bill. There is no man in the House for whom I have a higher regard.

Mr. LAGUARDIA. I am sure the gentleman from Mississippi is under a misapprehension. This bill is in keeping with modern practice in many States. In New York, where we have a tremendous calendar in our supreme courts, we have found that this legislation prevents litigation. It affords an opportunity for a judicial decision before any damage accrues.

Mr. COLLINS. I have in mind cases that could be brought under a statute of this particular nature that would practically legalize the violation of laws.

Mr. LAGUARDIA. This has nothing to do with any violation of law. You can not get a construction of a criminal statute under this bill.

Mr. COLLINS. The gentleman knows very well that if a corporation wanted to violate the antitrust statute it could go into court under an agreed statement of facts and have the question adjudicated and by such method immunize itself from prosecution.

Mr. LAGUARDIA. The gentleman is too good a lawyer to make any such statement as that.

Mr. COLLINS. That could happen under the provisions of the bill.

Mr. LAGUARDIA. Oh, no.

Mr. COLLINS. I shall have to object. This bill should be discussed at length and not be passed on this Consent Calendar. It is too important.

Mr. LAGUARDIA. Let us first get that point clear. Suppose A and B entered into a contract to do an unlawful act, or any act which constitutes a violation of the penal law, this would not grant them any immunity simply because they had entered into a civil contract about it.

Mr. COLLINS. This bill does not deal with criminal cases.

Mr. LAGUARDIA. It does not at all. The gentleman is confusing it.

Mr. COLLINS. I am not confusing it, because antitrust litigation is not a criminal act necessarily; it can be civil case or it can be criminal case; in most of jurisdictions it is civil.

Mr. MONTAGUE. Mr. Speaker, I am not going to discuss the merits of the bill, but I appreciate the number of gentlemen who are interested in it. This measure has passed the House twice, and the last time there was objection by my friend from Mississippi. He has that right, and I do not intimate that there is any improper motive. I hope, however, that as time wears on he will see the light. [Laughter.]

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. I object.

WAIVER OF PROSECUTION BY INDICTMENT IN CERTAIN CRIMINAL PROCEEDINGS

The Clerk read the next bill on the Consent Calendar, S. 2655, an act providing for waiver of prosecution by indictment in certain criminal proceedings.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA and Mr. COLLINS objected.

FUNDS COLLECTED ON C. O. D. PARCELS

The Clerk read the next bill on the Consent Calendar, H. R. 10644, to require postmasters to account for money collected on parcels delivered at their respective offices.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, I want to ask if the bill has been carefully drawn so as not to involve any danger that these funds will lose their identity from trust funds to public funds, because they are only trust funds for delivery. I take it that the amendment to the existing law is to make them public funds only within the meaning of section 3481 of the Revised Statutes, and that it will not be necessary to obtain from Congress an act to pay each shipper of a C. O. D. package the money designated.

Mr. HAINES. No. Let me say that I introduced the bill by request of the postal authorities, and this is the bill they sent me.

Mr. LAGUARDIA. The funds will still be trust funds within the meaning of the statute and will not lose their identity as trust funds for a specific purpose?

Mr. HAINES. That is my understanding.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3846 of the Revised Statutes (U. S. C., title 39, sec. 46) is hereby amended to read as follows: "Postmasters shall keep safely, without loaning, using, depositing in an unauthorized bank, or exchanging for other funds, all the public money collected by them, or which may come into their possession, until it is ordered by the Postmaster General to be transferred or paid out. All money collected on mail delivered at their respective offices shall be deemed to be public money in the possession of the postmasters within the meaning of this section."

With the following committee amendment:

Strike out the word "parcels," in the title of the bill, and insert in lieu thereof the word "mail."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Amend the title so as to read: "A bill to require postmasters to account for money collected on mail delivered at their respective offices."

ORDER OF BUSINESS

The SPEAKER. May the Chair make this suggestion to the House: Probably there will be no opportunity for motions to suspend the rules and pass bills if Congress adjourns on Saturday, as next Monday is suspension day.

A suggestion has been made to the Senate that we expect them to pass the resolution for adjournment and send it to the House, rather than for the House to pass it and send it to the Senate. They will probably delay the resolution until they are ready to adjourn. In view of that fact, the Chair thinks that he should recognize certain gentlemen to ask unanimous consent for present consideration of certain

bills which he has referred to the majority leader, and some of them have been looked over by other Members of the House.

NAVAL APPROPRIATION BILL

Mr. AYRES. Mr. Speaker, I ask unanimous consent that the conferees on the naval appropriation bill may have until 12 o'clock to-night in which to file their report.

Mr. STAFFORD. Reserving the right to object, is it a complete report?

Mr. AYRES. It is.

There was no objection.

GEN. CASIMIR PULASKI

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 443, directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski. This resolution does not call for any appropriation. It is simply a part of the George Washington Bicentennial Celebration, and requests the President to designate October 11, 1932, as the day for the particular observance and commemoration of General Pulaski. I think that Poland was the only country in the world that honored the George Washington Bicentennial Commission by printing a postage stamp of their own with a picture of George Washington and General Pulaski upon it. Sixteen different members, I think, have introduced this resolution. Many members on both sides have Polish-American constituents who are very much interested in the bill and I hope no objection will be made to it.

Mr COCHRAN of Missouri. This is the legislation introduced by the gentleman from New York [Mr. MEAD]?

Mr. PETTENGILL. Yes. This is Mr. RAGON'S bill, but he is out of town to-day and asked me to present it.

Mr. COCHRAN of Missouri. Mr. Speaker, I have received numerous resolutions favoring the passage of this bill. It is very meritorious, and I hope that no one will object to it.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk read the joint resolution, as follows:

House Joint Resolution 443

Directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commenoration of the death of Brig. Gen. Casimir Pulaski.

Whereas the 11th day of October, 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of West Virginia, Illinois, Michigan, Tennessee, Indiana, Wisconsin, New York, Nebraska, Texas, Minnesota, Delaware, Maryland, Arkansas, New Hampshire, Pennsylvania, Missouri, Ohio, and other States of the Union, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, and October 11, 1931, to be General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the death of this great American hero of the Revolutionary War: Therefore be it

Resolved etc., That the President of the United States is authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1932, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies of the death of Gen. Casimir Pulaski.

With the following committee amendment:

Page 2, line 4, strike out the word "directed" and insert "requested, as part of the George Washington Bicentennial Celebration."

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "Joint resolution requesting the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski."

A motion to reconsider the vote by which the joint resolution was agreed to was laid on the table.

TO ESTABLISH UNITED STATES ROANOKE COLONY COMMISSION

Mr. COX. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Concurrent Resolution 26, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 3, line 1, after the word "duties" insert "not to exceed $500."

The SPEAKER. Is there objection?

There was no objection.

PURCHASE OF LAND IN SOUTH DAKOTA FOR CAMP SITE

Mr. WILLIAMSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 487) to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State.

The SPEAKER. Is there objection?

Mr. COLLINS. Mr. Speaker, I object.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. MALONEY, indefinitely, on account of important business.

Mr. DOWELL, indefinitely, on account of illness.

Mr. WEEKS, indefinitely, on account of illness.

COOLIDGE AND HOOVER

Mr. TILSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. TILSON. Mr. Speaker, during the Sixty-ninth, Seventieth, and Seventy-first Congresses my work as majority leader gave me an unusual opportunity to observe how the President of the United States performs the work committed to him. It is an interesting study to consider, as we may now do at close range, how the only two men now living who have filled the presidential office, each in his own way, met the problems of the day in which he served, each in his own way facing conditions as he found them. In the nine years covered by the administrations of Presidents Coolidge and Hoover the country has seen in unusual measure both prosperity and adversity, each condition presenting problems peculiar to the time.

Some men quail before adversity, while others can not stand prosperity; but in the present case both prosperity and adversity have faced a President equal to the occasion. Running the affairs of the Government is in some respects like driving an automobile. Given the wrong kind of chauffeur, driving over a broad, smooth boulevard may be quite as dangerous as negotiating a rough mountain trail. Uncle Sam's last two chauffers have both shown not only the capacity to handle the machinery, in all kinds of weather, but also to make the best of road conditions of every kind as they are encountered along the way.

We now recognize it as a fact that the tide of national prosperity was high under the Coolidge administration and that it has reached a low ebb under the last two years of the Hoover administration; but it is also being recognized in both cases that the respective situations have been met with wisdom and courage. When prosperity reigned, when revenues were pouring into the Treasury in streams more abundant than the most liberal estimates—in the language of the street, when everything was lovely and the goose hung high—it required far-sighted wisdom and moral courage of a high order to insist on and persist in the insistence that the utmost economy be practiced in order, while the sun was still shining, to prepare for the proverbial rainy day.

President Coolidge insisted that when there was a surplus the public debt should be reduced, while all around him opportunists were clamoring that greater and still greater public expenditures be made as if there would never be an end of the heyday of easy money. He was freely criticized and charged with lack of vision as the clamor rose for what was called a more progressive policy but which, being accurately interpreted, meant spending more liberally the revenues collected from the taxpayer.

Under the Coolidge policies, which were continued under President Hoover, the public debt was reduced by about $8,000,000,000. Then the sky became overcast, for the rainy day was approaching. It began to sprinkle and then to pour, but the streams of revenue no longer flowed into the Treasury. Strange to say, when the Treasury no longer overflowed and there was an actual shortage, many of those who had clamored loudest for liberal expenditures when revenues were abundant now clamored even more loudly for still greater expenditures when revenues were lacking for even the necessary current expenses of the Government.

Now the usual sources of public revenues are well-nigh dried up and at the same time private incomes have to a very considerable extent also disappeared, while fear has taken hold of the people until even the staunchest have faltered and wondered what to do next. Such times call for a level head and a steady hand. In President Hoover both are found. No such problems ever before faced a President, problems not local but world-wide in their origin and scope. Fortunately world-wide experiences under bewildering conditions such as no other man ever went through have given him a grasp of the problems involved that preeminently fits him for the task.

And how has President Hoover met the challenge? Like the dramatic story told in the prologue of the Book of Job, one calamity has followed swift upon another until it seems there could be little left in the way of disaster that has not already befallen us, and yet none has brought a problem that President Hoover has not been ready to tackle courageously. True, all of the problems arising have not been solved immediately, and we now know that many of them were insoluble, but many of them have been solved or put in the way of a final solution.

Some time ago there appeared in the Columbus Dispatch a cartoon entitled "It Takes Low Water to Prove Out a Good Pilot." President Hoover is pictured at the helm of an old-fashioned stern-wheel steamboat—the United States of America. Depression "low water" has revealed a number of snags and other obstacles labeled "fear," "unsound theories," "politics," "economic tangles," and the like, while the passengers are shouting such choice bits of encouragement as, "It's the pilot's fault," "He got us into this," "Change the pilot," "Throw him overboard," "This is rotten," and "When are we going to get out of this." Meanwhile the President apparently is steering the course successfully, thus proving himself an efficient pilot capable of standing the severe test. It is a meaningful cartoon worthy of serious thought.

As each problem has arisen, presenting a crisis, President Hoover has come forward with something concrete and definite in the way of a program to meet it. Unfriendly critics he has had all the way who have minimized his successes and magnified each failure to immediately drive the clouds away and bring the sunshine back again. But not one of these hostile critics, even with the tremendous advantage of hindsight over foresight, has even to this good hour suggested what President Hoover has done that he should not have done or what he has left undone that he should have done.

Our country was, indeed, fortunate in having at the high tide of prosperity during the last administration a man like President Coolidge who, by his wise foresight, like Joseph of old, took advantage of the seven fat years to prepare us in some measure, so far as public revenues are concerned, for whatever part of seven lean years we may be compelled to endure. What a blessing this accumulation in the Treasury has turned out to be in this time of mounting deficit!

Equally fortunate are we now in the stress and strain of the depression storm whose path is a wide girdle of the entire globe in having at the helm a pilot acquainted with world conditions, ready to avail himself of every known aid to navigation and above all one who through foul weather and fair, through evil as well as good report, stands courageously at his post leaving nothing undone that mortal man might do to bring the ship safely to port.

THE POSTAL ESTABLISHMENT

Mr. BUCKBEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a short address I delivered over the radio, upon the Post Office Department.

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCKBEE. Mr. Speaker, in my judgment, the United State Post Office Department is the greatest business-building organization in the world. The Postal Establishment, however, is neither an industrial nor a commercial organization. It manufactures nothing and it buys and sells nothing except service. Millions of complete commercial transactions are carried on daily with the use of all classes of mail in the Postal Service.

Many services are rendered by the Post Office Department that are free services and from which no revenue whatever is turned in as postal receipts. These services comprise the sale by postmasters of internal-revenue stamps. The preparation by postmasters for mailing for an author of copyright matter to be sent to the registrar of copyrights; administering oaths by postmasters to pensioners and their witnesses in the execution of pension vouchers, the posting of weather reports, and other Government reports in post offices, and cooperating with the States under the plant quarantine act to prevent the introduction and spread of plant diseases and insect infestations. The mails also carry free matter for the blind, and permit free-in-county privilege for newspapers and periodicals. I want also to mention in passing, the material part the Postal Service has had in the pioneer development of roads and railroads in new sections of the country through the establishment of star and rural routes and Railway Mail Service on the railroads.

The service for which the Post Office Department expends upward of $800,000,000 annually is sold to the public in the form of more than twenty-seven billions of units of service, for which the public pays an average of but 2⅓ cents per unit.

The Post Office Department with nearly 400,000 employees provides post-office facilities in 56,114 post offices, stations, and branches, providing city or village delivery service where population warrants, and by rural routes and star-route service in the county areas. To facilitate the delivery of mail by distribution in transit, thereby affording greater protection for registered mail, services are performed in 4,388 railway post-office trains and in 66 terminal railway post offices.

Rural Free Delivery Service, in which most of us are vitally interested, was established in 1896; and it is not necessary for me to say that the educational and commercial value of this wonderful service is inestimable.

The air mail service, at the very reasonable rate of 5 cents per ounce, is one of our newest and most interesting services. Air mail, think of it, is handled between New York, Los Angeles, and San Francisco in 26 hours. The service in 1931 handled over 10,000 tons of mail in ships flying 30,000,000 miles over scheduled routes.

The Parcel Post Service was inaugurated in 1913, as an experiment for the accommodation of the patrons of the service in handling small packages, most of which could not be delivered to rural patrons. This system has been a marvelous success, and under its present efficient head, Director Harraman, I predict that the Parcel Post System of the Post Office Department will bring the city and urban sections of the country in closer contact with the farm and garden producers, and will go a long way toward cutting

out the middleman's excessive profit. In fact, it is bound to bring about a better understanding between the workers in the cities and tillers of the soil.

May I say a word in regard to the efficiency and high-grade personnel of the United States post-office inspectors—this organization makes it possible to run this immense business department of the people at a minimum loss each year—in fact, I am safe in saying that when a post-office inspector starts out to catch a thief, he delivers.

In closing, may I say a word about the entire personnel of the United States Post Office Department, from Postmaster General Brown all the way through? From my personal experience of several years as a member of the House Committee on the Post Office and Post Roads, I have found the men and women who make up this wonderful organization, anxious to give real service to the American people, invariably courteous, ready to listen to just complaints, and suggestions for the betterment of the service; in fact, if you will give them Golden Rule cooperation, you will greatly aid in continuing to make the United States Post Office Service the greatest business-building organization in the world.

GEN. CASIMIR PULASKI

Mr. BALDRIGE. Mr. Speaker, I ask unanimous consent to extend my own remarks in connection with House Joint Resolution 443.

The SPEAKER. Is there objection?

There was no objection.

Mr. BALDRIGE. Mr. Speaker, we are considering House Joint Resolution 443, which directs President Hoover to proclaim October 11, 1932, as General Pulaski's memorial day. I sincerely hope that Congress will pass favorably on this legislation and for the benefit of the Members I wish to briefly call to your memory some facts concerning this national hero.

Count Casimir Pulaski was born in Poland in the year 1747. When he was a young man there was a concerted effort on behalf of three great European nations to seize Poland and divide it among themselves. Count Pulaski and his family gave their entire fortune and their lives for the sake of their country to endeavor to hold off the invaders. The odds, however, were entirely too strong against them, and in 1772 Poland lost 82,000 square miles, which was over one-half of her entire territory, and nearly 5,000,000 of her population. Count Pulaski left the country and soon there came to his attention that the 13 young Colonies in the United States were struggling for freedom and the same principles that he and his family had fought for in Poland. His whole nature sympathized with our struggle against England and he immediately came to our country and offered his services to General Washington. Washington was tremendously impressed with the ability and patriotism of this young Polish hero and he gave him command of the Cavalry of our forces.

General Pulaski immediately proceeded to be of tremendous value. His years of experience in Poland fitted him for just this sort of warfare. General Pulaski was the father of the United States Cavalry and the success of our revolution is due largely to men of his caliber and quality. The leading motive of Pulaski's life was his burning love of liberty. For this he fought valiently in behalf of his native land, and although in that struggle he lost his relatives, home, and property, and was driven from his country as an outlaw, his thirst for liberty could not be quenched, and he gave his ability and finally his life to the cause of American liberty. It seemed as if all his hopes were buried with him and his efforts wasted, but his tremendous sacrifices have never been without their due reward. After the World War the powers returned Poland to somewhat its former position.

The memory of Casimir Pulaski reaches down to us to-day, and we should have an undying sense of gratitude to him and the Polish people for their important part in our freedom to-day.

October 11, 1779, is the date of the heroic death of General Pulaski; and it is certainly fitting that our country commemorate October 11, 1932, in the George Washington Bicentennial year, to pay the proper respect and tribute to our friend and savior. The Polish people throughout the country have had a most important part in the development of this great country. They will join with us in this national holiday.

I sincerely trust and hope that you will all vote in favor of this legislation with the same enthusiasm that we have carried on to commemorate our other hero, George Washington.

WORK OF THE PRESENT SESSION OF CONGRESS

Mr. WILSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD upon the work of this Congress.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILSON. Mr. Speaker, the present session of the Congress has been called upon for the solution of problems more difficult and distressing than ever experienced heretofore in peace times; more intricate in many respects than the adjustment of conditions resulting from war. Such unusual conditions have also confronted State and local governments, in all cases the result of the world-wide depression affecting every phase of industry and agriculture.

It has been my conviction that during such a period as has confronted this Congress and the Nation we should avoid factionalism and political strife and work regardless of party for the practical and definite solution that will restore again the basis of prosperity and bring relief to the masses of our people. I have endeavored to pursue this course in order that I might render the most effectual service to the people whom I have the honor to represent and to secure the most effectual assistance in relation to the problems in which they are most interested. I may recite the following instances:

FLOOD CONTROL

The State of Louisiana and the fifth congressional district are vitally interested in the final and fair solution of the definite control of the flood waters of the Mississippi River and its tributaries. Such solution was undertaken as a national problem by the flood control act of 1928. It was the intention of the Congress that the work of flood control be assumed as a national responsibility and completed at the expense of the Federal Government.

There were certain features of this legislation in controversy when the act was passed, and provisions were placed therein, the proper and fair construction of which authorized changes and readjustments as the work proceeded. I have reference to the proposed flood way through the Boeuf and Atchafalaya Basins. The people of southeast Arkansas and Louisiana have vigorously contended that the proposed flood way, and especially the uncontrolled diversion by the fuse-plug levee at Cypress Creek, south of the Arkansas River, was unfair from an economic standpoint and unjustified from an engineering standpoint. Since it was part of the adopted project and based upon an engineering report, the desired changes can only be obtained by an engineering review with recommendations as to plans which should be substituted therefor.

When the present Congress was organized, due to seniority in service, I became chairman of the Committee on Flood Control of the House of Representatives. At the first meeting of the committee I secured the passage of a resolution authorizing a complete engineering review of these controverted features with recommendations for changes or modifications that should be made in relation to the project and its final execution. This resolution had the approval of the Secretary of War and the Chief of Engineers. A reviewing board, composed of two outstanding Army engineers and one renowned civilian engineer, was placed in charge of the work, upon which the most satisfactory progress has been made and upon which a complete report will be ready for the December session of Congress.

Fair and prompt consideration has been given by the engineers in charge to every request and suggestion of our State and local engineers, as well as citizens, towns, and

communities involved. For instance, during the recent floods on the Ouachita, Black, and Red Rivers, $460,000 were promptly given for our assistance which, in my judgment, justifies our cooperation. The Secretary of War, the Chief of Engineers, and their assistants are those who have the direct supervision and final determination of the engineering features of this work.

I am now convinced that no one in authority in connection with this vital and important problem favors or indorses the fuse-plug levee or an uncontrolled flood way.

An important and new phase of the work is dredging and preparing for a more rapid discharge at the lower end of the Atchafalaya Basin, which will increase and hasten the flow into the Gulf. This will be a great relief in the Atchafalaya, the Boeuf, and Tensas Basins.

In addition to this an enlargement of the capacity of the main channel of the Mississippi River from the Arkansas to the Red, by elimination of bends and dredging, is now under consideration. It is estimated that the flood heights at Arkansas City may be lowered 10 feet, which would eliminate the necessity for the destructive flood way through the Boeuf Basin. It has been a great privilege to have had the opportunity and placed in a position to secure this definite and constructive action. When the report is complete, this should enable us to establish a policy of definite protection to the major portion of the lands and interests now in jeopardy or under the veil of uncertainty and just compensation for that which is absolutely necessary for the passage or storage of flood waters, including changes in levee lines on the main river channel.

AGRICULTURE AND INDUSTRY

The first important legislation at this session of Congress affecting both agriculture and industry was the creation of the Reconstruction Finance Corporation. The purpose was to make available sufficient credit to stabilize industry, avoid failures in banking institutions, and to supply needed funds for crop production, where credits from other sources were not available. Following the precedent made by the War Finance Corporation, Congress provided $500,000,000 in cash for immediate use with an additional provision that the capital could be increased to $2,000,000,000 by the sale of debenture bonds. Of this amount $50,000,000 were made immediately available and allotted to the Secretary of Agriculture for direct loans to farmers in all parts of the country for crop production in 1932 under the rules and regulations prescribed by that executive department. Provision was also made for the expansion of this amount to $200,000,000.

The disastrous drought of 1930 made it necessary to enact legislation and provide funds for loans to farmers who were in distress through no fault of their own and who were without credit. The decline in the price of agricultural products made it necessary to continue these loans for 1932, and unless there is a material advance in the price of agricultural products we may find it necessary to continue on a broader policy such loans for 1933. To show the needs for loans for crop production in the fifth congressional district for 1932, there were 9,348 loans made in the 14 parishes for a total amount of $957,990.

I am hopeful that we may find some definite way to bring about an advance in the price of agricultural commodities that will at least equal the cost of production with a fair profit. For this purpose I have advocated and supported the export debenture plan which would increase the price of wheat 21 cents per bushel and cotton $10 per bale. Such a plan would be more helpful to cotton than any other agricultural product, because more than 60 per cent of our cotton crop is exported and sold in foreign countries. No section of our Nation is more interested in the restoration of world trade than the South, and I regret that the President disapproved the act passed by Congress authorizing an international conference to adjust our tariff rates and increase our world trade and commerce. It is true that America can live and exist without considering other nations, but we can not find a market for our surplus products without the existence of international business relations.

The Congress also provided an additional $125,000,000 for the Federal land banks to enable them to make extensions wherever possible and practical for the payment of interest and installments due, and also for the purpose of making additional loans. This provision has avoided wholesale foreclosures and makes it possible for the Federal land banking system to continue to function and pursue a more liberal policy as to the rules and regulations governing loans. The Federal Farm Loan Board reports that no foreclosures are now being made where there is any fair prospect of the borrower eventually meeting his obligation.

HOME-LOAN BANKS

The House has recently passed the home loan bank bill, which provides for a system of from 8 to 12 banks throughout the United States, the purpose of which is to provide ample credit for home building. An additional fund of $125,000,000 is provided which can be expanded as long as mortgage paper held by the banks can be rediscounted. Loans will be made to building and loan associations, cooperative banks, homestead associations, savings banks, trust companies, and insurance companies organized under the banking laws of any State of the United States. It is estimated that this measure will facilitate the construction of 3,000,000 homes and bring protection by extending credit facilities to home owners throughout the Nation.

ECONOMY

If there is one single issue upon which the taxpayers of this country seem to have a crystallized opinion and which they are urging upon Congress with more force than anything else, it is the necessity for economy in Government and the reduction of taxes. The appropriation bills for the operation of the Government next year are $571,106,950 less than they were for the present fiscal year. This figure contains a reduction of more than $161,000,000 over that recommended to the Congress by the President and the Budget.

The reduction in salaries of Federal employees, including those of Representatives and Senators, shows an annual saving of $170,000,000. In the present emergency we should all be willing to make financial sacrifices and join in every patriotic effort of the American people to restore normal conditions and protect the credit and financial structure of our Government.

THE REVENUE BILL

The Government expenditures for the last fiscal year were reported approximately $903,000,000 in excess of the revenues. Congress was called upon to balance the Budget, in other words, to provide additional revenues sufficient to meet the expenditures. With the most rigid economy and after reducing the expenditures to bare necessities, it was estimated that at least $1,241,000,000 additional revenue would be required. The revenue bill, when reported, provided among other things for increased income taxes, higher estate taxes, savings through administration, and a general sales tax.

I supported the administrative savings, advocated higher income taxes in the upper brackets, voted for the estate taxes, for taxes on luxuries, but opposed the general sales tax as an excessive burden upon the consuming masses already too heavily burdened with taxes. It is my theory that tax burdens of this country should be borne by citizens or corporations in proportion to the benefits received and their ability to pay.

While sacrifices must be made and burdens imposed, it is absolutely essential that the National, State, and local governments should adjust their annual budgets so as not to exceed the anticipated revenues.

SERVICE AND LEGISLATION FOR VETERANS AND DEPENDENTS

I have supported legislation for the benefit of our soldiers of all wars and their dependents, including hospital facilities, extension in time for conversion of insurance, and vocational training. I have also supported the measure for the immediate and full payment in cash of the adjusted-compensation certificates held by our veterans and commonly referred to as the bonus. This is an obligation contracted between the Government and the ex-service men. The final payment is due in 1945.

The objection has been made that it would be an unfair burden on the Treasury to issue bonds to make the payment now, but if $2,000,000,000 can be provided for the Reconstruction Finance Corporation and $2,000,000,000 in the pending program for relief, it is certainly as fair and just to provide $2,000,000,000 to discharge an outstanding obligation acknowledged to be due to the veterans of the World War. The payment if made now would bring relief to our needy veterans and their dependents and place additional money in circulation that would reach every community in the Nation. The amount due to the veterans in Louisiana is $31,000,000. The cash payment would be provided by a bond issue and no additional taxes at present would be required.

It has been a pleasure to me to maintain special organization in my office for the speedy handling of the claims of the veterans of all wars for compensation, allowance, insurance, and pensions. At this time we have under prosecution 1,250 cases with a greater number already successfully terminated.

RURAL MAILS AND POST ROADS

The farmers are rendered no more important service than that given by the rural delivery of mails. The service was inaugurated in an experimental way in 1896. It has been extended to the most remote parts of the country, and on June 30, 1931, there were 42,412 rural routes in operation in the United States, 357 of them in Louisiana and 81 in the fifth congressional district.

I have taken an active interest in postal matters. The service has been rapidly expanded, and as roads are improved and streams bridged, I hope to see rural-mail facilities afforded every rural community in my district.

I supported the first act, that of July 11, 1916, authorizing Federal cooperation with States in the building of roads as well as all subsequent appropriations for Federal aid to post roads.

EMERGENCY RELIEF LEGISLATION

It is conceded that in this desperate emergency the Congress should enact legislation at once to relieve unemployment and to assist the States and local agencies in the construction of public works and improvements so as to alleviate suffering and destitution in all parts of the country. To effect this purpose, the Garner bill, which recently passed the House of Representatives and which is now in conference before a committee composed of Members of the House and Senate, provides $1,000,000,000 to be loaned to the States and to be distributed within the States by loans to municipalities and other local government agencies. The towns and cities to which such loans are made by the prosecution of necessary public improvements could provide employment at the same time to those who are without other means of support. I feel that our citizens desire an opportunity to earn the means for the support of themselves and families by rendering service therefor, and that we should go to the very limit in giving them this opportunity.

The bill also provides $1,000,000,000 for public works, to be expended for post-office buildings, rivers and harbors and flood-control work, and good roads. Under the existing law the present appropriation for flood control is $32,000,000, of which amount $14,382,000 is spent in Louisiana, which gives employment by the Government to 6,800 men. Under the Garner bill the appropriation would be increased to $77,000,000, of which $29,479,300 would be spent in Louisiana, giving employment to 14,320 individuals.

Adequate relief can only come from a program of public works which reaches all sections of the country. When the assistance is given and the work is provided, the employment should go to the citizens of each community where the improvement is to be made so that the money paid may go into local circulation for the purchase of goods and supplies. That is the purpose of the relief measure.

Mr. Speaker, I have remained constantly present during this session of Congress, devoting my entire energy and ability to secure the passage of legislation that would bring relief and lay the basis for improvement of conditions in our country. This can best be done by placing money in circulation for the payment of wages and the purchase of materials and supplies, whether produced by those engaged in industry or agriculture. Increased consumption is the safest method of disposing of what is termed overproduction.

ADJOURNMENT

Mr. COLLINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p. m.) the House adjourned until to-morrow, Tuesday, June 28, 1932, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. EVANS of Montana: Committee on the Public Lands. H. R. 11816. A bill to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes; with amendment (Rept. No. 1719). Referred to the Committee of the Whole House on the state of the Union.

Mr. BALDRIGE: Committee on Claims. H. R. 2481. A bill making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government; without amendment (Rept. No. 1720). Referred to the Committee of the Whole House on the State of the Union.

REPORT OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 9856. A bill for the relief of Lucien M. Grant; without amendment (Rept. No. 1721). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOGG of Indiana: A bill (H. R. 12816) to discontinue payment of interest on judgments against the United States and amounts allowed on account of taxes illegally collected; to the Committee on the Judiciary.

By Mr. GRISWOLD: A bill (H. R. 12817) authorizing employees of the Veterans' Administration to accept or reject quarters furnished by the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. LONERGAN: A bill (H. R. 12818) to amend section 284 (e) of the revenue act of 1926; to the Committee on Ways and Means.

By Mr. COLLINS: A bill (H. R. 12819) authorizing and directing the Secretary of Agriculture to request allocation of funds; also to establish a research laboratory for utilizing cotton, cotton hulls, seed, linters, and waste farm products; to the Committee on Agriculture.

Also, a bill (H. R. 12820) to provide that advances under the Reconstruction Finance Corporation act may be made to producers of livestock and to dairy farmers; to the Committee on Banking and Currency.

By Mr. LEWIS: A bill (H. R. 12821) giving the protection of the law to the worker's right to work and guaranteeing him an equal share of the employment available; forming trade associations to effectuate such rights and to enable such industries to stabilize business and to provide certain benefits for their employees; and imposing certain excise taxes; to the Committee on Ways and Means.

By Mr. LaGUARDIA: A bill (H. R. 12822) to amend the revenue act of 1932 (Public, No. 154, 72d Cong.) to more exactly define the application of the tax on furs; to the Committee on Ways and Means.

By Mr. COLLIER: Joint resolution (H. J. Res. 448) to construe the revenue act of 1932; to the Committee on Ways and Means.

By Mr. COOKE: Joint resolution (H. J. Res. 449) proposing an amendment to the eighteenth amendment of the Constitution; to the Committee on the Judiciary.

By Mr. SIROVICH: Joint resolution (H. J. Res. 450) to repeal the eighteenth amendment to the Constitution of the United States and the national prohibition act; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 12823) granting an increase of pension to Sarah A. Matlock; to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 12824) for the relief of Smith Wall; to the Committee on Claims.

By Mr. FOSS: A bill (H. R. 12825) granting a pension to Catherine T. McNamara; to the Committee on Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 12826) granting an increase of pension to Mary E. Ellsworth; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 12827) for the relief of W. E. Bosworth; to the Committee on Claims.

Also, a bill (H. R. 12828) granting an increase of pension to Laura E. McIntyre; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 12829) granting a pension to Sarah E. Rolston; to the Committee on Invalid Pensions.

By Mr. MOBLEY: A bill (H. R. 12830) for the relief of Fed Carter; to the Committee on Naval Affairs.

Also, a bill (H. H. 12831) granting a pension to Mrs. Thomas J. Orr; to the Committee on Pensions.

By Mr. SHREVE: A bill (H. R. 12832) granting a pension to Clara Dempsey; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H. R. 12833) for the relief of Julia Miller; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8445. By Mr. COLE of Iowa: Petition of Nellie Hoagland, of Center Point, Iowa, and 39 other signers, opposing passage of Senate bill 1212, known as Sunday observance bill; to the Committee on the District of Columbia.

8446. Also, petition of Dewey H. Floerchinger and 30 other signers, residents of Cedar Rapids, Iowa, opposing passage of Senate bill 1212, known as Sunday observance bill; to the Committee on the District of Columbia.

8447. Also, petition of Mrs. F. W. Elsberry and 178 other signers, all residents of Cedar Rapids, Iowa, opposing the passage of Senate bill 1212, known as the Sunday observance bill; to the Committee on the District of Columbia.

8448. By Mr. CRAIL: Petition of California State Aerie, Fraternal Order of Eagles, indorsing House bill 5317, providing for the stabilization of employment; to the Committee on Labor.

8449. Also, petition of Los Angeles Building Trades Council, California, urging Congress to pass the $5,000,000,000 public-improvement bill; to the Committee on Ways and Means.

8450. Also, petition of Walter H. Mitchell, of Los Angeles, urging the establishment of standardized national automobile laws; to the Committee on Interstate and Foreign Commerce.

8451. Also, petition of F. G. Reynolds and A. F. Flury, of Ocean Park, Calif., asking Congress to issued greenbacks for the relief of the national financial crisis, the same as in the early sixties; to the Committee on Ways and Means.

8452. By Mr. LINDSAY: Petition of Wachsman & Wassall, brokers, New York City, referring to the elimination of $40,000,000 for credit to enable us to sell our commodities to European countries, and requesting this same $40,000,000 credit be given to our own mills, thereby giving our people employment; to the Committee on Ways and Means.

8453. By Mr. RUDD: Petition of Wachsman & Wassall, New York City, referring to the elimination of $40,000,000 for credit to enable the United States to sell our commodities in Europe; to the Committee on Banking and Currency.

8454. By Mr. SMITH of Idaho: Resolution adopted by the South Side Boulevard Grange, Nampa, Idaho, urging the enactment of the Swank-Thomas bill; to the Committee on Agriculture.

8455. Also, resolution adopted by the Fairview Grange, No. 178, Buhl, Idaho, urging the enactment of the Swank-Thomas bill; to the Committee on Agriculture.

8456. Also, resolution adopted by Yellowstone Highway Grange, No. 264, Rose Lake, Idaho, signed by Earl F. Elstone and Herbert C. Fisher, committee, favoring the enactment of the Swank-Thomas bill for the stabilization of farm prices; to the Committee on Agriculture.

8457. Also, resolution adopted by Lucerne Grange, No. 189, Buhl, Idaho, officially signed by Guy Bartmess, master, and Mrs. C. D. Peebler, secretary, favoring the enactment of the Swank-Thomas bill for the stabilization of farm prices; to the Committee on Agriculture.

8458. Also, resolution adopted by Harris Ridge Grange, No. 296, Kooskia, Idaho, officially signed by P. C. Carlson, master, and F. G. Ranta, secretary, favoring the enactment of the Swank-Thomas bill for the stabilization of farm prices; to the Committee on Agriculture.

8459. Also, resolution adopted by York Grange, No. 253, Idaho Falls, Idaho, officially signed by George Hersley, master, and Mrs. George Hersley, secretary, favoring the enactment of the Swank-Thomas bill for the stabilization of farm prices; to the Committee on Agriculture.

8460. Also, resolution adopted by the Buhl Grange, No. 214, Buhl, Idaho, urging the enactment of the Swank-Thomas bill; to the Committee on Agriculture.

8461. By Mr. SPARKS: Petition of Ralph Reich, Ivan H. Grunert, John Voss, and Eli Hogan, of Long Island, and 17 other citizens of said place and Prairie View, all of the State of Kansas, to abolish the Federal Farm Board and to repeal the agricultural marketing act; to the Committee on Agriculture.

8462. By the SPEAKER: Petition of the Hawaiian Civic Club, of Honolulu, urging Congress not to pass any measure to alter or modify the government of the Territory of Hawaii; to the Committee on the Territories.

SENATE

TUESDAY, JUNE 28, 1932

The Senate met in executive session at 12 o'clock meridian.

Rev. William S. Abernethy, D. D., pastor of the Calvary Baptist Church of the city of Washington, offered the following prayer:

Almighty God, our Heavenly Father, we bow humbly in Thy presence this morning, making grateful acknowledgment for all Thy gifts of love and grace. Thou hast given to each of us his work to do and his place to fill. May we be found faithful. Grant to us wisdom that we may know how to discharge the obligations that devolve upon us. Give us strength to bear the burdens of the day and patience that we may not hurry the plans that require time for their fulfillment. Give us, we pray Thee, an understanding of the problems and needs of others. And now, upon this body and upon the deliberations of this day, we pray Thy blessing. In the name of our Lord we ask it. Amen.

CALL OF THE ROLL

The VICE PRESIDENT. The clerk will call the roll to ascertain the presence of a quorum.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Borah	Carey	Dickinson
Austin	Bratton	Coolidge	Fletcher
Barbour	Broussard	Copeland	Frazier
Bingham	Bulow	Couzens	George
Black	Capper	Dale	Goldsborough
Blaine	Caraway	Davis	Hale

Hastings	La Follette	Reed	Thomas, Okla.
Hatfield	Lewis	Robinson, Ark.	Townsend
Hawes	McGill	Robinson, Ind.	Trammell
Hayden	McNary	Schall	Vandenberg
Hebert	Metcalf	Sheppard	Wagner
Howell	Moses	Shipstead	Walcott
Johnson	Norris	Shortridge	Watson
Jones	Nye	Smoot	White
Kean	Oddie	Steiwer	
Kendrick	Patterson	Stephens	
Keyes	Pittman	Thomas, Idaho	

Mr. McNARY. I desire to announce that the Senator from South Dakota [Mr. NORBECK] and the Senator from Iowa [Mr. BROOKHART] are detained in a meeting of the Committee on Banking and Currency.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present. The order of business upon the Executive Calendar under consideration at the time the Senate adjourned yesterday was postmasters, which the clerk will again report.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MOSES. Mr. President, I ask unanimous consent that all nominations of postmasters be confirmed en bloc.

Mr. ROBINSON of Arkansas. Mr. President, there are two postmasters that will have to be exempted from that request. One is the postmaster at New Tazewell, Tenn., Doyle M. England. I think the Senator from New Mexico [Mr. BRATTON] will mention the other nomination.

Mr. BRATTON. Mr. President, there are two nominations which should be passed over. One is Doyle M. England, at New Tazewell, Tenn., and the other is Walter C. Price, at Huntington, W. Va. I ask that they may be excepted from the order.

Mr. MOSES. What are the calendar numbers?

Mr. BRATTON. Calendar No. 4949 and Calendar No. 4935. The Tennessee nomination goes over at the request of the senior Senator from Tennessee [Mr. MCKELLAR].

Mr. ROBINSON of Arkansas. Those are the two nominations which I had in mind.

Mr. MOSES. With those exceptions, I ask that the nominations be confirmed en bloc.

Mr. NORRIS. Mr. President, I could not hear what the Senator from New Mexico said.

The VICE PRESIDENT. Let the Senate be in order so that Senators may be heard.

Mr. BRATTON. The nominations are, on page 5 of the calendar, Calendar No. 4949, Doyle M. England, New Tazewell, Tenn., and Calendar No. 4935, Walter C. Price, of Huntington, W. Va. At the request of the Senator from Tennessee [Mr. MCKELLAR] I ask that the England nomination be passed over, and at the request of the Senator from West Virginia [Mr. NEELY] I ask that the Price nomination be deferred.

Mr. BLAINE. I also request that Calendar No. 4793, Charles J. Moos, St. Paul, be passed over.

Mr. MOSES. Mr. President, with those exceptions I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Is there objection?

Mr. SHIPSTEAD. Mr. President, the nomination of Charles J. Moos to be postmaster at St. Paul has been on the calendar for five or six weeks. I would like to ask the Senator from Wisconsin [Mr. BLAINE] when he may be ready to present his views to the Senate in order that we may expedite the matter. It seems to me it ought to be disposed of.

The VICE PRESIDENT. The question is on the unanimous-consent request submitted by the Senator from New Hampshire that, with the three exceptions named, all nominations of postmasters be confirmed en bloc. Is there objection?

Mr. NORRIS. Mr. President, I have not any objection to the request, but at some time during the executive session to-day I want to have something before the Senate to debate, because I want to submit a few remarks about one of the nominations on the calendar that has already gone over. I shall not object if nominations of postmasters be considered en bloc, but before they are voted on en bloc I wish to have an opportunity to be heard.

The VICE PRESIDENT. The Senator from Nebraska is recognized now.

Mr. MOSES. Mr. President, let us understand what the unanimous-consent request is. I have asked unanimous consent to confirm en bloc all postmaster nominations on the calendar with the exception of the three stated, and my understanding is that the Senator from Nebraska is recognized to speak before the unanimous-consent request shall be submitted to the Senate.

Mr. NORRIS. Is there something pending so I shall not be taken from the floor?

Mr. MOSES. I want to get my unanimous-consent request understood, which is that we shall confirm en bloc all postmaster nominations on the calendar except Calendar 4793, the postmaster at St. Paul; Calendar 4949, the postmaster at New Tazewell, Tenn.; and Calendar No. 4935, the postmaster at Huntington, W. Va. It is my understanding that the Vice President is not to submit the unanimous-consent request until the Senator from Nebraska has been heard.

The VICE PRESIDENT. The Senator from Nebraska has been recognized.

Mr. SHIPSTEAD. Mr. President, I thought I had the floor.

Mr. NORRIS. No; the Chair recognized me.

Mr. SHIPSTEAD. Mr. President, will the Senator from Nebraska yield for just a moment?

Mr. NORRIS. Very well.

Mr. SHIPSTEAD. I asked the Senator from Wisconsin a question as to when he thought he would be ready to take up the matter of the confirmation of the St. Paul postmaster. Would he be willing to enter into a unanimous-consent agreement so that we can get it considered this week?

Mr. BLAINE. Mr. President, if the Senator from Nebraska will yield——

Mr. NORRIS. I yield.

Mr. BLAINE. This nomination was reported to the Senate June 13, about two weeks ago. The Postmaster General had deferred recommending an appointment in this case for about two and a half years. So I assume there is no particular urgency about the matter. I am perfectly willing to take it up whenever a time may be fixed, assuming that there will be considerable debate upon this nomination.

I have no concern about it, personally or politically, but I do have some concern about the matter with respect to the qualifications of this nominee, and I think I ought to present my views to the Senate.

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent that the Senate may continue in executive session until this nomination may be disposed of and the Senator from Wisconsin may have an opportunity to be heard.

The VICE PRESIDENT. There is one unanimous-consent request now pending. The request of the Senator from Minnesota may be submitted after the Senator from Nebraska shall have concluded.

Mr. SHIPSTEAD. Very well.

Mr. McNARY. Mr. President, I inquire if the request has been temporarily withdrawn?

The VICE PRESIDENT. The Senator from Nebraska has been recognized, pending action on the request of the Senator from New Hampshire.

Mr. McNARY. While my attention was distracted, I thought the Senator from Minnesota had the floor.

The VICE PRESIDENT. He had the floor, but the request for unanimous consent has been laid aside until the Senator from Nebraska shall have concluded his remarks.

THE JUDICIARY—B. B. MONTGOMERY

Mr. NORRIS. Mr. President, I avail myself of this opportunity to say a few words about the appointment of B. B. Montgomery as United States marshal for the northern district of Mississippi; and I say them now for fear at the next executive session, when I understand the Senator from California and the Senator from Mississippi have agreed that this nomination shall be taken up, I may not be able to be present. Since I am chairman of the committee that re-

ported this nomination, I think I owe it to the Senate briefly to state my views regarding it.

The nomination is contested rather bitterly. I have no interest whatever in it; I am not acquainted with Mr. Montgomery; I never met him, and, of course, I have no interest in the patronage situation in Mississippi. This is a contest in the Republican Party in Mississippi. I do not believe anybody will accuse me of undue partiality toward the present administration. This is an appointment of Mr. Hoover, and to the extent of what I am about to say I am trying to have the nomination confirmed, and I see no reason why it should be rejected. As I have said, I have no particular personal interest in the matter, my only wish being to see what I believe to be justice and fair dealing done in this case.

Everybody knows that there is not anything in the Republican Party in Mississippi so far as a large number of Republicans there are concerned except the spoils of office. This is one of the spoils, and they have fought very bitterly over these things. The contest in this case is no exception, in my opinion. It would be an impossibility for the President to make an appointment to fill this place without a similar contest occurring. The President would necessarily have to appoint some one belonging to one faction or the other of the Republican Party, unless he should appoint a Democrat. If he appointed one Republican he would have the other faction of the Republican Party jump onto him, making all kinds of complaints.

There were charges made against Mr. Montgomery, which were referred to a subcommittee. I did not appear at the hearings, or anything of that kind, and I only know what happened in a general way. Most of the correspondence passed through my hands, in a general way, and I knew what the various contestants were claiming. I always referred them to the subcommittee, and I think every member of the subcommittee will bear me out when I say that the subcommittee was very fair.

Every feature of the controversy was referred back to the committee two or three times. After they had made a report some other Republicans would come clear up here from Mississippi. I would steer them to the chairman of the subcommittee, and the subcommittee would have another hearing and consider the subject back again.

This particular nomination was reported to the Senate on May 16. So it has been here for a long time, and continually members of the faction in opposition to the Montgomery faction have been coming up here ever since I have seen them. They have talked to me at various times, and the subcommittee has heard them informally several times since the nomination has been on the calendar. Then it has been taken up with other Senators, and I have no doubt they make a good prima facie case. The charges that are rather serious in this case are denied. The subcommittee, after hearing the evidence, thought the weight of the testimony was in favor of the nominee, and therefore made a favorable report.

I can see that there is plenty of room to disagree; one can take either side of this factional fight he wants to and find some reason for so doing. There is no doubt that the administration has all kinds of difficulties—and they have arisen in this case—in passing on the various applicants for office there.

I was moved, I will say frankly, by a letter that came to me from George E. Sheldon, who has lived in Mississippi for a great many years. He was formerly Governor of the State of Nebraska, and I knew him very well there. My acquaintance with him was a good many years ago, and I know nothing about his business or his associates since then, but from my knowledge of the man and his judicial temperament, I have concluded that his judgment was worthy to be followed. He wrote to me a very fine letter in regard to this nominee. He said he knew him personally; that he had no knowledge about the charges; but he knew the man so well that he did not hesitate to say that in his belief they were not well founded and that Mr. Montgomery was entirely capable of filling the office. I think that is admitted by everybody.

As I have said, it is a two-sided question; I concede that frankly.

Mr. BLAINE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. I yield.

Mr. BLAINE. Mr. Sheldon wrote the letter, as I understand, after he himself had received an appointment from the President?

Mr. NORRIS. Yes.

Mr. BLAINE. I imply nothing in regard to the matter because of that fact.

Mr. NORRIS. That leads me to make this statement, Mr. President: Mr. Sheldon is a member of one of these factions and, I suppose, a prominent member. Since he has been in Mississippi he has been elected to the legislature of that State from his district. He is recognized by the leading men of Mississippi as being one of the finest men in the State, regardless of politics.

As I have said, he belongs to one of these factions—to the same faction to which Mr. Montgomery belongs. The faction of the party which President Hoover recognizes in Mississippi is not the faction of the Republican Party in that State that was recognized by President Coolidge when he was President. All during the term of President Coolidge the members of the other faction of the Republican Party down there obtained all the patronage. It was his privilege, of course, to do that. When George Sheldon became a candidate, against his will, for the appointment of internal revenue collector in Mississippi, the man who had held the office at that time—and that was away back in the administration of President Coolidge—was a Democrat holding over. The Republican faction in Mississippi that President Coolidge recognized selected a man. He was investigated, and it was found he would not do. The appointing power just could not see their way clear to appoint him. At that time former Senator Butler, of Massachusetts, then a Member of this body, was chairman of the Republican National Committee. At that time also there was an assistant attorney general—I have forgotten his name—from Mississippi who controlled the patronage of that faction. He was afterwards indicted and tried a couple of times, but acquitted each time, for the sale of post offices in Mississippi. He was Republican national committeeman from Mississippi, a colored man, and I think rather an able man, as he was one of the assistant attorneys general here in Washington.

Former Senator Butler gave me this information. He was told by the appointing powers that they could not appoint this man, that he would not do at all, and that he must select another man. He selected another man. They investigated him, with the same result.

The people of Mississippi, rather regardless of party, got behind George Sheldon. He came to Washington and called to see me, and I went to see the chairman of the Republican National Committee, the then Senator Butler. I told him about George Sheldon. He listened to me very patiently. Of course, I said, "I have no interest in this controversy, but I know George Sheldon, and I do not believe you can make a mistake if you appoint him to this important office." When I got through, the chairman of the committee said that he was glad to hear what I had to say, because it vindicated what he had found out from his own investigation; and he said, "We will be delighted to appoint George Sheldon to that office if he will get the recommendation of the Republican national committeeman," who held an office here in Washington at that time. Of course, I said to him, as Mr. Sheldon had already told me—and I knew about the factions somewhat—"He belongs to the other faction; he can not get such a recommendation; he would not ask for it for the sake of the office. So it is useless to talk about it." He said, "Then we can not appoint Mr. Sheldon." So the Democrat held over, and there was not any appointment made in the Coolidge administration.

When Mr. Hoover became President I think it is to his credit that he recognized the faction—well, I do not know

that he recognized the faction, but at least he appointed George Sheldon to the office. That is how he got the office, I will say to the Senator from Wisconsin.

Mr. President, I have not anything else to say. I just wanted, for fear I might not be here when the nomination came up, to give the Senate the information that came to me as chairman of the committee when this case was pending.

CONFIRMATION OF POSTMASTERS

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New Hampshire? The Chair hears none; and the postmasters, with the exceptions noted in the unanimous-consent request, are confirmed.

RECONSTRUCTION FINANCE CORPORATION

The Chief Clerk read the nomination of Gardner Cowles, sr., of Iowa, to be a member of the board of directors of the Reconstruction Finance Corporation for the unexpired portion of the term of two years from January 22, 1932.

Mr. ROBINSON of Arkansas. Mr. President, some days ago, after this appointment had been announced, the statement was attributed to the White House that it was the purpose of the President later to select a president of the Reconstruction Finance Corporation. Inasmuch as Mr. Cowles is appointed to fill the only vacancy on the board of directors of this corporation, and the President's power of appointment is limited to the selection of members of the board, I stated then that consideration should be given to the question of this confirmation.

I have been advised by the Senator from Indiana [Mr. WATSON] and have also read press reports to the effect that the President has disavowed any claim of authority to select the chief officer of the Reconstruction Finance Corporation, and that he recognizes that he has no authority to take such action.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from Michigan.

Mr. COUZENS. I may say that I saw a statement in the Detroit Press that he had offered the position of president to Mr. Wilson Mills, of the First Wayne Bank of Detroit, the largest bank in Michigan. It was not denied in the press that he had offered that position.

Mr. ROBINSON of Arkansas. Mr. President, I am relying upon statements purporting to have been made directly by the President of the United States. The Reconstruction Finance Corporation has the authority under the act "to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the corporation." It is not clear that this language would imply the authority to select other than from their own body the chief officer of the corporation, but the language is very broad. It is to be noted that the President has no power whatever under that language, and that the President has exhausted his power of appointment when he selects a member of the board to fill the vacancy caused by the resignation of General Dawes.

All the information that has reached me touching Mr. Cowles is to the effect that he is experienced in the publication of a newspaper, and has had certain banking connections giving him rather a liberal experience in relation to banking. I have had no complaint whatever as to his fitness or qualifications and do not wish to take the position that Mr. Cowles is unfitted for this service; but I do maintain that so long as there is an attempt on the part of the Executive to appoint a president of the corporation we should defer action touching this nomination.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from Indiana.

Mr. WATSON. I have direct authorization to make the statement that the President does not assume the authority to name the president of this corporation, nor does he intend to try to do so; that he believes that the members of the board have the right to select their own president. He was asked by the members of the board to inquire as to the availability of Mr. Mills. He made such inquiry, not that he had any wish to appoint him but at the instance and suggestion of members of the board. He further says that he has no intention of attempting to appoint the president and that the members of the board have the right to elect their own president.

Mr. FLETCHER and Mr. WALCOTT addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator from Arkansas yield?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Florida.

Mr. FLETCHER. I understood that the president of the corporation was Mr. Eugene Meyer.

Mr. ROBINSON of Arkansas. Oh, no; he is chairman.

Mr. FLETCHER. Mr. Dawes was the chairman, was he not?

Mr. ROBINSON of Arkansas. No; Mr. Dawes was president. The Senator has just reversed the positions.

Mr. FLETCHER. It was the other way then. I supposed Mr. Dawes was the chairman and Mr. Meyer the president.

Mr. ROBINSON of Arkansas. Just what the necessity for both a chairman and a president may be is one of the inexplicable questions that arise, but the Congress, in passing the Reconstruction Finance Corporation act, gave very broad powers to the corporation. They can employ anyone they choose, and I presume they can call him what they please. I do not know of any law—there may be a moral law, but there is certainly no statutory law—that prevents them from selecting a manager or an executive agent and calling him president or manager, or whatsoever they may choose.

Did the Senator from Connecticut wish to interrupt me? If so, I yield to him.

Mr. WALCOTT. Mr. President, I have had no conversation with the President in reference to this matter, and do not know how he feels about it; but I am quite familiar with the terms of the Reconstruction Finance Corporation act, and interested in those terms. I recall that the bill was passed on January 22, and I think the corporation began functioning February 2; and before the membership of the board was completed the President, I think, assumed the authority and gave General Dawes the title of president. I was just wondering what the Senator had in mind with reference to his statement that the President was contemplating appointing Mr. Cowles president.

Mr. ROBINSON of Arkansas. No; the President never made any such statement as that. No such statement was ever attributed to him. This matter has been rather fully discussed.

On June 23, press reports were sent out to the following effect:

> At the White House it was announced that President Hoover would select a president of the corporation at a later date, and that the president need not be a member of the board. The understanding prevailed at the corporation offices, however, that its next president would be selected by the present board of directors from among their number.

Implying a clash of authority between the Chief Executive and the members of the board with respect to the selection of a chief officer or a president for the corporation.

The vacancy to which Mr. Cowles was appointed was created by the resignation of General Dawes, who, as stated by the Senator from Connecticut, was selected by the President. The President had no power whatever under the statute to select a president of the corporation, and he has no authority to do that now; and if he proposes to undertake it, I propose to insist on deferring action on the nomination of Mr. Cowles, not because of any objection to Mr. Cowles himself, but because it would reflect an acquiescence on the part of the Senate in the power of the President to do a thing which he has no authority to do under the law.

I accept, however, the statement of the Senator from Indiana [Mr. WATSON] that the President has informed him that he does not claim any such authority, does not assume the right to exercise such authority, and recognizes the right of the board to select their own officers. That is the point for which I have been contending. I have no further

statement to make about the matter, and do not object to the Senate proceeding with the nomination.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES CUSTOMS COURT

The Chief Clerk read the nomination of Frederick W. Dallinger, of Massachusetts, to be judge, United States Customs Court.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE JUDICIARY

The Chief Clerk read the nomination of Harlan Besson to be United States attorney, district of New Jersey.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Fred A. Bradley to be collector of customs, customs collection district No. 9, headquarters at Buffalo, N. Y.

Mr. LA FOLLETTE. Mr. President, the Senator from New York [Mr. COPELAND] is interested in this nomination.

Mr. ROBINSON of Arkansas. Yes, Mr. President. I shall have to ask that it may go over for the present.

The PRESIDENT pro tempore. The nomination will be passed over.

Mr. SMOOT. Mr. President, may I ask the Senator from Arkansas when we can take up the nomination of Fred A. Bradley to be collector of customs at Buffalo?

Mr. WATSON. Mr. President, I see that the Senator from New York [Mr. COPELAND] has come into the Chamber now.

Mr. ROBINSON of Arkansas. I will let the Senator from New York conduct the negotiations on this nomination, as it is of primary concern to him. I was merely interested in seeing that no action was taken during his absence.

Mr. COPELAND. Mr. President, the nomination just came to the calendar. Of course, it has to go over to the next meeting, anyhow.

Mr. SMOOT. I will ask the Chair to state when the nomination reached the Senate.

The PRESIDENT pro tempore. The nomination was reported to the Senate on June 27, as will be seen by the calendar.

Mr. COPELAND. This is the 28th.

The PRESIDENT pro tempore. It was reported yesterday, and is properly on the calendar.

Mr. COPELAND. It was reported at this executive session. Therefore, of course, it goes over.

Mr. WATSON. No; not at this executive session.

Mr. COPELAND. We adjourned in executive session. This is the same executive session.

Mr. WATSON. At all events, will the Senator be ready to take it up at the next executive session?

Mr. COPELAND. I can not say; but I certainly am not ready to take it up to-day.

Mr. WATSON. We could not take it up over the Senator's objection, of course.

Mr. COPELAND. When it comes up in due course, we will then decide what to do.

Mr. REED. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REED. The Senate having adjourned last night, does not this constitute a new executive session? Can not the matter, therefore, be proceeded with to-day?

Mr. ROBINSON of Arkansas. Mr. President, I presume that no Senator would insist upon taking up a nomination under these circumstances. Nominations have been pending on this calendar for a long time; and, of course, it would be a waste of time to undertake to force the consideration of this nomination immediately after it has been reported. The Senator from New York is entitled to a reasonable time to prepare for the discussion of this nomination.

Mr. REED. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Certainly.

Mr. REED. Of course, the Senator is right in that. Nobody is disposed to force this nomination up against the request of the Senator from New York. The Senator from New York, however, simply makes the technical objection.

Mr. ROBINSON of Arkansas. I thought the remarks of the Senator from Pennsylvania indicated that he was disposed to do so.

Mr. REED. Not at all. If the Senator will indulge me——

The PRESIDENT pro tempore. May the Chair answer the parliamentary inquiry propounded by the Senator from Pennsylvania?

Mr. REED. I thought the Chair had answered it.

The PRESIDENT pro tempore. No; the Chair has not. The Chair is of opinion, inasmuch as the nomination is to be found upon the calendar, that it may be dealt with. The Chair also shares the view expressed by the Senator from Arkansas that it will not be dealt with, because a Senator from a State interested in the nomination wishes it to go over.

Mr. REED. If the Senator will indulge me, nobody wants to go ahead over the objection of the Senator from New York; but when he makes his objection solely on the technical ground, it surely is in order for me to call attention to the fact that his technical objection is not well taken.

Mr. COPELAND. Mr. President, if the Senator will yield, if we are going to indulge in technicalities I desire to call attention to the fact that the nomination has not been reported in regular form yet. The Senator brought the nomination and laid it on the clerks' desk, waiting for a time when we were to have an executive session; and it never yet has been put on the calendar by the action of the executive session.

Mr. ROBINSON of Arkansas. Mr. President, I give notice now that hereafter no nominations may be reported except in an executive session of the Senate. That will protect all Senators, and it is fair and right, and I ask now that in case of my absence, any Senator on this side of the Chamber object to Senators rising during legislative proceedings, while some other Senator is making a speech, and saying, "Out of order I ask leave to report a nomination for the Executive Calendar." It gives no notice to Senators who are interested in a nomination that action has been taken, and if we are to preserve any distinction between executive sessions and legislative sessions, it is necessary to do that.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. COPELAND. I want to call the attention of my leader to the fact that this nomination was never reported.

Mr. ROBINSON of Arkansas. That is the point I am making. Senators come in and assume the right to make reports for the Executive Calendar, and then when the calendar is called those who are interested in immediate disposition insist upon action. So I am going to suggest that hereafter we shall proceed regularly in these matters.

Mr. SMOOT. Mr. President, I want to ask the Senator from New York if he desires that I now submit the nomination again?

Mr. COPELAND. Certainly, Mr. President. The Senator ought not to have put the nomination on the desk and then had it go automatically to the calendar.

Mr. SMOOT. It did not go automatically to the calendar.

Mr. COPELAND. However it went, it is on the calendar.

Mr. ROBINSON of Arkansas. Mr. President, the report could not have been made except by unanimous consent.

Mr. SMOOT. I am aware of that.

Mr. ROBINSON of Arkansas. Or in an executive session. The report should not have been made without notice to the Senator from New York.

Mr. SMOOT. Mr. President, I now report favorably from the Finance Committee the nomination of Fred A. Bradley to be collector of customs, collection district No. 9, headquarters at Buffalo, N. Y.

The PRESIDENT pro tempore. Out of order the report will be received and go to the calendar.

Mr. ROBINSON of Arkansas. By unanimous consent.

The PRESIDENT pro tempore. And out of order.

Mr. ROBINSON of Arkansas. Yes; and by unanimous consent. I want the Senator from Utah to understand that it is not done as a matter of right, but by unanimous consent.

The PRESIDENT pro tempore. It will go to the calendar.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORRIS. That being true, then the name of Mr. Bradley is not yet on the calendar.

The PRESIDENT pro tempore. It has gone to the calendar.

Mr. NORRIS. It will come up at the next executive session.

The PRESIDENT pro tempore. May the Chair make his understanding of the situation plain? We have passed the order of business of reports of committees in executive session. That was passed yesterday. The Senator from Utah now, in view of the debate which has taken place, rises and makes a report, by unanimous consent and out of order, and out of order and by unanimous consent the report is received and goes to the Executive Calendar, and will appear on the calendar.

Mr. NORRIS. Mr. President, the point I wanted to be sure of was that the fact that the name had actually been printed here upon the calendar before us will have no weight. When the next executive session takes place it will undoubtedly appear on the calendar, and that will be the first time it will appear.

The PRESIDENT pro tempore. That is right, and it will have a different number, and No. 4955 on the calendar, as it now stands, has no validity.

Mr. NORRIS. That is right.

The PRESIDENT pro tempore. The clerk will announce the next nominations on the calendar.

COAST GUARD

The Chief Clerk read sundry nominations in the Coast Guard.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. REED. I ask that the Army nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, that order will be entered.

IN THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. HALE. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, that order will be entered. That completes the Executive Calendar.

PENNSYLVANIA POSTMASTERS

Mr. ODDIE. Mr. President, I present some nominations of postmasters for the State of Pennsylvania.

The PRESIDENT pro tempore. Out of order, and by unanimous consent, the reports will be received and go to the Executive Calendar.

Mr. REED. Mr. President, out of order, and by unanimous consent, I ask unanimous consent that the three Pennsylvania postmasters may be confirmed to-day.

Mr. ROBINSON of Arkansas. They have just been reported?

Mr. REED. They have just been reported.

Mr. ROBINSON of Arkansas. The report is unanimous, I take it.

Mr. REED. The report is unanimous.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the three Pennsylvania nominations of postmasters are confirmed.

LEGISLATIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE JOURNAL

The PRESIDENT pro tempore. The clerk will read the Journal of the preceding day.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings.

The PRESIDENT pro tempore. Without objection, the further reading of the Journal is dispensed with, and the Journal stands approved.

ORDER OF PROCEDURE

Mr. ODDIE. Mr. President, I move that the Senate proceed to the consideration of the Treasury and Post Office appropriation bill, House bill 9699.

Mr. ROBINSON of Arkansas. Mr. President, I suggest——

The PRESIDENT pro tempore. The routine morning business has not yet been disposed of.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, returned to the Senate, in compliance with its request, the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, together with all the accompanying papers.

The message announced that the House insisted upon its amendments to the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HILL of Alabama, Mr. FITZPATRICK, and Mr. JAMES were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOODRUM, Mr. WRIGHT, and Mr. WASON were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOWARD, Mr. CARTWRIGHT, and Mr. LEAVITT were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 772) to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5062) to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2633) for the relief of William R. Cox.

The message further announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H. Con. Res. 26) to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C.

The message also announced that the House had passed severally without amendment the following bills of the Senate:

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho;

S. 4525. An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes;

S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.; and

S. 4808. An act relating to the acquisition of restricted Indian lands by States, counties, or municipalities.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 194. An act to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men;

H. R. 7293. An act requesting the Secretary of War to grant to the city of Springfield, Mass., permission to construct and maintain a highway and bridge across United States military reservation at the Springfield Armory, Massachusetts;

H. R. 8694. An act to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes;

H. R. 10644. An act to require postmasters to account for money collected on mail delivered at their respective offices;

H. R. 11331. An act to ratify certain leases with the Seneca Nation of Indians;

H. R. 11732. An act to amend section 2 of an act approved February 25, 1929 (45 Stat. 1303), to complete the acquisition of land adjacent to Bolling Field, D. C., and for other purposes;

H. R. 11930. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H. R. 12202. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands;

H. R. 12281. An act to encourage the mining of coal adjacent to the Alaska Railroad in the Territory of Alaska, and for other purposes; and

H. J. Res. 443. Joint resolution requesting the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, reporting, pursuant to law, that there is an accumulation of files in the Office of Indian Affairs which are not needed or useful in the transaction of current business of the department and have no permanent value or historical interest, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. FRAZIER and Mr. ASHURST members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from N. Woytovich, of Brooklyn, N. Y., submitting a plan for the relief of veterans and the unemployed by "building a new, up-to-date railroad which should run in one straight line from New York via Alaska to the Bering Strait, to be continued over Bering Strait by subway, bridge, pontoons, or even with the aid of a dirigible, connecting same with the Siberian Railroad and farther through the whole Europe," etc., which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Blackfeet Indian Reservation Post, No. 127, American Legion, department of Montana, Browning, Mont., favoring the establishment of a national police system, or a universal State police system, for the purpose of ridding the United States of organized criminals, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a petition from A. Florence Yerger-Hagan, of New York City, N. Y., praying for the immediate passage by Congress of a joint resolution resubmitting the eighteenth amendment of the Constitution to the States, which was referred to the Committee on the Judiciary.

He also laid before the Senate a statement from Charles L. Sanford, of Meadville, Pa., submitting a plan to produce and stabilize prosperity, which was ordered to lie on the table.

He also laid before the Senate a letter from J. M. Kimmons, of Dallas, Tex., submitting a plan for eliminating present business difficulties, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Council of the City of Chicago, Ill., favoring an amendment of the Reconstruction Finance Corporation act so as to permit that agency to assist banks that are sound and thus aid in restoring confidence and protecting depositors, which was ordered to lie on the table.

He also laid before the Senate memorials in the form of telegrams, letters, and resolutions, of sundry citizens and organizations of the States of New York, Massachusetts, and Colorado, remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. ODDIE, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 8818. An act to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes" (Rept. No. 946); and

S. 4046. An act to fix more equitably the responsibility of postmasters (Rept. No. 947).

Mr. JONES, from the Committee on Appropriations, to which was referred the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 948) thereon.

Mr. HASTINGS, from the Committee on the Judiciary, to which was referred the bill (H. R. 7121) to repeal obsolete statutes, and to improve the United States Code, reported it without amendment and submitted a report (No. 951) thereon.

He also, from the same committee, to which was referred the bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States Code, reported it with an amendment and submitted a report (No. 952) thereon.

BILL AND JOINT RESOLUTION INTRODUCED

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 4936) granting an increase of pension to Daniel Mahoney; to the Committee on Pensions.

By Mr. BORAH:

A joint resolution (S. J. Res. 187) making an appropriation for participation by the United States in the International Economic Conference to be held in London in 1932; to the Committee on Foreign Relations.

IMPROVEMENT OF THE COLUMBIA AND SNAKE RIVERS—HEARINGS

Mr. McNARY, Mr. STEIWER, and Mr. THOMAS of Idaho submitted a resolution (S. Res. 256), which was referred to the Committee on Irrigation and Reclamation, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or any duly authorized subcommittee thereof, is authorized to hold hearings during the recess between the first and second sessions of the Seventy-second Congress, at such times and places as it deems advisable, on the bills S. 4408, to provide for the construction of work for the development of the Columbia River and minor tributaries, and for other purposes; and S. 2670, to provide for the improvement of the Columbia and Snake Rivers, Seventy-second Congress.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to employ such stenographic assistance as it deems advisable, but the cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses incurred pursuant to this resolution, which shall not exceed $2,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

NATURALIZATION OF WOMEN BORN IN HAWAII—RETURN OF BILL

Mr. BLAINE. Mr. President, the bill (H. R. 10829) relating to the naturalization of certain women born in Hawaii was considered yesterday and passed and was sent to the House at 12 o'clock to-day. I had intended to move that the vote by which the bill was concurred in be reconsidered. I now find it necessary to move that the papers be returned to the Senate, so that I may make the motion to reconsider.

Mr. FLETCHER. Mr. President, will the Senator state what is the nature of the bill?

The VICE PRESIDENT. The motion is not debatable, but the Senator may explain what the bill is.

Mr. BLAINE. It is a bill relating to alien women who are born in Hawaii. I am not going into a discussion of it; it was very briefly discussed yesterday. I think there is a misunderstanding as to what its terms are.

The VICE PRESIDENT. Under the rule a motion to ask for a return of papers from the other House is not debatable, and that motion will have to be acted on first. The other motion is debatable when taken up. The question is on the motion of the Senator from Wisconsin that the House be requested to return the bill referred to.

The motion was agreed to.

Mr. BLAINE. Now I desire to enter a motion or give notice of a motion to reconsider.

The VICE PRESIDENT. The motion can not be made until the bill shall have been returned to the Senate, but the Senator can give the notice.

CHANGE OF REFERENCE

Mr. McNARY. Mr. President, some time ago my colleague [Mr. STEIWER] introduced Senate bill 2670, to provide for the improvement of the Columbia and Snake Rivers. It was erroneously referred to the Committee on Commerce, of which I am a member. I ask that that committee may be discharged from the further consideration of the bill and that it may be referred to the Committee on Irrigation and Reclamation. For the RECORD I may say I make the request at the suggestion of my colleague.

The VICE PRESIDENT. Without objection, that order will be made.

CARE OF VETERANS IN THE DISTRICT

Mr. THOMAS of Oklahoma. Mr. President, I present a concurrent resolution and ask that the same be read for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the clerk will read the concurrent resolution.

The Chief Clerk read the concurrent resolution (S. Con. Res. 32), as follows:

Whereas there are at this time some 20,000 homeless and unemployed citizens and veterans in the immediate vicinity of the District of Columbia; and

Whereas such homeless and unemployed citizens are without housing facilities, without funds, and almost without food; and

Whereas the condition in which these citizens find themselves is not of their own making; and

Whereas these citizens come from every State of the Union and present a problem for the policy-making branch of our Government, the Congress of the United States: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That a select joint committee be created, such committee to consist of three Members of the Senate to be appointed by the Vice President and three Members of the House of Representatives to be appointed by the Speaker, such committee to be authorized and requested to consider and report to the respective Houses a policy and program for the proper care and treatment of these citizen veterans of our wars.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to be permitted to proceed with a brief statement upon which this resolution is predicated.

The PRESIDENT pro tempore. Without objection, the Senator from Oklahoma is recognized.

Mr. THOMAS of Oklahoma. Mr. President, last night the Evening Star contained an editorial under the heading "The 'Bonus Army' Problem," and in the body of the editorial I find this language:

Already sanitary conditions in the places where they are now assembled are bad. Sickness is sure to develop. The care of those who succumb to disease will be a grave problem. Who will face it?

At the bottom of the editorial I find this language:

If it does not, the Federal Government will be faced with a difficult situation which may call for drastic action.

Mr. President, this morning's Washington Post, published in this city, contains on the front page a story in the nature of an editorial under the following heavy lines:

B. E. F. faces hunger as funds give out; bakers' aid sought.
General Glassford quits as treasurer of army; company at Camp Meigs defies order of committee to evacuate; reds are ousted.

The first two paragraphs of the story are as follows:

The specter of hunger hovered closer to the camps of the bonus army last night as their funds became exhausted and their prospect of food rested only in bread to be made from Farm Board wheat given by the American Red Cross.

With exhaustion of the army's funds, Brig. Gen. Pelham D. Glassford resigned his post as treasurer of the army and sought aid in baking bread from the donated flour.

This morning's Washington Herald carries across its first page in large letters these words:

Vets plead with bakeries for bread.

In the first column I find these words:

Vets plead for help of bakers.
Only one bakery so far has heeded plea; funds gone, men face starvation.
With dissension gaining in its ranks and starvation threatening, the bonus army continued its siege of Washington to-day with these developments.

Mr. President, it is well known, I think, to the Members of the Senate, that we have in our midst something like 20,000 of these ex-service men, veterans of the World War in the main. They are quartered in different places in the city. Most of them are in what are known as the Anacostia Flats. I think the estimate of the number there is something like ten or twelve or fifteen thousand. The number varies from day to day. On yesterday the information coming to me was that several hundred left, but apparently some came to take the places of those who left, if not two coming for every one leaving.

The only help these men have had to date has come from private subscriptions. Father Coughlin, of Detroit, sent them $5,000. A show was given down town at which was raised something like $2,500. One or two other contributions of similar size, I think, have been received. So that the total donations for the support of these 20,000 men have come from private sources, and the total is approximately twelve or thirteen thousand dollars.

The only things these men have to eat are potatoes, bread, and coffee, with a little meat perhaps twice a week. The expense of taking care of these 20,000 men is $600 a day. Divide $600 by 20,000, if that is the correct estimate, and you find that these men are subsisting on 3 cents a day. They have two meals only, which means a cent and a half a meal.

Mr. President, without regard to what we may think about this situation, this problem is here. We can not avoid it. It is not a responsibility upon the District of Columbia. In no sense is it their responsibility. It is not a responsibility upon the War Department. It is not even a responsibility upon the Chief Executive. Those men are here, they have come from every State in this Republic, and what are we

going to do about it? All the Chief Executive can do is to carry out the policy made by the Congress.

Mr. FLETCHER. Mr. President, why should not the Senator ask unanimous consent for the present consideration of the resolution?

Mr. THOMAS of Oklahoma. I want to make the statement first, and then I shall follow it with the request.

The Congress being in session, and knowing that these men are here from our States, we can not escape taking notice of their presence in this city. The Congress is the only policy-making body of the Government. We can not blame the Chief Executive. He has no funds with which to take care of the situation. We can not blame the War Department. The War Department has no funds with which to take care of the situation, and the same is true of the District of Columbia. The Congress is here, the responsibility is ours, we know about it, and we can not avoid it. Congress dare not adjourn, in my humble judgment, without recognizing this problem, and making some provision to handle the situation in the way it should be handled.

Mr. President, I heard on yesterday afternoon about 4 o'clock that many of these veterans were ill and that they could not be taken care of at the hospitals in this city. I was advised that around the clinic at Gallinger Hospital the men were lying on the grass, lying by the side of the road, sick and ill. I went down there to see about the situation. I conferred with the man in charge of the temporary clinic and he told me last night that they had 75 calls a day from these veterans; that of the 75 calls, approximately 25 were found to be in such condition as to need hospitalization, and that they were sent directly to the hospitals, some to Mount Alto, some to Walter Reed, some to the Naval Hospital, wherever the man in charge thought they should go. If conditions get worse, instead of having 75 per day going to the clinic and 25 going to the hospital, it may be double that number or treble that number.

Mr. President, believing as I do that this is a responsibility which rests upon the Congress, one which we can not avoid——

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. I agree with the Senator that the problem is a rather serious one and bound to have attention; but is there any disposition upon the part of the veterans to return to their homes in case Congress would aid them?

Mr. THOMAS of Oklahoma. It is the purpose of my resolution to confer with them and those in responsible positions who know what could be done and should be done so we could form some conclusion. It is true the veterans are not organized. We would have to get in touch with somebody down here and see what is the temper of the men. It is my judgment, if we should have a select committee, composed of three Senators and three Members of the House, to call on General Glassford and some of the heads of the veterans' organizations and discuss the matter from a humane standpoint, we could come to some conclusion, and then, if that could be done, work out a solution that would be based upon humanitarian grounds.

Mr. BORAH. I would be in sympathy with any move which would ascertain what their desires are with reference to the matter, but all the information I can get is to the effect that they decline to reurn to their homes, which makes the problem a rather difficult one, and one which Congress can not very well solve.

Mr. THOMAS of Oklahoma. If we could get some information on this proposition from the best sources available, then we could get something on which we could act. I think it is an acute situation that may lead to an epidemic and something serious in the way of trouble in various ways.

Mr. ASHURST. Mr. President, the Senator from Oklahoma is taking action which is timely and ultimately must have attention. I have been through the Anacostia camps, once in my official capacity as a Senator and once I went privately and unknown to anyone and made a fairly thorough investigation of conditions, although it is a large camp and difficult to examine in minute detail. It is only a question of time, and that a question of days, until typhus or some other menace to public health will afflict the men who are encamped there.

The situation in the camp is such that it is almost impossible to escape some epidemic. I am willing to support the resolution of the Senator from Oklahoma, and I think there should be added to his resolution the resolution of the junior Senator from Nebraska [Mr. HOWELL], which proposes to afford railroad transportation to their homes, so that if a veteran desires to leave camp he may do so. I met there a number who declared they would not return home, and I met a number who declared they were anxious to leave. Sentiment is divided on that subject, and there is some criticism in the camp against those who do desire to go home.

Mr. THOMAS of Oklahoma. The suggestion of the Senator from Arizona brings up this question. Many of these men have no homes. What would the Senator do in cases of that character?

Mr. ASHURST. The Senator from Oklahoma is correct in his statement that the Executive is not to blame. The War Department is not to blame. Least of all are the people of the District of Columbia to blame. This is an obligation and, whosoever owes it, the people of the District of Columbia do not owe it. It would be monstrously unfair and unjust to leave the matter of the health and sanitation and feeding of these men to the people of the District of Columbia. Congress might just as well begin now as later to take some action. It is an unpleasant duty, but there is no use to shirk. Life is filled with unpleasant things, and there is no utility in dodging. The nettle of life, if I may say so, when we toy with it and play around it, will bother us a vast deal; but if we seize that nettle vigorously, we are astonished how little pain there is. We must take bold action of some kind with reference to sanitation for these men and for their temporary relief.

Mr. President, undoubtedly there is a misconception as to the purposes and character of the men at the bonus expeditionary camp and a vast deal of misapprehension exists as to what the camp actually is. Let me say first that the American flag flies upon every tent and every hole which they inhabit. Secondly, if one goes there, not in the capacity of a Senator, but incognito, he will be astonished at the freedom from and absence of ribaldry and profanity. Another thing, the men, owing to their military experience, attempt to shave and bathe daily.

I believe, with respect to bolshevism, that we would not find any more bolshevism or so-called radicalism in that camp than we would find right now in the purlieus of what a distinguished ex-Senator used to characterize as "Wall Street." It is quite astonishing to find that condition in that camp, though we may agree that the men were mistaken in coming here. It may be that the lobbyists who came here by the thousands on the tax bill and on the tariff bill set a bad example to these men, and they may have made a mistake in following the bad example set by that crowd of lobbyists who came here like obscene harpies to brood over the Capitol during the pendency of the tax bill. I want it to go in the RECORD that there is just as much true Americanism, just as much clean and accurate conversation, and just as much love of the flag in that camp of squalor, poverty, and misery as would be found in any other place of like area.

Mr. LEWIS. Mr. President, I trust I may be pardoned for imposing upon my excellent friend, the Senator from Oklahoma [Mr. THOMAS], to add something to his observation. But I am in receipt of this communication I hold in my hand, which I would like to have read in full contents to the Senate. I attract you to its full sentiment, in view of the statement made by the Senator from Oklahoma.

The commander of the forces described by the Senator from Oklahoma and the Senator from Arizona is a gentleman by the name of Waters. This gentleman, Walter W. Waters, has a right to ask of any Senator, and particularly of me,

to present him rightfully before this body. He has been wrongfully presented, by certain of the public measure through misunderstanding.

Mr. President, when I first landed in the far Northwest rather as one seeking a home from conditions that surrounded the ordinary young man leaving the University of Virginia. Mr. Waters's family was in the State of Idaho, a high order of noble gentility and Christian character. This young Mr. Waters, son of a distinguished father, is a brilliant, capable fellow. He is splendidly endowed with the talents which come from heaven. He moved from Idaho to the State of Oregon, and there in the State of Oregon became a most exemplary citizen. I was thrown in connection with the family during the Spanish-American War, the family were of soldiers, and later I met the younger man—as he served with me in national work—as soldier in the World War. The younger man who is here is of the same family of which I speak and the gentleman who brought this paper read to the Senate. I will ask the Senator from Oklahoma [Mr. THOMAS] if I am not correct?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. LEWIS. Now, sir, there are two things it is desired to have me say in the minute I shall occupy. One of them touches me personally, I am sensitive about it. It has gone through the public press as the commander says, that certain Senators who, when, as printed, were "buttonholed" and asked to help the bonus, spoke of these men as "bums" and "unworthy of attention" and generally characterized them as "criminals."

The gentlemen in command at the camps, and who are soldiers, desire to say to you and to all the Senate that never under any consideration whatever did they, through any of their people, ever send out such reports or ever mention such a charge against the Senator. But the soldiers want you to know that such charges as printed in circulars were made and were very generally circulated, as a deliberate policy of certain numbers to leave the impression that the public Congressmen and public officials of our country at Washington, particularly those of the Senate, had made adverse allusions to them. It is now stated in these communications that the purpose of those who began this slander was to prejudice the public mind of America against the legislative body in general, the whole Congress and Senators and Congressmen.

At the same time, a personal matter is brought to my attention by this communication. I ask my friend, Senator THOMAS, to read the communication as to where it touches me. I use the word "personal," as the paper refers to me personally.

"Sometime past charge was made that Senator LEWIS, of Illinois, was approached in the lobby of the Senate, while he was accompanied by the Senator from Connecticut [Mr. WALCOTT] and the Senator from Rhode Island [Mr. METCALF], and this while LEWIS and others were seeking to help the men in the lobby who were the real soldiers—many being from Illinois, as they said and seeking to release the soldiers from a very vulgar and noisy intrusion of a set of men who claimed they were the 'organizers' of the soldiers.

FALSE CHARGE OF "GO TO HELL"

"It was then reported that some soldiers asked LEWIS to aid their bonus and that in response to this request as made also to the Senator from Connecticut and to the Senator from Rhode Island—while these three were together—we see the Senators present giving their approval to the facts—and in the report it was said by certain people calling themselves 'organizers,' that LEWIS said for them to 'Go to hell.'"

Now, Mr. President, I take up the subject, thanking all for courtesies. I say it is quite well known, Mr. President, that in the presence of these Senators described and who are present with us, a cluster of men assuming to march ahead of the head of the veterans or the soldiers, and particularly those who said they were from Illinois as my friends the Senators to whom I have just referred can verify. It was these "leaders," as they call themselves, said in loud voices, "If these ——— ——— fools called soldiers would let us take charge of them, as brains did take charge of the soldiers and the sailors of Russia, we would have a lot of you ——— ——— ———, meaning us Senators standing here, with your backs up against the wall" (meaning for us Senators to be shot). Then, turning to me to condemn some speech I had made, added a fierce barrage of cursing. I then said to the "leaders," who were of the New York and Philadelphia "committee." I said "You must leave this place and must not stand here and speak in this manner. You get away from these soldiers—particularly these Illinois men." "These soldiers here," I said, "are not under your command, and you have nothing to do with them and you must get out from this lobby with your nasty manners, as you know you are not soldiers." These particular men of the East turned on me, and in the presence of all the Senators who stood there, and to me particularly, said: "Well, you know when we get ready to take charge of you fellows up here, you know where you will go, don't you?" Then it was to these statements I replied to the individual, "I do not know what you are talking about or who you are nor what you mean by saying 'you will direct where I am to go,' but I answer your indecent talk that as to yourself 'you can go to hell'; I am going into the Senate and attend to my business the best I can for the real soldier."

Mr. President, these gentlemen, these officers, the men who are veterans, have sent in this communication and with it inclosed an article from the New York Times of this morning, a news article taken from the Associated Press. The report it contains has been generally circulated. I ask the Clerk to read it to the Senate.

BONUS ARMY DRIVES REDS FROM RANKS—SIX MEN ARE TURNED OVER TO THE POLICE AND THE OTHERS ARE ESCORTED OUT OF CAPITAL—FUND FOR FOOD IS GONE—VETERANS SHRUG SHOULDERS IN FACE OF PLEAS TO GO HOME AND ASSERT THEY WILL "GET ALONG SOME WAY"

WASHINGTON, June 27.—Communism was again routed from the bonus army to-day.

Troubled anew with rapidly exhausting food supplies, the veterans refused to worry, but again took stern measures to cleanse the ranks of communist and radical agitators.

Six were turned over to police and held for investigation. Two others were quietly taken to the Maryland-District of Columbia line and told to "get out and stay out."

The veterans' headquarters washed its hands of all responsibility for the rough handling accorded those sent out of the city. All were found distributing a new publication of the Workers' Ex-Service Men's League, a communist organization.

The bulletin urged increased "panhandling" on the streets, and claimed credit for the resignation of Walter W. Waters, the veterans' recent commander in chief.

The men arrested gave their names as Joseph Vaciiotti, Passaic, N. J.; Clarence Boyington, the Bronx, New York City; William Meltzer, New York City; L. P. Walcher, no address; and one Odlen, who gave both Philadelphia and Camden, N. J., as his home.

Some of these men who were arrested had been arrested before for their conduct in the Senate hall lobby. These men were arrested particularly on charge of sedition, some of them having said that "the White House should be blown up."

Mr. President, the communication is sent by the soldiers to let the Senate know that these men described, to whom I have referred, were those seeking to intercept and block the soldiers and blocking their approach. Many of the soldiers stopped "by the committee," so-called, were from Illinois. The Illinois men sought to speak to some of the Senators, particularly the Senators whose names you have heard and who confirm the proceedings now referred to while I was trying to get them seats in the gallery.

It is presented here that these particular men were the men who pressed themselves in their affronting manner upon the Senators described and upon myself. It was to these the salutation was given by me that, in view of their threat as to what would be done to me when they were ready to send me and the soldiers somewhere—that to those who were not soldiers I said they could go to hell, so far as sending me anywhere was concerned. Here these soldiers now tell you in dignified manner the facts. It is timely that all misconception, too long indulged by unintentional error, should be now forever dispelled.

Mr. President, I discharge the duty I owe to the soldiers and ask that Mr. Waters be treated as soldier, as commander, as a man and a patriot. This commander is

shown as a faithful citizen, and if misled in this enterprise, he is misled out of patriotism and charity; I thank the Senate for letting me break in upon them at this moment, which I have done as justice to all.

Mr. THOMAS of Oklahoma. Mr. President, there is no counterpart in history of this situation which faces Congress to-day. When Mussolini got the jobless Italians to march on Rome and take over the Government, he went back to his 100,000 black-shirted men and said, "Boys, go back to your homes. I will take care of you." They had homes to go to, Mr. President, and on the promise that Mussolini would take care of them they went to their homes and he began immediately to raise funds to give those men work. Every Italian was provided a job immediately.

Mr. BLAINE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLAINE. The Senator's resolution is a concurrent resolution which would require action by both branches of Congress and the appointment of a committee, and then some time would elapse before that committee could report.

Mr. THOMAS of Oklahoma. It could be done in a day or two.

Mr. BLAINE. There is great danger that Congress will have adjourned by that time. Is it not a better plan to take a short cut and obtain the same objective the Senator is seeking to obtain through his concurrent resolution?

Mr. THOMAS of Oklahoma. This is what occurred to me as the proper method to get this matter before both bodies, because we are jointly obligated and the responsibility rests upon the House as well as the Senate.

Mr. BLAINE. If the Senator will permit a further interruption——

Mr. THOMAS of Oklahoma. Certainly.

Mr. BLAINE I have prepared a resolution which, in my opinion, will meet the situation and will not be objectionable to the Senate. It is a short cut to the objective which the Senator is seeking. If the Senator from New York [Mr. COPELAND] calls up the resolution he introduced on yesterday, I shall offer as a substitute the resolution which I have prepared.

Mr. THOMAS of Oklahoma. The Senator from Colorado [Mr. COSTIGAN] has a bill pending, the Senator from Wisconsin [Mr. LA FOLLETTE] has a measure pending, the Senator from New York [Mr. COPELAND] has a measure pending, but we are not getting anywhere. I thought if we got a committee appointed all of these measures could be presented to the committee and the committee could submit a report. I am simply doing this to get the matter before the Senate so that some action may be taken. I am not particular what action is taken so it is based on the proper grounds.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the senior Senator from Wisconsin?

Mr. THOMAS of Oklahoma. I yield.

Mr. LA FOLLETTE. The point I wish to bring to the Senate's attention is that if there is to be consideration of the subject matter the Senator knows it will be difficult to get time to take it up. There is a resolution coming over from the previous day, introduced by the Senator from New York [Mr. COPELAND], which, if the Senator from Oklahoma would permit the morning business to be concluded, would be pending before the Senate at least until 2 o'clock. I want to urge upon the Senator the importance of getting the subject matter before the Senate so we can take action.

Mr. THOMAS of Oklahoma. Mr. President, I will ask unanimous consent to introduce the resolution as read, and that it be printed and lie upon the table.

The PRESIDENT pro tempore. Without objection, that order will be entered.

ADDRESSES OF TEMPORARY AND PERMANENT CHAIRMEN OF REPUBLICAN NATIONAL CONVENTION AND REPUBLICAN PLATFORM

Mr. HEBERT. Mr. President, pursuant to the order previously entered by the Senate, I ask that there may be printed in the RECORD the address of Senator DICKINSON, of Iowa, as temporary chairman of the Republican National Convention, on June 14, 1932, and also the platform adopted at that convention.

The PRESIDENT pro tempore. May the Chair suggest that the order to which the Senator refers provided also for the printing of the address of the permanent chairman of the convention, and may the Chair suggest to the Senator from Rhode Island that he include all three documents?

Mr. HEBERT. I will amend my request so as to include all three documents.

The PRESIDENT pro tempore. Pursuant to the order heretofore entered, the documents referred to will be printed in the RECORD.

The matter referred to is as follows:

ADDRESS OF SENATOR L. J. DICKINSON, OF IOWA, TEMPORARY CHAIRMAN OF THE REPUBLICAN NATIONAL CONVENTION, CHICAGO, ILL., JUNE 14, 1932

Three score and twelve years ago our Nation was at grips with its most perilous political crisis. It faced the proposition of whether this Republic—dedicated by the blood of patriots on a score of battlefields—should endure.

In that dark hour the Republican Party gave to the country its first Republican President—Abraham Lincoln. He preserved the Union and made it certain "That government of the people, by the people, for the people, shall not perish from the earth."

To-day our Nation is in the midst of its most perilous economic crisis. It faces the proposition of whether the fundamental principles upon which it was founded and has grown great shall be preserved.

In this grave hour the Republican Party meets again in national convention to nominate another stalwart American—Herbert Hoover.

It offers this great leader with pride and with confidence—pride in his achievements in the face of tremendous odds; confidence in the judgment of the people to keep at the helm the captain who alone has demonstrated a capacity to steer our economic ship to safe harbor.

Perhaps it was with prophetic vision that the American people elected Herbert Hoover four years ago with the greatest popular and Electoral College vote any President ever received. At any rate, he had scarcely taken the oath of his office before economic storm clouds had begun to cast their sinister shadow over the nations of the world.

THE REPUBLICAN RECORD

America was the last of the great nations to come under this shadow. But Herbert Hoover was at grips with the forces of depression before the country as a whole had had time to realize the menace it faced.

His first act prevented a financial panic. Invoking the powers of the Federal Reserve Board, he prevented this catastrophe. Thus he cushioned the effects of the debacle in Wall Street, which followed the greatest period of stock speculation the world had ever known.

With the knowledge that every major economic convulsion in the past had been attended by strikes, riots, bloodshed, and death, President Hoover's next concern was to maintain social order.

To this end he summoned to the White House industrial leaders of the Nation and obtained from them a promise to maintain existing wage scales as long as it was possible to do so.

On the same day leaders of organized labor, sitting around the same conference table, gave their pledge that there would be no industrial wage disturbances.

Had Herbert Hoover accomplished no more in this depression, he would have done more than all the other Presidents had done in the 14 major economic dislocations which have gone before.

But our President planned a campaign to deal with the unprecedented situation in which the world found itself in the backwash of the greatest of wars.

With financial panic averted, with industrial peace assured, the Chief Executive moved rapidly to mitigate unemployment distress.

Heads of the railroads, public utilities, and other great corporations were summoned to Washington and agreed that, instead of following the usual course in such times, of curtailing to the extreme minimum all construction activities, they would carry forward and even accelerate their plans to give employment.

As a contribution from the Federal Government to this unprecedented movement, Mr. Hoover gave orders to speed up construction of public buildings, flood-relief activities, and river and harbor improvements.

Congress, under Republican leadership, patriotically cooperated by increasing appropriations for public improvements of all character and by making available additional sums for road building.

Next the President enlisted the cooperation of the several States and their subdivisions in extending and speeding up their programs of public construction, including highway improvements. There was a whole-hearted response, and it is estimated that in the first winter and spring of the depression upward of a million persons who otherwise would have been idle were given gainful employment.

Thus for the first time violent drops were prevented by Executive action and legislative cooperation.

However, no action of government or of people could stay the march of the insidious enemy within our gates. Unemployment and suffering were inevitable. To relieve this to the fullest possible measure the President set up in Washington a national unemployment committee to cooperate with the States both in finding employment and in relieving the needy.

There was a generous response from every State, and with the cooperation of the people the President was able to resist rising clamors for a Federal dole.

To supplement the work of the unemployment relief committee Mr. Hoover, with the cooperation of Congress in providing additional funds, reorganized the Federal Employment Service in the Department of Labor. Additional employment offices were created through the length and breadth of the land and jobs were found for thousands upon thousands.

As a further measure of protection to our citizens, the President, by Executive order, practically ended immigration, excluding annually some 350,000 aliens who would have come to these shores and thus increased unemployment and added to the burdens of our people.

Contrast this picture of a stable social order, the people united in aid to their less fortunate fellows, with the chaos in many countries abroad. There revolution followed revolution. Government after government fell. Battle and bloodshed became an almost every-day occurrence.

Nations once rich and powerful were forced to the edge of financial collapse.

This was the foreign situation only a year ago. Drastic action was necessary if the international financial structure was to be preserved. Herbert Hoover took that action. He proposed and the other powers quickly agreed to a one year's moratorium on reparations and war debts. Germany was saved from financial chaos that would have involved the entire world.

HOOVER'S GREAT RECONSTRUCTION PLAN

With this catastrophe averted, the President continued to wage the battle against depression on a hundred fronts in the United States. Under his leadership the bankers of the country organized the National Credit Association, with authorized funds of $500,000,000, to assist weaker banks and to end the wave of bank failures which was sweeping the country.

The great transportation systems found themselves in difficulties, and they were authorized by the Interstate Commerce Commission to form a credit pool from which the smaller and weaker carriers might receive much-needed assistance.

Before Congress assembled last December President Hoover prepared for it the most far-reaching rehabilitation and reconstruction program that has ever been designed by any leader in any country under any circumstance.

Foremost in this plan was the creation of the Reconstruction Finance Corporation, with reserves of two and a half billions of dollars, to furnish necessary credit otherwise unattainable.

Under the direction of General Dawes as president, this agency has furnished aid to banks, railroads, agricultural organizations, building and loan associations, and other organizations.

Bank failures diminished, thus preserving the resources of millions of depositors.

Numerous institutions upon which millions of our citizens are directly or indirectly dependent have been saved.

Credit likewise has been extended to agriculture, and this basic industry has been further assisted through the strengthening of the Federal land-bank system, for which an additional working capital of one hundred and twenty-five million was afforded so that farm mortgages might be extended and pressing interest payments taken care of.

Other important features of the President's program were:

Under proper safeguard, the rediscount facilities of Federal reserve banks were enlarged.

The resources of the Federal loan credit banks were expanded to aid agriculture.

Creation of a system of home-loan discount banks to strengthen the country banks, savings banks, and building and loan associations so that home owners, both on the farm and in the city, might be benefited through saving of their properties from foreclosure and a new program of home construction put under way, was undertaken.

In addition, the President proposed development of plans, with full financial assistance of the Federal Government, to assure early distribution of deposits in closed banks through relieving distress among depositors.

Long before the present Congress convened last December, our President determined that a balanced Budget was the first essential to economic recovery.

The Government must meet its expenditures. There were those who said no man or no party facing a presidential election would have the courage to impose new taxes in the face of decreased business. However, he directed his Cabinet officers to see to it that estimates for their departments and agencies be held to the minimum consistent with the necessary functioning of the Federal establishment.

As a result, the Budget estimates presented to Congress represented reductions in proposed expenditures of $400,000,000. Regardless of the reduction, the Federal Government could not keep within its resources because of a shrinkage of more than a billion and a half dollars in tax returns.

Consequently, in his message to the Congress, the President declared that temporary increases in taxes were essential for the preservation of credit of the Federal Government and the maintenance of the value of the American dollar.

Subsequently, the administration presented a program of tax increases aggregating more than a billion dollars. In addition, Mr. Hoover warned the Congress that further drastic reductions in Federal expenditures were necessary. In this connection he proposed that there be a complete reorganization and recasting of Federal Government machinery.

Convinced from the record of 10 years of congressional failure in this direction that such reorganization could be brought about only by action of the Executive, free from the influence of the "locust swarms of lobbyists" who infest the Capitol corridors, the President proposed that he be given authority to effect such reorganization subject to congressional veto.

Such authority was denied by the leaders of the Democratic majority in the House of Representatives, and so this fertile field for savings in Federal expenditures and increases in efficiency remains untilled.

Delay followed delay in enactment of the Budget-balancing legislation, and it was only by the most insistent pressure exerted through the White House by an aroused people, that this legislation finally reached completed form.

DEMOCRATIC OBSTRUCTIONISTS

Just as the battle of balancing the Budget was won only after a relentless fight, so it has been with nearly every one

in the brilliant list of achievements of the President and the Republican administration which I have recounted to you.

As Herbert Hoover poured out his tremendous energies and abilities upon the altar of public service and the welfare of all of the people, what of the Democratic opposition?

For two long years they hampered the President at every turn. Through a highly subsidized press bureau, Democratic leaders, Democratic Senators, and Democratic Congressmen sought to distort his every word; to belittle his every effort at human and economic relief; to impugn his every motive; to frustrate his every move. Their orders were to "Smear Hoover."

Upon his shoulders the anvil chorus of Democracy placed the responsibility for every ill at home and abroad.

Dreadful pictures of ruin and horror were painted.

Public confidence was shaken.

Pessimism became rampant.

All this our political enemy did without thought of the consequences to the Nation. Their sole thought was of partisan political advantage. But verily, like Samson of old, they were pulling down the temple upon their own heads.

As might have been expected, they overplayed their hand. With the Nation threatened by its greatest economic crisis, people demanded that partisan politics be submerged in the general welfare.

This demand became known even to those Democratic leaders who were most eager for control of the Federal Government. Consequently when the Democrats organized the House of Representatives last December they became convinced that good politics demanded the speedy enactment of relief legislation suggested by the President. Having no program of their own, they naturally and wisely followed the President, who alone had a workable program.

But after they had assisted in partially translating this plan into law our Democratic friends were no longer able to contain their hopes of victory within the sphere of the good of the Nation. On the all-essential proposition of balancing the Budget they elected to follow their own course. And with what result?

The Democrats in the House of Representatives flouted their own leadership; their tax bill was completely rewritten by the revolting Democratic majority; their economy measure was torn to shreds.

As serious as it was, this debacle was not the end. In their desperation the Democrats espoused causes which the American people had overwhelmingly rejected nearly two score years ago.

The long-dormant issue of fiat money has again raised its head. Democratic sponsors call for undue inflation of the national currency. The safety of the country requires the maintenance of the gold standard. The value of the American dollar must be maintained throughout the world.

Nor was this moribund issue the sum total of the products of the master minds of Democracy. They proposed billions in bond issues for unnecessary and unproductive public works, presumably on the theory that when your Budget is unbalanced—when your outgo exceeds your income—you can squander yourself into prosperity.

This "pork-barrel" proposal, which inevitably would carry with it still greater increases in taxes, was the Democratic substitute for the sound nonpartisan plan of aid to productive enterprises through loans from the Reconstruction Finance Corporation that would in time be self-liquidating.

In their efforts thus to debase the dollar by fiat money and other equally unsound financial schemes the Democrats stalked forth with the ghost of 1896. The Republican platform adopted in that year said:

> The Republican Party is unreservedly for sound money. * * * We are unalterably opposed to every measure calculated to debase our currency or impair the credit of our country. * * * All our silver and paper currency must be maintained at parity with gold, and we favor all measures designed to maintain inviolable the obligations of the United States of all money, whether coin or paper, at the present standard, the standards of the most enlightened nations of the earth.

The sentiment expressed in those words is as applicable to-day as it was 36 years ago. The Republican Party is still the party of sound money and of wise and conservative fiscal policies.

The Hoover administration has rigidly adhered to this fundamental Republican doctrine. The onslaught of depression and the attacks of those who would endanger our national credit standing by fiscal experiments have failed in the face of the President's determination. In consequence we remain on the gold standard. Our credit is the best in the world. The value of the dollar is unimpaired and the future security of the United States has been preserved.

RADICALISM

That the existing order should be assailed by radical minds in these times is not at all surprising. It ever has been thus in periods of great national stress. Zealots and demagogues, socialists and communists have offered their solutions for our difficulties. Some are inspired by a real, if misguided, patriotism. Others merely are headline seekers.

Radicalism manifested itself in a conference of leaders of the self-styled progressives of both parties last summer. This body, through its spokesmen, was to present a program to the Nation which would be a cure-all and a short route to recovery. It is significant that no program has ever been presented. It is indicative of the futility of all such movements that the only result was a babble of excited oratory, now lost and forgotten.

It is important, however, to remember that through all this shouting and turmoil, while our self-appointed saviors strutted in the limelight of publicity, the man in the White House continued patiently and persistently the great task of restoring our normal economic balance.

I am proud to say that this emotional instability, this advocacy of ruinous fiscal policies, has not claimed the greater part of its exponents from Republican ranks. It has not been necessary for a Republican leader, as it was for a Democratic leader in the House of Representatives during the past winter, to castigate his followers as communists. Nor has there been any occasion for Republicans to hear one of their leaders sadly announce that their party was destroying itself.

AGRICULTURE

Restoration of the agricultural industry has been and still is a primary consideration of the Republican Party. As long as this basic industry of our Nation lags just so long will the whole country be denied a return to that prosperity which should crown the industry and energy of the 120,000,000 people within our borders.

Agriculture has been dealt severe body blows since the war. First, there was war's expansion and inflation; second, a drastic deflation policy adopted by the last Democratic administration; and, third, a free-trade policy on farm products under Democratic rule, which permitted the dumping of surplus foreign farm products on American shores.

Under these Democratic policies agriculture was prostrate. The first Republican administration after the war reenacted an emergency farm tariff which had been vetoed by a Democratic President after its passage by a Republican Congress, and then it proceeded to incorporate those rates in a general tariff law which first set up the machinery of a flexible tariff. Under that machinery necessary increases in farm tariffs were made, and as a consequence the great dairy industry, which takes rank with our automotive industry in value of output, was saved from destruction.

The farm policies of our party touch three broad fields; one—and to my own way of thinking by far the most important—is that of organizing the farmers into cooperatives for a more orderly marketing of their products. This policy has been vigorously carried out by the Farm Board, which was created by the Congress on recommendation of the President early in 1929. It is an outstanding fact that the backing the thousands of farm cooperatives in the country have had from the Farm Board has enabled them to weather the storm with scarcely a failure. That is a record unparalleled by any other branch of business. Cooperatives are

stronger to-day than ever before and are growing in skill and management. Through them the farmer is steadily arriving at the marketing of his own crops under his own control.

In times when the world is sick there is criticism of practically everything and everybody. The Farm Board has been the butt of much criticism, the greater part of which is unjust. We have heard much abuse of the board's operations in stabilization of cotton and wheat by their financing of cooperatives to purchase these commodities, but we have heard very little of the fact that by their entry into the market in February during the crop year of 1930 and again in November of the next crop year they stemmed the panic which had broken in agricultural prices.

We must not overlook the fact that the farmer produces his crop and has but one turnover per annum, and when financial panic strikes his markets in the middle of a crop year he, unlike the manufacturer, is not in position to turn over his inventory and escape losses, panic, and descending prices. The Farm Board held prices in each of these two crops above world levels to such a degree that the very moderate estimate of the amount realized by the American farmers over and above what they would have realized otherwise is between $2,000,000,000 and $3,000,000,000.

It matters little if the Government loses $150,000,000 for the savings it made to homes of farmers throughout this whole land. It was throwing a regiment into the front of the battle to lose, but saved millions.

I might add that this policy was adopted by the board with reluctance but in response to the urgent request of members of the grain exchanges, the Senators and Congressmen and other officials, regardless of party, from the wheat and cotton States. Some of those who most urgently insisted upon the board's action are the most persistent of its critics. Their urging was without the fanfare of publicity which attended their criticism.

There can be no evidence of the solicitude of the Republican Party for the farmer more convincing than the sums of money placed at the disposal of the agricultural industry during the past three years. A half billion dollars has been poured into the farmers' hands directly and indirectly through the Farm Board; $125,000,000 has just been appropriated to strengthen the farm-loan system; $50,000,000 was appropriated for seed loans to assist in overcoming the drought; $200,000,000 was set aside through the Reconstruction Finance Corporation to again assist the farmer. Outside of this sum the Reconstruction Finance Corporation has placed nearly $75,000,000 of intermediate-credit debentures, the whole of which sums went in loans to the farmers.

Directly and indirectly, the Federal Government has, during the last three years, poured into the agricultural industry nearly $1,000,000,000. As I said before, grievous as his suffering may be, no farmer can deny the undeviating friendship of the Republican Party.

The program of the Farm Board entered upon could not be accomplished in a month or a year. Efficient organization is necessarily a slow process and it is doubly so where it moves into an industry with widely separated component parts.

Everyone must recognize that the vast economic upheaval through which the world is passing has necessarily retarded the accomplishment of the aims of the agricultural marketing act just as it has in the case of every forward-looking endeavor. But the work is going forward steadily, and when we have worked ourselves out of this depression, as surely we will, its good results will be the more apparent.

The American wheat growers, the American cotton growers, the American cattle raisers, the American wool growers, the American dairy farmers, and all the other producers of our fields appreciate that the new tariff rates have saved their lines of industry from utter collapse, because it has, in very large measure, removed what would have been devastating competition with the producers of Canada, Mexico, Australia, the Argentine, and other foreign nations.

Republican administrations have sought further to reduce transportation charges as an aid to farms. Under their policies, facilities have been provided for bulk shipment of farm products at materially reduced rates over the Mississippi, the Ohio, the Missouri, and other of our great waterways.

To facilitate the expansion of these natural arteries of commerce, President Hoover recast the whole system, reorganized the Army Engineering Corps in charge of this work, and has accelerated the completion of many of these projects as a measure both of agricultural relief and unemployment relief.

The President also has carried forward negotiations with Canada for the construction of the long-visualized deep waterways from the Great Lakes to the Atlantic to give the Middle West an outlet to the sea, as the waterway from the Great Lakes to the Gulf, construction of which has been in progress many years, now is coming into full operation.

Under the stimulus of these three major objectives—orderly marketing, adequate tariff protection, and cheaper transportation—our basic industry ultimately will be restored to prosperity and so enabled to make its full contribution to the growth and wealth of the Nation.

THE TARIFF

Since the beginning of the economic crisis the Democratic Party has shown an utter lack of cohesion on every important issue, and on none has it been more divided than on the tariff. Its leaders have run the scale from free trade to the highest possible protection.

In contrast to the wobbling of the Democrats, the Republican Party has followed a straight course on this as on every great issue. Coming into existence as the party of protection, protection to the American farmer, to the American workingman, and to American industry, our party has remained true to this principle. And the soundness of its position was never more abundantly demonstrated than in this period of world crisis.

With falling prices and depreciated currencies overseas there stands just one bulwark for the salvation of our people. Without the rates of the Hawley-Smoot Act of 1930 we would long since have been inundated by a flood of cheaply produced foreign products. As serious as our plight is, it is not one-half so serious as it would have been under any policy save that of protection. Where dozens of factories are now idle scores would have been closed. Where thousands work only on part time now they would have been without any work at all.

The Republican tariff has preserved the American market for the American producer. Even in these times of serious depression this market is recognized as the greatest in the world. And therefore it is the market to which every foreign producer turns a longing eye.

Before the depression began agriculture and certain of our industries needed more adequate protection, and the Republican Party, true as always to its promises in the 1928 platform, proceeded to write a bill that would furnish that protection.

Gentlemen of the opposition cried to high heaven against some of the rates that were being written into that bill. But while they thus wailed, they were not only voluntary but eager partners in the writing of duties for their local and State industries, which in many cases even surpassed what staunch protectionist Republicans believed were necessary.

In the Senate alone 1,010 votes were cast by Democratic Senators either for increases in rates or against decreases in rates. And the Democrats furnished the margin of votes that were necessary for final enactment of the measure!

Even more recently—in congressional consideration of the Budget balancing tax bill—we have had further illustrations of the avidity with which the Democrats pursue high tariff rates. They generously supported duties on copper, coal, oil, and lumber. And all this after two years of the most bitter and venomous denunciation of the Hawley-Smoot Act!

Over all that period our Democratic friends chanted their hymn of hate against a measure in the whole warp and woof of which their handiwork appeared. We challenged them time after time to specify the rates which they would reduce. Then followed months of strange silence. Perhaps

the country could not understand the reluctance of the denouncers to be specific. But in due time the explanation was forthcoming.

Congressman HENRY T. RAINEY, of Illinois, the Democratic leader in the Democratic-controlled House of Representatives, let the furred animal out of the sack on the 9th day of January last. Addressing the House of Representatives he said:

> Lower this tariff drastically? You (Republicans) will not do it and we (Democrats) do not dare to do it with conditions as they are.

And why did the Democrats not dare to do it? Let Mr. RAINEY answer:

> "We," said he, "do not want this market flooded with the products of cheap labor in other countries."

Thus Democracy's duly elected spokesman indorsed 100 per cent the Republican protective tariff as it operates today. Thus he cut the guy wire that has supported the tariff bogey that the Democrats have so laboriously constructed over a period of more than two years. And thus he paved the way for the face-saving act of his own party.

The refrain to the Democratic hymn of hate against the tariff has been that if they were placed in power they would wipe from the statute books the Republican "abomination." They took control of the tariff-making machinery last December. And what was evolved? A measure which lowered not a single existing tariff rate. A measure which would end scientific rate making by the Tariff Commission and throw each individual alteration of duty into the congressional arena of logrolling, vote trading, and back scratching.

As bad as this feature of the measure was, it was not the worst. Our Democratic friends solemnly proposed to a free American people that they take this purely domestic question to a conference table around which would sit the representatives of the other nations of the world. There they would have written the policy which would determine the future of American industry, American agriculture and American wage earners.

Our own needs would be merged into the lesser needs of Patagonia and Siam!

The American people, with a tremendous wave of patriotism, rejected the Democratic scheme for foreign interference with their political destinies through the League of Nations.

With an equal wave of patriotism, they will refuse to allow foreign nations to determine their economic destinies.

ORGANIZED CRIME

Gangdom, racketeering, and thuggery should be stamped out of our Nation. This can be accomplished only by the most energetic action of law-enforcement officials everywhere, backed by a strong public opinion.

To meet these public enemies so far as it lies within the powers of the Federal Government to do so, the present Republican administration has revised, reorganized, and reenforced the Federal criminal-law enforcement machinery.

President Hoover has taken the whole of the services engaged in criminal-law enforcement out of politics and has made merit and proven capacity the basis for appointment.

The increased efficiency thus attained has manifested itself in the records of the Federal courts during the past four years. Twice as many criminals are now in detention for violation of Federal statutes than were in jails and penal institutions five years ago.

If the States and municipalities, which have the primary police powers of the Nation, could present such a record of law enforcement, the great national evil of organized gangsters would in a very large measure have been removed.

NATIONAL DEFENSE

Costs of past wars and preparations for possible future wars have imposed staggering burdens upon the peoples of the world. Relief from these burdens challenges the best statesmen in every land.

Recognizing this fact and the necessity for action, the Republican Party initiated the first movement looking to relief. A little more than 10 years ago a naval limitations conference of the major nations was called in the Capital of the United States. As a result of a dramatic proposal of the Harding administration that America forego its then rapidly maturing plans of complete naval supremacy, a treaty was signed limiting the capital ships of the world powers.

European nations parties to the League of Nations undertook subsequent conferences for the further limitation of arms, but these proved abortive. Then it was that President Hoover proposed another naval conference, out of which grew the London naval treaty limiting the number of all types of war craft that the United States, Great Britain, and Japan might maintain upon the seas. Moreover, it postponed for a period of six years the time for replacement of battleships.

These two conferences, which had their origin with Republican Presidents, have saved the taxpayers of the United States and the other nations parties to the agreement billions of dollars. But more than that, they have put an end to the race for supremacy on the seas, and thereby removed one of the principal causes of wars.

Boldly disregarding an apparent reluctance abroad to effect simultaneous reductions in land armaments, we have, during the past 12 years of continuous Republican control, taken the lead by reducing our standing Army to an aggregate strength of 137,000 officers and men, including the Philippine Scouts. Our good faith has thus been demonstrated to the whole world, while the economic burdens to be borne by our own people in maintaining land forces in times of peace have been minimized.

Faithfully conforming also to Republican pronouncements in the national platforms of 1924 and 1928, the administration has caused to be developed by the Federal Government comprehensive programs to insure that, in the event this Nation should ever again be compelled to defend itself by force of arms, every dollar and material thing shall bear its just proportion of the burdens of war.

President Hoover, from the wealth of his governmental and industrial experience, both in war and in peace, has inspired fruitful activity in this direction. His determination that no hope of material reward shall impel any element of our citizenry toward international conflict has resulted in the development of practical programs that assure the elimination or minimizing of profiteering, injustice, favoritism, and inefficiency in the event of any future war.

These have been some of America's contributions to the peace of the world,. the maintenance of which forms the keystone in the arch of our foreign policy. In pursuance of this policy Republican administrations took the lead in averting a threatened war between China and Russia and in bringing to an end unofficial hostilities between China and Japan, which only so recently threatened the peace of the entire Orient and perhaps of the world.

In pursuance of this policy we have fostered more friendly relations with our Latin American neighbors by gradual withdrawal of our marines from both Haiti and Nicaragua and by assisting the Mexican Government in putting down a wholly military revolution by the imposition of an embargo on arms to the rebel forces.

The world has come to know that the United States is without territorial ambition and is actuated in its relation with other nations by the sole desire to prevent armed conflict. At the same time Republican administrations have insisted upon adequate forces for the national defense, for to be unprepared is simply to invite attack.

Our fleet is at a high state of efficiency and is being rounded out in all its units under the limitations imposed by the naval arms treaties.

Our Army has been reduced to the smallest size consistent with safety, but it forms the backbone of a national defense which speedily can be recruited to a strength sufficient to guard our shores from foreign invasion.

PARTY LOYALTY

A former leader of our party has said: "We can not weaken or destroy political parties in the United States with-

out weakening or destroying the rule of the people. The party system has been * * * the most efficient instrument of maintaining free popular government. Under absolute monarchy the only way to change the government was by revolution. Gradually parties became a substitute for revolution. They provided an orderly and legal way for the people to express and enforce their will. Those who support party organization and submit to party discipline are adopting the only course yet discovered for orderly government by the people."

As loyal Republicans we are gathered in this convention. We are proud of the men who dedicate their time, their influence, and their strength to the Republican cause. The Republican women are our most faithful allies. In our association with them we find added strength. In purity and morale they furnish new ideals and inspiration.

It is well that, in this period of uncertainty, we have a 2-party system—one party in and another party wanting to get into control. The contest makes us worthy of our trust.

Reforms can come quicker from within our party than by opposition from without. If one can not reform his own party from within, there is little chance of his reforming it from without.

Let party loyalty sound as the keynote of this campaign, because loyalty to party principles is the basis of party strength.

We must remember, as delegates to this convention, that the Republican Party is not content with nominating a candidate in June.

A nomination in June is an implied obligation to elect in November.

Ours has always been a constructive course.

We have never advocated and then abandoned; we have never been a party of critics and complainers.

Our victories have been won on constructive issues.

Our platforms have become the laws of the United States.

Our candidates have been honored occupants of the White House for all but 16 out of nearly 72 years.

As it has been in the past, so shall it be in the future.

To-day partisanship is sublimated before patriotism.

And yet, to my mind, there is no greater patriotism than the employment of every effort toward the restoration of normal conditions. And there can be no more dependable means to this end than the reelection of Herbert Hoover as President of the United States.

ADDRESS OF HON. BERTRAND H. SNELL AS PERMANENT CHAIRMAN

Fellow Republicans, you have done me the honor of asking me to preside over the convention that is about to name the next President of the United States.

I thank you for the trust imposed and shall try to merit it by dealing fairly with all.

You have heard the note of exultant Republicanism as sounded by the distinguished chairman, Senator DICKINSON. I have heard your enthusiastic response. I congratulate Senator DICKINSON upon his eloquent and accurate presentation of our cause.

I congratulate our great party upon the selection of a body of delegates whose solidarity and militant enthusiasm insure the nomination of candidates and the formulation of a platform that will command the support of the Nation.

The Republican Party is accustomed to victory. From Abraham Lincoln, our first Republican President, who was nominated in 1860, not far from the stadium in which we are assembled, the Republican Party has elected 11 of the 13 Presidents, down to and including President Hoover.

Victory has come to the Republican Party because victory has been earned.

Our policies and doctrines have been hammered out on the anvil of experience.

We have never shirked responsibility.

We have never become a disorganized mob under the pressure of great emergencies.

We have never offered quack remedies for national disorders.

By long trial in the actual responsibility of conducting the Government the Republican Party has become capable of governing. From Lincoln to Hoover, our Republican Presidents have met the shock of war and the storm of depression, and weathered every gale.

NATION SAFE WITH PARTY IN CONTROL

The Nation has been safe when the Republican Party has been in control of the Government. It has never been safe when Republicans were not on guard.

The Republican platform of 1860 to which Abraham Lincoln gave his allegiance declared that the perpetuation of the Republican Party was necessary for the national existence. That declaration is as applicable to-day as it was then. The national welfare demands the success of the Republican Party.

Everywhere, outside of the Republican Party, is confusion and chaos. The only sound and united public sentiment of the United States is represented in this convention.

The Democratic Party is fatally weak because it does not command the support or confidence of the Nation and because it is utterly lacking in teamwork.

The Democrats have a minority complex which they can not change. As a faultfinding, caviling minority opposition they are 100 per cent perfect. As a driving, constructive majority they are a 100 per cent failure.

As proof of this I do not need recall to your mind the false gods they have pursued for over a century; the panaceas they have proposed and wise people have rejected. Events of the past five months furnish abundant evidence of their failure.

Accepting their promises at face value, the country placed them in charge of the House of Representatives. They had assured the Nation that if given this power they would restore economic equilibrium. This much must be stated to their credit: So long as they followed the leadership of the one man in America who has furnished leadership in this great crisis—Herbert Hoover—they functioned in splendid fashion.

But when they set out to carry forward their own program they exhibited colossal incapacity, hopeless division, and disintegration, with the result that there was a complete collapse of their party machinery.

CONFIDENCE OF COUNTRY IN THE HOUSE DESTROYED

As tragic as is the breakdown of a great political party, had the party alone suffered the situation would not have been so bad; but it was the country, the whole people of these United States who suffered. In a few months the confidence of the country in the House of Representatives, which had been lifted to a high degree during the past 13 years under progressive, forward-looking, constructive Republican leadership, was utterly destroyed.

And with what consequences? Uncertainty about the future increased; confidence all but disappeared; business continued to slow down. The country was thrown into a state of mind approaching chaos. No one could foretell what the Democratic majority would propose or would do next. There followed a period of anxious waiting, of trembling inactivity.

This was a natural state of things, for the Democrats came into control of the House of Representatives without any definite program. They had the good judgment at first to follow the lead of the President. So long as they did all was well. When they started casting about for a program of their own they became mired. They began with a blaring of trumpets. They organized what they grandiloquently termed a "policy committee," which was to arrange a program to put the world back into joint.

This committee was made up of the Democratic leaders in both the House of Representatives and the Senate. They called in for consultation and advice all of their defeated candidates for President and all their other master minds.

But not all of these geniuses combined were able to evolve a plan because no two of them could agree on any plan. And with this division among the generals it was not at all surprising that there was utter confusion—nay, open revolt—within the ranks.

With this record behind it, in this grave hour of national distress, the Democratic Party is about to ask the country to accept a candidate whose identity is still unknown, standing upon a platform whose planks will probably contradict themselves. The Nation is to be asked to accept confusion as a national policy and disorder as a rule of government.

The Democratic Party has as many wings as it has candidates, and certainly its candidates are legion. These wings do not flap together, they flap against each other.

The Democratic Party is a mob of feuds and of factions, unable to bring order out of the chaos in its own ranks. How can it be expected to maintain order in government?

An intelligent order in government is what the American people demand in this crisis. They want a party in control that has a program, knows where it is going, and has the courage of leadership and the sense of responsibility to get to its destination. They want a party in control that knows what constructive legislation is, and has the ability to enact it into law.

My countrymen, the solidarity of the Republican Party in this crisis means the salvation of the United States.

RECORD OF PRESIDENTS IN REPUBLICAN REGIMES

If this country is to be governed with judgment and prudence, the Republican Party must do the job.

Call the roll of the Presidents from Lincoln to Hoover. The illustrious names of Republican Presidents are an epitome of the history of the United States. Supported by the people and united in a responsible party, they perpetuated the Union; they linked the coasts by railroads and opened the West to settlement; they preserved the honor and integrity of American currency; they liberated Cuba and placed the stars and stripes over Alaska, the Philippines, Hawaii, and Puerto Rico; they built the Panama Canal; they created a navy; they brought about a genuine regulation of interstate commerce and suppressed monopolies; they halted the mistaken attempt to involve us in European politics and wars; they ended the naval rivalry of the great powers and compelled recognition of the equality of the Navy of the United States; they dealt generously with foreign debtors while protecting American taxpayers; they provided that the United States Army should always be ready for mobilization on a scale sufficient to repel any enemy; they prevented the invasion of hordes of immigrants pauperized by the World War; they protected the American farmer, manufacturer, and workingman against ruinous competition in the American market; they have fought with stout heart the dreary battle against world-wide depression, and thank God they are on the way to win it.

We can not pause to enumerate to the full the list of Republican accomplishments. Our task is to continue the process of achievement. We point to the past as evidence of work well done. We face the future with eagerness to grapple with its problems.

We know that Republicans and Republican principles have brought safety and national well-being out of every trial.

We do not offer experiments as candidates.

We do not offer quack remedies and exploded theories as a platform.

We offer to conduct the Government on tried principles, to be administered by men who have met the supreme test of intrepid leadership.

VIGIL KEPT BY HOOVER FOR THREE YEARS

In Lincoln's day the people stood loyally by their President who brought them out of the shadow of disunion. In Hoover's day the people stand loyally by their President who is bringing the country out of the shadow of vast economic adversity.

The people will not strike down the pilot who keeps eternal vigil on the bridge of the ship of state.

And Herbert Hoover, courageously and determinedly, has kept this vigil for three years.

No man living or dead has had to grapple with such gigantic problems at home and abroad.

No man living or dead has fought world-wide economic adversity with so stout a heart and so deep an understanding.

No man living or dead has had such tremendous demands from home and abroad upon his energies and his unusual resources.

No man living or dead has given so unreservedly of his experience, intelligence, and leadership as has Herbert Hoover.

A government that does not protect its people is not in fact a government. The American people, after forming the Union and insuring justice and public order, declared that their first object was to provide for the common defense.

The Republican Party holds that common defense means protection of the people in their livelihood as well as protection against armed invasion. Our Union is a union against economic invasion and all other forms of aggression. Our national resources and advantages are useless unless they are defended.

PROTECTIVE TARIFF HELD NECESSARY

We hold that a protective tariff is necessary for the common defense. The Democratic Party refuses to provide this protection, although I could name Democrats by the score who eagerly seek such protection on the sly for their own States and districts, while denying it to the Nation at large.

The tariff was revised by the Republican Party just in time to avert a catastrophe. This tariff law has been the bulwark of the common defense against world-wide depression. But for that law the United States would have been inundated with foreign imports, and vast additional numbers of our workers would have been unemployed. That law has kept over 40,000,000 American citizens at work, in spite of world-wide adversity. Americans have had the advantage of a monopoly of their own market, the greatest consuming market in the world. This market belongs to them, and the Republican Party protects it for them.

What would be thought of an army that defended every frontier but one, and left that one open to invasion? Yet that is what the Democratic Party does when it refuses to defend the economic front.

Against all falsehoods, all sophistries, and all sectional selfishness, the Republican Party moves triumphantly forward in the common defense of all the people in all sections for the protection of their livelihood against any form of foreign aggression.

We meet here in this bicentenary year of the birth of George Washington.

Washington, as an engineer, solved stupendous and vexatious problems for the benefit of mankind.

It was said of Washington then, as it is said of Hoover to-day, that he was not a politician. In the baser sense, he was not; but in the higher sense he had the profound political instinct of statesmanship, and his statesmanship was good politics. The substratum of Washington's statesmanship was his engineering experience, his practical accomplishments, and his profound human sagacity.

ENGINEER PRESIDENT LEADING IN WAR OF DEFENSE

President Hoover's mind is the mind of an engineer. He first gets his facts and then he acts. No engineer has attained success by deciding his problems on a basis of experience. Equivocation is directly contrary to the fundamentals of the profession. Sureness of decision, solidity of formation, and enduring construction by using tested materials is ingrained in the education and thought processes of an engineer. These traits are governing in all decisions on all questions.

Herbert Hoover, the engineer President of the United States, is solving and will solve stupendous and vexatious problems, as did our first engineer President, for the benefit of our mankind.

We are now engaged in a war of defense. We are fighting under the leadership of the most capable citizen in the United States. Already he has gained many battles, and the victorious end of the war is nearly in sight.

Our enemy is the invisible but ghastly pestilence of world-wide economic depression. It is the ghost of the World War stalking over the earth. It is the reaper that gathers the harvest of 10,000,000 lives and the destruction of $10,000,000,000 of hard-earned wealth.

In its present gigantic form this is a new enemy, and our people have been mystified and terrified in trying to defend themselves. Fortunately, our President was well prepared for the task of generalship in fighting off this enemy.

You know the record. You know the battles he has already won.

He solidified labor and capital against the enemy.

He avoided the deadly pit of the dole.

He rescued the drought victims.

He beat off the attacks upon railroads, agriculture, banks, and public securities.

He mobilized the Nation's financial resources.

He warded off the stealthy approach of panic by the way of Germany.

He preserved the integrity of the gold standard.

He had the manhood and courage to tell the people that their Government's revenues were depleted and must be replenished.

He fought and won the battle of the Budget by resolutely lopping off extravagance and by instituting severe economies. Throughout this war the American dollar has been as stable as the American flag.

PARTY OF REHABILITATION RESOLVED ON VICTORY

The Republican Party is conscious of its responsibility and realizes its stewardship. Under the wise leadership of President Hoover the Republican Party is functioning with solidarity to the satisfaction of the country, but to the confusion of those who offer no constructive ideas.

During the entire world-wide depression every civilized nation has looked to America for leadership. They have looked to us to lead them out of their economic and financial morass and to place their feet once more upon solid ground. And out of it all, and through it all, the one man who to-day stands head and shoulders above any leader among the nations of the world is the Republican President of the United States, Herbert Hoover.

As Lincoln once said: "The occasion is piled high with difficulty." Nevertheless, the Republican Party is equal to the occasion. That party has its plow to the furrow, and is not looking backward. It is now, as ever, the party of rehabilitation.

The way to resume specie payments after the Civil War was to resume, and the Republican Party accomplished it; the way to restore prosperity following Democratic free-trade depression was to open the mills, and the Republican Party did it; the way to establish the gold standard was to establish it, and the Republican Party did it; and now the way to restore good times is to restore them, and the Republican Party has set itself resolutely upon that course.

With indomitable confidence and courage, with faith in our Commander in Chief, and with a comradeship of purpose to meet every foe of the Republic, foreign or domestic, let us press onward, shouting the great American battle cry: "Forward to victory!"

REPUBLICAN PARTY PLATFORM, 1932

INTRODUCTION

We, the representatives of the Republican Party, in convention assembled, renew our pledge to the principles and traditions of our party and dedicate it anew to the service of the Nation.

We meet in a period of widespread distress and of an economic depression that has swept the world. The emergency is second only to that of a great war. The human suffering occasioned may well exceed that of a period of actual conflict.

The supremely important problem that challenges our citizens and governments alike is to break the back of the depression, to restore the economic life of the Nation, and to bring encouragement and relief to the thousands of American families that are sorely afflicted.

The people themselves, by their own courage, their own patient and resolute effort in the readjustments of their own affairs can and will work out the cure. It is our task as a party, by leadership and a wise determination of policy, to assist that recovery.

To that task we pledge all that our party possesses in capacity, leadership, resourcefulness, and ability. Republicans collectively and individually in Nation and State hereby enlist in a war which will not end until the promise of American life is once more fulfilled.

LEADERSHIP

For nearly three years the world has endured an economic depression of unparalleled extent and severity. The patience and courage of our people have been severely tested, but their faith in themselves, in their institutions, and in their future remains unshaken. When victory comes, as it will, this generation will hand on to the next a great heritage unimpaired.

This will be due in large measure to the quality of the leadership that this country has had during this crisis. We have had in the White House a leader—wise, courageous, patient, understanding, resourceful, ever present at his post of duty, tireless in his efforts, and unswervingly faithful to American principles and ideals.

At the outset of the depression, when no man could foresee its depth and extent, the President succeeded in averting much distress by securing agreement between industry and labor to maintain wages and by stimulating programs of private and governmental construction. Throughout the depression unemployment has been limited by the systematic use of part-time employment as a substitute for the general discharge of employees. Wage scales have not been reduced except under compelling necessity. As a result there have been fewer strikes and less social disturbance than during any similar period of hard times.

The suffering and want occasioned by the great drought of 1930 were mitigated by the prompt mobilization of the resources of the Red Cross and of the Government. During the trying winters of 1930–31 and 1931–32 a nation-wide organization to relieve distress was brought into being under the leadership of the President. By the spring of 1931 the possibility of a business upturn in the United States was clearly discernible when, suddenly, a train of events was set in motion in Central Europe which moved forward with extraordinary rapidity and violence, threatening the credit structure of the world, and eventually dealing a serious blow to this country.

The President foresaw the danger. He sought to avert it by proposing a suspension of intergovernmental debt payments for one year, with the purpose of relieving the pressure at the point of greatest intensity. But the credit machinery of the nations of Central Europe could not withstand the strain, and the forces of disintegration continued to gain momentum until in September Great Britain was forced to depart from the gold standard. This momentous event, followed by a tremendous raid on the dollar, resulted in a series of bank suspensions in this country, and the hoarding of currency on a large scale.

Again the President acted. Under his leadership the National Credit Association came into being. It mobilized our banking resources, saved scores of banks from failure, helped restore confidence, and proved of inestimable value in strengthening the credit structure.

By the time the Congress met, the character of our problems was clearer than ever. In his message to Congress, the President outlined a constructive and definite program which in the main has been carried out; other portions may yet be carried out.

The Railroad Credit Corporation was created. The capital of the Federal land banks was increased. The Reconstruction Finance Corporation came into being, and brought protection to millions of depositors, policy holders, and others. Legislation was enacted enlarging the discount facilities of the Federal reserve system; and, without reducing the legal reserves of the Federal reserve banks, releasing a billion dollars of gold, a formidable protection against raids on the dollar, and a greatly enlarged basis for an expansion of

credit. An earlier distribution to depositors in closed banks has been brought about through the action of the Reconstruction Finance Corporation. Above all, the national credit has been placed in an impregnable position by provision for adequate revenue and a program of drastic curtailment of expenditures. All of these measures were designed to lay a foundation for the resumption of business and increased employment. But delay and the constant introduction and consideration of new and unsound measures has kept the country in a state of uncertainty and fear, and offset much of the good otherwise accomplished.

The President has recently supplemented his original program. To provide for distress, to stimulate the revival of business and employment, and to improve the agricultural situation, he recommended extending the authority of the Reconstruction Finance Corporation to enable it:

(a) To make loans to political subdivisions of public bodies or private corporations for the purpose of starting construction of income-producing or self-liquidating projects which will at once increase employment.

(b) To make loans upon security of agricultural commodities so as to insure the carrying of normal stocks of those commodities, and thus stabilize their loan value and price levels.

(c) To make loans to the Federal Farm Board to enable extension of loans to farm cooperatives and loans for export of agricultural commodities to quarters unable otherwise to purchase them.

(d) To loan up to $300,000,000 to such States as are unable to meet the calls made on them by their citizens for distress relief.

The President's program contemplates an attack on a broad front, with far-reaching objectives, but entailing no danger to the Budget. The Democratic program, on the other hand, contemplates a heavy expenditure of public funds, a Budget unbalanced on a large scale, with a doubtful attainment of at best a strictly limited objective.

We strongly indorse the President's program.

UNEMPLOYMENT AND RELIEF

True to American traditions and principles of government the administration has regarded the relief problem as one of State and local responsibility. The work of local agencies, public and private, have been coordinated and enlarged on a nation-wide scale under the leadership of the President. Sudden and unforeseen emergencies such as the drought have been met by the Red Cross and the Government. The United States Public Health Service has been of inestimable benefit to stricken areas.

There has been magnificent response and action to relieve distress by citizens, organizations, and agencies, public and private, throughout the country.

To provide against possible failure of local and State agencies, the President has urged the Congress to create an emergency relief fund to be loaned temporarily to any State on a showing of actual need and temporary failure of its financial resources.

The Republican Party indorses this record and policy and is opposed to the Federal Government entering directly into the field of private charity and direct relief to the individual.

PUBLIC ECONOMY

Constructive plans for financial stabilization can not be completely organized until our National, State, and municipal Governments not only balance their budgets but curtail their current expenses as well to a level which can be steadily and economically maintained for some years to come.

We urge prompt and drastic reduction of public expenditure and resistance to every appropriation not demonstrably necessary to the performance of the essential functions of government, national or local.

THE DOLLAR

The Republican Party established and will continue to uphold the gold standard and will oppose any measure which will undermine the Government's credit or impair the integrity of our national currency. Relief by currency inflation is unsound in principle and dishonest in results. The dollar is impregnable in the marts of the world to-day and must remain so. An ailing body can not be cured by quack remedies. This is no time to experiment upon the body, politic or financial.

BANKS AND THE BANKING SYSTEM

The efficient functioning of our economic machinery depends in no small measure on the aid rendered to trade and industry by our banking system. There is need of revising the banking laws so as to place our banking structure on a sounder basis generally for all concerned, and for the better protection of the depositing public there should be more stringent supervision and broader powers vested in the supervising authorities. We advocate such a revision.

One of the serious problems affecting our banking system has arisen from the practice of organizing separate corporations under and controlled by the same interests as banks but participating in operations which the banks themselves are not permitted legally to undertake. We favor requiring reports of and subjecting to thorough and periodic examination all such affiliates of member banks until adequate information has been acquired on the basis of which this problem may definitely be solved in a permanent manner.

INTERNATIONAL CONFERENCE

We favor the participation by the United States in an international conference to consider matters relating to monetary questions, including the position of silver, exchange problems, and commodity prices, and possible cooperative action concerning them.

HOME-LOAN DISCOUNT BANK SYSTEM FOR THE BENEFIT OF HOME OWNERS OF THE UNITED STATES

The present Republican administration has initiated legislation for the creation of a system of Federally supervised home-loan discount banks, designed to serve the home owners of all parts of the country and to encourage home ownership by making possible long-term credits for homes on more stable and more favorable terms.

There has arisen in the last few years a disturbing trend away from home ownership. We believe that everything possible should be done by governmental agencies, National, State, and local, to reverse this tendency; to aid home owners by encouraging better methods of home financing; and to relieve the present inequitable tax burden on the home. In the field of national legislation we pledge that the measures creating a home-loan discount system will be pressed in Congress until adopted.

AGRICULTURE

Farm distress in America has its root in the enormous expansion of agricultural production during the war, the deflation of 1919, 1920, and the dislocation of markets after the war. There followed, under Republican administrations, a long record of legislation in aid of the cooperative organization of farmers and in providing farm credit. The position of agriculture was gradually improved. In 1928 the Republican Party pledged further measures in aid of agriculture, principally tariff protection for agricultural products and the creation of a Federal Farm Board "clothed with the necessary power to promote the establishment of a farm marketing system of farmer-owned and controlled stabilization corporations."

Almost the first official act of President Hoover was the calling of a special session of Congress to redeem these party pledges. They have been redeemed.

The 1930 tariff act increased the rates on agricultural products by 30 per cent, upon industrial products only 12 per cent. That act equalized, so far as legislation can do so, the protection afforded the farmer with the protection afforded industry and prevented a vast flood of cheap wool, grain, livestock, dairy, and other products from entering the American market.

By the agricultural marketing act the Federal Farm Board was created and armed with broad powers and ample funds. The object of that act, as stated in its preamble, was:

> To promote the effective merchandising of agricultural commodities in interstate and foreign commerce so that * * * agriculture will be placed on the basis of economic equality with other industries * * *. By encouraging the organization of producers into effective association under their own control

* * * and by promoting the establishment of a farm-marketing system of producer-owned and producer-controlled cooperative associations.

The Federal Farm Board, created by the agricultural marketing act, has been compelled to conduct its operations during a period in which all commodity prices, industrial as well as agricultural, have fallen to disastrous levels, a period of decreasing demand and of national calamities such as drought and flood has intensified the problem of agriculture. Nevertheless, after only a little more than two years' effort the Federal Farm Board has many achievements of merit to its credit. It has increased the membership of cooperative farm marketing associations to coordinate efforts of the local associations. By cooperation with other Federal agencies, it has made available to farm marketing associations a large value of credit, which, in the emergency, would not have otherwise been available. Larger quantities of farm products have been handled cooperatively than ever before in the history of the cooperative movement. Grain crops have been sold by the farmer through his association directly upon the world market.

Due to the 1930 tariff act and the agricultural marketing act, it can truthfully be stated that the prices received by the American farmer for his wheat, corn, rye, barley, oats, flaxseed, cattle, butter, and many other products, cruelly low though they are, are higher than the prices received by the farmers of any competing nation for the same products.

The Republican Party has also aided the American farmer by relief of the sufferers in the drought-stricken areas, through loans for rehabilitation and through road building to provide employment, by the development of the inland waterway system, by the perishable product act, by the strengthening of the extension system, and by the appropriation of $125,000,000 to recapitalize the Federal land banks and enable them to extend time to worthy borrowers.

The Republican Party pledges itself to the principles of assistance to cooperative marketing associations, owned and controlled by the farmers themselves, through the provisions of the agricultural marketing act, which will be promptly amended or modified as experience shows to be necessary to accomplish the objects set forth in the preamble of that act.

Tariff and the marketing act: The party pledges itself to make such revision of tariff schedules as economic changes require to maintain the parity of protection to agriculture with other industry.

The American farmer is entitled not only to tariff schedules on his products but to protection from substitutes therefor.

The party pledges itself to make such revision of tariff schedules as economic changes require to maintain the parity of protection to agriculture with other industry.

We will support any plan which will help to balance production against demand and thereby raise agricultural prices, provided it is economically sound, and administratively workable without burdensome bureaucracy.

The burden of taxation borne by the owners of farm land constitute one of the major problems of agriculture. President Hoover has aptly and truly said:

> Taxes upon real property are easiest to enforce and are the least flexible of all taxes. The tendency under pressure of need is to continue these taxes unchanged in times of depression, despite the decrease in the owner's income. Decreasing price and decreasing income results in an increasing burden upon property owners * * * which is now becoming almost unbearable. The tax burden upon real estate is wholly out of proportion to that upon other forms of property and income. There is no farm relief more needed to-day than tax relief.

The time has come for a reconsideration of our tax systems, Federal, State, and local, with a view to developing a better coordination, reducing duplication, and relieving unjust burdens. The Republican Party pledges itself to this end.

More than all else, we point to the fact that, in the administration of executive departments, and in every plan of the President for the coordination of national effort and for strengthening our financial structure, for expanding credit, for rebuilding the rural credit system, and laying the foundations for better prices, the President has insisted upon the interest of the American farmer.

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand. In the solution of this problem the cooperative organization of farmers to plan production, and the tariff, to hold the home market for American farmers, are vital elements. A third element equally as vital is the control of the acreage of land under cultivation, as an aid to the efforts of the farmer to balance production.

We favor a national policy of land utilization which looks to national needs, such as the administration has already begun to formulate. Such a policy must foster reorganization of taxing units in areas beset by tax delinquency and divert lands that are submarginal for crop production to other uses. The national welfare plainly can be served by the acquisition of submarginal lands for watershed protection, grazing, forestry, public parks, and game reserves. We favor such acquisitions.

THE TARIFF

The Republican Party has always been the staunch supporter of the American system of a protective tariff. It believes that the home market, built up under that policy, the greatest and richest market in the world, belongs first to American agriculture, industry, and labor. No pretext can justify the surrender of that market to such competition as would destroy our farms, mines, and factories, and lower the standard of living which we have established for our workers.

Because many foreign countries have recently abandoned the gold standard, as a result of which the costs of many commodities produced in such countries have, at least for the time being, fallen materially in terms of American currency, adequate tariff protection is to-day particularly essential to the welfare of the American people. The Tariff Commission should promptly investigate individual commodities so affected by currency depreciation and report to the President any increase in duties found necessary to equalize domestic with foreign costs of production.

To fix the duties on some thousands of commodities, subject to highly complex conditions, is necessarily a difficult technical task. It is unavoidable that some of the rates established by legislation should, even at the time of their enactment, be too low or too high. Moreover, a subsequent change in costs or other conditions may render obsolete a rate that was before appropriate. The Republican Party has, therefore, long supported the policy of a flexible tariff, giving power to the President, after investigation by an impartial commission and in accordance with prescribed principles, to modify the rates named by the Congress.

We commend the President's veto of the measure sponsored by Democratic Congressmen which would have transferred from the President to the Congress the authority to put into effect the findings of the Tariff Commission. Approval of the measure would have returned tariff making to politics and destroyed the progress made during 10 years of effort to lift it out of logrolling methods. We pledge the Republican Party to a policy which will retain the gains made and enlarge the present scope of greater progress.

We favor the extension of the general Republican principle of tariff protection to our natural-resource industries, including the products of our farms, forests, mines, and oil wells, with compensatory duties on the manufactured and refined products thereof.

VETERANS

Our country is honored whenever it bestows relief on those who have faithfully served its flag. The Republican Party, appreciative of this solemn obligation and honor, has made its sentiments evident in Congress.

Increased hospital facilities have been provided, payments in compensation have more than doubled, and in the matter of rehabilitations, pensions, and insurance generous provision has been made. The administration of laws dealing with the relief of veterans and their dependents has been a difficult task, but every effort has been made to carry service

to the veteran and bring about not only a better and generous interpretation of the law, but a sympathetic consideration of the many problems of the veteran.

We believe that every veteran incapacitated in any degree by reason of illness or injuries attributable to service in defense of his country should be cared for and compensated, so far as compensation is possible, by a grateful Nation, and that the dependents of those who lost their lives in war or whose death since the war in which service was rendered is traceable to service causes should be provided for adequately. Legislation should be in accord with this principle.

Disability from causes subsequent and not attributable to war and the support of dependents of deceased veterans whose death is unconnected with war have been to some measure accepted obligations of the Nation as a part of the debt due.

A careful study should be made of existing veterans' legislation with a view to eliminating inequalities and injustices and effecting all possible economies, but without departing from our purpose to provide on a sound basis full and adequate relief for our service-disabled men, their widows and orphans.

FOREIGN AFFAIRS

Our relations with foreign nations have been carried on by President Hoover with consistency and firmness but with mutual understanding and peace with all nations. The world has been overwhelmed with economic strain which has provoked extreme nationalism in every quarter, has overturned many governments, stirred the springs of suspicion and distrust, and tried the spirit of international cooperation, but we have held to our own course steadily and successfully. The party will continue to maintain its attitude of protecting our national interests and policies wherever threatened but at the same time promoting common understanding of the varying needs and aspirations of other nations and going forward in harmony with other peoples without alliances or foreign partnerships. The facilitation of world intercourse, the freeing of commerce from unnecessary impediments, the settlement of international difficulties by conciliation and the methods of law, and the elimination of war as a resort of national policy have been and will be our party program.

FRIENDSHIP AND COMMERCE

We believe in and look forward to the steady enlargement of the principles of equality of treatment between nations great and small, the concession of sovereignty and self-administration to every nation which is capable of carrying on stable government and conducting sound and orderly relationships with other peoples, and the cultivation of trade and intercourse on the basis of uniformity of opportunity of all nations.

In pursuance of these principles, which have steadily gained favor in the world, the administration has asked no special favors in commerce, has protested discriminations whenever they arose, and has steadily cemented this procedure by reciprocal treaties guaranteeing equality for trade and residence. The historic American policy known as the "most-favored-nation principle" has been our guiding program; and we believe that policy to be the only one consistent with a full development of international trade, the only one suitable for a country having as wide and diverse a commerce as America and the one most appropriate for us in view of the great variety of our industrial, agricultural, and mineral products and the traditions of our people. Any other plan involves bargains and partnerships with foreign nations and as a permanent policy is unsuited to America's position.

CONDITIONS ON THE PACIFIC

Events in the Far East, involving the employment of arms on a large scale in a controversy between Japan and China, have caused world-wide concern in the past year and sorely tried the bulwarks erected to insure peace and pacific means for the settlement of international disputes. The controversy has not only threatened the security of the nations bordering the Pacific, but has challenged the maintenance of the policy of the open door in China and the administrative and political integrity of that people, programs which upon American initiation were adopted more than a generation ago and secured by international treaty. The President and his Secretary of State have maintained throughout the controversy a just balance between Japan and China, taking always a firm position to avoid entanglement in the dispute but consistently upholding the established international policies and the treaty rights and interests of the United States, and never condoning developments that endangered the obligation of treaties or the peace of the world. Throughout the controversy our Government has acted in harmony with the governments represented in the League of Nations, always making it clear that American policy would be determined at home, but always lending a hand in the common interest of peace and order.

In the application of the principles of the Kellogg pact the American Government has taken the lead, following the principle that a breach of the pact or a threat of infringement thereof was a matter of international concern wherever and however brought about.

As a further step the Secretary of State, upon the instruction of the President, adopted the principle later enlarged upon in his letter to the chairman of the Committee on Foreign Relations of the Senate that this Government would not recognize any situation, treaty, or agreement brought about between Japan and China by force and in defiance of the covenants of the Kellogg Pact. This principle, associated as it is with the name of President Hoover, was later adopted by the assembly of the nations at Geneva as a rule for the conduct of all those governments. The principle remains to-day as an important contribution to international law and a significant moral and material barrier to prevent a nation obtaining the fruits of aggressive warfare. It thus opens a new pathway to peace and order.

We favor enactment by Congress of a measure that will authorize our Government to call or participate in an international conference in case of any threat of nonfulfillment of article 2 of the treaty of Paris, Kellogg-Briand pact.

LATIN AMERICA

The policy of the administration has proved to our neighbors of Latin America that we have no imperialistic ambitions, but that we wish only to promote the welfare and common interest of the independent nations in the Western Hemisphere. We have aided Nicaragua in the solution of its troubles, and our marines are remaining in that country in greatly reduced numbers at the request of the Nicaraguan Government only to supervise the coming election. After that they will all be returned to the United States. In Haiti, in accord with the recommendation of the Forbes Commission appointed by the President, the various services of supervision are being rapidly withdrawn, and only those will be retained which are mandatory under the treaties. Throughout Latin America the policy of the Government of the United States has been and will, under Republican leadership, continue to be one of frank and friendly understanding.

WORLD COURT

The acceptance by America of membership in the World Court has been approved by three successive Republican Presidents, and we commend this attitude of supporting in this form the settlement of international disputes by the rule of law. America should join its influence and gain a voice in this institution, which would offer us a safer, more judicial, and expeditious instrument for the constantly recurring questions between us and other nations than is now available by arbitration.

REDUCTION OF ARMAMENT

Conscious that the limitation of armament will contribute to security against war, and that the financial burdens of military preparation have been shamefully increased throughout the world, the administration under President Hoover has made steady efforts and marked progress in the direction of proportional reduction of arms by agreement

with other nations. Upon his initiative a treaty between the chief naval powers at London in 1930, following the path marked by the Washington conference of 1922, established a limitation of all types of fighting ships on a proportionate basis as between the three great naval powers. For the first time a general limitation of a most costly branch of armament was successfully accomplished.

In the Geneva disarmament conference now in progress America is an active participant, and a representative delegation of our citizens is laboring for further progress in a cause to which this country has been an earnest contributor. This policy will be pursued.

Meanwhile maintenance of our Navy on the basis of parity with any nation is a fundamental policy to which the Republican Party is committed. While in the interest of necessary Government retrenchment, humanity and relief of the taxpayer we shall continue to exert our full influence upon the nations of the world in the cause of reduction of arms, we do not propose to reduce our Navy defenses below that of any other nation.

NATIONAL DEFENSE

Armaments are relative and, therefore, flexible and subject to change as necessity demands. We believe that in time of war every material resource in the Nation should bear its proportionate share of the burdens occasioned by the public need and that it is a duty of Government to perfect plans in time of peace whereby this objective may be attained in war. We support the essential principles of the national defense act as amended in 1920 and by the Air Corps act of 1926 and believe that the Army of the United States has, through successive reductions accomplished in the last 12 years, reached the irreducible minimum consistent with the self-reliance, self-respect, and security of this country.

LABOR AND IMMIGRATION

We believe in the principle of high wages.

We favor the principle of the shorter work week and shorter work day, with its application to Government as well as to private employment, as rapidly and as constructively as conditions will warrant.

We favor legislation designed to stimulate, encourage, and assist in home building.

Immigration: The restriction of immigration is a Republican policy. Our party formulated and enacted into law the quota system which for the first time has made possible an adequate control of foreign immigration. Rigid examination of applicants in foreign countries has prevented the coming of criminals and other undesirable classes, while other provisions of the law have enabled the President to suspend immigration of foreign wage earners who otherwise, directly or indirectly, would have increased unemployment among native-born and legally resident foreign-born wage earners in this country. As a result immigration is now less than at any time during the past 100 years.

We favor the continuance and strict enforcement of our present laws upon this subject.

Department of Labor: We commend the constructive work of the United States Department of Labor.

Labor: Collective bargaining by responsible representatives of employers and employees of their own choice without the interference of anyone is recognized and approved.

Legislation such as laws prohibiting alien contract labor, peonage labor, and the shanghaiing of sailors; the 8-hour labor law on Government contracts and in Government employment; provision for railroad safety devices; of methods of conciliation, mediation and arbitration in industrial labor disputes, including the adjustment of railroad disputes; the providing of compensation for injury to Government employees (the forerunner of Federal workers' compensation acts), and other laws to aid and protect labor are of Republican origin and have had and will continue to have the unswerving support of the party.

Employment: We commend the constructive work of the United States Employment Service in the Department of Labor. This service was enlarged and its activities extended through an appropriation made possible by the President with the cooperation of the Congress. It has done high service for the unemployed in the ranks of civil life and in the ranks of the former soldiers of the World War.

Freedom of speech: Freedom of speech, press, and assemblage are fundamental principles upon which our form of government rests. These vital principles should be preserved and protected.

PUBLIC UTILITIES

Supervision, regulation, and control of interstate public utilities in the interest of the public is an established policy of the Republican Party, to the credit of which stands the creation of the Interstate Commerce Commission with its authority to assure reasonable transportation rates, sound railway finance, and adequate service.

As proof of the progress made by the Republican Party in Government control of public utilities we cite the reorganization under this administration of the Federal Power Commission with authority to administer the Federal water power act. We urge legislation to authorize this commission to regulate the charges for electric current when transmitted across State lines.

TRANSPORTATION

The promotion of agriculture, commerce, and industry requires coordination of transportation by rail, highway, air, and water. All should be subjected to appropriate and constructive regulation.

The public will, of course, select the form of transportation best fitted to its particular service, but the terms of competition fixed by public authority should operate without discrimination, so that all common carriers by rail, highway, air, and water shall operate under conditions of equality.

The railroads constitute the backbone of our transportation system and perform an essential service for the country. The railroad industry is our largest employer of labor and the greatest consumer of goods. The restoration of their credit and the maintenance of their ability to render adequate service are of paramount importance to the public, to their many thousands of employees, and to savings banks, insurance companies, and other similar institutions to which the savings of the people have been intrusted.

We should continue to encourage the further development of the merchant marine under American registry and ownership.

Under the present administration the American merchant fleet has been enlarged and strengthened until it now occupies second place among the merchant marines of the world.

By the gradual retirement of the Government from the field of ship operations and marked economies in costs, the United States Shipping Board will require no appropriation for the fiscal year 1933 for ship operations.

ST. LAWRENCE SEAWAY

The Republican Party stands committed to the development of the Great Lakes-St. Lawrence seaway. Under the direction of President Hoover negotiation of a treaty with Canada for this development is now at a favorable point. Recognizing the inestimable benefits which will accrue to the Nation from placing the ports of the Great Lakes on an ocean base, the party reaffirms allegiance to this great project and pledges its best efforts to secure its early completion.

INLAND WATERWAYS

The Republican Party recognizes that low-cost transportation for bulk commodities will enable industry to develop in the midst of agriculture in the Mississippi Valley, thereby creating a home market for farm products in that section. With a view to aiding agriculture in the Middle West the present administration has pushed forward, as rapidly as possible, the improvement of the Mississippi waterway system and we favor a continued vigorous prosecution of these works to the end that agriculture and industry in that great area may enjoy the benefits of these improvements at the earliest possible date.

HIGHWAYS

The Federal policy to cooperate with the States in the building of roads was thoroughly established when the Federal highway act of 1921 was adopted under a Republican

Congress. Each year since that time appropriations have been made which have greatly increased the economic value of highway transportation and helped to raise the standards and opportunities of rural life.

We pledge our support to the continuation of this policy in accordance with our needs and resources.

CRIME

We favor the enactment of rigid penal laws that will aid the States in stamping out the activities of gangsters, racketeers, and kidnapers. We commend the intensive and effective drive made upon these public enemies by President Hoover and pledge our party to further efforts to the same purpose.

NARCOTICS

The Republican Party pledges itself to continue the present relentless warfare against the illicit narcotic traffic and the spread of the curse of drug addiction among our people. This administration has by treaty greatly strengthened our power to deal with this traffic.

CIVIL SERVICE

The merit system has been amply justified since the organization of the civil service by the Republican Party. As a part of our governmental system it is now unassailable. We believe it should remain so.

THE EIGHTEENTH AMENDMENT

The Republican Party has always stood and stands to-day for obedience to and enforcement of the law as the very foundation of orderly government and civilization. There can be no national security otherwise. The duty of the President of the United States and of the officers of the law is clear. The law must be enforced as they find it enacted by the people. To these courses of action we pledge our nominees.

The Republican Party is and always has been the party of the Constitution. Nullification by nonobservance by individuals or State action threatens the stability of government.

While the Constitution makers sought a high degree of permanence, they foresaw the need of changes and provided for them. Article V limits the proposals of amendments to two methods: (1) Two-thirds of both Houses of Congress may propose amendments; or (2) on application of the legislatures of two-thirds of the States a national convention shall be called by Congress to propose amendments. Thereafter ratification must be had in one of two ways: (1) By the legislatures of three-fourths of the several States; or (2) by conventions held in three-fourths of the several States. Congress is given power to determine the mode of ratification.

Referendums without constitutional sanction can not furnish a decisive answer. Those who propose them innocently are deluded by false hopes; those who propose them knowingly are deceiving the people.

A nation-wide controversy over the eighteenth amendment now distracts attention from the constructive solution of many pressing national problems. The principle of national prohibition as embodied in the amendment was supported and opposed by members of both great political parties. It was submitted to the States by Members of Congress of different political faith and ratified by State legislatures of different political majorities. It was not then and is now not a partisan political question.

Members of the Republican Party hold different opinions with respect to it, and no public official or member of the party should be pledged or forced to choose between his party affiliations and his honest convictions upon this question.

We do not favor a submission limited to the issue of retention or repeal. For the American Nation never in its history has gone backward, and in this case the progress which has been thus far made must be preserved, while the evils must be eliminated.

We, therefore, believe that the people should have an opportunity to pass upon a proposed amendment, the provision of which, while retaining in the Federal Government power to preserve the gains already made in dealing with the evils inherent in the liquor traffic, shall allow States to deal with the problem as their citizens may determine, but subject always to the power of the Federal Government to protect those States where prohibition may exist and safeguard our citizens everywhere from the return of the saloon and attendant abuses.

Such an amendment should be promptly submitted to the States by Congress, to be acted upon by State conventions called for that sole purpose in accordance with the provisions of Article V of the Constitution and adequately safeguarded so as to be truly representative.

CONSERVATION

The wise use of all natural resources freed from monopolistic control is a Republican policy, initiated by Theodore Roosevelt. The Roosevelt, Coolidge, and Hoover reclamation projects bear witness to the continuation of that policy. Forestry and all other conservation activities have been supported and enlarged.

The conservation of oil is a major problem to the industry and the Nation. The administration has sought to bring coordination of effort through the States, the producers, and the Federal Government. Progress has been made and the effort will continue.

NEGRO

For 70 years the Republican Party has been the friend of the American Negro. Vindication of the right of the negro citizen to enjoy the full benefits of life, liberty, and the pursuit of happiness is traditional in the Republican Party, and our party stands pledged to maintain equal opportunity and rights for our negro citizens. We do not propose to depart from that tradition nor to alter the spirit or letter of that pledge.

HAWAII

We believe that the existing status of self-government which for many years has been enjoyed by the citizens of the Territory of Hawaii should be maintained and that officials appointed to administer the government should be bona fide residents of the Territory.

PUERTO RICO

Puerto Rico being a part of the United States and its inhabitants American citizens, we believe that they are entitled to a good-faith recognition of the spirit and purposes of their organic act. We, therefore, favor the inclusion of the island in all legislative and administrative measures enacted or adopted by Congress or otherwise for the economic benefit of their fellow citizens of the mainland.

We also believe that in so far as possible all officials appointed to administer the affairs of the island government should be qualified by at least five years of bona fide residence therein.

ALASKA

We favor the policy of giving to the people of Alaska the widest possible Territorial self-government and the selection so far as possible of bona-fide residents for positions in that Territory and the placing of its citizens on an equality with those in the several States.

WELFARE WORK AND CHILDREN

The children of our Nation, our future citizens, have had the most solicitous thought of our President. Child welfare and protection have been a major effort of this administration. The organization of the White House Conference on Child Health and Protection is regarded as one of the outstanding accomplishments of this administration.

Welfare work in all its phases has had the support of the President and aid of the administration. The work of organized agencies, local, State, and Federal, has been advanced and an increased impetus given by that recognition and help. We approve and pledge a continuation of that policy.

INDIANS

We favor the fullest protection of the property rights of the American Indians and the provision for them of adequate educational and health facilities.

REORGANIZATION OF GOVERNMENT BUREAUS

Efficiency and economy demand reorganization of Government bureaus. The problem is nonpartisan and must be so treated if it is to be solved. As a result of years of study

and personal contact with conflicting activities and wasteful duplication of effort, the President is particularly fitted to direct measures to correct the situation. We favor legislation by Congress which will give him the required authority.

DEMOCRATIC FAILURE

The vagaries of the present Democratic House of Representatives offer characteristic and appalling proof of the existing incapacity of that party for leadership in a national crisis. Individualism running amuck has displaced party discipline and has trampled underfoot party leadership. A bewildered electorate has viewed the spectacle with profound dismay and deep misgivings. Goaded to desperation by their confessed failure, the party leaders have resorted to "pork barrel" legislation to obtain a unity of action which could not otherwise be achieved. A Republican President stands resolutely between the helpless citizen and the disasters threatened by such measures; and the people, regardless of party, will demand his continued service. Many times during his useful life has Herbert Hoover responded to such a call, and his response has never disappointed. He will not disappoint us now.

PARTY GOVERNMENT

The delays and differences which recently hampered efforts to obtain legislation imperatively demanded by prevailing critical conditions strikingly illustrate the menace to self-government brought about by the weakening of party ties and party fealty. Experience has demonstrated that coherent political parties are indispensable agencies for the prompt and effective operation of the functions of our Government under the Constitution. Only by united party action can consistent, well-planned and wholesome legislative programs be enacted. We believe that the majority of the Congressmen elected in the name of a party have the right and duty to determine the general policies of that party requiring congressional action, and that Congressmen belonging to that party are, in general, bound to adhere to such policies. Any other course inevitably makes of Congress a body of detached delegates which, instead of representing the collective wisdom of our people, become the confused voices of a heterogeneous group of unrelated local prejudices. We believe that the time has come when Senators and Representatives of the United States should be impressed with the inflexible truth that their first concern should be the welfare of the United States and the well-being of all of its people, and that stubborn pride of individual opinion is not a virtue but an obstacle to the orderly and successful achievement of the objects of representative government. Only by cooperation can self-government succeed. Without it, election under a party ægis becomes a false pretense. We earnestly request that Republicans through the Union demand that their Representatives in the Congress pledge themselves to these principles, to the end that the insidious influences of party disintegration may not undermine the very foundations of the Republic.

CONCLUSION

In contrast with the Republican policies and record, we contrast those of the Democratic as evidenced by the action of the House of Representatives under Democratic leadership and control, which includes:

1. The issuance of fiat currency;
2. Instructions to the Federal Reserve Board and the Secretary of the Treasury to attempt to manipulate commodity prices;
3. The guarantee of bank deposits;
4. The squandering of the public resources and the unbalancing of the Budget through pork-barrel appropriations which bear little relation to distress and would tend through delayed business revival to decrease rather than increase employment.

Generally, on economic matters, we pledge the Republican Party—

First. To maintain unimpaired the national credit.

Second. To defend and preserve a sound currency and an honest dollar.

Third. To stand steadfastly by the principle of a balanced Budget.

Fourth. To devote ourselves fearlessly and unremittingly to the task of eliminating abuses and extravagance and of drastically cutting the cost of government so as to reduce the heavy burden of taxation.

Fifth. To use all available means consistent with sound financial and economic principles to promote an expansion of credit, to stimulate business and relieve unemployment.

Sixth. To a thorough study of the conditions which permitted the credit and the credit machinery of the country to be made available without adequate check for wholesale speculation in securities, resulting in ruinous consequences to millions of our citizens and to the national economy, and to correct those conditions so that they shall not recur.

Recognizing that real relief to unemployment must come through a revival of industrial activity and agriculture to the promotion of which our every effort must be directed, our party in State and Nation undertakes to do all in its power that is humanly possible to see that distress is fully relieved in accordance with American principles and traditions.

No successful solution of the problems before the country to-day can be expected from a Congress and a President separated by partisan lines or opposed in purposes and principles. Responsibility can not be placed unless a clear mandate is given by returning to Washington a Congress and a Chief Executive united in principles and program. The return to power of the Republican Party with that mandate is the duty of every voter who believes in the doctrines of the party and its program as herein stated. Nothing less, we believe, will insure the orderly recovery of the country and that return to prosperous days which every American so ardently desires.

The Republican Party faces the future unafraid!

With courage and confidence in ultimate success, we will strive against the forces that strike at our social and economic ideals, our political institutions.

ADDRESS OF THE TEMPORARY CHAIRMAN OF THE DEMOCRATIC NATIONAL CONVENTION

Mr. ROBINSON of Arkansas. I ask leave to have inserted in the RECORD, pursuant to the agreement heretofore made, the address delivered by Senator ALBEN W. BARKLEY, of Kentucky, as temporary chairman of the Democratic National Committee. The platform of the Democratic convention has not as yet been agreed upon.

The PRESIDENT pro tempore. In accordance with the unanimous-consent agreement recently entered into the same order will be entered in both cases.

The address referred to is as follows:

SPEECH OF HON. ALBEN W. BARKLEY, UNITED STATES SENATOR FROM KENTUCKY, TEMPORARY CHAIRMAN DEMOCRATIC NATIONAL CONVENTION, CHICAGO, ILL., JUNE 27, 1932

Ladies and gentlemen of the convention, we meet to-day in the midst of a solemn responsibility. We meet to chart through seas that are turbulent a safe and steady course for the people of a harassed Nation. We meet to help enable them to remove a shroud and don the garments of life and of hope. We meet to fulfill an appointment with destiny. To-day we meet to make preliminary arrangements for a larger gathering in the Nation's Capital on the 4th of next March, when the nominee of this convention will be inaugurated President of the United States.

We view upon the national and international horizon circumstances which call for the most constructive thought, the most sympathetic understanding and treatment, the most unselfish concentration of purpose of which the world of politics, economics, and morality is capable.

The conditions which face our country and the world charge us with a heavy compulsion to ascertain their causes, to search for their remedy, and to apply that remedy in the most fundamental manner which wisdom can conjure or singleness of purpose consecrate to the service of a great Nation. We must not only diagnose. We must prescribe. We must by a major operation remove from the body of our Nation and the world, both of which are sick and dejected, the dead flesh and decayed bones resulting from 12 years of Republican quackery. We must apply to the hopeful but

misused patient the recuperative processes of a Democracy which for a century and a half has responded in the emergencies which have always beset us at the end of every period of Republican control which lasted long enough for its virus to take effect.

It will be futile to attempt to assign the causes of our present difficulties unless by recognizing we can remove them now and avoid them in the future. In the great disaster which has overwhelmed our country, this convention will be in vain unless it can assist in the erection of a structure of political, economic, and moral hope which holds reasonable assurance of fulfillment and a determination that it shall be fulfilled without shadow of turning.

THE EXISTING DEPRESSION

What are these things of which all men speak and think? These things which hang over us like a pall of deep despair?

We look upon a world that is prostrated; international business that is paralyzed; confidence that has fled from the hearts of men; fear that is enthroned.

We see the credit of nations strained, budgets unbalanced, deficits mounting in public and private treasuries, and institutions which the people trusted no longer able to perform the duties for which they were organized. Millions of able-bodied men who three years ago were usefully employed are to-day without work. And these millions of men and women are not responsible for this tragic change in their fortunes unless they voted to install the present Republican administration.

Prices now received for great staple commodities, like wheat, corn, cotton, tobacco, and numerous others, are less than the cost of their production. Farmers are unable to meet their expenses or pay taxes or interest on mounting mortgages. Merchants are unable to meet their obligations to banks. Investors see their dividends vanishing. Banks have restricted loans until they are filled not only with frozen credit but frozen money. The wheels of industry revolve, if at all, at so sluggish a pace as to appear wholly stationary. The whole business structure of this Nation and the world lies more stagnant and helpless than at any other moment in modern history. This condition was precipitated and has been accelerated by the whole course of history as it has been made by the inept and incompetent leadership of the Republican Party in the United States.

What has occurred since the World War to produce this state of affairs has been a combination of politics and business in politics—a combination of the ineptitude of government and the cupidity of a certain type of business. It is not my function to apportion the responsibility of these forces. But we see and feel the influence of organizations, groups, and of men who a little while ago condemned all governmental activities in the realm of business now crying out to government as the only agency of rescue left to them and to the people.

What fateful Nemesis has wrought this change in our affairs? In what folly have our people indulged, what sin have they committed, that a punishment so cruel, a retribution so appalling should be visited upon them?

AMERICA AT THE PEAK

Twelve years ago we were drawing to the close of a great era. The world's greatest war had drenched its fields in its greatest flow of human blood. We had seen humanity's greatest expenditure of accumulated treasure, the greatest examples of the heroism of the human heart, the greatest display of pure idealism that had ever inspired the human soul.

We were drawing to the close of the most magnificent program of domestic legislation ever formulated or enacted in thrice the period's length. We were drawing to the close of a prosperity not fashioned by the manipulations of political artificers but which was fostered and nurtured in the soil of political equality and economic justice.

We stood at the peak of America's power and influence among the nations of the world. We saw our Nation no longer a debtor to the world, moving hat in hand from capital to capital a suppliant for their bounty. We had become the world's creditor. Out of our ample vaults we had come to supply the means to fight for the world's civilization. And when that struggle had ended we asked for nothing but the respect and friendship of all nations. We claimed no reward but the opportunity to labor with former friend and enemy, now friends alike, in the rehabilitation of torn nations and unhappy peoples throughout the world.

WILSON, LEADER OF LIBERALISM

We were drawing to the close of an epoch whose spiritual delineations were bounded by the horizon of man's accumulated hopes, whose political foundations were set deep in the Jeffersonian philosophy of equal rights, and whose accomplishments squared with every promise ever made in the name of liberty and of justice.

We were drawing to the close of the public career of one whose political ideals, moral steadfastness, spiritual uprightness, unwavering devotion, profound understanding, and fervent prayers for a larger life to all the peoples of the earth made him the acclaimed leader of liberalism wherever democracy is enjoyed or hoped for.

His democracy was world wide. He had a passion, like a divine fire, for liberty, for justice, and for peace. In the war to end war he saw, in his own words, the light of heaven on his blade. Great in leadership, great in character, great in intellect, his chief greatness was his sublime idealism, as manifested in his efforts to bring lasting peace to the world. His monument is among all nations. His earthly resting place is in a great national cathedral in Washington. His immortal fame is in human hearts throughout the world to-day as it will be in the hearts of endless generations yet unborn—the scholar, the philosopher, the historian, the patriot, the statesman, the martyr—Woodrow Wilson.

Came then the campaign of 1920.

In that struggle the Republican Party mobilized every sore spot the war had caused. It magnified every imaginary grievance into a crusade for liberty. It fanned into new flame every national or racial antagonism which had been rekindled by the passions of war. By the grossest deception and misrepresentation ever perpetrated in American politics, by the most base and sordid appeals to ignorance and prejudice, it took advantage of a people disturbed by the rapid transformation in national and world events, won the election in November, and on the 4th of March, 1921, took charge of every branch of the National Government.

It were a pity we can not blot from our memory the events of the next few years. But—

> The moving finger writes; and having writ,
> Moves on; nor all your piety nor wit
> Shall lure it back to cancel half a line,
> Nor all your tears wash out a word of it.

The American people were engaged in a stupendous effort to demobilize in spirit and in body. They were seeking to forget the unhappy sacrifices of war, to gather up the broken threads of peace and turn again their faces to the resumption of a normal life. They were trying to accept the burdens which war had bequeathed in the spirit of that America which transformed a wilderness into a glorious Nation.

While thus occupied, while their backs were turned, while they still possessed that faith in the integrity of public office which from their cradles they had been taught to respect, those who floated into power on the tide of postwar reaction set in motion at once the chain of events which forms the darkest chapter of public betrayal in the history of this or any nation.

THE ERA OF "NORMALCY"

No branch of the Government, no class of the people escaped the malign influence of this era of debauchery. The soldier who pawned his life to his country, the artisan who labored to fashion a nobler conception of man's destiny, the farmer who homeward at the end of day plodded his depressed and weary way, the teacher who in the schoolroom sought to inspire a new generation with pride in the institutions of their fathers, the poor man and the man of wealth who side by side had fought and won in the world's greatest struggle, the minister who from his pulpit pointed the way to a happier and a better life, all were robbed alike of public

domain and private treasure. And they were robbed of something greater than wealth or station. They were robbed of their faith in the moral qualities of a public service they had trusted, a political leadership they had honored, and a conception of public responsibility which for a century and a half they had cherished in their hearts.

Let me say, though, that such a spectacle was but the inevitable fruition of that theory of government which holds that a few people, more fortunate than the rest in wealth, birth, or education, have the right to use agencies of government for the exploitation of the rest of the people in order that they may themselves reap where they have not sown and gather where they have not strewn.

It is the inevitable culmination of that theory which holds that under the forms of law small minorities of the people have the right to rob all of the people, for it is only a step from robbery under the forms of law to robbery in violation of law.

The Nation and the world remember that few of those who were companions in crime ever became companions in punishment.

This was normalcy!

Then came Coolidge. For six years profound silence was mistaken for profound wisdom. We entered the era of laissez faire. It was thought that the people were weary of ideals and of ideas, were nauseated with public corruption and official indecency, and that the course of safety lay in fishing on or near the shores of a shallow political rivulet, free from the squalls of deep-sea activities and safe from the winds generated by the friction of intellectual contacts.

COOLIDGE "ECONOMY AND INFLATION"

While making pious and virtuous overtures to "economy" through the press and in public statement, Mr. Coolidge officially recommended, allowed, and approved increases in the expenses of the National Government of more than $650,000,000.

While claiming to set an example of frugality to all the people by a perpetual prating about governmental savings never accomplished, he encouraged through his own attitude and through the "greatest Secretary of the Treasury since Alexander Hamilton" and the greatest Secretary of Commerce in all history an orgy of speculation and inflation that had no foundation in real values. This régime officially sanctioned, if it did not connive at, a perversion of the functions of the Federal reserve system, which drew from legitimate and productive enterprises billions of dollars in money and credit to be used in the fabrication of false hopes and fictitious values which would have done honor to Crédit Mobilier and the Mississippi Bubble.

Stocks were manipulated, prices pyramided, then split up, then distributed among innocent people under the influence of the opiate of fabulous financial hopes built up by the most gigantic campaign of official ballyhooing ever witnessed in the annals of American history.

When stocks were discerned to decline for as long as two or three days the greatest Secretary since Hamilton would solemnly announce that prosperity had not reached its saturation point, that stock values were not too high or high enough, and forthwith a new list of gullible and credulous men and women were drawn to the consuming flames like helpless moths. Prices again would rise. And when the Delphic words of the Secretary of the Treasury became stale and unheeded the President himself assumed the responsibility of injecting more air into the fluctuating balloon on the ground that neither prices nor values could decline under a Republican administration.

At intervals and between meals the Secretary of Commerce, now the President of the United States, chimed in for whatever moral or immoral effect it might have upon public psychology.

Although the value of farm property and products had declined for eight years; although the small merchant and manufacturer were in deep financial difficulties; although many groups of the people were in no better condition than ever, we were told by White House "spokesmen" and other lesser megaphones that never in history had there been such great and universal prosperity, all of which we were told was promoted by Republican wisdom beyond human understanding.

In the midst of this artificial and abnormal situation, the President, with a foresight that did him credit, announced his lack of choice to run again, and we were precipitated into the campaign of 1928.

It is with that campaign and its results that I now propose to deal.

In that campaign the Republican Party, in its platform and through its candidate, assured the people that the road to perpetual plenty was through their continuance in political power. We were told that through the policies which they had promulgated for eight years, all our political, economic, moral, and intellectual maladjustments would melt away and we would soon be the happy occupants of an earthly paradise.

CAMPAIGN OF BOASTS AND PROMISES

After indorsing the Coolidge administration their platform contained this inspired and prophetic statement:

> The record of the Republican Party is a record of advancement of the Nation. Under Republican inspiration, and largely under Republican executive direction, the continent has been bound with steel rails, the oceans and great rivers have been joined by canals, waterways have been deepened and widened for ocean commerce, and with all a high American standard of wage and living has been established.

If that plank has not entirely rotted away it should be amended by adding the following postscript:

> But the steel rails are no longer needed for lack of commerce, the rivers, canals, and oceans are now useless for lack of trade, while the American wage has disappeared and living is now impossible.

"ABOLITION OF POVERTY" PROPHECY

In his address of acceptance on August 11, 1928, Mr. Hoover invaded the "land of dreams" to utter the following prophecy:

> One of the oldest and perhaps the noblest of human aspirations has been the abolition of poverty. By poverty I mean the grinding by undernourishment, cold, and ignorance and fear of old age of those who have the will to work. We in America to-day are nearer the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but given a chance to go forward with the policies of the last eight years, we shall soon with the help of God be in sight of the day when poverty will be banished from this Nation. There is no guaranty against poverty equal to a job for every man. That is the primary purpose of the policies we advocate.

Mr. Hoover was elected and with him a Congress Republican in both branches. They were given their "chance to go forward with the policies of the last eight years." That they went forward with them the whole Nation and the whole world now testify. Yet, meeting on this very spot two weeks ago, neither in speech nor in platform declaration did the Republican Party refer to this pledge, to their failure to fulfill it, or to the catastrophe "their policies" had wrought.

Under this new worker of miracles poverty was to be abolished and ignorance was to vanish. Homeless and jobless men and women were to be but a memory. Poorhouses were to be preserved as relics and sought for as antiques. Agriculture was to be so rehabilitated that it might shake its fist in the face of industry and proclaim its equality, promised in every Republican platform for a generation.

On the 4th of March, 1929, Mr. Hoover and his Republican Congress took charge of the Government. But every prediction, every promise, every assurance made by them to obtain votes has turned to ashes in their hands, and every pretense has been exposed in all its naked affectation.

Agriculture has continued its collapse. Industry has languished beyond any previous record. Credit has been restricted until finance and productive enterprise are frightened and stagnant, and there is constantly marching a greater army of unemployed men and women in search of honest toil than has ever been experienced by this or any other Nation.

In order to divert the public mind from this ghastly parade of errors and calamities the childish prattle that the Democratic Party had sought to "Smear Hoover" was repeated

from this rostrum by the official spokesman of the Republican Party at its recent national convention.

No fair man or woman wishes to be unjust to Mr. Hoover or his administration. No sentence has ever been uttered by any responsible Democrat or connived at by any Democratic agency that remotely reflected on his personal character or integrity. Nor do we hold him or his administration exclusively responsible for all the evils which have befallen us.

But that the Hoover administration and the policies it has pursued have largely contributed to the disaster which has overtaken ours and the world's affairs no intelligent observer can dispute.

How did they propose to work their magic upon the affairs of the American people? What was to be their remedy for the chronic evils and shortcomings which they quadrennially decried but never dealt with?

BROKEN PROMISES TO AGRICULTURE

It was to be the same old nostrum. Outworn, threadbare, discredited, and ineffectual, it was brought from the closet of Republican antiquities and curiosities. But it was brought, for it was all they had. Accordingly, Congress was convened in extra session to revise the tariff and relieve the farmer.

What relief did agriculture need? From what calamity was it suffering? Out of what ditch did it need to be lifted and who dug the ditch in which it floundered?

The farm population of the United States had declined in 20 years from more than one-half of the people to less than one-third of them. That meant that the consumers of farm products had increased while the producers had decreased. Under the influence of natural law in economics the condition of the farmer should have improved, while, in fact, it constantly grew worse.

The Republican Party had been in control of every branch of the Government for the whole of the eight years which witnessed this unprecedented decline in agriculture. During that eight years Republican orators had boasted of the universal prosperity of the American people; boasted that their policies had produced this happy condition; boasted that no other party and no other policies could have performed the feat. And in his campaign Mr. Hoover had assured us that a continuation of their policies alone could guarantee the maintenance of this so-called prosperity. What, then, was the matter with agriculture?

In 1920 the Republican platform promised to place agriculture on an economic basis equal to that of industry. They promised it again in 1924, which indicated they had not done it since 1920. They promised it again in 1928, which was additional evidence that it had not been done in all the eight years of their incumbency. In their platform adopted here two weeks ago they tell the American farmer they would have done it but were prevented by the drought and the flood.

During that eight years the condition of the farmers had declined to its lowest relative station in the history of the Nation. They saw their property and their products decline more than $30,000,000,000, a sum greater than the value of all the railroads in the United States. Each four years their condition had grown worse, and each four years Republican platforms and candidates made more voluminous promises to obtain their votes.

So they decided to revise the tariff in the interest of agriculture. It was Madame Roland, I believe, who on the eve of her execution exclaimed, "O Liberty, what crimes are committed in thy name!" We might with equal propriety on the eve of a similar fate to the overburdened farmer of America exclaim, "O Agriculture, what crimes are committed in thy name!"

TARIFF PLUNDER AND PELF

When Congress met, Mr. Hoover claimed he wanted only a slight revision of the tariff. A few agricultural increases for the farmer and a few touches here and there to brighten up the industrial picture constituted the mild program he professed as the object of an extra session of Congress.

No candidate or platform of either party in 1928 had promised or threatened a general revision of the tariff. The Republicans had claimed from every stump that the Fordney-McCumber Act of 1922 had brought all the prosperity of which they boasted. The country did not expect, demand, or want an increase in tariff rates. Legitimate and up-to-date industry did not need it, and our international trade and financial and diplomatic relationships were certainly not to be enhanced by the general raising of trade barriers.

But when Mr. Hoover's extra session convened in Washington all the objects of special privilege, all the feeders at the public trough, all those who in campaigns proclaim their opposition to government in business but who between campaigns conspire to ensnare it into use for their special benefit swept down upon Washington like a congregation of harpies. They remained until they loaded the Government and the people with additional burdens through the power of taxation.

All those who believed in special favors to themselves at the expense of the people were on hand. All those who expected to be reimbursed for campaign contributions occupied the amen corner. All those who suffered from antiquated methods and from modern domestic competition were there to ask the Government to supply their deficiency through taxation of the whole people.

GRUNDY'S CAMPAIGN COLLECTIONS

Among the hordes who came for plunder and for pelf was Joseph R. Grundy, who testified under oath in a Senate lobby investigation that for 25 years he had helped to write every Republican tariff enacted into law; that in 1928 he had collected a million dollars to help elect Mr. Hoover and a Republican Congress; and that he was in Washington to see that those who contributed the money were repaid in legislative favors.

He swore that he raised $400,000 to help elect a Republican governor in his State, who later appointed him to the United States Senate, where he continued to exercise his lobbying activities.

In 1913 Woodrow Wilson denounced the lobby which sought to impose itself on the people's legislation during the consideration of the Underwood Tariff Act. He drove them from the National Capital like the Master drove the money changers from the temple at Jerusalem.

But in 1929 and 1930 no voice was raised by President Hoover against the most offensive and insidious lobby that ever invaded the seat of government. No word of denunciation came from him against Mr. Grundy or his associates or subordinates. No word of direction or leadership came from the White House as to the character of legislation that ought to be enacted. Though there was never a moment when his voice could not have restrained the Republican majority in both Houses, that voice was never heard.

And when the thing was done, instead of vetoing it, as more than eleven hundred economists of every political faith from 179 colleges and universities urged him to do, and as a majority of the newspapers throughout the Nation, regardless of politics, urged him to do, he signed it with an apology and assured the American people that his new Tariff Commission would remedy whatever defects it contained.

TARIFF COMMISSION CHANGES NEGLIGIBLE

It has been in force now for two years. The President appointed his Tariff Commission. Yet, during that two years, among the more than 2,000 articles and items subject to its consideration, the Tariff Commission and the President have considered only about 35, and about the only relief the American people have received from this laborious body has been a slight reduction in the duty on pigskins, edible gelatin, and wood flour—which is not edible—while the rates on woven-wire fencing and other articles of necessity to the farmers of the Nation have been increased.

What have been the visible effects of this terrific legislative mistake upon the American people?

Speaking in the Senate on June 13, 1930, just a few days before the passage of this measure, Senator JAMES E. WAT-

son, the Republican leader of the Senate, made this assertion:

I here and now predict [after admitting that there was a depression], and I ask my fellow Senators to recall this prediction in the days to come, that if this bill is passed, this Nation will be on the upgrade financially, economically, and commercially within 30 days, and that within a year from this time we shall have regained the peak of prosperity.

This prediction deserves to take its place beside that other memorable prediction made on March 8, 1930, when President Hoover said, "The depression through which we are passing will be over in 60 days"; or that equally emphatic prediction made by the President in April, 1931, when, with a deficit of nearly a billion dollars then in the Treasury, he said, "There will be no need for an increase in taxes upon the people at the coming session of Congress."

According to these presidential prophecies the depression should have terminated May 8, 1931. But it is still in progress at an accelerated speed, and the Congress has just passed a billion dollar tax measure made necessary by the deplorable conditions to which the present Republican administration has made the largest contribution.

EFFECTS OF HAWLEY-SMOOT TARIFF

Since the enactment of the Hoover-Grundy tariff law more than 40 nations, in self-defense, have followed the example we set them by raising their own tariffs, many of them in specific discrimination against us, and our foreign trade has dwindled to a mere shadow of its former self.

According to the reports of the Secretary of Commerce, our exports to the markets of the world for the single year 1930 declined more than $1,375,000,000, while for 1931 they were only $2,377,000,000, as compared with $5,240,000,000 for 1929, a decline of 54 per cent.

In his official publication the Secretary of Commerce has stated that even in 1931 every State in the Union contributed its share to this export trade and all were benefited by it; that 30 States exported more than ten millions each and that 12 of them exported more than $60,000,000 worth of their products to the markets of other nations.

He declared that 1,400,000 workers were employed in producing our export trade for last year and an equal number employed indirectly because of it. In other words, practically 3,000,000 workers were employed on account of an export trade of $2,377,000,000. Accordingly a loss of $2,850,000,000 in exports between 1929 and 1931 meant the loss of work by no less than 3,000,000 American men and women who are willing and entitled to earn their bread by their daily toil.

We are told that we are self-sufficient; that we are so strong, powerful, independent, and self-reliant that we may close our gates to international commerce and yet assure our own prosperity. But the normal prosperity of the American people depends upon their ability to sell in the markets of the world an average of 10 per cent of their domestic products. This includes agriculture as well as industry. If these markets are destroyed, then our unsalable surplus must be thrown upon the domestic market and disorganize domestic prices still further, or we must cease its production and add still greater numbers to the army of the unemployed.

No great nation can assume such an attitude. No great nation has ever assumed it in the history of the world.

If we view this problem from the standpoint of enlightened selfishness such a policy takes the form of supreme folly.

In recent years we have driven out of the United States factories and branch factories valued at nearly $2,000,000,000, employing 500,000 laborers in foreign countries. In addition, we have invested more than $16,000,000,000 of American money in foreign loans and securities, besides the debts due our Government by the borrowing nations of the world. In all, we have a financial stake of more than $25,000,000,000 invested in other nations, an amount equal to one-twelfth of our total national wealth at present.

How can our debtors or our customers abroad pay us their debts or purchase our goods unless friendly and reciprocal trade relations can be maintained?

In 1928 the population of the world was 10 per cent greater than in 1913; but world trade was 22 per cent greater, showing that the desire among nations for the exchange of the products of their genius and toil grows faster than population.

Yet while world exports for 1931 declined 27 per cent below 1930 and 42 per cent below 1929, our own exports for 1931 declined 37 per cent below 1930 and 54 per cent below 1929.

This explains in part why our commercial attachés in foreign nations have found their services useless and why a great American merchant marine, built by the administration of President Wilson with American labor, in American shipyards, to carry American goods under the American flag to the world's waiting markets, tosses like cork to-day in the idle ports of the Nation.

The continuation of such a program means a loss to American labor, American capital, and American prestige which none but a hopeless provincial could approve and none but a blind and decadent people would longer tolerate.

What shall we do, when given power, to change this program of folly and reverse this process of commercial disintegration?

PROPOSED DEMOCRATIC TARIFF CHANGES

We propose to reduce the exorbitant and indefensible rates of the Smoot-Hawley, Hoover-Grundy Tariff Act. We propose to inaugurate friendly international trade conferences with a view to the reopening of normal trade channels throughout the world. We propose again to start the wheels of industry and afford an outlet for the energies and ambitions of industrious men and women.

By this we do not mean to ignore the legitimate claims of American business. We mean to promote them. We do not propose, like Samson, to pull down the walls of American industry upon our heads. The Democratic Party does not advocate and has never advocated the policy of free trade. But we do object to the use of the power of taxation by small groups to stimulate their particular interests with an artificial invigoration at the expense and to the damage of the whole people. We protest against some of the objects and most of the methods by which such a growth is fastened upon the economic and political life of the Nation.

We have repeatedly proposed already a method by which expert scientific knowledge may be brought to the aid of legislation in the field of economic statecraft.

When the Smoot-Hawley measure was under consideration in the Senate, the Democrats, with the aid of progressive Republicans, sought to set up such a standard in the Simmons-Norris amendment. This proposal made the Tariff Commission what it was intended to be when established by the Democratic Party—an expert, fact-finding body for the assistance of Congress, the sole taxing power under the American system of government. This proposal the Republican Party was able to defeat.

During the present session of Congress the Democratic Party wrote, sponsored, and secured the passage of a measure which ought to lift tariff making above the sordid processes of log-rollers and back-scratchers and place it upon the high plane of scientific knowledge obtained by an expert body responsible to Congress. Under it every article subject to import duties would have been dealt with on its merits free from connection with any other article or interest.

This measure requested and urged the President to enter into conferences and agreements with other nations looking to the reduction of trade barriers between them and ourselves, and thus set an example in the right direction as we had so recently set an example in the wrong direction.

But Mr. Hoover vetoed the measure, because he was not willing to give up the power he held under the Smoot-Hawley Act and to a lesser degree under the act of 1922.

When Great Britain recently enacted her tariff law it was frankly announced that some of the rates were made for trading purposes.

When Canada enacted her retaliatory tariffs against us the way was left open for mutual negotiations and agreements for the resumption of accord and accommodation

in the interchange of our products. But the present Republican administration persistently and doggedly refused to sanction an expression of the legislative will upon this subject, and we are now powerless to make any advancements toward the undoing of the iniquity which we ourselves have inflicted upon our own people and upon the world.

But the enactment of the Smoot-Hawley tariff law was not the only gesture toward agriculture made by this administration. It announced that it would do more than merely put a tariff on prunes and filberts for the benefit of wheat and corn, or on winter tomatoes and Pennsylvania mushrooms for the benefit of cattle and hogs, or on straw hats and cherries in brine for the benefit of cotton and tobacco.

THE FARM BOARD FAILURE

It proclaimed its generosity to the American farmer by proposing to create a Farm Board and give it $500,000,000 with which to "stabilize" him and his products. The law was passed. The Farm Board was appointed. It proceeded forthwith to stabilize the farmer's products. It stabilized wheat from $1.25 per bushel down to 30 cents, corn from 75 cents per bushel down to 20 cents, cotton from 15 cents per pound down to 5 cents, wool from 20 cents per pound down to 7 cents, and every other agricultural product which it touched was stabilized in the same direction.

The farmers were told by the Farm Board and the Secretary of Agriculture, whose farming experience is as broad as his agricultural sympathy, that they should solve the surplus problem by plowing under one-third of their crops. This remedy must have been copied from one offered by President Hoover when as Secretary of Commerce he announced that the trouble with the farmer was that he had too large a surplus and that the solution of that problem was for the farmer to produce less and eat more.

The difference between these two modern solutions of the growing problem of surplus distribution was that one commanded the farmer to consume his own surplus and the other suggested that he plow it under.

This profound solution of the great agricultural enigma has cost the American people $500,000,000 at the hands of a party and a candidate heretofore proclaiming everywhere their opposition to "Government in business."

Neither the tariff law nor the Farm Board was a solution of the American farm problem. Neither touched the fundamental difficulty. Indeed, one of them, if not both, intensified it. The tariff law increased the burdens on the farmers with no reciprocal benefit to them. Hence, while to-day they are selling the products of their labor at prices lower than have prevailed for half a century, they still pay war prices for the machinery with which they produce them. In the meantime their debts and taxes have increased as their income has dwindled, so that it requires three and four times the amount of products to pay debts to-day that was required when the debts were contracted.

AGRICULTURAL RELIEF PROPOSALS

What shall we do about this problem when we come into power? What remedy shall we offer for this accumulation of evils which barren fulminations and antiquated formulas have created and aggravated?

It is not my function to write a platform or suggest the details of legislation. But I feel warranted in giving assurance that the Democratic Party will first attempt to remove from the shoulders of agriculture a portion of the unnatural burden which it bears because others have been able to shift it there through special legislation in their own behalf.

We shall undertake to open the channels of trade which are so essential in the discovery and capture of markets for the sale of farm products.

We shall consider the enactment of laws setting up cooperative agencies through which the farmer may work out his own problems over a period of years.

We shall undertake to afford in this emergency the character of relief which has been so generously granted to other forms of industry and finance.

We shall reduce the constantly increasing burdens of extravagance in government by the elimination of all unnecessary and unproductive governmental activities which have grown up without precedent in the history of the world.

We shall take the Government of the United States out of the dubious adventure of speculation in the products of the farm. We shall assist the producer of surplus crops to get the surplus out of the country into the world's markets and obtain for that consumed at home an amount equal to the world price plus whatever advantage may accrue from our domestic conditions and our international trade relationships.

We will install at the head of the Department of Agriculture a Secretary who has some knowledge of the subject and some sympathy for those who struggle with it.

These questions of agriculture, industry, and commerce are inseparably bound to those of employment and unemployment, concerning which the present administration has been equally derelict and impotent and about which its spokesmen two weeks ago were ominously silent from this rostrum.

Not only have they been impotent and derelict, but in their dealing with the whole subject there has been an unworthy lack of frankness with the people. Instead of recognizing and revealing the truth about unemployment, every agency of concealment and denial at their disposal has been employed to hide the truth and prevent the promotion of suitable relief.

When every well-informed person and organization knew that there were five or six million idle men and women in the nation in 1930 and 1931, the Departments of Labor and Commerce were claiming there were only two or three millions.

OUR COMMISSION FORM OF GOVERNMENT

When faced with unpleasant facts and conditions which it has helped to bring about, the policy of this administration has been to cross the street or appoint a commission. We are the only nation in the world now living under the commission form of government.

Not only have they refused to deal frankly with the people about this vital social and economic problem, but they have almost failed to deal with it at all and have exhibited a lack of sympathy almost unbelievable.

When a great drought in 1930 brought privation to the people of 21 States of this Union, and Congress was seeking to provide crop and harvesting loans to the farmers of these States, we were told by a Chief Executive advertised as a great humanitarian that while we might appropriate funds to buy seed for lands and feed for animals, any measure would be vetoed that contained a dollar for the purchase of food for human beings or that even mentioned the word.

When a measure was pending in the Senate providing relief for unemployment, which had in part at least been caused by the short-sighted policies of the Republican Party, all the pressure that could be exerted by an indifferent and incompetent administration was exerted against its passage.

When a great Democratic Senator, ROBERT WAGNER, of New York, secured the passage of three measures dealing with unemployment in a constructive and permanent manner, the President grudgingly approved two of them, claiming they had been originated by two unknown subordinates in the Department of Commerce, while he vetoed the third on the pretext that it interferred with existing agencies.

Although Democrats in Congress have been asked to cooperate, and have cooperated in every way in this great emergency, every effort has been made and every device resorted to in order to deprive any Democrat of the credit due him for his labors in behalf of the employed and unemployed workers of the Nation.

This blight of official jealousy, always to be found among the indifferent and the inferior, has been especially manifest and virulent in the recent work of Congress in regard to unemployment legislation.

This administration and its silent spokesmen in Congress avoided every effort at relief and ignored the need for it until the Democrats brought forward a program of action. They became then suddenly interested in the subject, but

more interested in trying to deprive Democrats of credit for its solution than in its actual solution. Whatever legislation has been secured has been wrung from the President and his supporters in Congress because they could not help themselves.

This lack of foresight, understanding, sympathy, and courage has aggravated a condition already bad until it has become one of the greatest social dangers this Nation has ever confronted.

It is not a wholesome thing to have eight or ten million men and women unable to procure labor from which to support themselves and their families in a Nation which has boasted of its supreme wealth. We are happy to give credit to these loyal and patriotic, though idle and hungry, millions for the fortitude they have shown in this great emergency.

RESPONSIBILITY FOR UNEMPLOYMENT RELIEF

For months in Washington there has been raging an academic debate over the primary responsibility of communities, States, and the Nation to afford relief and procure work for the idle.

Beyond question there is a primary local responsibility which all must acknowledge. But we need not ignore the fact that the innocent victims of this disaster draw no fine-spun or legalistic distinctions between local and national responsibility. While we believe in and insist on the primary obligation of local agencies, we do not believe that a great nation, supported in peace by the peoples' taxes and in war by the shedding of their blood can or will see its defenders or their dependents suffer from want or neglect while we engage in a sophomoric dispute over the identity of first aid.

While unemployment is more acute at present than in normal times, we can not ignore its presence at all times to some extent.

We have made a god of mass production in America. We have boasted that we gave to the world most of the inventions by which the labor of the human hand has been eliminated or reduced.

In our enthusiasm over the advent and the benefits of the machine we have overlooked the hardships brought to those who have been displaced. We would not turn back the clock of advancement to the methods of an antiquated century. But if these changes have been the boon to society, which we believe and proclaim, then society must find a way by which the displaced members of its own ranks may sustain themselves and their families in comfort and self-respect.

If a permanent condition has been reached in which all the people may work three-fourths of the time or three-fourths of them all the time, then there is but one course left in justice to all the people. If there is not enough work for all the people all the time, there must be a distribution of that labor among all of them so that each may have his share according to his needs and ability and opportunity. If this means the shortening of hours or of days, society will have to adjust itself to this new order. If it means the inauguration of the 5-day week or the 6-hour day, as I believe it must, in order that all who will may share in the toil upon which all must depend, then society must pay the price of its own comfort and advancement.

The questions of production and distribution of employment and unemployment, of profits and losses, of success and failure in every field of human endeavor are vitally affected by the attitude of the Government toward the fruits of our labors, toward the share of those fruits which Government will exact in the form of taxes.

We have been regaled in recent weeks by presidential anathemas against intended Democratic victims on the subject of reduction in the expenses of the Federal Government.

But when did the presidential mind become aroused on this subject? Not until it was thought some political advantage might be obtained in an hour of official depression and despair by a show of courage and determination. Another sham battle had to be fought in order to divert public attention from the record and the facts.

ENORMOUS INCREASE IN COST OF GOVERNMENT

Regardless of differences of opinion on other subjects, we must confess that the cost of government in the United States has increased out of all proportion to the needs of the people or to the benefits received by them. This is true of all governments—national, State, county, and municipal. The American people are more tax-minded to-day than ever before in the history of the Nation.

In 1900 the expenditures of the Federal Government were $650,000,000. To-day that amount barely pays the interest on our public debt.

In 1914 the cost of the Federal Government was $1,000,000,000. In 1931 it was $4,820,000,000, an increase of 480 per cent, and for 1932 it is more than $5.000,000,000, an increase of more than 500 per cent.

In 1900 the amount contributed by each American citizen to support the National Government was $9.25. For 1932 it is $42.

The total cost of all local, State, and National Government in 1913 was $3,000,000,000. For 1932 it is more than $14,000,000,000, or $115 for every man, woman, and child beneath the flag, an increase of more than 800 per cent in 19 years, and amounting to more than 30 per cent of our total national income.

In the last three years the total annual income of the American people has declined from $85,000,000,000 to $45,000,000,000. Yet the cost of government for the same period has increased $2,000,000,000 per annum. Most of this increase has occurred in the Federal Government under the administration of Mr. Hoover, and most of it has been incurred by the use of credit and money in a frantic effort to offset the baneful effects of the course pursued by this same incompetent administration.

That this condition creates an intolerable situation which calls for immediate and drastic treatment no sensible person can deny. That there has been evasion, deception, and timidity with reference to it among responsible heads of our Government is equally obvious.

During the famous era of Coolidge economy the expenses of the National Government increased more than their total cost in the year 1900.

While under Mr. Hoover from 1929 to 1932 they increased practically $2,000,000,000, during that whole time only casual reference was ever made to the word "economy."

In July, 1931, with a Treasury deficit of nearly $1,000,000,000, and again in December when Congress met with a prospective deficit of $2,240,000,000, only incidental mention was made in the President's message of the subject of economy.

DEMOCRATIC ECONOMY IN CONGRESS

The Democratic House of Representatives reduced appropriations requested by the President by more than $100,000,000, and the Democrats of the Senate forced appropriation bills back to committee with instructions to reduce them by at least another 10 per cent.

When through an Economy Committee efforts were made to reduce expenses still farther, the President denounced what he called a "locust swarm" of lobbyists around the Capitol opposing reductions, but failed to announce that the chief "locusts" in size, frequency, and activity were members of his own Cabinet, who opposed reductions in their own departments.

But when at last in the Senate additional reductions were effected amounting to more than $200,000,000 per annum, the whole program was torpedoed by the President himself because his pride in a pet gesture was greater than his desire for actual relief to the tax-burdened people of the United States.

Therefore, the failure to lift from the American people any appreciable part of the burden that now bears them down lies at the doors of the President of the United States and his chiefs of state.

What will the incoming Democratic administration do about this imperative situation? Do we propose to reduce the expenses of government or merely to hold conversation about it? Do we propose, as our opponents have done, to let not our right hand know what our left hand is doing, and keep our lips ignorant of both?

Our answer again is emphatically no! We propose to reduce the expenses of this Government not only for its own sake and that of the people, but as an example to smaller units throughout the Nation. We propose to abolish every useless office, every unnecessary bureau and commission which has grown by what it fed on until the total has become an insufferable weight upon all the activities and resources of the American people.

They will never be abolished by those who now operate them. A new Hercules must clean out these Augean stables.

While the breakdown in the processes of effective and intelligent government has been no greater than the breakdown in the confidence of the people, at no point is the complete rout of confidence more apparent or striking than in the banking situation.

LAST DECADE MARKED BY BANK FAILURES

We have heard by far the most about the 3,800 banks which failed during the 15 months from October, 1930, to January, 1932. Their deposits amounted to almost two and a half billion dollars and their failures threw the public into a state of panic. Deposits were withdrawn and money was hoarded to an amount estimated at one and a half billion dollars.

But these were not the beginning of bank failures in the United States. During the years from 1921 to October, 1930, there were 6,400 bank failures in the Nation. These were mostly in the Western and Southern States and were glibly attributed to mismanagement and speculation in farm lands. It was only when the larger failures began to occur in the larger cities that the subject received serious attention in high official quarters.

Since the beginning of 1921, which covers the period of complete Republican control, we have had more than 9,800 bank failures, involving deposits of more than $4,600,000,000, while for eight years under Woodrow Wilson only 499 banks closed their doors involving deposits of only $165,000,000.

The number of banks that have failed and the amount of deposits involved since the beginning of the Harding administration down to this date are greater than the total number of banks and the total amount of deposits in all the banks in the Nation 40 years ago.

Yet what has the present administration done to correct any fundamental defects in our banking system? What have they done to ascertain the causes of these financial disasters?

Where are the great financial master minds supposed to lurk in the ranks of Republican leadership?

Mournful silence is the sole answer that comes back to us in response to all these questions.

Congress passed the Reconstruction Finance Corporation act, the Glass-Steagall Act, and created one or two other agencies of temporary resuscitation, with the active, constructive, and intellectual assistance of Democrats in both Houses of Congress. But everybody knew, as they know now, that these measures did not remotely touch the fundamental causes of the disaster and were only designed as governmental pulmotors to keep life in the patient until nature could take its course or a major operation could be performed. The only constructive measures brought forward in this Congress originated with the Democratic membership of that body. If any fundamental or permanent remedy for any of our financial and economic ills has found lodgment amid the welter of irresponsible Republican incompetency, it had been carefully and successfully concealed and is still a profound secret.

It is the more amazing and exasperating that all this lack of intelligent study and assistance in the rational conduct of government where it touches industry should prevail in a period during which the functions of government have been increased beyond all previous history.

What shall we do about it when given power and responsibility?

DEMOCRATS WOULD STRENGTHEN BANKING SYSTEM

The Democratic Party gave to the Nation the Federal reserve system. But no law is better than the men who administer it. The functions of this system have been greatly misused and perverted by those who still work with old formulas and are held by the spell of ancient controversies and passions.

What will restore public confidence in banking itself and in its ability to perform the duty for which it is designed? What remedy can be applied to prevent the world's largest number of bank failures in the world's richest nation?

Consideration should be given to the revision of the Federal reserve act to insure more direct contact with commercial banks and borrowers.

We should restrict the channels of stock-market operations and expand those of commercial operations.

There should be reorganization in the personnel of reserve banks where necessary.

There should be a fair and adequate system of investment-banking control and regulation, applying to investment banking the same quality of regulation now applied to commercial banking.

This means that banking institutions as such should be divorced from stock-market operations of the character seen in recent years, which contributed to the collapse of our financial institutions and the loss of billions of dollars and the confidence of the people.

There should be encouragement and regulation of independent institutions devoted to the purchase, sale, issue or underwriting of legitimate securities, public and private.

There should be improvement in the supervision and examination of all banking institutions, and more cooperation in the supervision and control of State and national banks.

There should be some reasonable form of workable and enforcible assurance against bank failures and against loss when failures occur to insure greater confidence among depositors and investors. Unless some permanent and fundamental remedy for this condition can be found and applied, both finance and statecraft will have to acknowledge themselves as bankrupt as the institutions which have collapsed before their eyes.

FOR PERMANENT SOLUTION OF PROHIBITION PROBLEM

Any discussion of the functions and problems of the State and National Governments is incomplete without some reference to the policy involved in the eighteenth amendment to the Constitution. While the discussion of this subject frequently arouses animation and prejudice which cloud the soundness of judgment and the wisdom of decision, nevertheless at this time it deserves that calm and earnest thought which may lead the American people to its wise and permanent solution.

It serves no useful purpose now to quarrel over the process by which it was incorporated in the Constitution. It was adopted by the same constitutional methods which were followed in the adoption of all other amendments to that instrument. So long as it is a part of that Constitution no citizen of the Republic has a legal or moral right to violate it.

But any American in the exercise of the functions of citizenship has the same right to advocate the change or repeal of any law which he has to advocate its enactment in the first instance. While those who have supported this amendment have been and are actuated by the loftiest motives of service to society, we must admit that neither the amendment nor the laws made for its enforcement are beyond the power or right of revision, amendment, or abrogation by the will of the people.

It is manifest, therefore, that a reexpression of the will of the American people on this great question is advisable and justified in the most direct and effective manner possible under the Constitution.

This Government is the people's government. The Constitution is their Constitution. From its foundation the

Democratic Party has believed in the people, has extended their power and relied on the soundness of their ultimate conclusions. It is not afraid to risk their judgment now upon a great moral and economic problem which affects their homes and their national welfare.

Two weeks ago in this place the Republican Party promulgated what it called a plank on the subject of the eighteenth amendment. But it is not a plank. It is a promiscuous agglomeration of scrap lumber. At one point it proclaims its opposition to the repeal of this amendment and at another it announces its support of its repeal in States where the people want it repealed or made inapplicable. It defies definition.

Whatever may be the divergent views of men and women on the merits or demerits of the eighteenth amendment as a national policy, it is inconceivable that this or any other part of the Constitution of the United States should apply to only a part and not the whole of the American Nation. That great instrument declares that "this Constitution and the laws made in pursuance thereof shall be the supreme law of the land." But it can not be the supreme law of the land if it can be abrogated by the people of a part of the land while remaining in force over the rest of them. Such a conception destroys the very nature and structure of the Constitution, for if it can be made thus to qualify one of its provisions, it may be made to qualify all of them. This would be the end of the Constitution itself.

FOR RESOLUTION REPEALING EIGHTEENTH AMENDMENT

Under these circumstances this convention owes it to the people of the Nation to make its declaration upon this subject clear, understandable, and unequivocal. There is no reason why the people should be deceived or deluded. There is no reason why a political declaration should look in every direction and see nothing. In order, therefore, to obtain the present will of the American people on this subject of universal controversy, this convention should in the platform here to be adopted recommend the passage by Congress of a resolution repealing the eighteenth amendment and its submission to the people of the States through conventions whose delegates shall be chosen upon this issue alone. If the people are to pass again upon this question, let them pass upon it in such bald, naked, and unequivocal terms as to make their decision intelligent and certain. If their verdict shall be in favor of retaining the eighteenth amendment in the Constitution, let every true citizen of the Nation accept the decision and abide by it in letter and in spirit. If the verdict shall be for the repeal of the amendment, then, let every branch of the National Government exercise all the powers it possesses to protect the States in the observance and enforcement of the laws which they shall enact to control, regulate, or prohibit the traffic in intoxicating liquors.

In the light of the failures of Government as we have experienced them in the United States under Mr. Hoover and his Republican predecessors, it is not strange that in 1930 the people of the Nation repudiated their leadership and chose a Congress democratic in one branch and equally divided in the other.

For seven months that Congress has been at work. It was called upon to do in haste what should have been done months before in calm deliberation. A display of the slightest foresight, a courageous facing of the situation as it could and should have been faced early in 1931, could have resulted in the deliberate enactment of provisions which later became matters of feverish precipitation.

But it was not done. The cry went out that what business and finance and agriculture and everybody wanted and needed was for Congress to go home and let the President have a free hand, a feeling not altogether unrelated to the wishes of the White House itself.

Congress went home. The President was left a free hand. But his magic wand failed to perform its miracles. Empty phrases of optimism and reassurance, based on nothing, no stimulated business or confidence, and when Congress assembled in December it had at once laid on its doorstep the greatest category of emergency needs that has confronted Congress since the World War.

COOPERATION BY DEMOCRATIC CONGRESS

How did that Congress approach the performance of its duties?

Did it proceed to play politics as the Republican Congress played it during the last two years of Woodrow Wilson's tenure?

Did it waste its time and the people's money in the appointment of meandering committees intended to delay legislation and embarrass a President and a political party?

Again the answer is emphatically no. To a degree never before known in times of peace, and rarely even in war, we joined with our opponents in rendering a common service to our common country. We sought no party advantage at the peril of the Nation's welfare.

In order to balance a budget we had not unbalanced, we helped to pass a revenue bill levying more than a billion dollars in new taxes upon an already overtaxed people, though many of its provisions violated convictions which for a lifetime we had entertained.

As often in our dealings with other nations partisanship has ended at the water's edge, so in the face of a national catastrophe we did not bring about we have not thought in terms of the Democratic Party but in terms of America. We were in the midst of an emergency. Our house was on fire, and we could not stop to dispute over the brand on the hook and ladder. Though the fire chief was known to be vacillating, uncertain, timid, and afraid of the smoke and flames, we have tried to make the best of it and get along with him until we can secure a better one, which we expect to do on the 4th of next March.

A few words more and I shall have finished.

Is there anything wrong with this country of ours? Has the character of our people changed? Are they less resolute or resourceful than of yore? Are they weaker or more supine than the generations of the past? Has the light of genius fled from them? Have their cunning, their industry, their patience, their dauntless courage departed?

We have yet our fair land, its rivers, its mountains, its soil, its climate, its natural resources touched only on the surface. We have yet the most cosmopolitan population, drawn from the quarters of the globe, which ever inhabited any nation in human history. We have yet our will to work. Republican leadership has deprived us of work for the time, but we still have the will.

No, my countrymen, there is nothing wrong with this Republic except that it has been mismanaged, exploited, and demoralized for more than a decade by a leadership incomparably shortsighted and bereft of true statesmanship, incapable of understanding and dealing with fundamental causes, and incapable even now, in the midst of its fearful havoc, of understanding the extent of its own mischief.

COUNTRY SOUND, BUT MISMANAGED

No, my countrymen, there is nothing wrong with our people except that they have followed prophets who were false, blind, and insensible to their own limitations.

In all the generations of American history the people in every great crisis have turned to the Democratic Party to lead them from the wilderness of disappointment and disaster.

It was so in 1800, when the profound and gifted father of American democracy, Thomas Jefferson, led the people from incompetence and reaction to new heights of popular government.

It was so in 1828, when Andrew Jackson drove out the congregation of the unholy and the unrighteous and restored to the people the government of Jefferson.

It was so in 1884, when Grover Cleveland returned to the people and to their Government the priceless heritage of a principle that "public office is a public trust."

It was so in 1912, when Woodrow Wilson gave a new interpretation to the inarticulate cravings of the human heart

and set the ideals of a world above the sordid machinations of selfishness and brutal greed.

It will be so in 1932, when the principles here announced and the leaders here chosen will in the name of a people betrayed, bewildered, and misled redeem for them a land despoiled and made barren by those who know not the ways of wisdom or of providence.

Such a nation, such a people, need only the glimmer of a new hope, the inspiration of a new goal, the stimulus of a new battle cry, and the marching orders of a new commander.

That hope, that goal, that battle cry, that commander we shall present to them ere we shall adjourn this convention. He will be the choice no less of farm than of city dwellers. He will be experienced and tested no less in national than in State affairs. When chosen to the high station whereunto we shall nominate him, we pledge his dedication to the service of the whole Nation without regard to class or creed or section.

God of our Fathers, in this hour of the Nation's travail, amid broken hearts, blasted hopes, faces that are drawn, and feet that are eager for the road to labor and to happiness,

Be with us yet,
Lest we forget,
Lest we forget.

PROHIBITION

Mr. SHEPPARD. Mr. President, some days ago a letter from Mr. John D. Rockefeller, jr., criticizing prohibition, was placed in the RECORD. I submitted that letter to Col. Amos W. W. Woodcock, Director of Prohibition, and asked him to comment. I wish to place in the RECORD Colonel Woodcock's reply to me in reference to the statements in Mr. Rockefeller's letter, and, following that, a letter to me from Mr. Otto T. Johnson, of Worcester, Mass., in reference to the operation of prohibition in St. Johnsbury, Vt., together with the table attached to the letter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
BUREAU OF PROHIBITION,
Washington, June 23, 1932.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

DEAR SENATOR SHEPPARD: This letter is in reply to yours of June 15, in which you referred us to a recent open letter published in the newspapers of June 7, by John D. Rockefeller, jr. We have seen only the newspaper reports of this letter. If Mr. Rockefeller is reported correctly, it seems obvious that he has based his conclusions to some extent upon misinformation.

1. Mr. Rockefeller states that drunkenness generally has increased. This is a very general statement and by no means definite. It is not stated whether drinking has increased this year, last year, or in the past 10 years, or whether there is more drinking now than before prohibition. It occurs to us that a survey made of the possible production of illegal liquor in the United States for the fiscal year ending June 30, 1930, indicates that the consumption of liquor in that year was materially less than in the last year of unrestricted manufacture and sale of liquor (1914), before war-time restrictions and national prohibition became effective.

This survey was based upon an examination of raw materials that might be used for the production of alcoholic beverages, such as molasses, corn, cane and beet sugar, hops, and grapes. From the total production of these commodities the amounts used in legitimate commerce were deducted. The balance that could not be accounted for it was assumed might have been made into alcoholic beverages. The whole survey was a more or less accurate guess. It is not possible in a survey of this kind to get definite and scientific results. Our investigation showed that it might have been possible to make the following quantities of illegal alcoholic beverages:

	Gallons
Distilled spirits	73,368,500
Homemade wine	118,476,000
Home-brewed beer	684,476,000

We did not mention in the survey—but it is the truth—that a very small per cent of this total gallonage got into the liquor traffic. The bulk of the homemade wine and home-brewed beer consumed in this country is made in the home and consumed in the home, and it is not made for sale. Bootleg traffic consists of the sale of spirituous liquor, on account of its relatively small bulk and greater value.

In 1914 the following amounts of alcoholic beverages were withdrawn tax paid:

	Gallons
Wine	52,418,000
Malt liquors	2,056,407,108
Distilled spirits	143,447,227

Assuming that all of the illegal liquor that might have been made in 1929–30 was actually made and consumed, it would amount to only about one-third of the amount known to have been consumed in the year 1914.

2. The statement is made that the speak-easy has replaced the saloon, not only unit for unit but probably twofold if not threefold. This has been the stock argument of associations opposed to the eighteenth amendment and the national prohibition act for several years. Unfortunately, no general survey of the speak-easy situation in the United States has been made. Two surveys that we have in mind made in selected cities show the direct opposite of this statement to be the truth.

In March, 1931, the Detroit police department made a survey of the number and location of the premises suspected of illegal sale of liquor in the city of Detroit. In April, 1931, they reported that there were 1,561 suspected premises. They took immediate steps to have these places vacated by the owners under threat of temporary injunction. A recheck of the suspected places in August, 1931, showed that 777 had been voluntarily closed, leaving 884 still under suspicion on that date. It had been stated previous to this survey that there were 28,000 open illegal saloons in the city of Detroit. This statement appeared in several popular magazines and was carried as a story by the newspapers. Here is an example of a careful and accurate survey compared with an irresponsible rumor.

On April 11, 1932, in the city of New York, the prohibition administrator of that district caused a survey to be made of the Borough of Manhattan for the purpose of locating all premises suspected of selling liquor. The result of this survey showed that there were 3,494 places where liquor might be sold. Of these places 2,182 were speak-easies, 927 restaurants, 286 cordial shops, and 119 night clubs. Since April 18 the agents have made efforts to purchase or otherwise secure evidence in every one of these places and have succeeded in 1,898, of which 600 would be classed as night clubs or restaurants, and the remainder as speak-easies. Further investigation is continuing of the remainder. In 1929 the police commissioner of New York stated that there were 32,000 open illegal saloons in New York City, and since that time statements have been made placing the figure as high as 60,000. Here again a careful, accurate survey discounted unfounded rumors.

3. The statement is made in the newspaper report of Mr. Rockefeller's letter that a vast army of lawbreakers have been recruited and financed on a colossal scale from the illegal sale of liquor. Again it is a very difficult thing to analyze such a general statement. One bit of evidence on this subject is contained in a speech made by the Hon. William D. Mitchell, Attorney General of the United States, over the radio on Saturday May 16, 1931. We quote from this speech:

"The assertion has been made that the principal source of gang power is the profit derived from illegal liquor traffic and the elimination, by some means, of this source of revenue would put an end to criminal gangs and racketeering. In the recent income-tax prosecutions against a number of these organized gangsters, it was developed that on an average not over 20 per cent of their revenue came from liquor traffic, and this has been diminishing, and if this be an indication of general conditions, the removal of illicit liquor traffic as a source of revenue would not end gangsterism and racketeering."

4. The statement that many of our best citizens, piqued at what they regarded as an infringement of their private rights, have openly disregarded the eighteenth amendment, is, of course, a statement of opinion. It may be, and possibly is, true in some limited instances.

6. The statement is made that crime has increased to an unprecedented degree, the inference being that this increase in crime is due to the eighteenth amendment and the national prohibition act. It would take a volume to analyze the crime situation in the United States. Possibly two outstanding features of the criminal situation may indicate that the statement referred to is an exaggeration, and may show that the information on which it is based is not wholly accurate. In the first place let us examine the commitments to Federal prisons for liquor-law violations in the past 11 years. This naturally shows a marked increase due to the fact that there is a growing tendency on the part of States and State governments to let the Federal Government do most of the enforcement of the national prohibition act. The record for commitments follows:

COMMITMENTS TO FEDERAL PRISONS FOR LIQUOR-LAW VIOLATIONS

1920	301
1921	234
1922	61
1923	179
1924	422
1925	606
1926	560
1927	620
1928	1,231
1929	1,882
1930	4,973
1931	4,961

A better picture of prison inmates and the cause of their confinement is given in a very carefully prepared article in the CONGRESSIONAL RECORD by Representative BACHMANN, on June 6, 1930, volume 72, part 9, pages 10209 to 10212. In this article, based on census reports, it is stated that all prisoners confined in State prisons on January 1, 1930, totaled 116,670. Those in State prisons for violation of the State prohibition laws were 4,037, or 3½ per cent of the total inmates. On June 30, 1931, inmates in Federal prisons were 10,170. Of that number 4,961, or roughly 50 per cent, were confined for violation of the prohibition laws. The total number of prisoners in the United States in both Federal and State institutions, who were there for violation of the liquor laws, does not exceed 5 per cent of the total prison population.

In the second place let us examine arrests for drunkenness, which are used largely by opponents of the eighteenth amendment to prove that drunkenness, and consequently the drinking of liquor, has increased since January 16, 1920. No criminal statistics that we know of are more deceptive than arrests for drunkenness. To interpret them correctly, one must have an accurate knowledge of the background of each community in which the statistics were collected. Before referring to statistics of specific cities, we should like to make this general statement—that since 1920 there has been a marked change in the definition of drunkenness and in the policy of police departments toward intoxicated persons. Prior to 1920 no intoxicated person was arrested who could go or be taken to his home, or who was not breaking the peace, or endangering the safety of himself or others. Since 1920, the policy of most police departments is to arrest everyone suspected of being intoxicated. In the case of automobile drivers, police departments have instructed their officers to arrest anyone with the odor of liquor on his breath, if he is involved in a traffic violation. Police departments have increased in size much faster than the communities that they serve. They have become more efficient. The motorization of police departments has added to this efficiency.

Police chiefs who have commented on the subject of arrests for drunkenness have uniformly stated that if the same action toward intoxicated persons had been observed by their departments prior to 1920, the arrests in those prior years would have been ten times as many as appear in the records.

We have made a lengthy analysis of arrests for drunkenness in certain selected cities. A brief synopsis of this work is attached to this letter.

Yours very sincerely,

A. W. W. WOODCOCK,
Director of Prohibition.

ANALYSIS OF ARRESTS FOR DRUNKENNESS IN SELECTED CITIES

Since 1920 there has been increased efficiency in recording and tabulating statistical information concerning activities of police departments. This increased statistical efficiency was evident first in the larger cities. While very few police departments have adopted the method of crime reporting recommended by the International Association of Police Chiefs, yet the improvements made have resulted in bringing into the records a greater number of the arrests made that formerly were not recorded. In the early years of the period under consideration it will be noted that the trend of arrests was sharply upward. The trend of increase in arrests is greater than the increased trend in consumption of intoxicating liquors in that period. Two factors primarily are responsible for the sharpness of the upward curve from 1910 to 1913. The first is that in many cities prior to this period it was not an offense to be intoxicated. Such was the case in Washington, D. C., until 1915. The second is the increased activity of police officials caused by public sentiment against intoxication. While some police departments do not now arrest intoxicated persons unless they are creating a disturbance, this attitude on the part of police officials was more common before public opinion condemned public intoxication. An exception to the trend of increased arrests for drunkenness is offered by cities in Group 4, communities having a population of from 2,500 to 3,000 inhabitants. More of these smaller towns were in areas either under local option or in States having State prohibition laws. The chart shows that there was a decrease in the arrests for intoxication in this group before a downward trend was shown in larger communities.

BACKGROUND STUDIES

Early in this study it became apparent that many cities used noncomparable classifications of arrests under which intoxicated persons might be taken into custody and which would not be indicated in the records of statistics for such arrests. A case in point is Cincinnati, Ohio. An official who has been connected with the police department of Cincinnati for the past 45 years, who has very carefully and thoroughly studied the situation in that city, and who is thoroughly acquainted with the methods, causes, and trends of criminal activities there, stated that in his opinion the police department statistics of Cincinnati were not a true picture of actual conditions with particular reference to the prevalence of intoxication. He was firmly of the opinion that an explanation of changing conditions in the city at definite periods of its history was necessary, and that records of arrests for intoxication prior to the war do not include all of the cases of intoxication coming to the attention of the police officers. Prior to 1920, it was discretionary both with patrolmen on the beat and the sergeant at the station house whether a man would be charged with intoxication or entered on the blotter as taken to the station house for "safe-keeping." He stated that when national prohibition became effective, intoxication became "unpardonable." As a result the reports of the chief of police of Cincinnati indicate that the charge of "safe-keeping" has gradually diminished until in 1929 and 1930 no one was arrested for "safe-keeping," all arrests being on the charge of drunkenness.

CHART NO. 7.—*Arrests for intoxication and safe-keeping in Cincinnati, Ohio*

Year	Population	Intoxication	Rate per 10,000 population	Safe-keeping	Rate per 10,000 population	Rate per 10,000 population, both charges
1910	363,693	2,513	69.05	2,099	57.68	126.74
1911	376,042	2,242	59.62	2,386	63.45	125.07
1912	383,179	1,711	44.65	3,094	80.74	125.39
1913	381,162	1,720	43.97	3,339	85.36	129.33
1914	392,610	1,017	46.28	3,202	81.55	127.83
1915	394,656	2,088	51.63	3,476	88.12	139.76
1916	396,179	2,505	63.22	4,205	106.13	169.36
1917	397,627	2,341	58.87	4,000	100.59	159.47
1918	399,075	1,455	36.45	3,411	85.47	121.93
1919	400,523	642	16.02	2,158	54.12	70.15
1920	403,676	655	8.79	8.15	20.18	26.98
1921	406,533	657	13.14	1,338	32.75	45.89
1922	413,390	679	16.42	2,135	51.64	68.07
1923	418,322	1,006	24.04	1,742	41.64	68.07
1924	423,179	1,796	42.44	429	10.13	52.57
1925	425,086	2,176	50.80	268	6.26	57.06
1926	432,945	2,444	56.45	141	3.25	59.70
1927	437,801	3,248	74.18	29	.66	74.85
1928	442,659	5,896	68.05	15	.29	68.34
1929	444,517	3,419	76.39	----------	----------	76.30
1930	451,160	2,371	63.63	----------	----------	63.63

Table No. 7 indicates the population, number, and rate of arrests for intoxication, number and rate of arrests for safe-keeping, and the rate of arrests for the total arrests on both charges in Cincinnati, Ohio. Prior to the World War there was an increasing tendency on the part of the public to charge an intoxicated person with safe-keeping. This attitude on the part of the patrolman did not materially change until the latter part of 1922. Beginning with 1923 the arrests for safe-keeping began to decrease, until 1929 when there were no arrests for this charge. At the same time the arrests for intoxication show a substantial increase in 1923 and a continuing increase until 1929. In 1929 and 1930 the arrests for intoxication decreased under that of the immediately preceding years.

TABLE NO. 8.—*Arrests for intoxication for New York*

Year	Population	Intoxication	Rate per 10,000 population	Police on force
1910	4,765,191	33,258	74	10,210
1911	4,873,070	26,767	35	10,220
1912	4,960,949	25,605	52	10,383
1913	5,045,828	26,207	52	10,847
1914	5,136,706	23,122	48	10,858
1915	5,224,588	22,635	43	10,849
1916	5,312,488	19,453	37	10,916
1917	5,400,348	16,311	30	10,886
1918	5,488,228	8,795	16	10,887
1919	5,576,108	7,828	13	10,905
1920	5,663,970	7,804	14	14,507
1921	5,811,813	8,169	14	11,940
1922	5,939,656	11,402	19	12,720
1923	6,067,499	14,018	23	13,154
1924	6,195,343	13,980	23	14,715
1925	6,323,187	12,017	19	15,950
1926	6,451,031	12,330	19	16,973
1927	6,578,875	11,997	18	17,769
1928	6,706,719	13,355	20	17,780
1929	6,834,563	10,982	16	18,633
1930	6,930,446	9,408	19	----------

TABLE NO. 9.—*Arrests for intoxication, Boston, Mass.*

Year	Population	Intoxication	Rate	Police on force
1910	687,422	47,732	694	1,476
1911	693,805	48,394	869	1,488
1912	700,186	49,846	712	1,558
1913	706,571	54,951	778	1,595
1914	712,954	39,159	830	1,593
1915	719,337	57,811	804	1,604
1916	725,720	65,051	896	1,622
1917	732,103	73,393	1,002	1,669
1918	738,486	34,948	744	1,763
1919	744,869	35,540	477	1,368
1920	749,676	21,800	291	1,846
1921	752,908	30,987	412	1,906
1922	756,140	37,643	496	1,901
1923	759,372	38,968	513	1,964
1924	762,804	39,536	518	1,966
1925	765,836	37,944	495	1,934
1926	769,068	38,882	506	2,275
1927	772,500	38,794	502	2,286
1928	775,533	39,048	503	2,305
1929	776,764	33,911	435	2,434
1930	781,188	33,764	432	2,424

TABLE 13.—*Arrests for intoxication and drunk and disorderly conduct, Bridgeport, Conn.*

Year	Population	Intoxication	Rate	Police on force
1910	102,945	1,352	131	112
1911	107,219	1,306	112	122
1912	111,493	1,041	95	122
1913	113,768	1,151	99	162
1914	120,043	1,212	101	168
1915	124,318	989	80	170
1916	128,593	1,735	139	230
1917	132,868	2,773	209	246
1918	137,143	1,915	140	267
1919	141,418	1,223	86	250
1920	143,709	377	26	290
1921	144,017	431	31	284
1922	144,325	364	25	284
1923	144,833	407	32	280
1924	145,941	829	43	275
1925	143,249	369	49	275
1926	145,537	623	43	296
1927	143,966	627	43	297
1928	146,175	620	43	297
1929	146,484	708	48	293
1930	146,718	550	37	292

The official record of arrests for intoxication in Bridgeport presents a picture in striking contrast with conditions in other Connecticut cities. Here is a town of 146,000 population in 1930, practically the same as Hartford and New Haven. In that year 292 policemen arrested 530 persons charged with intoxication, or only 37 per 10,000 inhabitants. On the basis of these figures it would seem that drunkenness in Bridgeport is negligible. The population in Bridgeport between the years 1910 and 1930 has increased 50 per cent and the police force 160 per cent. Arrests for intoxication are fewer each year. The largest number of arrests in the record was in the year 1917, when 2,773 persons were charged with intoxication. The curve was the lowest in 1922, when 364 persons were arrested. Assuming that all figures for arrests are comparable, it will be seen that dry commenters view with acclaim the Bridgeport records. If the records of Bridgeport were comparable with New Haven and other cities in Connecticut and in the United States, it would indeed be remarkable.

An interview with the Bridgeport police officials helps to explain these statistics. The policy of the police force of that city toward drunkenness appears to the observer to be a very rational one. This policy has not changed materially in the 20 years under observation.

Prior to 1919 police were stationed at saloons at the closing hour and all intoxicated persons who were boisterous or whose condition was likely to result in injury to themselves or others were arrested. Slightly intoxicated persons were not interfered with, the object of the police in Bridgeport being to control intoxication at its source. This policy has been continued since 1920. Bridgeport police try to prevent drunkenness or the results of drunkenness being spread over the city. As soon as saloons were outlawed, Bridgeport police confined their attention to speak-easies and places in the city where itinerant bootleggers distributed their product. It was noticed in this city that cheap boarding houses and public parks offered the best market for contraband liquor. Consequently a 24-hour shift was maintained in the cheap lodging-house district and the parks of the city. When an outbreak of drunkenness occurred in these districts, the police sought the source of the distributor of the liquor. Consequently, in 1930, this official stated no bootleggers were operating in the parks of the city and very few in lodging houses. Whether this kind of police activity has resulted in less drinking in Bridgeport is not determined, but it has undoubtedly resulted in driving the drinker into seclusion, and the results of drinking are not apparent on Bridgeport streets.

TABLE No. 16.—*Arrests for intoxication in Hartford, Conn.*

Year	Population	Intoxication	Rate	Police on force
1910	99,755	4,577	331	234
1911	103,784	5,293	522	234
1912	107,811	5,644	544	239
1913	111,842	5,577	480	239
1914	115,871	5,374	422	228
1915	119,901	4,891	444	228
1916	123,931	5,319	600	243
1917	127,961	7,436	487	243
1918	131,991	6,237	325	218
1919	136,021	4,268	166	235
1920	139,306	2,254	228	213
1921	141,846	3,279	174	251
1922	144,386	2,445	219	266
1923	146,926	3,129	329	268
1924	149,466	4,792	304	258
1925	152,006	4,511	313	260
1926	154,546	4,727	329	315
1927	157,086	5,060	295	327
1928	159,626	4,572	343	323
1929	162,166	5,450	357	417
1930	164,072	5,763	351	418

If it were true that statistics of arrests for intoxication were comparable and showed the exact picture of conditions, the city of Hartford would be pointed out as a dripping-wet city in which there was more drinking than in any other town in the State of Connecticut, and in which drunkenness had increased by leaps and bounds. It is necessary to make a careful analysis of the social and industrial background of the city as well as of the police department to indicate what the real conditions are.

The population of Hartford during the period 1910 to 1930 has increased about 65 per cent. The police force has increased about 75 per cent. In 1930, 418 policemen in a population of 164,072 made 5,763 arrests for intoxication. As pointed out above, this was about twice the number of arrests made in New Haven, where the population is about the same and the police force less. The commentor who assumes that arrest figures are comparable and depends upon these figures in drawing conclusions will arrive at the result that there is twice as much drinking in Hartford as in New Haven. Is this true? The industrial and social background of Hartford is different from that of any other city in Connecticut. It is the wealthiest city in the State. The home offices of a large number of insurance companies are located in that city, attracting a high class of clerical help. In that city live high-paid executives of these companies. Manufacturing is a minor activity in Hartford. The city is located in the heart of the tobacco belt of New England. Near by are tobacco farms, many of them farmed on the principle of mass production.

Transient foreign labor is imported into the Connecticut Valley in the spring of the year to cultivate a large and valuable crop of tobacco. Many of the farms are owned by tobacco companies that employ low-grade labor. An official of the Hartford police department states that arrests for drunkenness are made largely in this class. From the police point of view, laborers on the tobacco farms have an accumulation of money from their work, which they bring into Hartford to spend. They locate in the cheap boarding houses and spend, as they have been spending in the past, a large part of their money for liquor. This official states that the number of arrests for intoxication in Hartford does not represent conditions in the city as a whole, arrests being confined to the low-grade foreign laboring element. It is manifestly unfair to draw the conclusion that the permanent residents of Hartford are drinking more than the residents of any other city in Connecticut. Should a complaint of a breach of the peace from the cheap lodging-house district be received by the police, while it is being investigated several lodgers will be discovered who are drunk. They are taken to jail and charged with the misdemeanor, although no formal complaint was made against them and they were not publicly on view. This custom of the police in Hartford results in a large number of arrests that would not be made in other cities.

WORCESTER, MASS., *June 15, 1932.*

HON. MORRIS SHEPPARD,
Washington, D. C.

MY DEAR SIR: In the hearing on Modification or Repeal of National Prohibition, on page 9, there is a statement: "In St. Johnsbury, Vt., it has gone from 33 to 342, or more than ten times as many." Now this statement is true as far as it goes, but it does not tell the conditions for the same. To corroborate this, I am sending you herewith a statement from the town clerk of St. Johnsbury, giving the total arrests for intoxication by years in said town.

Now, the reasons for the large increase in arrests for intoxication in 1928–1930 is as follows: During said years there was undertaken in the town of Barnet the construction of a dam and electric-power plant across the Connecticut River. At the time there was a large "floating population" that came into the above town to work on said project, and usually on Saturday nights and other holidays they came into St. Johnsbury, which was only some 6 miles away, and made a nuisance of themselves, with the result that many of them were consequently arrested. As will be noted from the list of arrests, there is a falling off since the year 1929 and will eventually get back to normal.

The statement by Senator BINGHAM is misleading in that it is apt to make many believe that it is a recurring condition, whereas it is only an exceptional occurrence. I believe, therefore, that mention of this fact ought to be made on the floor, so that the little town may not suffer an unwarranted disgrace.

I would also like to ask you to show this letter and table of arrests to Senator PORTER DALE, of Vermont, and also Representative JOHN WEEKS, from the above State, so that they may know the real facts in the case.

I am also inclosing letter from town clerk corroborating my statement above.

Respectfully yours,

OTTO T. JOHNSON.

49 CHATHAM STREET.

St. Johnsbury

Year	Arrested for intoxication	Convicted of intoxication
1901	30	Unable to furnish data.
1902	51	Do.
1903	43	Do.
1904	34	Do.
1905	48	Do.
1906	64	Do.
1907	94	Do.
1908	28	Do.

St. Johnsbury—Continued

Year	Arrested for intoxication	Convicted of intoxication
1909	44	Unable to furnish data.
1910	46	Do.
1911	32	Do.
1912	54	Do.
1913	57	Do.
1914	46	Do.
1915	60	Do.
1916	59	Do.
1917	36	Do.
1918	13	Do.
1919	23	Do.
1920	18	Do.
1921	31	Do.
1922	13	Do.
1923	22	Do.
1924	31	Do.
1925	29	Do.
1926	74	Do.
1927	40	Do.
1928	218	Do.
1929	342	Do.
1930	102	Do.
1931	67	Do.

Attest: CHAS. G. BRALEY, *Town Clerk.*

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 194. An act to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men; to the Committee on the Judiciary.

H. R. 7293. An act requesting the Secretary of War to grant to the city of Springfield, Mass., permission to construct and maintain a highway and bridge across United States military reservation at the Springfield Armory, Mass.; and

H. R. 11732. An act to amend section 2 of an act approved February 25, 1929 (45 Stat. 1303), to complete the acquisition of land adjacent to Bolling Field, D. C., and for other purposes; to the Committee on Military Affairs.

H. R. 10644. An act to require postmasters to account for money collected on mail delivered at their respective offices; to the Committee on Post Offices and Post Roads.

H. R. 11331. An act to ratify certain leases with the Seneca Nation of Indians; to the Committee on Indian Affairs.

H. R. 11930. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods; to the Committee on Commerce.

H. R. 12281. An act to encourage the mining of coal adjacent to the Alaska Railroad in the Territory of Alaska, and for other purposes; to the Committee on Territories and Insular Affairs.

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. ODDIE. Mr. President, I move that the Senate proceed to the consideration of H. R. 9699, the Treasury and Post Office Departments appropriation bill.

Mr. LA FOLLETTE. Mr. President, I make the point of order that routine morning business has not yet been concluded.

The PRESIDENT pro tempore. That is true, but the motion is in order after 1 o'clock.

Mr. ROBINSON of Arkansas. Mr. President, of course at the hour of 2 o'clock the unfinished business will be laid before the Senate?

The PRESIDENT pro tempore. Undoubtedly, but after 1 o'clock the motion which the Senator from Nevada has made is in order. The question is on agreeing to the motion.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. ODDIE. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with.

Mr. LA FOLLETTE. I object.

The PRESIDENT pro tempore. Objection is made, and the clerk will proceed with the formal reading of the bill.

The legislative clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department—Division of Supply," on page 7, line 7, after the word "any," to strike out "standard."

Mr. LA FOLLETTE. Mr. President, this is the formal reading of the bill, and I do not think that committee amendments are in order.

The PRESIDING OFFICER (Mr. GEORGE in the chair). It is the opinion of the Chair that committee amendments are in order and amendments to committee amendments are also in order but not amendments to the text of the bill.

Mr. LA FOLLETTE. No unanimous-consent agreement was entered into to consider the committee amendments first.

Mr. MCNARY. Mr. President, I think the RECORD shows that the bill has been read twice. This being the third reading of the bill, when we reach each committee amendment it will be in order for it to be considered.

The PRESIDING OFFICER. The opinion of the Chair is that under Rule XIV the second reading of the bill may be accomplished by reading the title only and that, under the present reading of the bill, the committee amendments are in order or amendments to those amendments.

The legislative clerk resumed the reading of the bill.

The next amendment of the Committee on Appropriations was, on page 7, line 11, before the word "twelve," to strike out "$70" and insert "$60," so as to read:

No part of any money appropriated by this or any other act shall be used during the fiscal year 1933 for the purchase of any typewriting machines, except bookkeeping and billing machines, at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: Ten inches (correspondence models), $60.

The amendment was agreed to.

Mr. COPELAND. Mr. President, may I have the attention of the Senator in charge of the bill? There was a misapprehension in the committee about these rates. After the words "to wit," in line 10, page 7, there should be inserted "Portable desk models, $60." Then, in line 11, "10-inch" should be "$70." I have here the General Supply Committee specifications, and what I am saying to the Senate now is in accordance with them. So there should be inserted in line 10, after the words "to wit," "Portable desk models, $60." That is where the "$60" comes in. Then, on line 11, the committee amendment should be rejected and left at $70. Then, in line 20, "$87.50" should be cut to "$80" and "$90.54" should be cut to "$85" and "$94.34" should be cut to "$90." In the next line, "$96.26" should be cut to "$95." Then we would have accomplished what we had in mind; and I move that the committee amendments be modified as I have suggested.

Mr. ODDIE. Mr. President, I agree to that amendment.

The PRESIDING OFFICER. That is an amendment to the original text. It is the opinion of the Chair that by unanimous consent it would now be in order; otherwise, not. Is there objection?

Mr. LA FOLLETTE. I object, Mr. President.

The PRESIDING OFFICER. The clerk will proceed with the reading.

The reading of the bill was resumed.

Mr. COPELAND. Mr. President, a parliamentary inquiry. What was done with the amendment on line 11, page 7?

The PRESIDING OFFICER. That amendment was agreed to.

Mr. COPELAND. Then I will ask at a later time to return to the whole schedule. I enter a notice to the effect that I shall move a reconsideration.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 7, line 21, after the figures "$96.26," to strike out the colon and the following proviso:

Provided, That the standard typewriting machines distinctively quiet in operation purchased during such fiscal year by any such

department, establishment, or municipal government shall only be purchased on the written order of the head thereof.

The amendment was agreed to.

The next amendment was, under the subhead "Public debt service," on page 9, line 25, after the words "in all," to strike out "$770,000" and insert "$640,000," so as to read:

Distinctive paper for United States securities: For distinctive paper for United States currency, national-bank currency, and Federal reserve bank currency, not exceeding 2,000,000 pounds, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees, and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty; in all, $640,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Customs," on page 11, line 6, to strike out "$22,700,000" and insert "$22,000,000"; and in line 11, after the word "and," to strike out "$494,470" and insert "$480,000," so as to read:

Collecting the revenue from customs: For collecting the revenue from customs, for the detection and prevention of frauds upon the customs revenue, and not to exceed $10,000 for the securing of evidence of violations of the customs laws, including expenses of transportation and transfer of customs receipts from points where there are no Government depositories, not to exceed $79,200 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. V, title 5, sec. 118a), not to exceed $1,700 for any one person, not to exceed $5,000 for the hire of motor-propelled passenger-carrying vehicles, not to exceed $500 for subscriptions to newspapers, and including the purchase, exchange, maintenance, repair, and operation of motor cycles, $22,000,000, of which such amount as may be necessary shall be available for the cost of seizure, storage, and disposition of any merchandise, vehicle and team, automobile, boat, air or water craft, or any other conveyance seized under the provisions of the customs laws, when the proceeds of sale are insufficient therefor or where there is no sale, and $480,000 shall be available for personal services in the District of Columbia, exclusive of 10 persons from the field force authorized to be detailed under section 525 of the tariff act of 1930.

The amendment was agreed to.

The next amendment was, on page 11, line 19, after the name "Georgetown" to insert a colon and the following additional proviso:

Provided further, That not to exceed $6,000 of this appropriation is hereby made immediately available for the construction of gates at the international boundary across the highway at the port of San Ysidro, Calif.

The amendment was agreed to.

The next amendment was, on page 11, line 23, after the words "offices of" to strike out "comptrollers of customs,"; on page 12, line 1, before the words "in all" to strike out "twenty-nine" and insert "twenty-two"; in the same line, after the word "aggregating" to strike out "$153,800" and insert "$111,000"; and in line 3, after the word "upon" to strike out "comptrollers,"; so as to read:

The offices of surveyors of customs, and appraisers of merchandise (except the appraiser of merchandise at the Port of New York), twenty-two in all, with annual salaries aggregating $111,000, are hereby abolished. The duties imposed by law and regulation upon surveyors and appraisers of customs, their assistants and deputies (except the appraiser, his assistants and deputies at the Port of New York) are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify, and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service.

The amendment was agreed to.

The next amendment was, under the subhead "Federal Farm Loan Bureau, Salaries and Expenses," on page 13, line 12, after the words "in all" to strike out "$1,011,500," and insert "$911,500,"; and in line 13, before the word "may" to strike out "$430,000" and insert "$387,000"; so as to read:

For six members of the board, at $10,000 each; personal services in the District of Columbia and in the field; traveling expenses of the members of the board and its officers and employees; contingent and miscellaneous expenses, including law books, books of reference, periodicals, newspapers, and maps; contract stenographic reporting services, and expert services for the preparation of amortization tables; examination of national farm loan associations; and for the expenses of registrars' offices, including rent and miscellaneous items; in all, $911,500, of which not more than $387,000 may be used for personal services in the District of Columbia:

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Industrial Alcohol," on page 17, line 25, after the words "in all," to strike out "$4,725,000" and insert "$4,525,000," and on page 18, line 1, after the word "exceed," to strike out "$369,320" and insert "$354,320," so as to read:

Salaries and expenses: For expenses to administer the applicable provisions of the national prohibition act as amended and supplemented (U. S. C., title 27) and internal revenue laws, pursuant to the act of March 3, 1927 (U. S. C., Supp. V, title 5, secs. 281–281e), and the act of May 27, 1930 (U. S. C., Supp. V, title 27, secs. 103–108), including the employment of executive officers, attorneys, inspectors, chemists, assistant chemists, supervisors, storekeeper-gaugers, clerks, messengers, and other necessary employees in the field and in the Bureau of Industrial Alcohol in the District of Columbia, to be appointed as authorized by law; the securing of evidence of violations of the acts; the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; the purchase of such supplies, equipment, mechanical devices, laboratory supplies, books, and such other expenditures as may be necessary in the several field offices; cost of acquisition and maintenance of automobiles delivered to the Secretary of the Treasury for use in administration of the law under his jurisdiction; hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary, for official use in field work; and for rental of necessary quarters; in all, $4,525,000, of which amount not to exceed $354,320 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Narcotics," on page 19, line 13, after the words "in all," to strike out "$1,625,000" and insert "$1,525,000," and in line 14, after the word "exceed," to strike out "$216,120" and insert "$203,120," so as to read:

Salaries and expenses: For expenses to enforce the act of December 17, 1914 (U. S. C., title 26, sec. 211), as amended by the revenue act of 1918 (U. S. C., title 26, secs. 691–708), the act approved February 9, 1909, as amended by the act of May 26, 1922 (U. S. C., title 21, secs. 171–184), known as the narcotic drugs import and export act, pursuant to the act of March 3, 1927 (U. S. C., Supp. V, title 5, secs. 281–281e), and the act of June 14, 1930 (U. S. C., Supp. V, title 5, secs. 282–282c), including the employment of executive officers, attorneys, agents, inspectors, chemists, supervisors, clerks, messengers, and other necessary employees in the field and in the Bureau of Narcotics in the District of Columbia, to be appointed as authorized by law; the securing of evidence of violations of the acts; the costs of chemical analyses made by others than employees of the United States; the purchase of such supplies, equipment, mechanical devices, books, and such other expenditures as may be necessary in the several field offices; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, storage, and disposition of property under the internal revenue laws when the same is disposed of under section 3460, Revised Statutes (U. S. C., title 26, sec. 1193); hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary for official use in field work; and for rental of necessary quarters; in all, $1,525,000, of which amount not to exceed $203,120 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The reading of the bill was resumed and continued to line 7, page 20, the last provision read being as follows:

COAST GUARD

Office of the commandant: For personal services in the District of Columbia, $372,000.

Mr. COUZENS. Mr. President, I ask the chairman of the committee, in charge of the bill, why there was no reduction in the Coast Guard item for personal services in the District of Columbia, as has been the case with other departments?

Mr. ODDIE. If the Senator will look on page 21, he will see that there is a reduction from $20,640,000 to $20,240,000.

Mr. COUZENS. What I had in mind was why there was no reduction in the appropriation for personal services in the District of Columbia, found on line 7, page 20, when

reductions have been made in corresponding items in other departments.

Mr. ODDIE. This reduction was made on the suggestion of the department. It was presumed by the committee, as I recollect it, that the cut could be distributed over the various items.

Mr. COUZENS. In other words, the whole cut has been taken out of the total appropriation?

Mr. ODDIE. Yes.

The reading of the bill was resumed and continued to line 11, page 21, the last provision read being as follows:

For pay and allowances prescribed by law for commissioned officers, cadets, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, surfmen, substitute surfmen, and two civilian instructors, and not exceeding $6,000 for cash prizes for men for excellence in gunnery, target practice, and engineering competitions, for carrying out the provisions of the act of June 4, 1920.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 7233) to enable the people of the Philippine Islands to adopt a constitution and for a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. ODDIE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate continue the consideration of the appropriation bill.

The VICE PRESIDENT. Is there objection?

Mr. COUZENS. Mr. President, before that is agreed to I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Robinson, Ark.
Austin	Davis	Kendrick	Robinson, Ind.
Barbour	Dickinson	Keyes	Schall
Bingham	Fletcher	La Follette	Sheppard
Black	Frazier	Lewis	Shortridge
Blaine	George	McGill	Smoot
Borah	Goldsborough	McNary	Steiwer
Bratton	Hale	Metcalf	Stephens
Brookhart	Hastings	Moses	Thomas, Okla.
Broussard	Hatfield	Norbeck	Townsend
Bulow	Hawes	Norris	Trammell
Capper	Hayden	Nye	Vandenberg
Caraway	Hebert	Oddie	Wagner
Carey	Howell	Patterson	Watson
Coolidge	Johnson	Pittman	White
Copeland	Jones	Reed	

The VICE PRESIDENT. Sixty-three Senators have answered to their names. A quorum is present. The question is on the unanimous-consent request of the Senator from Nevada [Mr. ODDIE] that the unfinished business be temporarily laid aside and the Senate continue consideration of the Treasury and Post Office Department appropriation bill. Is there objection? The Chair hears none and it is so ordered. The clerk will continue the reading of the bill.

The legislative clerk continued the reading of the bill.

The next amendment of the Committee on Appropriations was, under the subhead "Coast Guard," on page 21, line 23, after the word "men," to strike out "$20,640,000" and insert "$20,240,000," so as to read:

For pay and allowances prescribed by law for commissioned officers, cadets, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, surfmen, substitute surfmen, and two civilian instructors, and not exceeding $6,000 for cash prizes for men for excellence in gunnery, target practice, and engineering competitions, for carrying out the provisions of the act of June 4, 1920 (U. S. C., title 34, sec. 943), rations or commutation thereof for cadets, petty officers, and other enlisted men, mileage and expenses allowed by law for officers; and traveling expenses for other persons traveling on duty under orders from the Treasury Department, including transportation of enlisted men and applicants for enlistment, with subsistence and transfers en route, or cash in lieu thereof, expenses of recruiting for the Coast Guard, rent of rendezvous, and expenses of maintaining the same; advertising for and obtaining men and apprentice seamen; transportation and packing allowances for baggage or household effects of commissioned officers, warrant officers, and enlisted men, $20,240,000.

Mr. BLAINE. Mr. President, may I have the attention of the Senator in charge of the bill? I notice the total appropriation for the Coast Guard under this single item is $20,240,000. How much of that amount is used for the enforcement of prohibition?

Mr. ODDIE. My recollection is that it is about one-half of it. I have not the figures immediately available, but I shall have them in just a minute.

Mr. BLAINE. It is generally understood that about $16,000,000 of the sum has been devoted to the enforcement of prohibition under the Coast Guard. While the Senator is having the figures looked up I want to inquire of him why he has not applied the 10 per cent reduction to this item as it has been applied in respect to other appropriation bills?

Mr. ODDIE. The committee went over the matter very carefully and made all the reductions they felt could be made without seriously disrupting the service. In addition I may say there will be certain reductions in expenditures carried in the economy bill which will apply to this bill. They do not show in the various items in this bill, but they will be applied.

Mr. BLAINE. I do not understand that to be the case. I understand that under the economy bill the general plan is to bring about a reduction of whatever the percentage may be, whether it is a straight 10 per cent cut or, under the furlough plan, 8.3 per cent, and that the appropriation bills would carry a corresponding reduction. The reduction that is made in this item is only 2 per cent of the total.

Mr. ODDIE. The reduction that will be made in the economy bill will not show in this bill. That will apply automatically to the various items in the bill.

Mr. BLAINE. Then why appropriate more in this bill than is necessary?

Mr. ODDIE. We can not tell yet the exact amount the economy bill will carry. Other appropriation bills have gone through recently in the same way. The reductions that will be made will be taken automatically from these various amounts, and that is understood.

Mr. BLAINE. I would like to inquire of the Senator, when it comes to the question of prohibition or any appropriation relating to prohibition, why those items become a sacred thing which we must not touch? If we touch such an item we are going to destroy the efficient administration of the law; but when it comes to any other appropriation for any other item that does not affect prohibition, then the carving knife is applied with a tremendous slash, amounting sometimes to as much as 27 per cent as in the bill which was before us yesterday, as it was at that time declared. I would like to inquire of the Senator the justification for not cutting the prohibition item 10 per cent as has been universally done throughout all the other appropriation bills?

Mr. ODDIE. Several of the appropriation bills have gone through recently without the full 10 per cent cut.

Mr. BLAINE. I would like to have the Senator mention some of the items where there has been no cut.

Mr. ODDIE. The War Department and the Navy Department appropriation bills. There will be a large reduction in the pay of personnel in this item on page 21.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. BLAINE. I yield.

Mr. FLETCHER. Does not the amendment show there has been a reduction of $400,000?

Mr. BLAINE. But that is only 2 per cent of the total, while the pay cut is at least 8.3 per cent. Surely the reduction is not compatible with reductions which have been made in other bills. It seems that the committee has been displaying favoritism in not making reductions whenever it touches the subject of prohibition. Then there seems to be a menacing cloud that comes over the committee and they do not seem to dare to cut any item with reference to prohibition. But when it comes to any other item they use the carving knife most liberally and slash the appropriations off in great chunks. The same thing occurred in the appropriation for the Department of Justice when that bill was before the Senate. However, on the floor of the Senate

there was an amendment adopted reducing that appropriation 10 per cent, or, in round numbers, $1,000,000.

Mr. President, I think one-half of this appropriation ought to be cut out. I think the Coast Guard should get along with half the amount provided here, but the sacredness of prohibition I am quite sure will prevent the adoption of any amendment that would reduce the amount by 50 per cent; and, therefore, I move to amend the committee amendment by striking out "$20,240,000" and inserting in lieu thereof "$18,240,000." That is a 10 per cent reduction in round numbers.

Mr. ODDIE. Mr. President, will the Senator yield while I make a brief statement?

Mr. BLAINE. I yield.

Mr. ODDIE. I have just ascertained that about 40 per cent of this item is included for prohibition enforcement. No other items in the bill carry any reduction in salaries such as will be shown in the economy bill. I think the Senator is in error in his conclusion on that matter.

Mr. BLAINE. May I suggest in this connection that the information I have received did not come from any representative of the Accounting Bureau; but I understand that about $16,000,000 of the Coast Guard appropriation has been used for the purpose of enforcing prohibition for this fiscal year.

Mr. ODDIE. Mr. President, the figures just given me are to the effect that 40 per cent of this item is for the enforcement of prohibition and the remainder is for life-saving work, and so on. In other words, between eight and nine million dollars of this appropriation are for the enforcement of prohibition.

Mr. BLAINE. Mr. President, I know the Senator is making his statement upon information which has been furnished by some one; but I think that if the other items to which he refers were closely scrutinized by the Accounting Office, it would be found that about $16,000,000 of the appropriation for the Coast Guard goes for the enforcement of prohibition.

Of course I understand that there are many of those items which, if subjected to some analysis, would naturally bring about a dispute as to the particular project to which the items should be assigned; but I think, in conformity with the policy adopted by the Senate, regardless of whether this relates to prohibition or what relationship it has to prohibition, leaving out that question entirely and just facing this problem squarely in reference to the policy that the Senate has adopted, this item should be cut $2,000,000 in addition to the very small reduction the committee has made.

I see that there are only a bare handful of Senators present. I surely do not want a vote to come on this proposition when there are not more than 10 Members of the Senate present. I do not want to make myself a nuisance or unnecessarily to delay, but I think I am wholly within my rights, I think it is perfectly legitimate, and I think that the amendment ought to be adopted by the Senate. I do not want to submit the amendment to such a small attendance.

Mr. McNARY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. BLAINE. I yield.

Mr. McNARY. The able Senator from Wisconsin has made a very excellent explanation of the amendment, and I suggest to the Senator from Nevada that he accept it and take it to conference.

Mr. ODDIE. I am willing to do that; I accept the amendment of the Senator from Wisconsin and will take the matter to conference.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, on page 21, line 25, after the word "refuge," to strike out "$2,250,000" and insert "$1,950,000," so as to read:

For fuel, lubricating oil, kerosene, and water for vessels, stations, and houses of refuge, $1,950,000.

The amendment was agreed to.

The next amendment was, on page 22, line 2, after the word "maintenance," to strike out "$2,140,000" and insert "$1,970,000," so as to read:

For outfits, ship chandlery, engineers' stores, and draft animals and their maintenance, $1,970,000.

The amendment was agreed to.

The next amendment was, on page 22, line 6, after the word "necessary," to strike out "$525,000" and insert "$520,000," so as to read:

For rebuilding and repairing stations and houses of refuge, temporary leases, rent, and improvements of property for Coast Guard purposes, including use of additional land where necessary, $520,000.

The amendment was agreed to.

The next amendment was, on page 22, at the end of line 8, to strike out "$170,000" and insert "$140,000," so as to read:

For coastal communication lines and facilities and their maintenance, and communication service, $140,000.

The amendment was agreed to.

The next amendment was, on page 23, line 3, to strike out "$260,000" and insert "$255,000," so as to read:

For contingent expenses, including subsistence of shipwrecked persons succored by the Coast Guard; for the recreation, amusement, comfort, contentment, and health of the enlisted men of the Coast Guard, to be expended in the discretion of the Secretary of the Treasury, not exceeding $40,000; instruments and apparatus, supplies, technical books and periodicals, services necessary to the carrying on of scientific investigation, and experimental and research work in relation to telephony and radiotelegraphy, not exceeding $4,000; care, transportation, and burial of deceased officers and enlisted men, including those who die in Government hospitals; wharfage, towage, freight, storage, repairs to station apparatus, advertising, surveys, medals, labor, newspapers and periodicals for statistical purposes, including maintenance of students, and all other necessary expenses which are not included under any other heading, $255,000.

The amendment was agreed to.

The next amendment was, on page 23, line 5, to reduce the appropriation for repairs to Coast Guard vessels and boats from $2,300,000 to $2,100,000.

The amendment was agreed to.

The next amendment was, on page 23, line 13, to reduce the total appropriation for the Coast Guard, exclusive of commandant's office, from $28,510,220 to $27,400,220.

Mr. BLAINE. Mr. President, there is an item in line 13 which should be corrected by a reduction to correspond with the reduction made on page 21.

The VICE PRESIDENT. Without objection, the clerk will be authorized to correct the totals.

The reading of the bill was resumed. The next amendment was, under the subhead "Bureau of Engraving and Printing," on page 24, line 23, after the word "vehicles," to strike out "$6,535,000" and insert "$6,430,000," so as to read:

For the director, two assistant directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; for engravers' and printers' materials, and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency, national-bank currency, and Federal reserve bank currency; equipment of, repairs to, and maintenance of buildings and grounds and for minor alterations to buildings; directories, technical books and periodicals, and books of reference, not exceeding $300; rent of warehouse in the District of Columbia; traveling expenses not to exceed $2,000; equipment, maintenance, and supplies for the emergency room for the use of all employees in the Bureau of Engraving and Printing who may be taken suddenly ill or receive injury while on duty; miscellaneous expenses, including not to exceed $1,500 for articles approved by the Secretary of the Treasury as being necessary for the protection of the person or employees; for transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000; and for the main-

tenance and driving of two motor-propelled passenger-carrying vehicles, $6,430,000, to be expended under the direction of the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, under the subhead "Public Health Service," on page 29, line 5, after the word "hospital," to strike out "$6,000,000" and insert "$5,680,000," so as to read:

For medical examinations, including the amount necessary for the medical inspection of aliens, as required by section 16 of the act of February 5, 1917 (U. S. C., title 8, sec. 152), medical, surgical, and hospital services and supplies, including prosthetic and orthopedic supplies to be furnished under regulations approved by the Secretary of the Treasury, for beneficiaries (other than patients of the Veterans' Administration) of the Public Health Service and persons detained in hospitals of the Public Health Service under the immigration laws and regulations, including necessary personnel and reserve commissioned officers of the Public Health Service, personal services in the District of Columbia and elsewhere, including the furnishing and laundering of white duck coats, trousers, smocks, aprons, and caps to employees whose duties make necessary the wearing of same, maintenance, minor repairs, equipment, leases, fuel, lights, water, freight, transportation and travel, the maintenance, exchange, and operation of motor trucks and passenger motor vehicles for officials use in field work and one for use in connection with the administrative work of the Public Health Service in the District of Columbia, purchase of ambulances, transportation, care, maintenance, and treatment of lepers, including transportation to their homes in the continental United States of recovered indigent leper patients, court costs, and other expenses incident to proceedings heretofore or hereafter taken for commitment of mentally incompetent persons to hospitals for the care and treatment of the insane, and reasonable burial expenses (not exceeding $100 for any patient dying in hospital), $5,680,000.

The amendment was agreed to.

The next amendment was, on page 30, line 11, to strike out "$500,000" and insert "$420,000," so as to read:

Quarantine service: For maintenance and ordinary expenses, exclusive of pay of officers and employees, of United States quarantine stations, including the exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for official use in field work, $420,000.

The amendment was agreed to.

Mr. ODDIE. On page 30, line 17, I move to strike out "$350,000" and insert in lieu thereof "$400,000."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 30, line 17, it is proposed to strike out "$350,000" and insert "$400,000."

The amendment was agreed to.

Mr. BLAINE. Mr. President, I notice there is an item here for newspaper clippings. I understood the policy of the Senator from Utah as announced yesterday to be that all such provisions would be stricken from future appropriation bills. I am not especially interested in it, but I thought perhaps the Senator's attention had not been called to it.

Mr. ODDIE. The matter was not taken up in the consideration of this bill in the committee, but I am in favor of allowing such a motion to go through applying all the way through this bill as it has in the others.

Mr. BLAINE. I have no personal desire about it, but I thought perhaps the Senator would want to conform to the policy announced by the Senator from Utah yesterday.

Mr. ODDIE. That policy was followed in dealing with several of the other appropriation bills, and I think it would be just as well to let the matter go to conference and to have the provision stricken from the bill.

The VICE PRESIDENT. At this time the text of the bill is not amendable. The only amendments being now considered are committee amendments and amendments to committee amendments. When the committee amendments shall have been disposed of, such an amendment will be in order.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Mints and assay offices," on page 33, line 23, after the name "Colorado," to insert "Carson City, Nev."; in line 25, after the name "New York," to insert "Boise, Idaho, Helena, Mont., Salt Lake City, Utah"; and on page 34, at the end of line 9, to strike out "$1,415,000" and insert "$1,339,670," so as to read:

For compensation of officers and employees of the mints at Philadelphia, Penn., San Francisco, Calif., Denver, Colo., Carson City, Nev., and New Orleans, La., and assay offices at New York, N. Y., Boise, Idaho, Helena, Mont., Salt Lake City, Utah, and Seattle, Wash., and for incidental and contingent expenses, including traveling expenses, new machinery, and repairs, cases, and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed $500 for the expenses of the annual assay commission, and not exceeding $1,000 in value of specimen coins and ores for the cabinet of the mint at Philadelphia, $1,339,670.

The amendment was agreed to.

The next amendment was, under the subhead "Office of supervising architect—Public buildings, construction, and rent," on page 35, after line 8, to strike out:

Remodeling, etc., public buildings: For remodeling, enlarging, and extending completed and occupied public buildings, including any necessary and incidental additions to or changes in mechanical equipment thereof, so as to provide or make available additional space in emergent cases, not to exceed an aggregate of $25,000 at any one building, $100,000.

The amendment was agreed to.

The next amendment was, under the subhead "Public buildings, repairs, equipment, and general expenses," on page 36, at the end of line 25, to strike out "$1,000,000" and insert "$475,000," so as to read:

Repairs and preservation: For repairs and preservation of all completed and occupied public buildings and the grounds thereof under the control of the Treasury Department, and for wire partitions and fly screens therefor; Government wharves and piers under the control of the Treasury Department, together with the necessary dredging adjacent thereto; care of vacant sites under the control of the Treasury Department, such as necessary fences, filling dangerous holes, cutting grass and weeds, but not for any permanent improvements thereon; repairs and preservation of buildings not reserved by vendors on sites under the control of the Treasury Department acquired for public buildings or the enlargement of public buildings, the expenditures on this account for the current fiscal year not to exceed 15 per cent of the annual rental of such buildings: *Provided*, That of the sum herein appropriated not exceeding $200,000 may be used for the repair and preservation of marine hospitals, the national leprosarium, and quarantine stations (including Marcus Hook) and completed and occupied outbuildings (including wire partitions and fly screens for same), and not exceeding $24,000 for the Treasury, Treasury Annex, Liberty Loan, and Auditors' Buildings in the District of Columbia: *Provided further*, That this sum shall not be available for the payment of personal services except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of $100 at any one building, $475,000.

The amendment was agreed to.

The next amendment was, on page 38, at the end of line 12, to strike out "$775,000" and insert "$600,000," so as to read:

Mechanical equipment: For installation and repair of mechanical equipment in all completed and occupied public buildings under the control of the Treasury Department, including heating, hoisting, plumbing, gas piping, ventilating, vacuum cleaning, and refrigerating apparatus, electric-light plants, meters, interior pneumatic tube and intercommunicating telephone systems, conduit, wiring, call bell and signal systems, platform scales, and for maintenance and repair of tower clocks; for installation and repair of mechanical equipment, for any of the foregoing items, in buildings not reserved by vendors on sites under the control of the Treasury Department acquired for public buildings or the enlargements of public buildings, the total expenditures on this account for the current fiscal year not to exceed 10 per centum of the annual rentals of such buildings: *Provided*, That of the sum herein appropriated, not exceeding $125,000 may be used for the installation and repair of mechanical equipment in marine hospitals, the national leprosarium, and quarantine stations (including Marcus Hook), and not exceeding $38,000 for the Treasury, Treasury Annex, Liberty Loan, and Auditors' Buildings in the District of Columbia, but not including the generating plant and its maintenance in the Auditors' Building, and not exceeding $10,000 for changes in, maintenance of, and repairs to the pneumatic-tube systems in New York City installed under franchises of the city of New York approved June 29, 1909, and June 11, 1928, and the payment of any obligations arising thereunder, in accordance with the authority of the acts approved August 5, 1909 (36 Stat. 120), and May 15, 1928 (45 Stat. 533), authorizing the Secretary of the Treasury to enter into contracts with the city of New York to abide by the terms, conditions, and requirements of said franchises: *Provided further*, That this sum shall not be available for the payment of personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum at $100 at any one building, $600,000.

The amendment was agreed to.

The next amendment was, on page 38, line 22, after the word "building," to strike out "$190,000" and insert "$150,000," so as to read:

Vaults and safes: For vaults and lock-box equipments and repairs thereto in all completed and occupied public buildings under the control of the Treasury Department, and for the necessary safe equipments and repairs thereto in all public buildings under the control of the Treasury Department, whether completed and occupied or in course of construction, exclusive of personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of $50 at any one building, $150,000.

The amendment was agreed to.

The next amendment was, on page 41, at the end of line 2, to reduce the appropriation for general expenses, etc., of public buildings from $2,750,000 to $2,740,000.

The amendment was agreed to.

The next amendment was, under the subhead "Public buildings, operating expenses," on page 43, line 7, to reduce the appropriation for furniture and repairs of furniture, etc., from $2,200,000 to $1,940,000.

The amendment was agreed to.

The next amendment was, on page 44, line 16, after the word "building," to strike out "$3,901,500" and insert "$3,501,500," so as to read:

Operating supplies: For fuel, steam, gas for lighting and heating purposes, water, ice, lighting supplies, electric current for lighting, heating, and power purposes, telephone service for custodial forces; removal of ashes and rubbish, snow, and ice; cutting grass and weeds, washing towels, and miscellaneous items for the use of the custodial forces in the care and maintenance of completed and occupied public buildings and the grounds thereof under the control of the Treasury Department, and in the care and maintenance of the equipment and furnishings in such buildings; miscellaneous supplies, tools, and appliances required in the operation (not embracing repairs) of the mechanical equipment, including heating, plumbing, hoisting, gas piping, ventilating, vacuum-cleaning and refrigerating apparatus, electric-light plants, meters, interior pneumatic tube and intercommunicating telephone systems, conduit wiring, call bell and signal systems in such buildings, and for the transportation of articles or supplies, authorized herein (including the customhouse in the District of Columbia, but excluding any other public building under the control the Treasury Department within the District of Columbia, and excluding also marine hospitals and quarantine stations, mints, branch mints, and assay offices, and personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of $100 at any one building), $3,501,500. The appropriation made herein for gas shall include the rental and use of gas governors when ordered by the Secretary of the Treasury in writing.

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 17, to strike out "$694,880" and insert "$682,880," so as to read:

Office of Supervising Architect: Salaries, for the Supervising Architect, and other personal services in the District of Columbia, $682,880.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Contingent expenses," on page 48, line 1, to increase the appropriation for telegraphing from $6,000 to $8,500.

Mr. ODDIE. Mr. President, on page 48, line 1, I move to strike out "$8,500" and insert in lieu thereof "$8,500, of which $2,500 shall be immediately available."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 48, line 5, after the words "motor trucks and," to strike out "maintenance and repair of," so as to read:

For miscellaneous items, including purchase, exchange, maintenance and repair of typewriters, adding machines, and other labor-saving devices; purchase, exchange, hire, and maintenance of motor trucks and two motor-driven passenger-carrying vehicles, to be used only for official purposes (one for the Postmaster General and one for the general use of the department); street-car fares not exceeding $540; plumbing; repairs to department buildings; floor coverings; postage stamps for correspondence addressed abroad, which is not exempt under article 47 of the London convention of the Universal Postal Union, $48,000; and of such sum of $48,000, not exceeding $14,500 may be expended for telephone service, not exceeding $1,800 may be expended for purchase and exchange of law books, books of reference, railway guides, city directories, and books necessary to conduct the business of the department, and not exceeding $2,000 may be expended for expenses, except membership fees, of attendance at meetings or conventions concerned with postal affairs, when incurred on the written authority of the Postmaster General, and not exceeding $800 may be expended for expenses of the purchasing agent and of the solicitor and attorneys connected with his office while traveling on business of the department.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General," on page 57, line 8, after the name "New York City," to strike out the colon and the following additional proviso:

Provided further, That none of the money herein appropriated shall be paid on contract numbered 56 awarded to the Seatrain Co. under the provisions of the merchant marine act of 1928.

Mr. FLETCHER. Mr. President, I desire to ask that the committee amendment be rejected, particularly that portion of the amendment beginning with line 8, and continuing down to line 12. In other words, the clause which the committee struck out, as contained in the House bill, reading as follows:

Provided further, That none of the money herein appropriated shall be paid on contract No. 56 awarded to the Seatrain Co. under the provisions of the merchant marine act of 1928.

There is a further proviso that may well go into conference, I take it, but I am particularly in earnest about asking that the committee amendment be rejected as to the language which I have mentioned.

The story about that item is this:

When the bill came to the House, after some investigation had been made and quite extensive hearings held, and the facts all developed, an amendment was offered to the bill on the floor, was discussed and debated, and finally agreed to, inserting in the bill the proviso which I have just read. After debate, and I think a division of the House on the subject, the House adopted it. The Senate committee now proposes to strike out that proviso; and I ask that that amendment reported by the Senate committee be rejected.

The VICE PRESIDENT. Does the Senator ask for a separate vote on that proviso?

Mr. FLETCHER. I do; yes. I think I am entitled to that, because they are different subjects. I want to discuss it before the question is put, however, unless the Senator from Nevada is willing to recede from the amendment. If he will do that, and save any discussion about it, I shall be perfectly satisfied.

Mr. ODDIE. Mr. President, I am afraid I shall have to refuse to do that. The committee went into this matter very carefully; but we shall be glad to hear from the Senator from Florida.

Mr. FLETCHER. Of course, I am sorry to impose on the Senate at all about this; but, since my proposal can not be accepted, there is nothing left for me to do but to give my reasons for insisting that the committee amendment should be rejected as to that item.

Mr. President, it is insisted by those who are acquainted with this subject, and who have made a study of it, that in the first place the contract made with the Seatrain Co. is illegal; in the second place, that it was obtained on the basis of a deception; in the third place, that it is a wasteful and extravagant misuse of Government funds; fourth, that it violates the principle of our merchant marine law; fifth, that it provides for no service not available from responsible Americans without cost to the Government; and, sixth, that it constitutes Government financial backing to an enterprise which heretofore has been largely of alien identity.

We ought to examine to some extent the background of this whole legislation.

I do not entirely follow my esteemed friend, the distinguished senior Senator from Tennessee [Mr. McKELLAR], in his contention that these ocean mail contracts ought to be considered as illegal and unwarranted, or that as a matter of policy they should be so considered. We deliberately established that system of letting ocean mail contracts as provided in the merchant marine act of 1928 for several purposes.

In the first place, we must carry our mails overseas, and they ought to be carried in American ships. In the next place, we desire to promote the building up of our merchant marine and to encourage the investment of American capital in shipping. In the next place, we undertook to induce private capital to acquire the Government ships. So we adopted this plan as one means of accomplishing these purposes.

The merchant marine act of 1920 laid down the general policy which is reaffirmed in the act of 1928. It was:

That it is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be owned and operated privately by citizens of the United States.

That was the policy established and laid down and expressed in the merchant marine act of 1920.

Under that policy the Shipping Board and those in charge of the administration seemed to construe the word "ultimately" as synonymous with "immediately" or "at once"; and they began a policy of disposing of the Government ships upon a basis that quite reached the point of being a scandal. They began to hurry these ships into private hands on terms that were unjust and unfair and unreasonable and costly to the Government. They began, perhaps, to play favorites, as we nearly always do in circumstances of that kind; but, at any rate, they began to sacrifice these ships that had been built for the people of this country at enormous expense.

The Government has spent something like $4,000,000,000 in the construction of ships in shipyards in order that we might have merchant ships to meet the needs of our national defense and of our overseas commerce.

After the war this policy of getting rid of the ships was stimulated by the charge that it was costing the Government an enormous sum each year to operate the ships and that we should save that expense. It was estimated at one time, under one administration, that the deficit from the operation of the ships annually was something like $50,000,000. That was not entirely true; it was an exaggeration. There was a deficit growing out of the operation of the ships.

In the first place, there was a waste of public money very largely. The Shipping Board and the Emergency Fleet Corporation got to be a sort of a pie counter. Nearly everybody who wanted a job under that administration went to the Shipping Board. They were not under civil-service rules, so they were falling over each other in the Shipping Board and the Emergency Fleet Corporation in those days, in each other's way. There was a tremendous waste, and there was a deficit in the operation of the ships year after year, not because there could not be efficient and economical and wise governmental operation of that enterprise but because as it was being run the interests of the Government were not being properly taken care of.

At one time, when Admiral Benson was chairman of the Shipping Board and had charge of the Fleet Corporation as well, they operated the ships and made a tremendous profit for the Government. A little later on there was an oversupply of tonnage throughout the world; other countries began to build up their merchant marines; business fell off; some of the ships had to be tied up, and there were some losses in operation. But our policy and our purpose were to develop overseas trade, to take our ships to every port in the world, to carry our commerce, even at a loss, in order that we might reach out and develop our trade throughout the civilized world. We were doing that, and that meant at first some loss, some deficit, but eventually we hoped that trade would be built up, and it was being built up, and it has been built up, and we have a decent American merchant marine. But under this provision looking to the getting of these ships ultimately into private hands, this policy was adopted of hurrying the ships away, out of the Government into private ownership, almost without regard to the sacrifice to the Government.

As I have said, that policy led almost to a scandal. There were a number of instances I could cite, but I will not take the time to review them all. I think the sale of eight combination passenger and cargo vessels to the Dollar Line for around the world trade, at a sacrifice of over $20,000,000, was one instance. They got those ships for almost a song, on terms that were unreasonably exacting on the Government, and that disposed of the finest ships that floated upon the seas anywhere to the Dollar Line.

Another instance was the case of the *City of Los Angeles*. She was originally a German vessel, which had been seized during the war, and cost originally something like $2,000,000. We reconditioned her and spent $2,000,000 on putting her in fine condition, spent $40,000 for hotel supplies on her, and sold her for $100,000.

That sort of thing led us eventually to endeavor to put a stop to the practice that had been going on, and so in the act of 1928 we reaffirmed the original policy with reference to the establishment and maintenance of the merchant marine, and then added section 201, as follows:

The United States Shipping Board shall not sell any vessel or any line of vessels except when in its judgment the building up and maintenance of an adequate merchant marine can be best served thereby, and then only upon the affirmative vote of five members of the board duly recorded.

We thought that would safeguard the Government interests and stop the Shipping Board disposing of the ships, as had been going on under the old act of 1920. In the act of 1928 Congress adopted two certain other provisions which were very important. The first was in Title IV, as follows:

TITLE IV.—OCEAN MAIL SERVICE

SCOPE OF TITLE

SEC. 401. All mails of the United States carried on vessels between ports (exclusive of ports in the Dominion of Canada other than ports in Nova Scotia) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise shall, if practicable, be carried on vessels in respect of which a contract is made under this title.

The act provides for the authority of the Postmaster General to enter into such contract and describes the kind of vessels. It provides for advertising for bids, requires advertising for bids, before any contracts are awarded. It mentions the duties of the Postmaster General in respect to that kind of service.

Then we added another provision in the act for a construction loan fund, under which—

All such loans shall bear interest at rates as follows, payable not less frequently than annually: During any period in which the vessel is operated exclusively in coastwise trade or is inactive the rate of interest shall be as fixed by the board, but not less than 5¼ per cent per annum. During any period in which the vessel is operated in foreign trade the rate shall be the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds), and outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board upon its request. The board may prescribe rules for determining the amount of interest payable under the provisions of this paragraph.

There has been some criticism here about the low rates of interest that were charged for those loans. Under this act I am not prepared to say that the Shipping Board was unfaithful in letting those contracts at the low rates of interest, because it seems to me the law provided for it. Subsequently we found that they were making loans at a ridiculously low rate of interest, and we changed that by a joint resolution, introduced by the Senator from Michigan [Mr. VANDENBERG].

These two provisions in this act of 1928, establishing the construction loan fund and providing for the ocean mail contracts, were intended to accomplish these main purposes, to interest private capital in shipping, to enable the Shipping Board to dispose of the vessels on hand as fast as possible, and to build up an American merchant marine. This ocean mail contract provision we called a subvention. It is not exactly a subsidy, although it has characteristics of a subsidy. We softened it a little by calling it a subvention, but that was for the purpose not so much to pay actual

compensation for carrying the mails but to help shipping. My friends over on the other side of the aisle, especially the Senator from Maine [Mr. WHITE], will recall the discussion which went on at that time. That act has accomplished a very great deal in the directions mentioned.

In the making of these loans for the purpose of building up ships the Shipping Board was not only authorized to make a loan of 75 per cent of the cost of the ship, but to protect itself by a mortgage on the ship, and also by an assignment or transfer or pledge of all the proceeds arising under any ocean mail contract that the ship might have. I do not know that they have lost any money by the making of these loans as yet. There may be some involved now, but I think thus far they have not suffered any particular losses.

The ocean mail contract is not on a poundage basis at all, but on a mileage basis, and of course many of the ships are receiving in many instances, I take it, much more than the actual rates that would be based upon a poundage plan.

The result has been that we have now privately owned combination passenger and freight ships, 217, with a gross tonnage of 1,449,056; freighters, 776, privately owned, with a gross tonnage of 3,405,318; tankers, 370, privately owned, with a gross tonnage of 2,464,004. Total privately owned vessels, 1,363, with a gross tonnage of 7,318,378.

The Government owns 6 combination passenger and freight vessels, with a gross tonnage of 102,093; freighters, 356 vessels, with a gross tonnage of 2,024,690; total Government owned, 362 vessels, with a tonnage of 2,126,763.

The total American fleet is now, according to a statement which I hold in my hand, dated March 31, 1932, 223 combination passenger and freight vessels, with a gross tonnage of 5,429,288; freighters, 1,132, with a gross tonnage of 5,429,288; tankers, 370, with a gross tonnage of 2,464,004. Total, 1,725 vessels, with a gross tonnage of 9,445,141. So we have a decent American merchant marine.

We need not refer to our coastwise trade, because that is amply protected. No foreign vessel can engage in the coastwise business here. We have a splendid coastwise fleet, rendering fine service.

This has resulted, to a very large extent, as a consequence of the enactment of these laws providing for loans and ocean mail contracts and other laws which we have passed of benefit to American shipping.

That prompts me to disagree with the senior Senator from Tennessee [Mr. MCKELLAR] as to the unwisdom and the waste in connection with these ocean mail contracts. I do not believe that we are in a position to say that all those contracts are unwarranted, unauthorized, and ought to be canceled. I do say that it is the function and the duty of the committees of Congress to examine each of the contracts. Let each contract stand upon its merits. There may be certain facts in connection with a particular contract which would tend to establish irregularities and even worse than that. In such cases the contracts ought not to be approved by Congress, and they ought not to be taken care of in the appropriation bills. There is one power the Congress has that neither the Supreme Court nor any other agency can take away from it, and that is the power with reference to appropriations. If we can not reach a thing in any other way we can control the appropriations, and we can accomplish what we want by denying or providing appropriations. Nobody can question our right or our power to do that. So when we find a contract that is indefensible, or is irregular, or has features in connection with it that can not be justified anywhere or in any way, then the duty of Congress is to deny the appropriation for carrying out such a contract.

We have done very well in connection with our merchant marine. I might refer to just a few illustrations of what it has meant to the country to insist upon the policy of establishing and maintaining a merchant marine for overseas trade. An outstanding example of the dollar-and-cents value of an adequate merchant marine under the American flag occurred in 1926 during the great British coal strike. Foreign ships which under ordinary circumstances would have carried American grain and cotton to Europe were withdrawn into the coal trade in such numbers that there was not a sufficient supply of vessels to transport American crops. In this emergency the Shipping Board furnished from its laid-up fleet nearly 100 vessels and put them into operation at an expense averaging but $25,000 per vessel, and not only prevented a serious impairment of American foreign markets but also prevented the ocean freight rates on those commodities from undergoing an inordinate increase. Estimates as to the benefits to American grain and cotton farmers in crop values saved have run into hundreds of millions of dollars. This action was universally approved throughout the country.

During the period from 1921 to 1930 the water-borne foreign trade of the United States amounted to over 900,000,000 tons of freight, valued at $74,000,000,000. It is significant to note that American ships which before the war carried less than 10 per cent of our commerce during this 10-year period carried over 40 per cent, or upwards of 360,000,000 tons of freight, valued at nearly $25,000,000,000. Passenger and freight revenues accruing from this movement of traffic totaled approximately $9,000,000,000. On the most conservative estimate, fully one-third of this revenue must be credited as a direct gain to American labor and industry through the possession of a strong merchant marine.

Another instance might be mentioned of the time when we undertook to ship wheat to Russia and gave her millions of bushels of wheat. We inquired as to rates for transporting the wheat. The foreign ships wanted such a price that we protested, and pulled out of the reserve fleet of the Shipping Board the ships with which to move the wheat. It cost us one-tenth of what it would have cost otherwise to ship the wheat. There was a time when particularly the German ships were out of commission, the British ships were tied up, and the French ships were commandeered at the beginning of the war, and we had no merchant ships worth while. Freight rates went up on wheat from 3 cents to 50 cents between New York and Liverpool. The rates on cotton went up from $2.50 per bale from Galveston and New Orleans to Liverpool, to $80 a bale. These are illustrations to indicate that we can not afford as a great country to be dependent upon our competitors for foreign markets for the ships with which to move our commerce. We must have our own ships.

I am willing to be rather generous about what we may contribute to induce private capital to go into shipping, to encourage and promote the development of our merchant marine. We find that it will pay us to do that even if we have to be apparently rather overgenerous in affording this means of overcoming the difference between the cost of operating under our flag and the cost of operating and building in foreign countries.

Mr. President, I am not prepared to say that the ocean mail contracts ought to be discontinued, ought to be discountenanced or ought to be declared illegal; but I do say that in this case, as in other cases where contracts are made by such agencies of the Government under certain terms and conditions, we have the power and the right and it is our duty to inquire into each one of them where they are brought to our attention particularly, and to pass upon the merits of each one of them.

This brings me to the Seatrain contract. I think perhaps the first effort ever made in this country toward moving loaded freight cars overseas was the establishment of the Florida East Coast Ferry Co., operating between Key West and Habana. There may have been some movement like that across the Great Lakes, but I am satisfied that is the first service of the kind attempted on the Gulf. About 17 or 18 years ago that ferry company was organized and Mr. Henry M. Flagler put $5,000,000 of capital into it. I remember riding on the train once with Mr. Flagler from St. Augustine to Jacksonville. He invited me into his car and we traveled together from St. Augustine to Jacksonville. He began talking about his enterprise on the east coast. At that time the Florida East Coast Railroad terminated at Miami. It seemed to me like a dream when he

outlined to me his plan and purpose to build that road from Miami along the keys 146 miles to Key West. From the trains on that road one can throw a stone into the Atlantic Ocean on the one side and into the Biscayne Bay on the other. He said then that he hoped to live to see the day when he could load a car with freight in Chicago and unload that car in Santiago, Cuba. It seemed to me a wild conception almost, but he did live to see that day. Years ago he saw 30 cars of freight loaded in Chicago and unloaded in Santiago, Cuba. They passed by rail to Key West, and there they went on the East Coast Ferry. They were moved off the ferry in Habana onto the rails and moved thence by rail to Santiago.

That was the first attempt of that kind. The business grew enormously, so that finally they had to build two great ferries. One was called the *H. M. Flagler*. They established three ferries operating between Key West and Habana, on each of which 30 cars loaded with freight could be moved and were being moved, and they have built up an enormous business.

After awhile business began to decline to some extent. Commerce between this country and Cuba decreased. The movement out through the great West and the Mississippi Valley favored New Orleans as a port of departure from the United States. The boats of this ferry company are not now enjoying the business they formerly did, and they conceived the idea of putting them in operation from New Orleans to Habana. They applied to the Interstate Commerce Commission for permission to operate their ferry boats from New Orleans to Habana. They had the idea, whether it was correct or not, that they had to have permission and a certificate of convenience and necessity and that sort of thing, and so they obtained permission from the Interstate Commerce Commission before they began to operate their ferries from New Orleans. They had the support of the city of New Orleans and the business interests of New Orleans.

The Seatrain Corporation, a foreign concern, a British company, built one of these ferries abroad. They were thereby enabled to construct them for very much less than they could be built in this country. They borrowed British money to do it and gave a mortgage on the ferry to secure the payment of the money. They operated that ferry under the British flag from New Orleans to Key West. Not only were they operating there under the British flag at the lowest cost that foreign operators enjoy, but they began to cut rates as against the ferry operating between Key West and Habana.

So the East Coast Car Ferry, at Key West, applied to the Interstate Commerce Commission to engage in business from New Orleans to Habana, and to compete without any assistance from the Government, without asking anything from anybody, and they have for all these years operated their business on their own money. American citizens, H. M. Flagler and his associates, put their money into that ferry, established the service, and have never asked the Government for any favor of any kind, and do not do so now. They invested their money there. Then there comes a foreign concern, a British corporation, a British ship flying the British flag, and proceeds to cut rates against this American enterprise. When the American ferry company undertakes to get permission from the Interstate Commerce Commission, legitimately and properly, to compete with them between New Orleans and Habana, what do they do? In the first place, they told the Interstate Commerce Commission, "We object to your giving permission to this ferry company to compete with us and operate its ship on the ground that there is not business enough here for two ferry companies; there is not business enough for our ship, let alone the other one." That was the ground upon which they resisted the application of the Key West Ferry Co. before the Interstate Commerce Commission, on the ground that there was not business there sufficient adequately to maintain both enterprises.

The next thing we know this Seatrain concern organized as another corporation, and they applied to the Postmaster General and the Shipping Board for an ocean mail contract. Of course, being a foreign concern, flying a foreign flag, they were not entitled to recognition at all and were not eligible for any such contract. So they incorporated under our laws; they became an American concern, flying the American flag; and they said, "We will build two more ships and we will carry 90 cars of freight on each ship." They had been resisting the application of the East Coast Ferry Co. on the ground that there was not any business, and in the next breath they tell the Postmaster General and the Shipping Board and the committee, "We want to build two more ships for this business; we want a loan from the Shipping Board with which to construct these ships; and we want an ocean mail contract." It is a perfectly absurd situation.

In the next place nothing could be gained by the Government under those circumstances. It was wholly unjust and unfair to the American citizens who had put their money in the East Coast Ferry Co., who had invested $5,000,000 of their money in it, had been operating successfully, and had never asked the Government for any favor whatever and do not do so to-day. This British concern proposed to get that contract, and, because they were not eligible, they then went after it under an American organization, on the theory that there was business there for not only the ship they had, the *Seatrain*, but two more ships, and they would build the other two and put them all under the American flag if the Shipping Board would loan them the money.

Strange to say, the Shipping Board did that. It said, "Yes; we want to get two more ships under our flag, and we will make you the loan." The Postmaster General and the Post Office Department said, "We would like to see two more ferries under the American flag, and if you can work it out we will let you have a mail contract." A very fine enterprise on the part of these gentlemen. I am not criticizing them so much for wanting to get all they could get, but it was a ridiculous proposition ever to start with such an idea and to plan for such an arrangement as that, because there was no need of it.

Here was the Key West Ferry Co., with two idle ferries on account of the dropping off of business between Habana and Key West, perfectly ready to operate on that line. It had applied to the Interstate Commerce Commission for permission to do so. The Seatrain people resisted it on the ground that there was not sufficient business, and yet they come in then and propose to build two more ferries, carrying 90 cars each, to operate on that same line.

Was there any reason for it? The Postmaster General already had a contract with the United Fruit Co. to move the mail from New Orleans to Habana and to build two more ships, and to put them under our flag. There was no occasion to make this contract with the Seatrain people. The United Fruit Co. were willing and able to go on and build two additional ships, put them under our flag, and take over this contract for carrying the mail. So there was no necessity for that sort of an arrangement in order to get the mails carried. The mails were moving before they ever went there, anyway, by other boats. But this new company had completed negotiations to build two more ships and take over that contract. The other company had to get out of it; they were not as energetic and as successful and could not bring the influence to bear that the Seatrain people could, and so they had to abandon that plan and turn the whole thing over to the Seatrain people.

Now, what a profitable kind of enterprise that was!

One can not fail to appraise their energy highly. Here is what they accomplished: The Seatrain subsidy, New Orleans to Habana, requires a minimum yearly payment of $240,000. They have a 10-year contract, which makes a total of $2,400,000. That is the subsidy to the Seatrain Co. under their contract. Here were the Key West ferry people, perfectly able and willing to perform that service, without asking for any favor or subsidy of any kind. That means that $2,400,000 will be paid by the Government to the Seatrain Co. during the 10 years.

Further, they get the Shipping Board to agree to lend them at 3½ per cent interest three-quarters of the cost of the two new Seatrains. That amounts to $2,400,000. So the Government pays them $2,400,000 by way of subsidy, they have loans for $2,400,000, and during the 10-year subsidy period there is to be repaid one-half the loan, or $1,200,000, and interest of $681,000, or a total of $1,851,000.

Now, what does the Seatrain Co. get independent of the subsidy? Suppose they do not collect the subsidy; supposing this appropriation shall not be made and they do not get the $240,000 a year; they will still obtain the difference between 3½ per cent and the commercial rate of 6 per cent over the 10-year period, amounting to $465,000; they have secured that. Whether we make this appropriation or not, this Seatrain concern will get the benefit of $465,000 from the Government.

The contractor thus receives a subsidy and interest saving totaling $2,865,000.

The contractor thus receives a surplus over loan and interest payments of $1,014,000. During the last 10 years of the loan there is an interest saving on the remaining half of $165,000, giving the contractor a net surplus of $1,179,000 to meet the remaining half of the loan of $1,200,000, principal and interest of $231,000, totaling $1,431,000.

This refutes the absurd contention of the Seatrain lines that the mail contract does not reimburse them for the burden of the American cost of constructing two ships. It shows plainly that the 75 per cent loan for such ships is practically self-financing through the mail contract. They are getting new ships financed by the Shipping Board and saving the difference between the Government's rate and the commercial rates, amounting to $465,000, and they are obtaining this subsidy of $2,400,000 under the contract.

Now, what is the justification for this? In the first place, I want to point out the irregularities in connection with the contract. Going back a little in the history of the matter, the steamship *Seatrain*, during negotiations, advertisement, and when the contract was made, was a British-flag ship—do not forget that—built in England at one-half American cost, legally owned by an alien corporation.

The claim was made, of course, that she was beneficially owned by Americans, but that does not alter the legal status. Her status precluded her owners from receiving benefits under the act of 1928. When this element developed as embarrassing the Postmaster General and the *Seatrain* witness before the Senate committee impliedly, but not directly, denied that it was intended to secure mail pay for her; but the record abundantly shows, according to the testimony of Government officials, that such was the essence of the deal at all times. If additional proof were needed the postal estimates for 1933 reveal that it was expected the sum of $60,200 would be spent on the *Seatrain* contract between January and July, 1932. Undeniably this could only be earned by the vessel *Seatrain*, as the two new similar ships were not intended to be obtained and could not be ready until the last half of 1933.

The deal was developed on the basis of her supposed eligibility, probably under a promise that if they got these contracts and got these loans they would transfer her flag.

It appears of record in the testimony that late in 1930 the Car Ferry Co. sought sanction of the Interstate Commerce Commission to put on a car-ferry service from New Orleans to Habana, and that the Seatrain Co. entered vigorous opposition thereto. I have mentioned that.

I have shown you what this sort of a contract meant to the Seatrain Co.; and, of course, they went vigorously after it. I have mentioned the fact that this whole service was pioneered by the American company, the Florida East Coast Ferry Co.; and they operated it for over 16 years without seeking or obtaining any bounty or favor from the Government.

The Seatrain Co. say that everything was fair; that they made their application, and bids were advertised for; but the advertisement was such that no other concern in the world could bid for the contract except the Seatrain Co. That is the way the advertisement was framed, and the hearings show that nobody could or did bid on it except this one concern that was building this particular kind of ship.

The Seatrain Co. says that its design was passed on and commended by the Navy. The Navy gave it a sort of cursory examination at first, but they never did commend it as contributing to any material extent to the national defense. The Secretary of Commerce has to do in this connection with such contracts, and here is what he said on October 3, 1931. It appears on page 1077 of the Senate committee hearings. This is his statement:

> The advertisement is clearly framed to fit the service recommended by the Over-Seas Railways. That company owns the only vessel capable of beginning the service immediately upon award. * * * New factors have entered the case. * * * Doubt has been created and should be eliminated. * * *
>
> From the point of view of the best interests of the Government, and also the ethical considerations of contract bidding involved, it appears desirable * * * to cancel its present advertisement and hold rehearings.

Secretary Lamont communicated that to the Postmaster General; and without assigning any reason, with no change in the situation thus described, and without holding the hearings stated as necessary, the award was made by the Postmaster General.

Here was the Secretary of Commerce communicating with the Postmaster General and advising him that in view of the character of the advertisement, and the lack of hearings, he ought to open up this matter and give hearings on it and go into it; and the Postmaster General paid no attention to that recommendation.

So this contract was finally entered into. I say that it was unjustified and unwarranted; that there was lack of consideration for other bidders. The whole thing was shaped up and schemed from the beginning to give this contract to these Seatrain people. They got the contract, and in order to get it they misrepresented conditions. They claimed that there was not sufficient business in New Orleans to warrant extending the Key West ferry over there. They then proposed to build two new big ships, carrying 90 cars each, and the contract provides for an extension of rights and privileges under it, so that now the scheme is to operate these *Seatrains* from New Orleans to New York, stopping by way of Habana, getting $240,000 a year for carrying the mail, as it is called, and moving freight by water from New York to New Orleans. They are competing with other American ships, competing with the railroads leading out of New York and in that direction, moving freight to the amount of 90 cars per ship from New Orleans to New York under a Government subsidy of $240,000 a year and a loan from the Shipping Board of $2,400,000 at 3½ per cent interest.

That is the proof. Do you see any justification for that? The foundation and origin of the whole thing was a British-flag ship. Can there be any justification for that? If they wanted to undertake a venture like that, let them do it on their own responsibility. It is not fair to other American citizens engaged in business of this kind that the Government should be supporting this concern and paying them such amounts as will enable them to finance the whole thing out of the Government contribution.

I say that proviso ought to be retained as the House put it in, and that the Senate committee amendment striking it out ought to be rejected.

I ask permission to insert in the RECORD as a part of my remarks, particularly for the benefit of the conferees, if the matter goes to conference, a very clear, intelligently prepared, condensed statement prepared by Mr. Robert W. Malone, giving the facts and circumstances connected with this matter.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

> The Post Office appropriation bill, H. R. 9690, contains the following provision adopted by the House on a division vote, as the result of a speech in the House on January 29, and of hearings held by the House committee.

"*Provided further*, That none of the money herein appropriated shall be paid on contract 56 awarded to the Seatrain Co. under the provisions of the merchant marine act, 1928."

The Florida East Coast Car Ferry Co., an all-American concern with an invested capital of $5,000,000, and of sound financial standing (an affiliate of Florida East Coast Railway) entered an appearance before the Senate Appropriations Committee regarding the House provision, and made and authenticated the following categorical charges as reasons for retention of the amendment:

1. It is an illegal contract.
2. It was obtained on the basis of a deception.
3. It is a wasteful and extravagant misuse of Government funds.
4. It violates the principles of our merchant marine laws.
5. It provides for no service not available from responsible Americans without cost to the Government.
6. It constitutes Government financial backing to an enterprise which heretofore has been largely of alien identity.

The annexed remarks summarize the Senate testimony, and offer supporting references as to each of these charges.

While, of course, the Seatrain Co. appeared and testified in a manner designed to justify their contract, the foregoing charges and the annexed tables supporting them remain unrefuted.

REASONS FOR REGARDING SEATRAIN CONTRACT AS ILLEGAL

The detailed reasons assigned as a basis for alleged illegality are contained in the protest which the Florida East Coast Co. lodged with the Comptroller General on October 1, 1931, and November 3, 1931, appearing on pages 273 and 289 on the Senate hearings. Epitomized, these reasons are (a) that the call for bids and award of contract failed to comply with Revised Statute 3709, demanding competition in letting Government contracts; (b) that the advertisement and contract contain important reservations contemplating increased compensation, extension of service, etc., not authorized by the merchant marine act, 1928; and (c) that all negotiations preceding the advertisement and contract, the advertisement itself, and the contract itself, were based and drawn to permit mail payments to the ex-British-owned and British-flag ship *Seatrain*, in contravention to merchant marine act, 1928.

Revised Statute 3709 was violated because the specifications and everything pertaining to them precluded competition. A 90-car ferry of the exclusive *Seatrain* type was stipulated for service, and two such type were required to be built. At option of bidder, service could commence on January 1, 1932, less than 90 days from bid opening, and the vessel *Seatrain* was the only ship in existence meeting this requirement and option. Further, the East Coast Co. proved that it desired to bid, but was prevented by the additional reason that it and the Seatrain Co. had a contest pending before the Interstate Commerce Commission, shortly to be settled, until the outcome of which it was impracticable to make a competitive tender.

The Jones-White Act requires all terms and conditions of mail contracts to be determined in advance of advertising, thus amplifying Revised Statute 3709. The terms of the actual advertisement and contract leave real cost to the Government and benefit to the contractor widely open, by attempting to authorize subsequent changes in terms so as to extend the operation of the service and the rate of payment to almost any degree.

The steamship *Seatrain*, during negotiations, advertisement, and when the contract was made, was a British-flag ship, built in England at one-half American cost and legally owned by an alien corporation, regardless of the claim that she was beneficially owned by Americans. Her status precluded her owners from receiving Jones-White benefits for her. When this element developed as embarrassing, the Postmaster General and the *Seatrain* witness before the Senate committee impliedly (but not directly) denied that it was intended to secure mail pay for her. But the record abundantly shows, according to the testimony of Government officials, that such was the essence of the deal at all times. If additional proof were needed, the postal estimates for 1933 reveal that it was expected the sum of $60,200 would be spent on the *Seatrain* contract between January and July, 1932. Undeniably this could only be earned by the vessel *Seatrain*, as the two new similar ships were not intended to be obtained and will not be ready until the last half of 1932.

Notwithstanding that the parties may renounce present intention to demand payment for steamship *Seatrain*, the fact the deal was evolved on the basis of her supposed eligibility renders the matter invalid, since a contract can not be partly valid and partly illegal.

REASONS FOR STATING SEATRAIN CONTRACT WAS OBTAINED ON A BASIS OF DECEPTION

On page 283 of the Senate hearings the witness for the East Coast Car Ferry Co. testified in part as follows:

"In thus entering opposite and contradictory testimony before two branches of the Government—not at widely different times but concurrently—the applicant breached faith with the Government and forfeited any right to further consideration. Any contract arising out of such activities bears every evidence of deceit, since the action of the Government leading up to the contract was admittedly based on deceptive information and, in fact, designed to deceive and mislead."

It appears of record in the testimony that late in 1930 the Car Ferry Co. sought sanction of the Interstate Commerce Commission to put a car-ferry service from New Orleans to Habana, and that the Seatrain Co. entered vigorous opposition thereto. (This proceeding had no reference whatever to the Seatrain mail contract, plans for which were not then known.) The East Coast for many years had run such a service without Government help from Key West to Habana, developed to a point where it was transporting a great portion of the American commerce with Cuba. It sought the approval of the Interstate Commerce Commission to putting on a New Orleans-Habana service, in order that it might parallel the competing British-flag Seatrain line, which had just started service the year before, and also in order to follow a drift in traffic which for technical and traffic reasons was shifting from Key West to New Orleans as a gateway.

The alleged deception arises from the fact that the Seatrain gave the Interstate Commerce Commission sworn testimony in no uncertain terms, carefully supported by figures, to prove that Cuban business was diminishing rather than increasing; that the *Seatrain* was not running nearly to capacity, nor was there a remote chance in the future for it to do so; that accordingly a competing service by the East Coast could not participate in increasing business but could only draw business from the Seatrain, to its detriment and destruction. Seatrain stated under oath that they believed no business existed or was potential for further car-ferry facilities from New Orleans to Habana.

It was ultimately brought to light that almost at precisely the same time Seatrain was given hearings by the so-called mail committee (not publicly known) to support a petition that it be given a mail subsidy for its service from New Orleans to Habana, involving the building of two new ships with a Shipping Board loan. To justify its petition, obviously, it had to contend that its existing vessel was insufficient for the trade and that the present and potential business in the New Orleans-Habana route demanded additional ships, which they threatened to build in Europe if not given a subsidy and loan. The mail committee was not informed of the proceeding before the Interstate Commerce Commission, nor was the latter body informed that the Seatrain had advised another Government agency directly contrary to their testimony under oath.

Certainly the term "deception" is almost inadequate to describe such a situation, and that the authorities should have condoned it by finally giving the contract can hardly be due to anything but irresistible influence. Proof of this situation is given on page 252 of the Senate hearings, and also on page 1077, where there appears a statement of the Secretary of Commerce disclosing his acknowledgment to the Postmaster General that all of the plans in contemplation of this Seatrain deal were in error.

Reasons for stating that Seatrain transaction is a wasteful and extravagant misuse of Government funds

The Seatrain subsidy, New Orleans-Habana, requires minimum yearly payments of $240,000, or a total for the 10-year contract of	$2,400,000
The Shipping Board agreed to lend, at 3½ per cent interest, three-fourths of the cost of 2 new *Seatrains*, or	2,400,000
During the 10-year subsidy period, there is to be repaid one-half the loan, or $1,200,000, and interest of $651,000, or a total of	1,851,000
The difference between 3½ per cent and commercial rate of 6 per cent over such 10 years is	465,000
The contractor thus receives a subsidy, and interest saving, totaling	2,865,000
The contractor thus receives a surplus over loan and interest payments of	1,014,000
During the last 10 years of the loan there is an interest saving on the remaining half of	165,000
Giving the contractor a net surplus of	1,179,000
To meet the remaining half of loan of $1,200,000, principal and interest of $231,000, totaling	1,431,000

The foregoing table refutes the absurd contention of the Seatrain lines that the mail contract does not reimburse them for the burden of the American cost of constructing two ships. It shows plainly that the 75 per cent loan for such ships is practically self-financing through the mail contract.

(It may be observed that, to pay Seatrain lines their contract subsidy of $240,000 a year, it will require the total savings resulting from the 10 per cent salary cut of 2,000 Government clerks drawing $1,200 a year.)

REASONS WHY SEATRAIN CONTRACT VIOLATES PRINCIPLES OF MERCHANT MARINE LAWS

On page 284 of the Senate hearings, the witness for the East Coast Car Ferry Co. testified in part:

"Our laws are intended to foster the American merchant marine, and in particular to provide means of aid for American flag service where it has not been possible to develop that service independent of Government aid. In no sense do our laws contain any warrant for the issuance of anything resembling a franchise in the foreign trade for the especial benefit of a particularly selected operator. They may be said to provide aid where there is an absence of service or an apparent insufficiency of American flag service."

It is of record, undenied, that the East Coast pioneered in the development of the car-ferry type of ocean transportation to Cuba, having established such a service and operated it for over 16 years without seeking or obtaining any bounty from the Government. With its own private capital funds, the company built all three ships in the United States, although it could have built at half cost in Europe, as the route is a foreign one where alien ships might operate. The company developed tremendous traffic of the car-ferry type to and from Cuba, and at all times was in harmony with companies running other types of steamers to

Cuba. When the Seatrain inaugurated a rival British service in 1929 from New Orleans to Cuba, it was but natural that the East Coast should seek to put on a parallel service, that it might continue to serve its customers of long standing, and because a great part of such traffic in any case was destined thenceforth to move via New Orleans. No Federal aid was sought or expected; only the approval of the Interstate Commerce Commission, which was recommended by the examiner after hearings were held, and which was staunchly supported by the municipality of New Orleans and by the great Middle West, through the Mississippi Valley Association and others.

The Government had no business using Federal funds to develop a line of shipping which private initiative is both able and willing to render without help. The Government had full written notice that such indeed was the case, the following appearing on page 356 of the House hearings, as an excerpt from a letter which this company gave the authorities:

"In thus executing its definite and well-prepared program, which it is amply able to execute, the East Coast has not asked for any contribution or bounty from the Government, and the service is available to the Government without such expenditure."

It is of record that the Seatrain added nothing new in type of service between the Gulf and Cuba, but was a foreign interloper seeking to capture traffic from the East Coast and other shipping lines by a vicious rate war and other unfair practices, for which it was not restrained probably only because the 1916 shipping law excludes action against ferry lines. It is of record, in the sworn testimony of Seatrain, that they drew virtually all their business from existing lines, principally the American East Coast. When, after futilely trying to wreck the East Coast, and instead was faced with parallel competition under the American flag, they, a British-flag outfit, sought and secured fabulous bounties from the Government wherewith to pursue their ruthless policy, with inevitable ruin to the East Coast.

REASONS WHY SEATRAIN PROVIDES NO SERVICE NOT AVAILABLE FROM RESPONSIBLE AMERICANS WITHOUT COST TO THE GOVERNMENT

The record amply shows that the East Coast was able and willing to provide adequate American car-ferry service from New Orleans to Habana, at the same time continuing such service from Key West to Habana, without cost to the Government.

As to so-called mail service rendered to the Government by the Seatrain mail contract, it is hardly necessary to elaborate on the absence of such service in view of the following statement by the Postmaster General in the Senate hearings:

"The mail, Senator, is a very trifling feature in the administration of the Jones-White Act. It is a ship subsidy act, sir."

Some Senators may find this a surprising view, as the debate leading to the Jones-White Act emphatically showed that mail contracts would be let only where mail service was rendered; that the total cost of such contracts would never exceed the income from postage on foreign mails. But, as the House committee showed in its report, such contracts are actually costing $19,000,000 more than the poundage cost for the mails in fact carried, such poundage rates being the same as the postal revenue on foreign mails. These features certainly show that the Postmaster General administers the law just as he described, although this is again surprising in the light of the statement of President Hoover on April 1, as follows:

"We are under the law giving ship subsidies as mail contracts. The Postmaster General necessarily looks at them as a matter of mail, the Shipping Board as a matter of trade routes."

In an indirect way the Government really is taxing the East Coast interests for the benefit of Seatrain. The East Coast Railway owns one-half of the Peninsular & Occidental Steamship Co., which runs a speedy daily passenger service to Habana from Tampa and Key West. According to the East Coast and the Post Office testimony, the Peninsular & Occidental Steamship Co. carries virtually all mail to Cuba through the South, transporting last year the immense total of nearly 3,000,000 pounds. At poundage rates it would have received $2,500,000 a year for such mail, and at Jones-White mileage rates it would have received about $250,000 a year. Actually, it carries such mails for a flat sum of $66,000 per year. Yet the Peninsular & Occidental Steamship Co. has just built in the United States with its own funds and without a subsidy a new $3,000,000 liner. The Post Office blandly certified to the Shipping Board that no mail was moving from New Orleans to Habana for which the Seatrain contract was to be made, yet that company would be paid $250,000 a year under the mere pretense of being a mail line, the only justification for which was the requirement that two new ferries be built.

In addition, long before the Seatrain contract, the Post Office made a mail contract with the United Fruit for mail service between New Orleans and Habana under which two new passenger liners were to be built, but as a result of the Seatrain contract, United Fruit abandoned their contract.

REASONS WHY SEATRAIN CONTRACT REPRESENTS GOVERNMENT FINANCIAL BACKING TO AN ENTERPRISE WHICH HERETOFORE HAS BEEN LARGELY OF ALIEN IDENTITY

Before the Senate committee the Seatrain witness testified at length to the effect that they were American and had used a foreign company, and a foreign-built and foreign-flag ship merely because they could not get American backing for a venture involving a new design of car ferry.

The plain fact is that the predecessor company to the Seatrain Lines was Over-Seas Railways (Inc.). Nearly all of the share or stock capital of this company was American owned, although some shares were held by aliens. A good portion were held by railroad interests. This company was an operating organization. Over-Seas Steamship Co. (Ltd.) was a Canadian corporation, which owned the vessel *Seatrain*, built in a British yard and which, at the time of advertising and making the Seatrain contract, had a large British mortgage on her. A mortgage is just as much foreign capital as shares or stock and is so regarded by our laws. The owning company was controlled by the operating company, and chartered its ship to the operating company for service between New Orleans and Habana.

After the Seatrain lines received their mail contract and construction loan, they transferred the *Seatrain* to American registry and paid off the British mortgage from funds received by virtue of a new stock issue. Manifestly, that stock issue was predicated on the immense bounties which the Government had contracted to give Seatrain lines. Thus our Government underwrote the lifting of a British mortgage.

Notwithstanding the promoters and backers of the Seatrain venture were principally American, it was in every sense a foreign-flag enterprise. No foreign-flag shipping line has ever been regarded as anything else merely because stock in it, or in its operating agency, was held in some degree by Americans. The French Line and other alien concerns have securities all over the United States, yet they are still alien.

This is the company at whose disposal the United States Government has contracted to put $5,000,000 of public funds.

It should be noted that the Seatrain venture was protested not alone by the Florida East Coast Car Ferry Co. but by other companies such as the Ward Line, having a mail subsidy from New York to Habana and construction loan of $15,000,000; the Munson Line, having a mail contract from New York to South America via Habana; and the United Fruit Co., having several mail contracts, including the one it finally abandoned from New Orleans to Habana because of the letting of the Seatrain contract.

Due to the nonpublic nature of the subsidy and loan negotiations until the last minute, these protests were not voiced until action was about to be taken. Up to that time the Government might have been excused in its unwarranted action on the grounds of error. But before final action, hearings were held as a result of these protests, and of similar protests from the Mississippi Valley Association, the public authorities of New Orleans, several important railroads, and others. The Seatrain contract stands alone amongst the 44 of this type awarded in evoking such wide protest.

Not only did the protestants object, but various governmental authorities finally looked at the matter in disfavor. Nothing more eloquent could be said in condemnation than the statement of the Secretary of Commerce, whose letter of October 3, 1931, appears on page 1077 of the Senate hearings. The following are extracts from this statement:

"* * * the advertisement is clearly framed to fit the service recommended by Over-Seas Railways. That company owns the only vessel capable of beginning the service immediately upon award. * * * New factors have entered the case. * * * Doubt has been raised and should be eliminated. From the point of view of the best interests of the Government, and also the ethical considerations of contract bidding involved, it appears desirable * * * to cancel its present advertisement and hold rehearings."

Such attitude by Secretary Lamont was utterly disregarded; and later, without assigning any reason, and with no change from the situation thus described, or without holding the hearings stated as necessary, the award was made.

The Comptroller General, in writing to the Postmaster General on the protest, stated in part on November 10, 1931, "* * * this office must inform you that no charges against appropriated funds will be approved for payment to the Over-Seas Railways (Inc.) under the contract you report as having been awarded."

Commissioner Cone, of the Shipping Board, testified that a thorough traffic study, conducted by the board as a result of protest, showed that there was no business from New Orleans to Habana to justify the mail contract or loan. Thereupon, Seatrain was given the right to operate the ships elsewhere in addition from New Orleans to Habana. And now—a fact brought to light since the Senate hearings—it is disclosed that in reality the Seatrain lines will run a coastwise service from New Orleans to New York and return via Habana, getting their subsidy to the latter port, when there is no authority whatever in law to grant such aid for coastwise services in which foreign ships can not compete. This feature has the further element of aggravating competition with existing eastern railroads, which will have this Government competition to contend with.

An attempt at justification was made under the guise that the ships to be built are of great naval value. The hearings revealed that the first statement of the Navy to this effect was purely cursory and general; that the Navy never saw the plans of the ships until after the contracts were let, and that they then approved such plans most reluctantly because of the unsuitable method of their construction.

During the delivery of Mr. FLETCHER's speech,

Mr. McNARY. Mr. President, will the Senator yield, in order that I may submit a request for unanimous consent?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Oregon?

Mr. FLETCHER. I yield.

Mr. McNARY. I ask unanimous consent that when the Senate has concluded its work to-day it take a recess until 10 o'clock to-morrow morning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. REED. Mr. President, will the Senator from Florida yield to me in order that I may make a suggestion to the Senator from Oregon?

Mr. FLETCHER. I yield.

Mr. REED. Can we not do something to finish up the calendar? We reached within perhaps 100 numbers of completing it yesterday.

Mr. McNARY. I thought that as soon as we are assured that appropriation bills are out of the way, the day following, I would ask for consideration of unobjected bills on the calendar from 10 o'clock to 12 o'clock.

Mr. ODDIE. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Nevada?

Mr. FLETCHER. I yield.

Mr. ODDIE. I hope the Senate may remain in session this evening until this bill shall be disposed of, and I think it can, as we are moving on pretty well now.

After the conclusion of Mr. FLETCHER's speech,

The VICE PRESIDENT. The question is on the first part of the amendment. The Senator from Florida has asked for a separate vote. Let the amendment be stated.

The LEGISLATIVE CLERK. On page 57, the committee proposes to strike out, in line 8, after the word "City":

Provided further, That none of the money herein appropriated shall be paid on contract No. 56 awarded to the Seatrain Co. under the provisions of the merchant marine act of 1928.

The VICE PRESIDENT. That is the part on which the Senator from Florida asks for a separate vote.

Mr. BROUSSARD. Mr. President, would the Senator like to have this request passed upon now? I have no objection to permitting that division to be made so far as I am concerned. I do not know what the chairman thinks about having separate votes.

Mr. FLETCHER. I think that has been ordered. I have a right to have separate votes, and I have asked to have that done.

Mr. ODDIE. Mr. President, I should like to say a few words about this amendment, if the Senator from Louisiana is not going to do so.

Mr. BROUSSARD. I am going to do so.

Mr. ODDIE. I will wait, then, until the Senator from Louisiana has finished.

Mr. BROUSSARD. I wanted to dispose of the other matter first.

The VICE PRESIDENT. The Senator from Louisiana.

Mr. BROUSSARD. Mr. President, the first part of this amendment deals solely with the Seatrain Co. The other amendment, as I recall, was offered in the House by Congressman DAVIS, who appeared before our committee with reference to his own amendment. They follow each other here; and while Congressman DAVIS appeared in behalf of his amendment, the Senator from Tennessee [Mr. MCKELLAR], a member of the committee, asked him questions about the Seatrain contract. Senators will find, by referring to page 396 of the hearings, that Mr. DAVIS made a statement which in substance amounts to this:

That the Florida East Coast Ferry Co. is not a competing line. It is connected with and is part of the Flagler railroad system. It serves the Atlantic coast and carries freight cars over by these ferries from Key West to Habana, while the Seatrain Co. carries loaded cars from New Orleans to Habana and serves the Mississippi Valley—all the railroads in the valley. So in no instance could it be considered that these two services—one from Key West to Habana, serving the Atlantic coast, and the other serving the Mississippi Valley out of New Orleans to Habana—are competitive; nor would anyone expect that anyone given a contract—I refer now to the action of the Post Office Department in awarding this contract—in trying to establish or to augment or to facilitate a service from New Orleans to Habana would want to bring in lines between Habana and some other point than New Orleans.

Briefly stated, this case is simply one which has been brought here on the floor by the Florida East Coast Ferry Co. to prevent payment of the amounts due under a contract duly entered into and now almost completely executed.

These people borrowed $2,380,000 to build two new ships which are now 75 per cent completed, and payments have been made to that extent for the construction of the ships. The objection raised, that this is a foreign company, does not apply at all.

I wish to explain why this ship was sailed under a British flag originally.

Until the Jones-White Act was passed there was no American shipyard capable of undertaking such work unless money could be borrowed, and no money could be borrowed in this country for that purpose at the time the original ship which operated and is now in operation between New Orleans and Habana was constructed. These people were forced to go to Canada and organize a company there. Every cent of that capital was American capital, and in order to secure the amount that they were to borrow they were forced to build this ship in England. When she was commissioned she immediately entered into the service as it had been intended she should do. Then the Jones-White Act was passed, which permitted them to obtain some loans in order to build ships. It took them some time to raise the money here to pay the English company their advanced money and to transfer their ship from the British flag to the American flag, which was done early this year; but the contract complained about has nothing to do with the old ship. These are new ships, constructed under designs submitted to the Shipping Board and passed upon as being an entirely new method of transportation.

In order to justify that service it was intended that a ship which would carry a small number of loaded cars would not serve that particular trade, because the value is so large and there is such a quantity of lumber and other products of this country to be shipped to Cuba, and, of course, we know how much sugar is brought from Cuba to the United States. So that it was proposed that the new ship should have a capacity of 90 loaded cars.

The Florida Co. came in and offered to undertake this contract. Their ships carried 26 cars, as I recall.

Mr. FLETCHER. Thirty, I think.

Mr. BROUSSARD. Twenty-six or thirty. The Post Office Department sought to ascertain how long it would take to build those two ships, and they were told that nine months would be necessary. In order to permit the Florida Co. an opportunity to bid and, as at the same time, to give them an opportunity to get their permit from the Interstate Commerce Commission to enter that trade, the Postmaster General postponed the award of the contract for one year. That has not been granted up to this time. So that even if they had filed a competing bid, they did not have the ships, first of all, and next, they did not have the sanction of the Interstate Commerce Commission to go into that trade. The result was that they were not qualified to bid, and they were not offering to build ships which would conform to what is believed to be necessary for that particular trade.

The two ships are being built in American yards, and are nearly completed. The trade between New Orleans and Habana has been increased by a very large amount. Those two ships, one of which is already owned by the Seatrain Co., fly the American flag.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. BROUSSARD. I yield.

Mr. FLETCHER. They have to be built in American yards or they could not get the contract.

Mr. BROUSSARD. They could not get the contract otherwise. The first ship would have been built here except for the fact that the Jones-White bill had not become a statute, and they could not get the money here. When they built the ship in a British yard, the builders took

the lien there, and the ship had to fly the British flag until after enactment of the Jones-White Act, when they could raise money here and pay off the debt. Then they put the American flag on their ship. She is now flying the American flag, and every stockholder is an American. It is not a foreign company, but it was necessary in order to give security to the British yards that built her to register her as a British ship, and consequently she had to fly the British flag. But all of the stockholders are Americans. The company in Canada which gave the lien on the ship are merely the figureheads, in a different organization, organized there to comply with the British law. They had no interest in it at all. The obligation was really that of the original company here in this country, which was organized in Delaware. So it is that this is not at all what it is contended to be.

The contract has been let. The Senator from Tennessee [Mr. McKELLAR] made a speech before leaving here for Chicago the other day in which he claimed that the contract is illegal. If it is illegal, that is a matter for the Comptroller General or the legal department of the Government to act upon. It is not very good practice, I would think, for the Committee on Appropriations to pass upon the legality of contracts entered into a year ago, when 75 per cent of the contract price for the building of the two ships has already been paid.

If we refuse to pay, in what position does it put the Government? Congress has passed a law which requires that certain things be done before loans may be made, and it is not contended that anything was done that was not permissible under the law. The complaint is that the Seatrain Co. were the only bidders; but the fact is, as the Senator from Florida knows, because he had a very large part in preparing the merchant marine laws, that in selling the ships which the Government owned the Shipping Board established lines wherever they could. They did not get people to come and bid. They sold the ships in competition, but provided that whoever bought them should sail them on the established line, and provided in the contract where they should go, just as this contract does. It provides that it is open to anybody to buy the ships they are selling, but the condition is already prescribed as to how long they should serve between an American port and a certain other port in some other country. That is all specified.

The Post Office Department deferred this matter a whole year, and the Florida company could easily have bid, but they did not bid; and had they bid, they could not have entered that trade. This is no place, in an appropriation bill, to settle the legality of a contract. We can not defeat a contract merely by saying, "We will not pay the debt. I believe it is legal and the other fellow says it is not legal, and therefore we will not pay it at all." That is not an orderly way, it is not a practice that is engaged in by men of business experience, and certainly the Government should not indulge in such practice.

This is merely, we might say, a controversy between one of the companies that wanted this contract and the other one that got it, and we have no business going into that at all. I hope the Senate will stand by this amendment.

INDEPENDENT OFFICES APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMOOT. I move that the Senate insist on its amendments, agree to the conference asked for by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SMOOT, Mr. JONES, Mr. HALE, Mr. GLASS, and Mr. BROUSSARD conferees on the part of the Senate.

RESTRICTIONS OF INDIANS OF THE FIVE CIVILIZED TRIBES

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. THOMAS of Oklahoma. Mr. President, the bill was returned to the House, and the House disagreed to the Senate amendments. The disagreements arise over matters of policy and legal complications. I ask unanimous consent that the bill, with the message and papers attached, be referred to the Committee on Indian Affairs for further consideration.

The VICE PRESIDENT. Without objection, that order will be made.

REPORTS OF THE COMMITTEE ON FINANCE

Mr. SMOOT, from the Committee on Finance, to which was referred the joint resolution (S. J. Res. 186) to provide transportation and travel subsistence to World War veterans temporarily quartered in the District of Columbia, reported it with amendments and submitted a report (No. 949) thereon.

He also, from the same committee, to which was referred the bill (S. 4569) relating to loans to veterans on their adjusted-service certificates, reported it without recommendation and submitted a report (No. 950) thereon.

TRANSPORTATION OF VETERANS FROM THE DISTRICT OF COLUMBIA

Mr. HOWELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the joint resolution just reported by the Senator from Utah.

The PRESIDENT pro tempore. Is there objection?

Mr. BRATTON. Let it be reported.

The PRESIDENT pro tempore. The joint resolution will be read for the information of the Senate.

The Chief Clerk read the joint resolution (S. J. Res. 186) to provide transportation and travel subsistence to World War veterans temporarily quartered in the District of Columbia.

The amendments were, on page 1, line 4, after the words "World War," to strike out the word "now;" in line 9, before the words "per day," to strike out "$2" and insert "75 cents"; and in line 14, after the word "hereby," to insert "authorized to be," so as to make the joint resolution read:

Resolved, etc., That upon the request of any honorably discharged veteran of the World War temporarily quartered in the District of Columbia who is desirous of returning to his home, the Administrator of Veterans' Affairs is authorized and directed to provide such veteran with railroad transportation thereto prior to July 15, 1932, and travel subsistence at the rate of 75 cents per day. All amounts expended pursuant to this act in behalf of any such veteran shall constitute a loan without interest which, if not repaid to the United States, shall be deducted from any amounts payable to such veteran on his adjusted-service certificate.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent for the present consideration of the joint resolution.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Carey	Hastings	Lewis
Austin	Coolidge	Hatfield	McGill
Barbour	Copeland	Hawes	McNary
Bingham	Couzens	Hayden	Metcalf
Black	Dale	Hebert	Moses
Blaine	Davis	Howell	Norbeck
Borah	Dickinson	Johnson	Norris
Bratton	Fletcher	Jones	Nye
Broussard	Frazier	Kean	Oddie
Bulow	George	Kendrick	Patterson
Capper	Goldsborough	Keyes	Pittman
Caraway	Hale	La Follette	Reed

Robinson, Ark.	Shortridge	Thomas, Okla.	Walcott
Robinson, Ind.	Smoot	Townsend	Watson
Schall	Steiwer	Trammell	White
Sheppard	Stephens	Vandenberg	
Shipstead	Thomas, Idaho	Wagner	

The PRESIDENT pro tempore. Sixty-six Senators having answered to their names, there is a quorum present. The Senator from Nebraska has asked unanimous consent for the present consideration of a report just made from the Committee on Finance.

Mr. ROBINSON of Arkansas. Let it be reported.

Mr. HOWELL. I ask that the joint resolution may be read.

The PRESIDENT pro tempore. The clerk will read the joint resolution.

The Chief Clerk again read the joint resolution (S. J. Res. 186) to provide transportation and travel subsistence to World War veterans temporarily quartered in the District of Columbia.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the committee, which have been stated.

Mr. BORAH. Mr. President, I understand that one amendment is to strike out the provision for travel subsistence of $2 per day and insert 75 cents per day?

The PRESIDENT pro tempore. It is.

Mr. BORAH. Inasmuch as this is to come out of their adjusted compensation, it seems to me we might give them a little more decent fare than that.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the joint resolution as amended.

Mr. BLAINE. Mr. President, I shall not oppose the passage of the joint resolution, but I desire to call attention briefly to one or two considerations. The joint resolution does not meet the situation as it should be met, and, in my opinion, does not meet the situation as the future will require that it be met.

I think the joint resolution will have a tendency to discourage the return of these veterans to their homes. I say that for the reason that these men are sort of ambassadors for all men who are not here but who are similarly situated. Of course, they are voluntary ambassadors, that is true, but they have become a group that is symbolical. These men, most of whom are out of employment, most of whom are in distress economically and financially, are here. The joint resolution will require these men to pay the cost of transportation and subsistence from Washington to their respective homes and that amount will be taken out of their adjusted compensation. This seems to me to be a very doubtful provision. We are simply bringing the men to greater distress.

Of course, I appreciate that no veteran need request the Administrator of Veterans' Affairs to advance the money. If they make the request it will be purely voluntary. That is true. The provision is not compulsory upon the men. Therefore, the matter will be left entirely to their own judgment and their own decision. For that reason I shall not oppose the passage of the joint resolution, but I do think that we will have to face this situation in a far more generous manner if we are going to solve the real problem that confronts the District of Columbia and, for that matter, all of the people of the country, especially those communities from which these men come. If these men do not voluntarily accept the provisions of the joint resolution the chances are that the result will be to create a psychology that will react against that which Congress may think it is accomplishing. I repeat, these men are in a certain respect ambassadors here in the city of Washington, seeking certain action from the Congress. They feel that they are representatives of all other former service men who have come to the same economic distress in which these men find themselves.

Mr. President, it would seem to me that while this gives to the men here the opportunity to return home at their own expense and to exercise their own judgment in that respect, it may have a tendency and I think it will have a tendency further to accentuate the situation which we now find to exist among the men.

I merely call these circumstances to the attention of the Senate so that those who may desire to contemplate what may happen in case the joint resolution is finally adopted and the appropriation made, can not say that this view of the situation was not called to the attention of the Congress. However, I shall not place obstruction in the way of the passage of a joint resolution that would permit somebody to do that which he may do according to his own voluntary act and his own judgment.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and to be read a third time.

The joint resolution was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, returned to the Senate, in compliance with its request, the bill (H. R. 10829) relating to the naturalization of certain women born in Hawaii.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11452) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 1, 13, 29, 35, and 43 to the said bill and concurred therein, and that the House had receded from its disagreement to the amendments of the Senate Nos. 10, 14, 15, 16, 17, 19, 24, 36, 37, and 38 to the bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho;

S. 4525. An act providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes;

S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.;

S. 4808. An act relating to the acquisition of restricted Indian lands by States, counties, or municipalities;

H. R. 406. An act to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Pacific States Box & Basket Co., a corporation, involving certain portions of right of way in the vicinity of the town of Florin, county of Sacramento, State of California, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 922. An act for the relief of John Heffron;

H. R. 927. An act for the relief of the estate of Franklin D. Clark;

H. R. 996. An act for the relief of Mildred B. Crawford;

H. R. 1226. An act for the relief of Edna M. Gilson;

H. R. 1383. An act for the relief of certain United States naval officers;

H. R. 1700. An act for the relief of Walter S. West;

H. R. 1804. An act for the relief of Frank Woodey;

H. R. 1903. An act for the relief of Harrison Simpson;

H. R. 1962. An act for the relief of Noble Jay Hall;

H. R. 2418. An act concerning the claim of Jacob Landry;
H. R. 2514. An act for the relief of the estate of Samuel Schwartz;
H. R. 2695. An act for the relief of David Albert Robeson;
H. R. 2707. An act for the relief of William Alexander Keys;
H. R. 3624. An act for the relief of Minnie Hopkins;
H. R. 3644. An act for the relief of Lewis A. McDormott;
H. R. 3725. An act for the relief of the First National Bank of Brenham, Tex.;
H. R. 3726. An act for the relief of the Farmers State Bank of Georgetown, Tex.;
H. R. 4059. An act for the relief of Rosamond B. McManus;
H. R. 4071. An act for the relief of W. A. Blankenship;
H. R. 4264. An act for the relief of Lieut. Col. H. H. Kipp, United States Marine Corps, retired;
H. R. 4743. An act to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended;
H. R. 5059. An act for the relief of Mrs. Johnnie Schley Gatewood;
H. R. 5971. An act for the relief of Grover Cleveland Ballard;
H. R. 6003. An act for the relief of A. L. Marshall;
H. R. 6334. An act for the relief of Lieut. M. A. Sprengel;
H. R. 6336. An act for the relief of George W. Steele, jr.;
H. R. 6444. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts the silver service presented to the United States for the U. S. S. *Montgomery;*
H. R. 6599. An act to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy;
H. R. 6735. An act to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy;
H. R. 6860. An act for the relief of Florence Northcott Hannas;
H. R. 7411. An act for the relief of Alex Bremer;
H. R. 7793. An act to secure the departure of certain aliens from the United States;
H. R. 8306. An act for the relief of D. M. Leypoldt Co.;
H. R. 9004. An act for the relief of Agnes C. Reder;
H. R. 9058. An act to authorize the Secretary of War to accept on behalf of the United States a tract or parcel of land for park purposes to the Chickamauga-Chattanooga National Military Park;
H. R. 9369. An act to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a lease to Phillips County Post, No. 57, of the American Legion, Department of Montana;
H. R. 11361. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes;
H. R. 12078. An act to extend the times for commencing and completing the construction of a bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.; and
H. J. Res. 408. Joint resolution providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS

The Senate resumed the consideration of the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

Mr. TRAMMELL. Mr. President, the Senator from Louisiana [Mr. BROUSSARD] in concluding his remarks in regard to the pending amendment said it is merely a matter of a fight between two companies. I think he is very decidedly in error in that particular. There is a far greater question involved in this particular item. That question is whether or not the Shipping Board and the Postmaster General properly represented the interests of the American people in the administration of their functions in dealing with the particular problem.

The whole matter was presented to the House committee, and the House committee was impressed with the fact that the transaction from its inception to its conclusion had been carried on in a way which was not for the best interests of the taxpayers of America, not in the interest of the conservation of the purposes of the American merchant marine act, not for the purpose of establishing a needed mail route; but that committee was impressed with the fact that the transaction, either through a total and gross neglect of public duty or else through an effort to favor a particular company, had been carried on in such way that no interest had been conserved other than private interest.

Mr. BROUSSARD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. TRAMMELL. I yield.

Mr. BROUSSARD. My impression is that the amendment was adopted on the floor of the House. It was not reported by the committee in the House but was added on the floor.

Mr. TRAMMELL. I do not remember the details.

Mr. BROUSSARD. Some one offered the Seatrain amendment, and it was adopted on the floor. That is my recollection.

Mr. TRAMMELL. That is possibly true. If that is true, then the whole matter was probably discussed extensively on the floor of the House and a goodly majority of the Members of the House believed it was proper to put this restriction in the bill.

Mr. BROUSSARD. The rest of the amendment, I will say to the Senator from Florida, is what is known as the Davis amendment.

Mr. TRAMMELL. I understand.

Mr. BROUSSARD. Representative DAVIS came before our committee to defend his amendment. He was led into expressing an opinion of the amendment in question here, and the Senator will find on pages 396 and 397 of the hearings that he does not disapprove at all the amendment under consideration. He had come here to advocate his own amendment, which follows the one under consideration, and he is an authority on the question.

Mr. TRAMMELL. He does not approve the House provision in regard to the Seatrain contract?

Mr. BROUSSARD. I will read what he said:

> Mr. DAVIS. Now, getting back to the Seatrain. I want to say to my beloved friend—and there is no man anywhere I think any more of, outside of my family, than I do of Senator MCKELLAR, and I have the greatest respect for him for his judgment. He and I are together nine hundred and ninety-nine times out of a thousand. But I want to say this about this Seatrain proposition, I would not have entered into this matter if it had not been in response to questions of the committee.

Then he goes on and defends the Seatrain contract, the Senator will find on those pages that I cited—and he is considered an authority—and that his amendment was added to this one on the floor of the House.

Mr. TRAMMELL. I think he defended it on the ground that the contract had been entered into and it would be very drastic now absolutely to deprive them from going ahead under the contract. Of course, I disagreed with him in regard to his own amendment on account of the way I thought it was interfering with contracts.

Mr. BROUSSARD. I think that this is interfering with a contract. I think this is a very drastic remedy.

If the Senator will permit me, I will read further from the testimony of Mr. DAVIS:

> And so, in saving this unloading, and reloading, and transferring, a saving is effected, so that this type of ship is apparently able to convey American commerce in competition with any other ships of any other nations, and remember, that New Orleans is one of the largest ports in the country. It is the natural outlet of the entire Mississippi Valley. It is the port to which commerce would naturally flow and from which it would flow to the Middle West,

the entire Mississippi Valley, and we are entitled to have our ports built up in accordance with their needs and their importance, and I think that this new type of economical transportation will serve a very useful purpose in that respect.

I do not care to take up much time of the Senator, but Mr. DAVIS points out that the Florida company, operating from Key West to Habana, is not a competing line with a line from New Orleans to Habana.

Mr. TRAMMELL. It is not a competing line now because the Shipping Board and the Post Office Department prescribed requirements and specifications for ships that should be used on this particular route which made it practically impossible for any other company to get in shape to make bids.

Mr. BROUSSARD. The successful line, I will say to the Senator, did not have the ships. They had to borrow the money to build them, and the Florida company was allowed a year within which to determine whether or not they were coming in. Besides that, there is this point: Even though the Florida company wished to compete, it has not as yet, as I understand, received a permit to operate ships between New Orleans and Habana.

Mr. TRAMMELL. The Senator can have his viewpoint about it; but the conclusion I have reached after I heard all the testimony is that this new company, which built its first ship in Great Britain at a cost about 50 per cent less than it would cost to build it in America, had an inside track on the situation from the beginning. The East Coast Co. was not given a fair deal, and when I see that officials representing the Government are guilty of such favoritism and such manipulations in the interest of one private company as against another, then I think that Congress is thoroughly justified in taking drastic action that such conduct may be corrected in the future.

One of the most annoying conditions with which I, as one Member of Congress, have to deal is that in many cases when we vest discretionary power in boards and in officials they abuse it and absolutely forget an honest and conscientious and efficient performance of the functions intrusted to them. That was clearly, in my opinion, demonstrated by the evidence in connection with this transaction.

It is an awful tragedy, in the public life of America, that almost in every instance when we intrust broad discretionary functions to any board or to any commission representing the Federal Government they, or at least some of them, seem to forget that they owe a duty to the public of this country. In this instance I charge that the officials did not recognize their duty to the American people, but their whole plan and whole scheme seem designedly for the purpose of giving this company a big subsidy and to exclude any other company from an opportunity of making a bid.

It is very well to say that they took about a year and that the other people could come in and comply; but if one has had the experience himself he knows that when he undertakes to get into some business transaction when everyone meets him at the door with a "nobody in" attitude, so far as giving him information as to what is going on is concerned, and when he makes inquiry as to when bids may be received and as to the specifications required an effort is made to keep him in ignorance as to what is in progress in connection with the transaction, while at the same time the other competing party is informed as to everything, and specifications and details are being prescribed upon which the bids shall be made that only fit the situation of that party. That is the condition in regard to this transaction, and any intelligent, fair person who will read all the testimony in connection with it can not reach, I believe, any other conclusion. That is the procedure to which I object.

For instance, on the question of specifications the evidence discloses that this transaction was submitted by the Post Office Department to the Shipping Board. The Shipping Board went over the specifications and at first did not approve them. Then the Post Office Department submitted them to the Navy Department and said, "You know that this character of ship will be a great adjunct to the Navy." The Navy officials reported to the contrary, but said that such vessels could be used. They never succeeded in getting an unqualified indorsement of the Navy Department. The Post Office Department, not being satisfied with the first report made by the Shipping Board, again submitted the matter to that board and endeavored to get them to approve. Finally a majority of the Shipping Board did approve, but a minority did not.

Mr. President, the evidence taken in connection with this situation, as I say, could not otherwise than convince almost anyone that the whole transaction seemed to have been so formulated and, I will say, so manipulated that only one company could make a bid on this particular ship.

The Overseas Ferry Co., so called, operating from Key West, Fla., to Habana, Cuba, so far as I have ever been able to ascertain, was the pioneer in this character of transportation, having established, as my colleague [Mr. FLETCHER] has stated, a great many years ago a ship which transported a complete train of cars by water from Key West, Fla., to Habana. Cars which may have come from New York or Chicago or any part of the country, are passed from the railroad tracks onto this steamer or ferry, carried to Cuba, unloaded on the tracks in Cuba, and then sent wherever routed in Cuba. Two more ships were added by the Florida company. Of course, some other company had a perfect right to enter that field and that character of transportation, and nobody could make a complaint about that. However, this other company, with a foreign ship, enters that field, and shortly afterwards they begin negotiations to get loans from the Shipping Board.

In the first place, however, let me say that at first it was a question of mail contracts. The discussion, to begin with, centered largely in the Post Office Department. The effort was to get a subsidy under our law. The policy under our law and the only purpose and object of a subsidy are to build up the American merchant marine.

As one member of the board has stated, he thought, instead of its being a matter of building up the American merchant marine, it was competitive with the American merchant marine, because the board had already made contracts for the building of two or three other ships in addition to those they had, to be operated on the New Orleans-Habana route. I forget how much money they loaned for that purpose, but the Post Office Department had already given a subsidy to the United Fruit Co., as I recall. But in some way this company got the attention of the Post Office Department. The Post Office Department showed no interest and desire toward the building up of the American merchant marine. I contend if that had been their object and their purpose, then they would have invited other capital and other people who are engaged in similar character of transportation to come in and all put their cards upon the table and have a fair consideration of the entire situation. That, however, was not done. The particular company that now has a contract, which we feel is so tainted with fraud and manipulation that it should not be entitled to the pay, had an inside track from beginning to end. Those representing the Florida East Coast Ferry Co. I would not say were absolutely denied on all hands from getting information, but, to use an old saying, the talk of the street, it was like pulling an eyetooth for them to get any information or to have an opportunity for fair consideration.

The matter progressed to the point where the department said they were going to take bids and make a contract on a certain day. Of course, the other company had fought against the second company (the Florida company) getting any consideration before the Interstate Commerce Commission. Some time before the contract was to be made, the Florida Co. appealed to them on the ground that they had asked to enter the port of New Orleans to operate this character of service out of New Orleans and that their application had been approved by the New Orleans authorities, but it had been suggested that they had to get authority from the Interstate Commerce Commission. The matter was pending there. They appealed then that this contract not be made, and, at the suggestion either of the Shipping

Board or somebody connected with the Post Office Department, the matter was brought to the attention of the Comptroller General as to whether or not this character of contract would be legal.

The Comptroller General asked the Postmaster General for certain information, which he failed to furnish, and then a second request went to the Postmaster General, as I recall. Then the Postmaster General said that he did not have to give the Comptroller General information on that subject in particular. The Comptroller General then warned these officials that that character of contract had better not be made until it was determined as to whether or not it would be legal, and payment could be made, but so mad were they in their desire to give this contract to their favorite company that they went ahead regardless of the statement which had been made and the communication which had been sent to them by the Comptroller General, telling them that they had better wait before entering into the contract.

I favor the general policy of building up the American merchant marine; but it is just such manipulations and favoritisms and disregard of public duty on the part of those in authority that bring even a good law into disrepute; and that is what I am complaining about here. It is not a matter of any particular company at all. It is a matter of the manipulation and the failure on the part of the Postmaster General, or those working under him—they largely worked out the situation—to protect the public interest. It is a matter of the Shipping Board, a majority of them. Admiral Cone, of that board, did not approve of it, I am glad to say. He is a very honorable, high-class gentleman. He could not approve of this transaction; but it is a matter of that board not having conserved, as I see it, the purpose of the merchant marine act, and of that board not having exercised ordinary business sagacity and intelligence in dealing with a transaction of this character that I am complaining about. This use of public funds contributes nothing whatever to the advancement of the American merchant marine.

There is only one authority in this country that can check up on the abuses of these independent boards and commissions. That authority is vested in Congress. If Congress is going to allow them to do anything they desire, to manifest—to speak charitably—gross neglect of public duty or ignorance in the performance of public duty; if we are going to acquiesce in that condition; if we are going to acquiesce in the more serious offense of manipulations designedly for the purpose of helping or benefiting some particular interest, with total disregard for the public interest—if we are going to do that, I say God pity the country, because it has been repeatedly manifested that most of these independent boards and commissions have no regard for the public interest.

I do not know anything of the details; but last evening I read in the papers that some Congressman had charged, and I think there is something in it—maybe the figures are a little erroneous, but the principle is right—that in connection with the community work here in the District of Columbia a larger percentage of money had been expended in connection with salaries than had been expended for actual relief. Many people who hold these independent offices will even prey upon relief funds and manipulate them to their own advantage and to the advantage of some friend or some particular special interest. I regard it as the duty of Congress, even if we have to adopt very drastic tactics, to endeavor to correct such abuses.

That is the reason why I voted recently against the confirmation of the chairman of the Shipping Board. I do not mean on this particular item, but I mean on many other items. He is a very nice, pleasant gentleman, but I do not think he has done very much toward serving the public interest, generally speaking. Occasionally he might have done something along that line. Of course, the principal charge the other day was with regard to interest account. It occurred to me that a person who was competent, and was endeavoring to look after the public interest, as soon as he discovered a condition of that kind would have endeavored to correct it. On account of that, and on account of his intense interest in connection with this particular transaction, displaying the height of unfairness, as I saw it, not merely between two companies but between one special interest and the interest of the Government, in disregard of the policy involved in the merchant marine act, I felt that it was my duty to vote against his confirmation.

I do not like to vote against the confirmation of anybody. I voted against the confirmation of several members of the Farm Board. There was another policy founded upon a commendable purpose, with the object in view of helping our great agricultural interests in this country; but the first thing that we saw established in connection with the Farm Board was a long pie counter, reaching from here to the White House, I dare say; the loading down of the pay roll, thinking more about that than the question of relieving agriculture; paying people four and five and six thousand dollars a year salary for positions that the Government usually paid probably $1,500 and $2,000 for; paying people salaries of twenty, twenty-five, thirty, thirty-five, fifty, and seventy-five thousand dollars when the same people were not earning more than from 25 to 50 per cent of a similar salary before they entered the Government service.

So, as unpleasant as it was, I felt that it was my duty again to vote against the members of the Farm Board on the ground that they had such reckless disregard for the interest of the agricultural people of our country. I opposed again yesterday giving them an appropriation of a million dollars instead of $600,000, as proposed by the committee. They had been on trial; they had been weighed in the balances and found wanting, as I saw it; so I felt that the only thing to do was to leave them restricted to about $600,000 instead of $1,000,000 of the American people's money, most of which probably would be wasted and squandered, as has been true in regard to much of the other funds which were intrusted to them.

The Postmaster General and the Shipping Board in many respects have been guilty of such conduct; and there is no more glaring instance of an abuse of authority, and of favoritism, and of forgetting the policy of the merchant marine act, than the one which is pictured in this particular instance.

I hope the amendment of the committee will be rejected.

Mr. ODDIE. Mr. President, I think it only fair for me to make a brief statement in regard to the committee's position respecting this Seatrain amendment.

The committee spent a great deal of time and energy in studying this problem. It heard witnesses for days and days, and there are hundreds of pages on this item in the hearings. It is impossible to go over all of the details at this time. It could not be done in a day or two or three days, but I will make a few brief statements in regard to it.

Regarding this matter, the Post Office Department has made the following statement:

The contract referred to in the first proviso is a standard 10-year contract entered into between the department and Seatrain Lines (Inc.), under the terms of the Jones-White Act, on October 31, 1931, covering ocean mail service between New Orleans and Habana by cargo vessels of specified speed and capacity. By the terms of the contract, service on the route is to be commenced at a date optional with the contractor not later than October 31, 1932, on a schedule satisfactory to the Postmaster General. The contractor is required to construct in American shipyards two new cargo vessels of a gross tonnage not less than 6,500 tons and capable of maintaining a speed of 14 knots, these to be placed in service not later than the end of the second year of the contract term. Meantime, the contract permits, although it does not require, service to be begun by ships already constructed.

Seatrain Lines (Inc.) is the successor of Overseas Railways (Inc.), which for a number of years has conducted a car-ferry service between New Orleans and Habana by the steamship *Seatrain*. This company made application for a mail contract between these points on September 12, 1929. After a thorough investigation, and upon the unanimous recommendation of the Interdepartmental Merchant Marine Committee, consisting of representatives of the Department of Commerce, the Shipping Board, and the Navy Department, as well as the Post Office Department, the application was approved, and the service was advertised on August 26, 1931. By the terms of the advertisement, a period of one year from the date of the award was allowed for the commencement of the service, this protracted period being calculated to make it possible for other companies than the

applicant to bid for the contract. No bid was received, however, except from the applicant.

It has been contended by certain competitors of Seatrain Lines (Inc.) that the company is ineligible to receive an ocean mail contract under the Jones-White Act, on the ground that it is a foreign company and that the *Seatrain* is a foreign-flag vessel. This was the statement made to the House of Representatives by Mr. LAGUARDIA in proposing to repudiate the Seatrain contract (p. 5048, CONGRESSIONAL RECORD, March 1, 1932), and it was undoubtedly in reliance upon his statement that the House adopted the above-quoted proviso. The statement is completely at variance with the facts in the case. It is true that the *Seatrain* was built abroad, and she was until recently under Canadian registry. The company itself, however, is an American company, entirely owned and completely controlled by American citizens. The suggestion that the ownership is foreign comes from the technicality that to facilitate the financing of a construction loan at the time the *Seatrain* was built the legal title to this ship was vested in a Canadian subsidiary of the Overseas Co., especially formed for the purpose and wholly owned by the parent American corporation. The question whether the *Seatrain* is eligible for service is not material to the validity of the contract, ample time being allowed for the construction of new vessels before commencement of the service is required. As a matter of fact, it appears that while this ship was built abroad, she was "actually ordered and under construction for the account of citizens of the United States prior to February 1, 1928," and is, therefore, by the terms of section 405 (a) of the Jones-White Act, eligible to be put into service under the act.

The procedure followed in awarding this contract was regular in all particulars and strictly followed the requirements of the Jones-White Act, as well as the administrative practice applicable to the awarding of all contracts under that act. The contract is, therefore, binding upon the Government, and in reliance upon it the contractor has commenced the construction of the two new ships called for. The proposed prohibition of payments under this contract would amount to a repudiation by the Government of what is unquestionably a lawful obligation. The department earnestly hopes that under these circumstances the Senate will eliminate the LaGuardia proviso and restore the amount recommended by the House Committee on Appropriations for the transportation of foreign mail.

The Seatrain contract is one to which the department and the interdepartmental committee gave most careful study. It was before the committee for a good many weeks before it was decided. It developed that a very advantageous trade route has been established between New Orleans and Habana by this line, which has developed a ship capable of carrying 90 freight cars on each voyage. It is able to move sugar into New Orleans at a very low rate, and to take products from the Southern States—Alabama, the products of the steel industry, the lumber industry, and other industries in the South—to Cuba, and bring back sugar, fruit, molasses, and other products.

The tonnage that has developed is very large, and the potential tonnage is sufficient to keep three ships busy every day in the year moving back and forth between those ports.

The Navy Department was particularly interested in the award of this contract, because the ships are very readily convertible into airplane carriers. They are particularly suited for that purpose, and the department was strongly urged by the representatives of the Navy to see that these ships were built in American yards.

The subcommittee of the Senate Committee on Appropriations, after extensive hearings and after hearing all of the Government officials who handled the case, as well as the representatives of the rival steamship companies, found that nothing irregular had taken place. No payment can be made under the contract until the Comptroller General passes upon it, and the interests of the Government are fully protected. The committee's recommendation to strike out the amendment should be agreed to.

Representative DAVIS, of Tennessee, when appearing before the committee, was asked to give his opinion of the Seatrain contract. He stated that he considered it a proper contract, and pointed out the great value of this new Seatrain type of transportation to the Middle West and the Mississippi Valley. Representative DAVIS's views on these merchant-marine questions are sound, and his opinion on this Seatrain contract was not influenced by any interest in either of the two contesting companies or ports. The foreign-built vessel of the Seatrain line which is now under American registry is not involved in this contract. The contract is for two new vessels now under construction in an American yard and about 75 per cent completed.

Mr. President, this matter has been gone into carefully; the committee gave it earnest attention, as I have said, for many days and decided that it would be wiser to strike out this House provision. I hope the amendment of the committee will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee. The Senator from Florida has asked that the question be divided. The question therefore recurs on agreeing to the first section of the committee amendment.

The first section of the amendment was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the second section of the amendment.

The second section of the amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next amendment was, on page 58, line 5, after the word "expenses," to strike out "$19,000,000" and insert "$19,460,000," so as to read:

For the inland transportation of mail by aircraft, under contract as authorized by law, and for the incidental expenses thereof, including not to exceed $30,000 for supervisory officials and clerks at air mail transfer points, and not to exceed $41,780 for personal services in the District of Columbia and incidental and travel expenses, $19,460,000.

The next amendment was, on page 58, at the end of line 5, to insert a colon and the following proviso:

Provided, That $375,000 of said sum shall be expended in resuming night air mail service between Salt Lake City, Utah, and San Diego, Calif.: *Provided further*, That $85,000 of said sum shall be expended for establishing air mail service between Charlotte, N. C., Columbia, S. C., and Augusta, Ga.

The amendment was agreed to.

Mr. BLAINE. Mr. President, if I may have the attention of the Senator in charge of the bill, I want to inquire if the proviso is not new matter in legislation.

Mr. SMOOT. Mr. President, I will say to the Senator that I have here an estimate from the department for $500,000, but the committee recommended only $375,000.

Mr. BLAINE. Do I understand that the estimate was transmitted to the committee by the President?

Mr. SMOOT. It was.

Mr. BLAINE. A recent transmittal?

Mr. ODDIE. Yes; it was very recent. It was before the committee acted on this matter.

Mr. SMOOT. If the Senator desires to see the estimate, I have it before me.

Mr. BLAINE. I accept the statement of the Senator, if he will just give me the facts.

Mr. SMOOT. The fact is that the estimate was made for $500,000. Part of the year having passed, the department thought they could get along with $375,000.

The PRESIDENT pro tempore. Possibly the present occupant of the chair, being a member of the subcommittee dealing with this measure, may intervene to say that the estimate came in due form from the Bureau of the Budget, through the President, to the committee.

Mr. ODDIE. Mr. President, will the Senator yield a moment?

Mr. BLAINE. I accept the statement of the Senator from Utah.

Mr. SMOOT. The service itself has been in existence for years and years. It is one of the oldest services we have. Utah is not the only State interested in this, but Denver, Colo., all of the western part of Colorado, the western part of Wyoming, all of Idaho, and all of Montana, are interested in it.

Mr. BLAINE. I wanted to inquire of the Senator from Nevada if this is not a change in policy in an appropriation bill.

Mr. ODDIE. Mr. President, if the Senator will yield a moment, I would like to state that this applies to the air mail line between Salt Lake City, Las Vegas, Nev., Los Angeles, and San Diego. That line has been established for some time past. The Government has expended several

hundred thousand dollars in lighting fields, and it has been a very successful operation. Up until the time the Post Office Department switched the service, it was carrying over 1,800 pounds of mail a day; in fact, it was one of the most successful operations under our air mail service on this line. Suddenly the department canceled night mail service, and gave all of the business, practically, to a competing line. It put this line out of business.

In Las Vegas there is a great governmental enterprise, the Boulder Canyon enterprise. Millions of dollars of Government money are being expended there. It is one of the most important enterprises going on in this country to-day, and it is necessary that this air mail service be reestablished in order that the operators and governmental agents may have quick access to the outside world. It is a very meritorious matter, and I hope the amendment will be agreed to.

The PRESIDENT pro tempore. It has been agreed to.

Mr. SMOOT. May I say to the Senator that the mail from Montana all came by that route, and it was on a paying basis. I can not understand why they ever would think of abolishing that service. As I have said, there was an estimate for $500,000. I felt that as part of the year had passed $375,000 would be sufficient, and I asked the committee to agree to it, and they did.

Mr. BLAINE. Mr. President, the explanation is all very good, but I have not received from the Senator in charge of the bill the information I was seeking. I want to inquire again if this is not establishing a new policy in appropriations.

Mr. ODDIE. No, Mr. President; it is just carrying out an old-established policy which has been temporarily abandoned, or postponed or crippled, you might say.

Mr. BLAINE. The Senator means that it is reinstating an old air mail route that has been abandoned?

Mr. ODDIE. Yes. It is reinstating the night mail service.

Mr. SMOOT. Not even that until the 1st day of July.

Mr. REED. Mr. President, if the Senator will yield to me, I suggest that it is not a new policy. Similar provisions were found in the appropriations for the Department of Commerce establishing air mail routes from the Twin Cities westward to the State of Washington, and all of the appropriation bills that have come over to us this year and for years past have been filled with items of legislation of this sort. It is a bad policy, but it is not a new policy.

Mr. BLAINE. Mr. President, I agree with the Senator from Pennsylvania that it is a bad policy. It is a "pork-barrel" policy introduced into the air mail contract provisions of the law. I read considerable criticism the other day uttered by the President of the United States against "pork-barrel" appropriations. This is of the character of a "pork-barrel" appropriation. If a Senator or Representative finds that he would like to have an air mail route from Washington to Pineville, or Podunk, all that is necessary is to get an estimate by the Bureau of the Budget, and a letter of transmittal of that estimate by the President, and then that part of the pork can go into the bill; but if a Member of the Senate or of the House fails to get an estimate from the Bureau of the Budget and transmittal by the President, his particular pork can not go into the bill. So it is like the old system of appropriating for post offices and the old system of appropriating for river and harbor improvements.

This is just carrying that same system over into the air mail service, and it would seem to me that these enormous subsidies which are granted in the air mail services are very likely to introduce into the Congress, as they are in fact now introduced, many requests for the establishment of different air mail routes.

I notice that this not only provides for night air mail service between Salt Lake City, Utah, and San Diego, Calif., but also air mail service between Charlotte, N. C., Columbia, S. C., and Augusta, Ga. Why not a provision for night air mail service, or day air mail service, if there is not any, and I do not know whether there is not, from Milwaukee to Manistee, Mich., or Milwaukee to Detroit, in case there is no service provided? It seems to me that the policy is an extremely bad policy, and now would be a good time to prevent the introduction of that policy.

I can not conceive of what may develop in the future. If these provisions are to remain in the bill, then, of course, at the next session of Congress there will be a struggle among Members of the Senate and Members of the House, and rightfully so, if the policy is to be embarked upon, to obtain air mail service between various cities and towns in their respective States and respective congressional districts.

It seems to me, therefore, that this amendment ought to be defeated. If it is not defeated, I hope that in conference the House conferees will understand that this amendment, if it is adopted, was not adopted unanimously, and that there is vigorous protest against this method of making appropriations.

It is introducing "pork-barrel" policy into the air mail service. Already the air mail service is receiving enormous subsidies, all out of proportion with the services that are performed.

At once we will originate an opportunity for a struggle for pork and more pork. I want it understood that if the amendment is adopted, it is adopted after a vigorous disapproval at least on my own behalf.

I also want to inquire of the Senator from Nevada in charge of the bill about the total amount. I notice the total amount is $19,000,000 as reported by the House while the Senate committee increases the appropriation $460,000. Why was not the standard 10 per cent reduction made in this item?

Mr. ODDIE. Mr. President, the committee studied the various problems in connection with air mail very carefully. The department asked for $20,000,000. The House reduced it to $19,000,000. Then a supplemental estimate came down from the Budget for $500,000 additional. The committee reduced that and so the two items mentioned here, Salt Lake City-Los Angeles item and the southern item, amount to $460,000. That item could not be cut without violating contracts. The committee tried to find ways of reducing the air mail item, but it could not be done.

Mr. BLAINE. I notice the committee found a way of increasing the appropriation $375,000 plus $85,000.

Mr. ODDIE. That was because of a supplemental estimate that was sent down by the Budget. This is to restore a service that has been in existence for a long time. The Government has expended hundreds of thousands of dollars in laying out the fields and lighting them and establishing the service. Then suddenly it was taken away from them by the mere will of the Postmaster General. We did not think it fair that the existing service, which the people demand and from which they get good results, should be suddenly terminated.

Mr. President, the Senator from Wisconsin referred to "pork barrel." I do not agree with the President in the use of that term as applied to public works.

Mr. BLAINE. The President was perfectly willing to have this pork go into the bill, because he sent the letter of transmittal. In the absence of that letter this pork could not have gone into the bill. Is not that correct?

Mr. ODDIE. I would not call it "pork" at all. I say it is a very necessary service, and the people in that section of the country have demanded it.

In reference to the service the Senator suggested in his own State, I will say that in the hearings I inserted a statement of his colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE] in regard to that proposed service, and as I understand it the department is giving it study and attention now.

Mr. BLAINE. I understand that when Speaker GARNER proposes to build some post offices and carry on some river and harbor improvements the President calls that "pork," but when the Senator from Nevada wants some additional air mail service, and I assume some one representing North Carolina and South Carolina and Georgia also wanted additional air mail service in those States, then that is not "pork," and the President approves of that course. Have I placed the right interpretation on that matter?

Mr. ODDIE. I do not like the word "pork" at all. I like to look on these necessary governmental works as something that should be carried through.

Mr. BLAINE. Then the Senator disagrees with the President when the President referred to Speaker GARNER's bill as a "pork-barrel" bill?

Mr. ODDIE. I can not go into a discussion of that matter because I have nothing to do with it at all.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. BLAINE. I yield.

Mr. REED. It is all a matter of definition. "Pork" is what the other fellow gets. "Necessary improvements" is what we get ourselves. They mean the same thing. [Laughter.]

Mr. BLAINE. I presume that is a good definition of "pork." It all depends on the size of the barrel. Of course, this is quite a large "barrel of pork," especially so far as the service is concerned, that is to be rendered by paying $85,000 a year for carrying the mails between Charlotte, N. C., Columbia, S. C., and Augusta, Ga., and $375,000 for the night air mail service between Salt Lake City and San Diego, Calif. I assume that the $375,000 makes it possible for the air service to dispatch the necessary mail to Reno, Nev., or Las Vegas, Nev., or some place else.

Mr. President, it seems rather strange to me that speeches made on the floor of the Senate, where Members of the Senate have veritably rent the air in demanding that 10 per cent be cut off of the salaries of Government employees, salaries even as low as $1,000 or $1,200 a year, are very effective; but when it comes to this question of pork in air mail contracts, which involve nothing more than a subsidy to those who operate the air mail service, then the appropriation is increased a considerable percentage with hardly a protest. There is no reduction of 10 per cent in this character of appropriation. We have spent weeks and weeks debating how we can nibble away a few pennies from the low-paid salaries of Government employees and, on the other hand, devising ways and means by which to get the approval of the President for an increase in appropriations for the air mail service, where millions of dollars are expended for no other purpose than to represent to a very large degree a pure subsidy and gift.

Mr. President, I shall vote against the increase in the appropriation and also against the amendment relating to the proposed additional air routes.

The PRESIDENT pro tempore. The amendment has already been agreed to. Does the Senator ask unanimous consent to recur to it?

Mr. BLAINE. I was speaking under a misapprehension. I thought I had the floor while the President pro tempore was attempting to announce agreement, but that he did not complete the statement. I ask unanimous consent to recur to the amendment and that the question may be again taken on the amendment.

The PRESIDENT pro tempore. Without objection, that will be done. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 62, line 12, after the words "in excess of," to strike out "$18,500" and insert "$19,500," so as to read:

For the transmission of mail by pneumatic tubes or other similar devices in the city of New York, including the Borough of Brooklyn of the city of New York, at an annual rate not in excess of $19,500 per mile of double line of tubes, including power, labor, and all other operating expenses, $505,000.

The amendment was agreed to.

The next amendment was, on page 65, after line 9, to strike out:

SEC. 4. No appropriation under the Treasury or Post Office Departments available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply (1) to absolutely essential positions the filling of which may be approved in writing by the President of the United States, (2) to the commissioned and enlisted personnel of the Coast Guard, or (3) to temporary, emergency, seasonal, or cooperative positions: *Provided*, That when any vacancy is caused by the retirement, removal, resignation, or death of a postal employee in a position the duties of which make necessary the use of approximately 44 hours' substitute service per week, or when it is necessary permanently to utilize substitute service on an auxiliary route for approximately 8 hours daily, then the Postmaster General shall so advise the President and request written authorization to fill such vacancies by the appointment of additional regular employees. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

The amendment was agreed to.

The next amendment was, on page 67, line 14, after the word "production," to strike out the word "or" and to insert in lieu thereof the word "and," so as to read:

SEC. 5. In the expenditure of appropriations in this act or appropriations hereafter made, the Secretary of the Treasury in the case of the Treasury Department, and the Postmaster General in the case of the Post Office Department, shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, and manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

Mr. REED. Mr. President, I ask that the amendment be disagreed to. The provision as it came from the House is in exact accordance with the general law applying to the Army, and in accordance with all the provisions we have put in the various appropriation bills in the last two years. I could give a reference, if one were needed, to some five or six bills that we have already passed using the word "and." I can not imagine what the advantage is in making this change. I wonder if the Senator from Nevada can tell us.

Mr. GEORGE. Mr. President, I shall be very glad to advise the Senator if the Senator from Nevada will permit me. This amendment is put in the bill to permit the use of cotton twine and cotton cloth by the Post Office Department. Under our jute tariff, the tariff on manufactured jute products is negligible. Therefore the manufacturing of jute products goes on in this country without any protection. The Post Office Department has approved the use of the word "or" to permit the use of cotton twine and cotton-cloth bags in competition with jute. Frankly, I do not think the Post Office Department ought to have given that construction to the language of this uniform provision, but they have done so; and if the word "and" is not inserted, the department will continue to use the jute products, because there is no difference of course in the cost.

Mr. REED. They would still have discretion to do it even if the word "and" were inserted.

Mr. GEORGE. Yes; if there is too much difference in the cost.

Mr. REED. There is a great number of American manufacturers of wide varieties that have to draw their raw material from abroad. Either the cost of getting it here would be prohibitive——

Mr. GEORGE. Yes; but there is a great number of American manufacturers who use cotton, and cotton is grown in the United States. If this provision in our appropriation bills means anything, it must be applied to the cotton products, or else it is simply a favoritism for other American products to the exclusion of this particular and important product that is both grown and manufactured in the United States.

Mr. REED. Of course, this goes far beyond the cotton. It applies to everything.

Mr. GEORGE. That is true.

Mr. REED. For example, here is a paper fastener containing steel.

Mr. GEORGE. There is no trouble with regard to any other product, let me say to the Senator.

Mr. REED. There might be if we inserted the word "and."

Mr. GEORGE. None has arisen yet; at least the question has not been raised by any of the departments dealing with other products grown and manufactured in the United States.

Mr. REED. If we change the word it will arise in every department. I do not know where this wire paper fastener is made, but I fancy in Connecticut. The chances are about 94 to 6 that in the manufacture of that steel wire imported manganese was used. We produce 6 per cent of the manganese that is used in the United States in our steel works; that is to say, it is necessary to import 94 per cent of all the manganese required by American mills.

Mr. GEORGE. That is true.

Mr. REED. They sell necessarily at the same price.

Mr. GEORGE. But the steel is an American product and the manufacture is in America. There would be no question of that kind raised because manganese or any other metal that must be used in the manufacture of steel is imported. No trouble has arisen except on the part of the jute people, and they have been able to procure a ruling from the Post Office Department that if the product is not produced in the United States, but is manufactured in the United States out of an imported article, the matter does not fall within the prohibition under this section.

Mr. REED. Exactly; and it can arise in a thousand and one ways. Suppose we buy shoes for the Army and Navy. who is to tell whether the sole leather is American grown or imported? We do not produce enough for our own needs. We have to import some.

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. REED. Certainly.

Mr. COPELAND. I am sorry to be in disagreement with my friend from Georgia, but if this language were to be changed as proposed by the committee it would mean that in the making of mahogany furniture we would be in difficulty. We grow no mahogany, and mahogany that is imported could not be used. Much of our paper is made from imported pulp. We would be excluded from purchasing any mahogany furniture made from imported mahogany or paper made from imported pulp, as well as many other articles.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. ODDIE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Nevada?

Mr. GEORGE. I yield.

Mr. ODDIE. I am willing that the Senate shall recede from the committee amendment.

Mr. GEORGE. Mr. President, let me say to the Senator in all fairness that no more outrageous proceeding has yet occurred. The Government is proposing a policy to protect American industry and American products. By Republican tariffs we permit the importation of jute products without duty or only a nominal duty; by Republican tariffs we have permitted the importation of a product into which goes nothing but foreign labor virtually free of duty. I hope the Senator from Nevada understands the proposition. Always it has been said that the tariff is imposed to protect American labor, but the Ludlow interest, the high priest in the house of protection, on whom the Republican Party calls for campaign funds, is given the privilege of establishing its own mills in India, and it has removed its mills and established them in India where jute is grown by the cheapest labor in the world. That labor is used in India to transform and process the raw jute into the finished product, and yet the rate of duty on the finished product, into which the cheapest labor in the world is used, is admitted here on the basis of a mere revenue tariff.

The Republican Party has reversed the entire process of tariff making in the case of jute products, and yet when we propose to put into this bill a general provision that has been written into all our appropriation bills, a provision that will not make it possible for the Post Office Department to enter into contracts for a product made in India, which is grown there and manufactured there, where the cheapest wage rate in the world obtains, the same selfish interests that enjoy these privileges rise here in this body and ask that the amendment be disagreed to. The chairman of the committee proposes to recede from the amendment; the chairman of the committee is ready to recede from the amendment when his colleague on the committee, the Senator from South Carolina [Mr. BYRNES], the author, is not present in the Senate; without a struggle the chairman of the committee recedes.

The Senate may recede from the amendment, but the fiscal year will be ended before such discriminatory legislation in this appropriation bill is accepted, if I can prevent it. The Post Office Department is willing to slap in the face more than 10,000,000 producers of raw cotton and every manufacturer of cotton products in the United States for a trivial difference between the price of the cotton cloth or the cotton twine and the jute twine and cloth used by the department in the face of the declared policy of Congress.

Mr. President, I have seen many evidences of selfishness, but I have seen nothing that approaches this. It is difficult to picture anything that is more essentially selfish than this effort to discriminate against the producers of one of the great staple products of this country and the vast number of manufacturers who are engaged in manufacturing this home-grown, this American-produced material into a finished product. The Post Office Department, which is a part of that administration which is insisting upon giving to the American producer, the manufacturer, the benefit of the American market, is unwilling to permit an agency of the Government to use American materials.

I do not believe that Senators on the other side of the aisle will vote against this amendment; I can not think that Senators from other States will vote against this proposal. No one else has had any trouble and no one else will have any trouble in reaping the benefits of the policy adopted by Congress—that is to say, no producer of American goods, except the producer of cotton twine and cloth.

Mr. President, I do not want to argue the matter any longer, but I am about——

Mr. TRAMMELL. Mr. President——

Mr. GEORGE. I was about to suggest the absence of a quorum.

Mr. TRAMMELL. I should like to say a few words.

Mr. GEORGE. Very well.

Mr. TRAMMELL. Mr. President, I am a member of the committee which reported this bill, and I very much hope that the Senate will not recede from the amendment. Of course I appreciate the position of the chairman of the committee, for whom I have very high regard, but I do not think any statement made by him is authorized by the committee, but is just merely his own opinion which might be waived. I heartily concur with the statement just made by the Senator from Georgia [Mr. GEORGE].

This provision was originally put in the law for the purpose of endeavoring to protect American products and American industry. That must have been the commendable motive and sentiment that actuated the Congress in putting such a provision into the law originally years ago. Now we have to change it, because instead of accomplishing that which it was intended to do, in some instances it militates against the American producer and manufacturers in the interest of foreign manufacturers. So if we are to serve the very motive and purpose which it is presumed actuated such legislation originally, then the word "and" should be inserted instead of continuing the word "or." That is all it means.

In the case of some particular products and some particular commodities of manufacture the language in the bill

as it originally was drafted, without this amendment, would give the protection and cause the law to be executed in the manner in which it was intended, but it happens that in regard to some products it does not do so. Therefore, we want the law so amended as the committee recommended when the entire matter was presented to the committee by striking out the word " or " and inserting the word " and."

I hope that recommendation of the committee—and the whole committee acted upon this subject and I happen to be a member of the committee—will be sustained and that the Senate will not recede from that action. If the Senate shall recede, according to the interpretation of the language which would be continued in the law the Postmaster General—he happens to be the one having to do with the matter in this particular instance—is restricted to purchasing, not an American product of the soil or of manufacture, but he has got to place this great volume of business with foreign producers and manufacturers, to the detriment and to the damage of the American producer.

If the much-contended benefit of the protective tariff and the conservation and fostering of American industry is to prevail, instead of being cast aside, then certainly the amendment that is in this bill should be sustained and not removed from the bill. I hope the action of the committee as originally provided by this amendment will be sustained.

I can not imagine that the chairman of the committee cares anything particularly about it. I know the chairmen of committees become very anxious to get through the bills in their charge, they become good-natured and are rather inclined to concede things and to avoid trouble, and I believe that is what actuated my good and genial friend, the chairman of the committee in this instance. I do not think that he really meant to try to get the Senate to recede. But, in the interest of what I call fair play and protection of American products—and I believe in protecting American products whether they are of the soil or are manufactured, to a reasonable degree—this amendment should certainly be sustained by the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

DEPARTURE OF ALIENS FROM THE UNITED STATES

Mr. BLAINE. Mr. President, earlier in the proceedings of the Senate to-day, I asked that House bill 10829, which was passed by the Senate on yesterday, be returned to the Senate. I find now that I made reference to the wrong bill. I should have said House bill 7793. I ask unanimous consent that that bill may be returned to the Senate.

Mr. REED. Mr. President, is that the immigration bill which we passed yesterday?

Mr. BLAINE. It is the second one that was passed yesterday; there were two passed.

The PRESIDENT pro tempore. May the Chair state to the Senator from Wisconsin that the House has just returned to the Senate House bill 10829. Is that the bill to which the Senator refers?

Mr. BLAINE. The wrong reference was given. I have no desire to have reconsidered the vote by which House bill 10829 was passed. It was purely an error on my part.

The PRESIDENT pro tempore. What is the correct number of the House bill?

Mr. BLAINE. H. R. 7793.

Mr. COPELAND. Mr. President, may I inquire what this bill is?

Mr. REED. It is an immigration bill which we passed yesterday, allowing the Secretary of Labor to put under bond these servants who come over here with ambassadors and ministers and never go away again, even after they have been dismissed from their positions—a very necessary precaution in the enforcement of the immigration law. I do not like to give my consent to retracting the action which the Senate took yesterday in passing the bill.

Mr. BLAINE. Mr. President, it was purely an inadvertence on my part in referring to the bill that has been returned; and I assumed that the Senator would consent to my request without debate.

The PRESIDENT pro tempore. A part of the procedure that is absolutely necessary is for the Senator from Wisconsin to withdraw his request with reference to H. R. 10829 and let that bill go back to the House. Without objection, that order will be entered.

Mr. REED. Now, Mr. President, if the Senator from Wisconsin wishes to move to reconsider the vote by which we passed the other immigration bill, I should like to move to lay that motion on the table.

The PRESIDENT pro tempore. The precedent motion will be the motion of the Senator from Wisconsin to request the House to return the bill. Obviously, the Senate can not reconsider action on a measure which it has not in its hands. If the motion to request the return of the papers is not agreed to, the subject is disposed of.

Mr. BLAINE. Mr. President, before making the motion, I desire to state that we were operating under unanimous consent yesterday in disposing of bills on the calendar. My attention was diverted at the time the bill was under consideration or I would have objected at that time to its consideration.

I am not opposing the main features of the bill; but I do think that an amendment should be adopted to the bill relating to some specific date when the provisions of the bill shall become effective, for the reason that many of these people who came here some time ago have acquired property, have acquired certain status, certain family relationships, and those people are going to be unnecessarily placed in great distress. I think the Senator from Pennsylvania has no desire to bring upon those people that which this bill will do if it passes in its present form.

Mr. REED. Mr. President, if the Senator will yield to me, I think I can reassure him. The bill relates, as far as its bonding provisions go, only to those who are admitted in the future; so that the Senator need be under no apprehension about the class of persons for whom he speaks being affected by the provisions requiring a bond.

Secondly, those who have come here in the past can not be deported after the expiration of five years from the time when they first became deportable. That is to say, any person who should have left this country five years before the date when the President signs the bill can not now be deported; so it is just as good as if we had written a statute of limitations into the bill itself.

Mr. BLAINE. Mr. President, that does not seem to be the attitude of the Department of Labor.

Mr. REED. I think it must be under the existing law.

Mr. BLAINE. We have great difficulty concerning some of these students. I know of one case which has come under my observation, where I assumed that the department did not have authority to deport the student; but my assumption was overruled by the department, and this young man was compelled to return. In that particular case the point was that he did not want to remain here indefinitely, but he had a status respecting a certain government overseas which would have meant death to him had he been returned to that country; yet the department insists that after a certain date he must be returned. This bill will only give the department greater authority to put into effect the power which the department now assumes to have.

Mr. REED. I see no reason why a student should come over here under the pretext that he is coming to go to college and use that as an excuse for staying here permanently. It is a swindle on our immigration law.

Mr. BLAINE. That is not the case I cited. I trust the Senator will not object to the unanimous-consent request. We are approaching the close of this session of Congress. If Senators are going to be technical upon these matters, of course I appreciate that they have a perfect right to do so, but I hope the Senator in this particular case will not object, inasmuch as it was through my inadvertence that I asked for the return of the wrong bill.

The PRESIDENT pro tempore. The Senator from Wisconsin asks unanimous consent that the House be requested to return to the Senate H. R. 7793. Is there objection?

Mr. REED. Mr. President, when the bill was reached on the calendar it was explained at length. The Senator from Arkansas [Mr. ROBINSON], as I recall, asked me for an explanation of the provisions of the bill. It was explained at length. We had a full attendance of the Senate. It was passed by unanimous consent. I think it is unfair of the Senator to ask its return now, because that would mean that the bill could not be finally acted on at the present session. Therefore, I am constrained to object.

The PRESIDENT pro tempore. Objection is made.

Mr. BLAINE. Mr. President, I can not conceive wherein it is unfair to ask for the return of this bill. My colleague [Mr. LA FOLLETTE] inquired of the Senator from Pennsylvania and asked him to explain the bill, I observe in the RECORD. I therefore am impelled, Mr. President, to move that the House be requested to return H. R. 7793 to the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the motion proposed by the Senator from Wisconsin.

On a division, the motion was rejected.

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee on page 67, lines 14 and 15.

Mr. GEORGE. Mr. President, in order to obviate what might be a practical difficulty in the case of other commodities, I propose the following amendment; and I ask the Senator from Nevada [Mr. ODDIE] to give me his attention:

Add after the period on line 18, page 67, the following language:

> In giving effect to this section, special consideration shall be given to the domestic article where the raw material of which it is made is grown in the United States and the article itself is manufactured in the United States.

If that amendment is accepted or restored, it would not be obligatory upon the Post Office Department, for instance, to use cotton products even where there was no unreasonable difference in cost between the domestic article and the manufactured product; but it would, of course, write into the law that if the article which the department desired to buy was made of raw materials grown in the United States, and if the article itself was manufactured in the United States, that would be a special fact which the Postmaster General would be called upon to consider.

I grant you that it may be in the nature of new legislation; but it is new legislation seeking to carry out, in the case of one important product, the general policy which has been declared by section 5 and similar sections in other appropriation bills.

Mr. ODDIE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. May the Chair suggest that the amendment should be stated by the clerk for the information of the Senate?

Mr. ODDIE. Let me ask first if the Senator proposes to leave the word "or" that we have been discussing, on page 67, line 14, as it was, and to add this at the end of it?

Mr. GEORGE. I propose to disagree to the committee amendment and restore "or," and add at the end of the section this language:

> In giving effect to this section, special consideration shall be given to the domestic article where the raw material of which it is made is grown in the United States and the article itself is manufactured in the United States.

Mr. ODDIE. I will accept that amendment and we will take it to conference.

Mr. REED. Mr. President, it occurred to me as I listened to the reading of the amendment that the language would not be mandatory, but would in a sense be precatory, if that is possible in a statute. I am inclined to make no objection to the adoption of the suggestion, however.

The PRESIDENT pro tempore. The first question is upon agreeing to the committee amendment.

The amendment of the committee was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment proposed by the Senator from Georgia.

The amendment was agreed to.

The PRESIDENT pro tempore. Without objection, the sections of the bill will be renumbered as required by the amendments made by the Senate.

Mr. COPELAND. Mr. President, I ask unanimous consent to reconsider the vote by which we adopted the amendment on line 11, page 7, in order that I may present this language:

After the words "to wit," on line 10, insert "portable desk models, $60."

Then go on with the language as it is written here—"10 inches," and so forth.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senate recurs to the consideration of the language on page 7. The question is on agreeing to the amendment proposed by the Senator from New York.

Mr. ODDIE. I accept that amendment.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I desire to submit an amendment.

Mr. REED. May we not complete the consideration of the committee amendments first?

The PRESIDENT pro tempore. All committee amendments have been disposed of; and the amendment just proposed by the Senator from New York is an amendment to the text.

Mr. REED. Mr. President, I do not understand that the amendments on page 11, lines 23 to 25, and so on, have been disposed of.

The PRESIDENT pro tempore. Those were agreed to. All committee amendments have been disposed of unless the Senator in charge of the bill has one.

Mr. ODDIE. Mr. President, on page 62, line 14, I move to strike out "$505,000" and insert in lieu thereof "$516,000."

The PRESIDENT pro tempore. That is a mere matter of mathematics, as the Chair understands.

The CHIEF CLERK. On page 62, line 14, it is proposed to strike out "$505,000" and to insert in lieu thereof "$516,000."

The PRESIDENT pro tempore. The Chair understands that to be merely in line with the amendment already agreed to. Without objection, that amendment is agreed to.

Are there other committee amendments?

Mr. ODDIE. Those are all the committee amendments.

Mr. ROBINSON of Arkansas. Mr. President, I offer the following amendment:

On page 31, line 7, after the words "rural sanitation," I move to strike out all language down to the end of line 15 and insert the matter which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 31, line 7, after the word "sanitation," it is proposed to strike out down to and including the word "work" on line 15, and to insert the following: "for special studies of and demonstration work in rural sanitation, including the purchase and distribution of medical supplies, and personal services for the fiscal years 1932 and 1933, $3,000,000: *Provided*, That no part of this appropriation shall be available for demonstration work in rural sanitation unless the State, county, or municipality agrees to pay such proportion of the expenses of such demonstration work as shall be required in regulations to be prescribed by the Public Health Service, in which due consideration shall be given to State and local economic conditions and human needs, the extent and circumstances of such cooperation in each case to be reported to Congress at the beginning of each regular session."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I ask that there be inserted in the RECORD, in connection with the amendment, a letter from the State public health officer of the State of Arkansas, and I call to the attention of the Senate a volume of hearings had on Senate bill 1234, which passed the Senate early during the present session of the Congress.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LITTLE ROCK, ARK., *June 8, 1932.*

Hon. JOE T. ROBINSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR ROBINSON: Increased prevalence of sickness, epidemics, and death have always heretofore followed widespread disaster. Late reports indicate clearly that notwithstanding the greatest floods, drought, and financial depression in history have occurred in sequence for the past five years, health conditions have actually improved and the death rate has dropped in the United States.

This can be accounted for only because of modern sanitary knowledge and the application of improved modern public health administration practice.

This uniform improvement could not have obtained without the emergency appropriations made by the Congress during this period.

Health departments, State and local, throughout the country are confronted with sharply reducing budgets, and much of the organized cooperative health work will disintegrate and be abandoned now when the economic crisis is most acute at the height of the public health emergency unless substantial Federal assistance is extended before July 1, 1932.

During the present fiscal year 21 States have been assisted at a cost of $2,000,000. The Surgeon General, United States Public Health Service, stated at the hearing that this was the wisest expenditure of public money with which he had been associated, and at his suggestion the proposed relief measure, S. 1234, has been extended to all of the States because of the greater national emergency.

Very respectfully yours,

C. W. GARRISON,
State Public Health Officer.

Mr. GOLDSBOROUGH. Mr. President, I send to the desk an amendment which I offer.

The PRESIDENT pro tempore. The amendment will be stated, for the information of the Senate.

The CHIEF CLERK. The Senator from Maryland proposes, on page 11, line 23, and continuing through on page 12, down to and including line 15, to strike out the entire paragraph, as follows:

The offices of surveyors of customs and appraisers of merchandise (except the appraiser of merchandise at the Port of New York), 22 in all, with annual salaries aggregating $111,000, are hereby abolished. The duties imposed by law and regulation upon surveyors and appraisers of customs, their assistants and deputies (except the appraiser, his assistants and deputies, at the Port of New York) are hereby tranferred to, imposed upon, and continued in positions now established in the Customs Service by or pursant to law, as the Secretary of the Treasury by appropriate regulation shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service.

Mr. GOLDSBOROUGH. Mr. President, this is an amendment to do away with a provision in the bill abolishing the offices of surveyors of customs and appraisers of merchandise. I think those positions exist in nine ports in the United States, involving in all 22 officers.

The office of surveyor of customs was established at the founding of the Federal Government. The duties and function of the surveyor as prescribed by the existent customs laws and regulations are substantially those laid down by the customs organization act of 1799 and follow the English practice of collection of tariff revenues. He is correctly designated the outdoor executive officer of the port, concerned principally with the administration and enforcement of the customs laws. The latter phase has attained increased importance in late years, due to increases in volume of importations and the activities of the criminal element, greatly adding to the responsibility of this officer.

The surveyor of customs has direct supervision over the weighing, gaging, measuring, and count of merchandise upon which duties are collected. The work of the surveyor is original in all its phases. Returns made by him are the basis upon which all duties are collected. If his returns are incorrect, the collector of customs of necessity would liquidate entries upon improper quantities, and the comptroller would audit the account without question. The correctness of the return of the surveyor can only in a measure be conducted by invoices and other papers in the hands of the collector. It is constant vigilance that insures the correctness of the returns of the surveyor and the assurance of the proper revenue to the Government. The suggestion of the duties of the surveyor carries with it the implication that it is just as improper for the collector to determine the quantities upon which he should collect duties as it is for him to audit his own account, which is now done by the comptroller. As it is important for the appraiser to fix the value upon which the collections are made, which is by an examination of a small percentage of importations, just as important is the duty of the surveyor, who must inspect, supervise, and handle the entire cargo.

The examination of passengers' baggage is under the direct supervision of the surveyor, and unless this feature is carefully and thoroughly canvassed and watched, great loss to the revenue would accrue, as is readily understood.

It is the duty of the surveyor to prevent smuggling of all character. Of late years, on account of prohibition, there has been great temptation to smuggle liquor into the country. It is due solely and primarily to the vigilance of the surveyor's office that the smuggling of liquor at the Port of Baltimore has been virtually eliminated. In 1931, 1,702 vessels arrived at the Port of Baltimore. Estimating an average crew of 30 men, it will be seen that there are more than 51,000 sailors entering the port, and it is the duty of the surveyor to supervise this army and prevent abuses in the smuggling in of liquor, narcotics, and other articles.

It is the duty of the surveyor of customs to supervise the measurement of all vessels, which is the basis upon which tonnage is collected.

The statutory functions of the surveyor of customs entitle him to be described as a general superintendent in guarding and searching vessels, in keeping track of crews' personnel, knowing their action on board, and their contacts with suspected persons from shore.

A careful weighing and investigation of information received from various sources are a part of the activities of his force engaged in the enforcement of the narcotic laws on and about vessels.

When the appraiser's office was created some hundred years ago, it was undoubtedly thought out very carefully and established for the purpose of acting as a check upon the office of the collector of customs. The appraiser's office may be said to be similar to that of an assessor who appraises real estate upon which taxes are collected by a collector, and for the same reason that the assessor and the collector should not be the same person, the appraiser and collector should not be the same person, but one should act as a check against the other. If the office of the appraiser were consolidated with that of the collector, there would be no such check, and it seems to me that such an arrangement would operate to the detriment of the Government and the service, and we would find, perhaps, opportunity opened to colossal graft. There seems to be no doubt but that the appraiser was meant as a safeguard, and surely it would be unwise and false economy to abolish this or any other office which safeguards the Public Treasury. Again, too, this would place too much authority in the hands of one individual.

A most important fact to remember is that the appraiser's office is revenue-producing and when we take into consideration the vast amount of revenue to the Government through the workings of this office, where the appraiser evaluates all imported merchandise, the incidental salaries are negligible. The total annual pay roll of the 14 appraisers throughout the country, which the present bill seeks to eliminate, amounts to but approximately $67,600; to my mind the saving is so negligible that it would not be worth while to endanger the customs revenue of the United States and

jeopardize the legal rights of importers by the abolition of the office of appraiser, merely to save what is, by comparison with expenditures of various bureaus, a mere bagatelle. Proceedings as contained in the CONGRESSIONAL RECORD of February 25, 1932, page 4712, show that the recommendation of the committee as to appraisers is exactly contrary to the recommendation of the Budget; that is, there is no recommendation of this sort from the administration.

The bill in its present form discriminates against the smaller cities, or ports, and the inland ports, since it does not include New York, which although it is the largest port in the country and does an enormous volume of business, nevertheless is operated under the same system as the other ports, namely, under the supervision of an appraiser, assistant appraiser, and a sufficient number of examiners and clerks to take care of the work. To abolish the appraisers in the smaller or inland ports is discriminatory against such cities as St. Louis, Chicago, Cincinnati, San Francisco, Philadelphia, Boston, Detroit, New Orleans, and so forth, and it is a discrimination against the importers of those cities—certainly an importer should not be penalized because he lives outside of New York.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. GOLDSBOROUGH. I yield.

Mr. LEWIS. May I ask the Senator from Maryland, and at the same time the Senator from Nevada, whether the amendment proposed by the Senator from Maryland would preserve the appraisers and collectors continuing just as they now stand?

Mr. GOLDSBOROUGH. That would be the result.

Mr. ODDIE. Mr. President, I will agree to accept the amendment of the Senator from Maryland.

Mr. COUZENS. Mr. President, I have not heard the amendment read yet.

Mr. ODDIE. I did not mean to interrupt the Senator from Michigan.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Maryland proposes, on page 11, to strike out lines 23 to 25, and on page 12, lines 1 to 15, both inclusive.

Mr. COUZENS. What would that do with the appropriation of $111,000 which appears in line 2, page 12?

Mr. GOLDSBOROUGH. The amount of $111,000, the total salaries of these 22 employees mentioned by the Senator from Michigan, is the proposed saving.

Mr. COUZENS. I still do not understand how we can eliminate this appropriation and all reference to it by taking out the entire paragraph.

Mr. REED. Mr. President, if the Senator will yield, it is not an appropriation. The figure $111,000 is a statement of the savings. It is a sort of a recital that these positions carrying such and such salaries are hereby abolished. It is a little braggadocio on the part of the writer of the bill to show how much money he has saved. Of course, the truth is that when these positions are abolished we will have to set up others so that the work will be performed. Instead of having a check on the collector of customs by an independent appraiser he will be checked by one of his own employees, which seems to me to be very poor administration.

Mr. COUZENS. In effect, if we accept this amendment, we dispose of the chairman's braggadocio. Is that what the Senator means?

Mr. REED. It was not the chairman of the committee who wrote the section.

Mr. ODDIE. I should like to state that I did not write this section.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Black	Bulow	Coolidge
Austin	Blaine	Capper	Copeland
Barbour	Bratton	Caraway	Couzens
Bingham	Brookhart	Carey	Dale
Davis	Jones	Nye	Steiwer
Dickinson	Kean	Oddie	Thomas, Idaho
Frazier	Kendrick	Patterson	Thomas, Okla.
George	Keyes	Pittman	Townsend
Goldsborough	La Follette	Reed	Trammell
Hale	Lewis	Robinson, Ark.	Vandenberg
Hastings	McGill	Robinson, Ind.	Watson
Hawes	McNary	Schall	White
Hayden	Moses	Sheppard	
Hebert	Norris	Shortridge	

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. The question is on agreeing to the amendment proposed by the Senator from Maryland [Mr. GOLDSBOROUGH].

The amendment was agreed to.

Mr. NYE. Mr. President, I send to the desk the following amendment, which I offer.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 58, after line 18, insert:

In the expenditure of appropriations under this act the Postmaster General shall not contract for the manufacture and delivery of stamped envelopes and newspaper wrappers for a period of more than one year.

The PRESIDENT pro tempore (putting the question). The Chair is in doubt.

Mr. ROBINSON of Arkansas. Mr. President, may we have the amendment read again?

The PRESIDENT pro tempore. The clerk will read the amendment.

The Chief Clerk again read the amendment.

Mr. BINGHAM. Mr. President, I make the point of order that this is new legislation on an appropriation bill.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. NYE. Mr. President, lest there be some misunderstanding in a section of the country that is vastly interested in proposed air mail facilities, I feel that a brief statement is in order at this time.

For several years the Senators and Representatives from the States of North and South Dakota, Montana, Idaho, Washington, and Oregon have interested themselves in accomplishing an air mail route to accommodate that northwestern country. A study of the map and prevailing and existing air mail routes of the country reveals nowhere in the United States any territory so free from anything resembling adequate air mail facilities as is that group of Northwestern States.

We renewed our efforts this year to accomplish the extension of the route from Bismarck on westward to Puget Sound. The bill now before us and about to be passed does not carry an amendment which some of us hoped might be carried this year to provide those facilities for the so-called northern transcontinental air route, but we have very good reason to believe that steps have been taken this year by the Appropriations Committees of the two Houses, so that next year we shall be quite in line and in order in demanding those facilities for which we have been asking.

The Commerce Department appropriation bill this year carries an appropriation providing for lighting and radio facilities on the northern transcontinental route. While the Commerce Department appropriation bill is still in conference I feel that, in order to make the record clear, I should ask the chairman of the Appropriations Committee, the Senator from Washington [Mr. JONES], just what is the status at this time of the appropriation for the air-route facilities for the Northwest.

Mr. JONES. Mr. President, provision was made in the Commerce Department appropriation bill for $50,000 and that was designated specifically for getting the route in shape. The conference report has been approved by the Senate and I have every reason to believe that it will be agreed to by the House.

Mr. NYE. I thank the Senator. Then it follows with the improved facilities which will be afforded during the year, that in the next year we can hope for establishment of the northern transcontinental route to parallel rail-mail routes which are given high rank in the Postal Service. Every

transcontinental rail-mail air route in the United States is paralleled by a corresponding air mail route at this time except the four transcontinental rail routes which traverse the Northwest country. For these reasons we feel we are going to be entirely deserving when we come back to the next Congress and ask consideration for these facilities.

That we are going to have the cooperation of the Post Office Department is best indicated by the hearings held by the Appropriations Committee on the bill which is now before us. Before the Appropriations Committee the Postmaster General submitted a statement showing the additional air mail service to be provided in the event more money is made available for air mail contracts. I ask that that table and the notation which he left with the committee may be printed in the RECORD together with my remarks. Incidentally this notation shows the Bismarck-Montana proposal at the head of the list.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter is as follows:

Statement showing additional air mail service to be provided in the event $21,500,000 is appropriated for the fiscal year 1933, with $500,000 immediately available

Route	Estimated expenditures	
	1932[1]	1933
Bismarck-Montana		$250,000
Richmond-Norfolk	$6,200	25,000
Albany-Boston	7,600	47,000
Milwaukee-Detroit	25,000	78,000
Nashville-Fort Worth (night)	73,000	300,000
Charlotte-Augusta	20,000	85,000
Chicago-Atlanta (day)	45,000	189,000
Chicago-Detroit-Columbus	44,000	146,000
Los Angeles-Salt Lake City (night)	115,000	480,000
Twin Cities-Aberdeen		78,475
Green Bay-Escanaba		47,000
Watertown-Fargo		35,000
Denver-Cheyenne-Great Falls		170,000
Richmond-Louisville-Nashville		204,000
Total	325,200	2,134,475
		335,200
Grand total		2,469,675

[1] From Apr. 1 to June 30.

The PRESIDENT pro tempore. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. ODDIE. Mr. President, I move that the Senate insist upon its amendments, ask a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed the junior Senator from Nevada [Mr. ODDIE], the senior Senator from Utah [Mr. SMOOT], the senior Senator from New Hampshire [Mr. MOSES], the senior Senator from Louisiana [Mr. BROUSSARD], and the junior Senator from Florida [Mr. TRAMMELL] conferees on the part of the Senate.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES. Mr. President, I desire to move that the Senate reconsider the vote further insisting upon its amendments numbered 46 to 168, both inclusive, to the legislative appropriation bill (H. R. 11267) asking a conference with the House and ordering the appointment of conferees.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Washington.

Mr. REED. Mr. President, it seems to me discussion of this motion is going to take so long that it will be impossible to maintain a quorum of the Senate longer this evening. I therefore appeal to the Senator to let us take a recess now.

Mr. JONES. There ought not to be very much discussion upon the motion. It is merely a question of reconsideration. On the merits the discussion may take considerable time. I can not see why this motion ought to take very much time to discuss. I shall be glad to state the reasons why I make the motion at this time.

Mr. President, I am making the motion at this time because I became convinced yesterday that otherwise it would be impossible for us at least for several days to dispose of the matter. The condition of appropriation bills, it seems to me, makes it absolutely necessary that we should act upon the measure. We have only two days left after to-day in which to pass appropriation bills by the end of the fiscal year. If we do not get them through, then our efforts for economy, we might say, will come to naught at least for quite a time, and the fiscal affairs of the Government will be disrupted. It seems to me we can hardly afford to allow that condition to arise.

There may be some things in the bill, of course, that different Senators may not like. I suppose it is hardly possible for a bill of this kind to be so framed that it will please anybody in every particular. There were two or three objections made to it which I believe have not very much foundation. For instance, one related to the question of retirement. It was stated on the floor of the Senate that under the provisions of the bill many of our Government employees who had served the Government for several years would lose the benefits which have accrued to them if they were discharged or separated from the Government service before they had served the required 15 years. I have thought that nothing of that kind could happen under the bill.

Under the provision which applies to the matter of automatic retirement, everyone would be allowed to serve his 15 years, no matter what his age may be, before he would be forced to retire. I have had that opinion confirmed by the Comptroller General. I have talked with him to-day in regard to the matter, and he said that it will be the holding of his office that no one can be forced out of the Government service because of his age or anything of that kind until he has served 15 years. That is in accordance with the language of the provision of the House as it came to us and about which there has been a difference of opinion here. So I am stating that no one by reason of that retirement provision of the bill will be forced out of the service of the Government prior to the end of his 15 years of service.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Connecticut?

Mr. JONES. I yield.

Mr. BINGHAM. The Senator knows there is a great deal of difference of opinion about what is in the conference report. In the present form in which the report comes to us, it not being on our desks and the RECORD being filled with the usual mysterious references to amendments by number, it is very difficult to know exactly how the bill did come from conference. Would not the Senator be willing to let the debate go over until 11 o'clock to-morrow morning, and in the meantime have the bill printed as it came from the House with the proposed amendments in it in such form that we may know exactly what we are considering and upon which we are asked to act?

Mr. JONES. I think we have such a print of the bill, and we also have the conference report printed, together with the numbers of the amendments.

Mr. BINGHAM. But it is worse than working out a crossword puzzle to find whether No. 79 was agreed to or not and what the amendment means. Why does the Senator object to having the bill printed in the form in which it is proposed to pass it?

Mr. JONES. Of course I have no objection to that, but it is a very easy matter to determine what the amendments are. For instance, the conference report says that the Senate recedes from its amendments Nos. 49, 51, 62½, 65, and so on, and that the House recedes from its disagreement to amendments 48, 52, 54, and so on.

Mr. BINGHAM. That is why I am asking that the bill be printed in translated form.

Mr. JONES. The bill has been printed and the amendments have been numbered in the print, and all one has to do is to take the conference report and the bill with the

amendments numbered and he can very easily see what has been done with them. That information has been before the Senate for quite a good while, and I do not see any reason for delaying consideration of the matter on that account.

I want to accommodate Senators just as much as possible, but we must appreciate the fact that we have only two more legislative days before the 1st day of July when these appropriations are supposed to go into effect. It seems to me we have had this matter discussed sufficiently. There are some things in the report that are not satisfactory to me, but I do not feel justified in opposing the entire report because I do not have all the items just as I would like to have them. There is much difference of opinion of course with reference to the marriage clause. I am opposed to that. I have been opposed to it all the time. But we can not afford under the circumstances to get the Government into the trouble that we would bring about by rejecting the conference report merely because of that one item in the bill.

Amendment numbered 46 is the one we will take up first, which is a substitute for the provision in the House text, changing the 10 per cent in everybody's salary to the furlough plan, there has been objection made only to one provision of the bill; at least, I have not heard any suggestions in regard to any other provision except the provision relating to the impounding of money which may be saved. There is a difference of opinion in regard to that. There are two policies involved. Under one policy the money will be put into the Treasury and saved, while under the other policy it may be used for some other purpose, and there will not be real economy. It seems to me, however, that this is the time when the Senate is in favor of economy and that that provision can very well be passed upon by the Senate.

As I have said, the other provisions involve some minor differences. As to the retirement proposition, I think I have made plain that the fear that persons will be forced out of the service before they have served their 15 years, making them eligible to the annuity, is unfounded, and that, according to the language of the bill itself, automatic retirement will not come until after the men and women employed in the Government service have served their 15 years. That opinion is reenforced, as I have said, by the opinion of the Comptroller General, who was conferred with in regard to the matter to-day. So, it seems to me, the conference report is in a condition where the Senate ought to act upon it.

The report also contains the general provision with reference to the filling of vacancies, and so forth, applying to every appropriation bill. A similar provision has been adopted in the case of one or two of the appropriation bills, but, under the conference report, it is made general in the proposed law. That should be enacted, so that the appropriation bills may be covered by it.

Mr. ASHURST and Mr. BINGHAM addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield, and if so, to whom?

Mr. JONES. I yield first to the Senator from Arizona.

Mr. ASHURST. I do not want to take the Senator off the floor, but I want to support him.

Mr. JONES. I thought the Senator wanted to interrupt me.

Mr. ASHURST. No.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Connecticut?

Mr. JONES. Yes.

Mr. BINGHAM. The Senator refers to amendment No. 46. Amendment No. 46 covers about 12 pages. I have the conference report before me; and all it says about amendment No. 46 is that—

> The committee on conference have not agreed on amendment No. 46.

That surely makes it very plain to anyone that they have not agreed, but what it is they have agreed to is not before us.

Mr. JONES. The Senator has demonstrated how easy it is to find the amendments.

Mr. BINGHAM. And how difficult it is to understand them.

Mr. JONES. But here is the situation. Amendment No. 46 is the amendment that the Senate adopted incorporating the furlough plan in the bill in place of the 10 per cent reduction plan. We had quite a contest over that. At first the Senate adopted the 10 per cent cut proposition recommended by the committee. I joined with the Senator in that, and I was glad to do it, but the Senate the next day turned it down and adopted the furlough plan, which has been adopted by the House and sent to us with some changes. Practically all those changes are minor; they do not change the provision the Senate adopted, except in the particular which I have just pointed out with reference to the use of the money, whether it shall be used for something else or whether it shall be impounded and put into the Treasury.

That is the only question that has been raised in the days of discussion on this floor. As I have said, there are no other changes that are really substantial; that really amount to anything particularly. The Senate can very well accept the whole proposition, and the only question for the Senate to determine will be the question whether or not the money that is saved by the furlough plan shall be impounded and put into the Treasury or whether it may be used for some other purposes. That can be more fully discussed, of course, when the motion is made to agree to it; but all I am asking by this motion, the papers having come back from the House, is that we reconsider the vote by which we rejected the conference report, asked for a further conference, and requested the Chair to appoint the conferees. I am simply asking that that action may be reconsidered, and I hope we may do that to-night.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

Mr. ASHURST. Mr. President, there is a matter of good faith involved here. I went to a number of Senators; I went to a leader in the Senate and asked him, "Are we going to have a night session?" And the leader said, "Positively, we are." I said, "Upon that statement I am going to telephone to my wife and others with whom I have engagements that there will be a night session." Other Senators did the same.

Mr. ROBINSON of Arkansas. The Senator perhaps ought to state with whom he conferred.

Mr. ASHURST. I conferred with the Senator from Oregon [Mr. McNARY].

Mr. President, the personal comfort of Senators ought not to be a feather's weight in the scales with regard to the public service, and when we are informed that there would be a night session and then we lackadaisically drop away that does not appeal to me.

The Senator from Washington has rightly pointed out that we have two days before the end of the fiscal year in which to pass the necessary legislation for the support of the Government, and I am not going to be a party, after we have stormed three or four months about appropriations and economy, then to wind up with no economy.

I am sorry the Senator from Connecticut [Mr. BINGHAM] has left the chamber. Of all the arguments I have heard advanced in the Senate, the strangest is the one presented by the Senator from Connecticut, whose acute perception and superb intellect almost reach the point of telepathy. He now rises and says he can not understand this conference report, when a man who has never been in a legislative body two hours but who can read and write can understand this conference report.

So, Mr. President, I want to support the Senator from Washington. I do not like the conference report; I hope by resolution the Senate may correct some of its injustices; but I am not going to be a party to starving the Government and bringing chaos when we have but two days in which to act. I hope the Senator from Washington will not yield but will go ahead and have the conference report adopted.

I know the rule here; I know that I am not permitted—and I would not seek to do it if I were permitted—to refer to what takes place or what does not take place in the other branch of Congress.

There is not a Senator here but who knows that it is this conference report or nothing.

We have a practical difficulty in front of us; with the situation in that way, and it being this conference report or nothing, this conference report or chaos, it does not seem to me to be real to hear such a man as the Senator from Connecticut, the sharpest Connecticut Yankee we have here, rise and say that he can not understand that which the smallest page can readily understand.

Mr. LEWIS. Mr. President, I should like to ask, if I may be permitted to do so, the eminent Senator from Arizona a question. Having myself something of a feeling of dullness of perception upon the matter that has just been presented, which feeling has not been relieved by the address of my eminent friend from Arizona, I should like to ask him if he understands the amendment offered by the "sharpest Yankee of Connecticut," whom he described as possessing the best brains of this particular element, or the conference report to suggest as to conditions of Government employment affecting women, married and otherwise, that all married women must be divorced and all single women be married? [Laughter.]

Mr. ASHURST. Mr. President, I can furnish information, but, alas, alas, I can not furnish the comprehension. [Laughter.]

Mr. LEWIS. Mr. President, thus you get a fair illustration of the difference between a gentleman, such as the eminent Senator from Arizona, whose physical pulchritude has made such an appeal to women that he would therefore naturally be the best informed on the subject, and one such as I, who unhappily, for whatever reason I need not describe, having no such attribute naturally, fall within the class of those just referred to by the Senator from Arizona as having a lack of understanding. [Laughter.]

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

Mr. COUZENS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	La Follette	Shortridge
Barbour	Davis	Lewis	Steiwer
Black	Dickinson	McGill	Thomas, Idaho
Blaine	Goldsborough	McNary	Thomas, Okla.
Bratton	Gore	Metcalf	Townsend
Bulow	Hastings	Moses	Trammell
Capper	Hayden	Oddie	Vandenberg
Caraway	Hebert	Patterson	Watson
Carey	Jones	Robinson, Ark.	White
Coolidge	Kean	Robinson, Ind.	
Copeland	Kendrick	Schall	
Couzens	Keyes	Sheppard	

The VICE PRESIDENT. Forty-five Senators have answered to their names, not a quorum. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. AUSTIN, Mr. BINGHAM, Mr. GEORGE, Mr. HALE, Mr. HATFIELD, and Mr. REED answered to their names when called.

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Washington [Mr. JONES].

Mr. LA FOLLETTE. Mr. President, I wish briefly to state for the RECORD my disapproval of the precedent which is being established in connection with this very important bill.

The Senate rejected the conference report and asked for a further conference, the Chair appointed conferees, and the message was transmitted to the House of Representatives. Without waiting for any formal action on the part of the House, the chairman of the Senate conferees gave notice of a motion to reconsider; and later in the day he presented a motion requesting the return of the papers from the House, which, under the rules of the Senate, is not debatable.

I have searched the precedents; and while I can not state with accuracy that other motions of a similar character have not been made, because the time I have had in which to make such a search has not been sufficient to enable me to examine all of the precedents, I do say that I was unable to find a single case on all fours with this one. In the course of my examination of the precedents, may I say, it is perfectly evident that it is nearly always customary for one House to extend to the other the courtesy of granting a conference when it is asked. In some cases I found that no less than five conferences had been had on a single bill, in each case the conference report having been rejected by one House and a further conference asked.

In the early proceedings in the Congress it was customary, when a new conference was asked, to appoint new conferees. This practice has not been followed in recent years; but there are numerous instances in which new conferees have been appointed at succeeding conferences by one House or the other.

The action taken by the Senate in this instance is a humiliating surrender. Carried to its logical conclusion, it means that the Senate must accept the conference reports agreed to by the House, and that the House, without assuming formal responsibility of denying a conference, may achieve the result of forcing the Senate to yield.

I say, sir, that I believe this precedent will come back to plague the Senate. It is a great mistake for the Senate to yield in this instance.

I emphasize particularly that the House has not taken formal responsibility for denying the Senate the conference requested in the usual way, and which should have been granted if there is to be that comity between the two Houses which is necessary for the orderly and successful conduct of legislative bodies in their relations with each other.

The situation created concerning this particular conference report is one which I think merits some comment.

It is well known that the House conferees were exceedingly hostile to the position taken by the Senate. It is also well known that Members of the House conferees gave out statements to the press continuously during the time that the bill was in the first conference that the House would not recede from its position concerning the pay cut, and that if the conference report provided for the adoption of the Senate's position for the furlough, it would be rejected in the House. It is also known that when the conference report was up in the House, and when the House conferees were disappointed in finding that a majority of the House did not sustain the position that they had contended would be sustained, some of the amendments which are contained in this conference report were written on the floor of the House and adopted without the Members of the House having an opportunity to see the amendments in their printed form. It is a further fact that last week there was a drive to adjourn by Saturday. And when those amendments were received by the Senate conferees, without deliberation they agreed to them and brought the report to the Senate with a recommendation that the Senate accept it.

The Senator from Washington [Mr. JONES] on yesterday, and again to-day, has stated that he does not think the Senate should accept responsibility for endangering the passage of this legislation. I say, sir, that the record of the two Houses in connection with this legislative appropriation bill demonstrates clearly that if this legislation is in danger, it is in danger because a certain person in the House of Representatives, though not doing so formally, has indicated that no conferees would be appointed in response to the Senate's request for a further conference upon an important piece of legislation.

As one Member of this body, I resent the action taken by the Senate. I resent it because I believe it establishes a bad precedent which will embarrass the Senate in future legislative disagreements with the House of Representatives.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington [Mr. JONES] to reconsider

the vote insisting on certain amendments of the Senate and requesting a conference with the House.

The motion was agreed to.

Mr. JONES. Mr. President, I move that the vote disagreeing to the House amendment to Senate amendment numbered 46 be reconsidered.

The motion was agreed to.

The VICE PRESIDENT. The question now is upon agreeing to the amendment of the House to the amendment of the Senate.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Kendrick	Schall
Austin	Davis	Keyes	Sheppard
Barbour	Dickinson	La Follette	Shortridge
Black	George	Lewis	Steiwer
Bratton	Goldsborough	McGill	Thomas, Idaho
Broussard	Hale	McNary	Thomas, Okla.
Bulow	Hastings	Metcalf	Townsend
Capper	Hatfield	Oddie	Trammell
Caraway	Hayden	Patterson	Vandenberg
Carey	Jones	Robinson, Ark.	Watson
Coolidge	Kean	Robinson, Ind.	White

The VICE PRESIDENT. Forty-four Senators having answered to their names, there is not a quorum present. The secretary will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. HEBERT, Mr. BINGHAM, Mr. MOSES, Mr. REED, and Mr. DALE answered to their names when called.

The VICE PRESIDENT. Forty-nine Senators having answered to their names, there is a quorum present.

The question now is on the motion of the Senator from Washington [Mr. JONES] to agree to the amendment of the House to Senate amendment numbered 46.

The motion was agreed to.

Mr. JONES. Mr. President, I move now that the Senate reconsider the vote by which we rejected the conference report.

The motion to reconsider was agreed to.

Mr. JONES. Mr. President, I move that the conference report be agreed to.

Mr. LA FOLLETTE. Mr. President, I regret very much that the Senate has made the decision which it has in connection with this conference report. There is no question but that the difficulties contained in this report, the injustices and the inequalities, could have been ironed out in a further conference. They are things which are unimportant, in so far as the principle contained in this bill is concerned. The savings which they accomplish are negligible. They are amendments inserted by the House which create meager savings, but in so doing, however, wreak grave injustices upon the individuals affected.

I realize, however, that the votes have been gathered in to adopt the conference report, and I realize that resistance to it is futile. If it were within my power, I would be glad to take the responsibility of defeating this conference report, thus forcing the House to agree to a further conference, but that obviously it not within the power of any one individual Senator.

The Senate and the House will spend a great deal of valuable time in the next session of Congress straightening out the mistakes which are contained in this conference report. Rather than take the needed time of a day or two now to remedy the inequalities in this bill, the Senate will devote weeks to the consideration of amendments to the law at the next session.

Everyone who has made any study of the situation knows that the so-called economy bill should have preceded all of the appropriation bills. Had this course been taken the appropriation bills could have been properly fitted into the general policy of economy which Congress laid down. Instead we have had a hit-and-miss program of economy so far as the appropriation bills are concerned, and then, in the closing hours of the Congress, this ill-considered conference report is jammed through under whip and spur with the amendments proposed by the House, which are inconsistent with the spirit and the principle contained in the furlough plan adopted by the Senate.

Because Congress did not adopt a policy concerning the appropriation bills and the economy bill, the general economy bill does not fit the specific action taken by the Congress with regard to certain of the appropriation bills. What really happened was that the President, through the recommendations of the Budget, desiring to make a showing of economy, recommended appropriations under those for the fiscal year 1932. The House of Representatives, controlled by the Democratic Party, not overlooking a campaign issue, desired to make further showings of economy by reducing the recommendations of the Bureau of the Budget. Then the Senate of the United States, not to be outdone by the House of Representatives, began by adopting a program of a flat 10 per cent reduction below the House bills with regard to certain of the appropriation bills.

Naturally, economies and cuts made in such a fashion could only result in an unintelligent application of the rule of specific economy to certain of the appropriation bills. But even in regard to that procedure the Senate has not been consistent. Only a few of the appropriation bills in the Senate were given the flat 10 per cent cut below the House figure. In bills considered later in the session the economy policy on the part of the Senate was relaxed. The Army and Navy and some of the other appropriation bills passed without such reduction.

The result is that we have had the cart before the horse in the whole economy drive, and it is no wonder that a hodgepodge of legislative inconsistencies should be the result of legislative procedure upon that basis.

At the next session of Congress, due to the drive to adjourn and the lack of consistent policy which has characterized the consideration of measures, especially this bill, we shall be endeavoring to correct the ill-considered, the inconsistent, the unjust, the inhumane, and the badly drawn legislation which we have passed at this session.

Mr. DALE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. DALE. I would like to ask the Senator how he expects Congress to correct what he calls a "mistake" like this. Under this bill there is no question whatever but that every man having reached retirement age, with the possible exception the Senator from Washington has explained to us this afternoon, will be dismissed from the service. All those who have reached retirement age who have served 30 years certainly will be dismissed, every one of them, without any extension. How is it possible for Congress ever to correct such a thing by any future legislation?

Mr. LA FOLLETTE. Mr. President, I can not but believe that Congress will make restitution in those cases. I trust that at the next session of Congress we will have a different spirit so far as the legislation we are to enact is concerned.

Mr. LEWIS. Mr. President, it is also to be hoped that we will have a different party in control, to aid the Senator in his desires.

Mr. LA FOLLETTE. Mr. President, whatever may be the outcome of the next election, the present personnel of the Congress will still be functioning at the next session. But I can not believe that the Congress which meets in December will not attempt to rectify the injustices and inconsistencies in this legislation and the appropriation bills.

For the reasons I have stated, Mr. President, I shall vote against the motion proposed by the Senator from Washington [Mr. JONES].

Mr. COPELAND. Mr. President, I want to join the Senator from Wisconsin [Mr. LA FOLLETTE] in his attitude toward the bill. The bill certainly has aroused widespread opposition. No one is satisfied with it. No Member of the Senate is satisfied with it. It will undermine the morale of our employees; indeed it has already done that. It has in it the provision regarding married persons. It has in it the question of old-age retirement, the question of voluntary leave of absence without pay, the question of accumulated

days of leave. The annual leave for those who are furloughed is left in doubt. We have neglected the employees of the Public Health Service. Promotions in the police and fire departments are in question. The best that can be said of the bill is that it is sloppy legislation.

While every one of us is in favor of economy, this bill is a failure so far as promoting economy is concerned, and will have the effect of distressing and disturbing the employees of our Government and undermining the morale. Indeed it has already accomplished that highly undesirable thing. I condemn the bill in set terms, but it is here and we are facing a condition. In a few minutes we will agree to the conference report, and then we will have unhappiness at once in an even greater degree than we have had during the past few weeks.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. LA FOLLETTE. I call for the yeas and nays.

The VICE PRESIDENT. Is there a second to the demand?

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. Has there been any business transacted since the last quorum call?

The VICE PRESIDENT. Business has been transacted. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kean	Robinson, Ark.
Austin	Davis	Kendrick	Robinson, Ind.
Barbour	Dickinson	Keyes	Schall
Black	George	La Follette	Sheppard
Blaine	Goldsborough	Lewis	Shortridge
Bratton	Hale	McGill	Steiwer
Broussard	Hastings	McNary	Thomas, Idaho
Bulow	Hatfield	Metcalf	Thomas, Okla.
Capper	Hawes	Moses	Townsend
Caraway	Hayden	Oddie	Trammell
Carey	Hebert	Patterson	Vandenberg
Coolidge	Howell	Pittman	Watson
Copeland	Jones	Reed	White

The VICE PRESIDENT. Fifty-two Senators have answered to their names. A quorum is present. The question is upon agreeing to the conference report.

Mr. LA FOLLETTE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. AUSTIN (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. BYRNES], who if present would vote "yea." As I desire to vote in the same manner, I am at liberty to vote. I vote "yea."

Mr. BINGHAM (when his name was called). I have a pair with the junior Senator from Virginia [Mr. GLASS], who is necessarily absent. In his absence, not knowing how he would vote, I withhold my vote.

Mr. CAREY (when his name was called). I have a pair with the junior Senator from Ohio [Mr. BULKLEY]. I understand he would vote as I shall vote, so I am at liberty to vote. I vote "yea."

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I wish to announce the unavoidable absence of the junior Senator from New Mexico [Mr. CUTTING]. He is paired with the junior Senator from Oklahoma [Mr. GORE]. If the junior Senator from New Mexico were present, he would vote "nay."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I withhold my vote.

Mr. DICKINSON (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY], who is necessarily absent. I understand, however, that if he were present he would vote as I intend to vote, so I am at liberty to vote. I vote "yea."

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL]. I understand if he were present he would vote as I would, and I therefore vote. I vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. HOWELL (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. NEELY]. I transfer that pair to the senator Senator from Mississippi [Mr. HARRISON] and vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I understand if he were present he would vote as I expect to vote, so I am at liberty to vote. I vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if present he would vote as I am about to vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote.

Mr. SHORTRIDGE (when his name was called). I have a general pair with the permanent chairman of the Democratic National Convention, the senior Senator from Montana [Mr. WALSH]. Not knowing his views upon this question, I withhold my own vote.

Mr. STEIWER (when his name was called). On this vote I am paired with the junior Senator from Texas [Mr. CONNALLY]. In his absence, and not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. I am advised that if he were present he would vote as I intend to vote. Therefore I feel at liberty to vote, and vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH], who is necessarily detained from the city. I understand that if present he would vote as I am about to vote. Therefore I feel free to vote, and vote "yea."

The roll call was concluded.

Mr. PATTERSON (after having voted in the affirmative). I have a general pair with the junior Senator from New York [Mr. WAGNER]. I understand that if present he would vote "nay." I have already cast my vote, under the impression that he would come into the Chamber. I understand I can transfer that pair to the Senator from South Carolina [Mr. BYRNES]. I make that transfer and let my vote stand.

Mr. LEWIS. Mr. President, I have a confession, sir, that I find myself in a confusion not altogether unknown in relation to the provision as to married women. I find that I voted "yea," and since it is my desire to vote against any discrimination against married women I desire to change my vote from "yea" to "nay."

Mr. GEORGE. The junior Senator from Georgia [Mr. COHEN] is necessarily absent. If he were present, he would vote "yea."

Mr. McNARY. Upon this vote I wish to announce the pair of the senior Senator from Michigan [Mr. COUZENS] and the senior Senator from California [Mr. JOHNSON]. If the senior Senator from Michigan were present, he would vote "yea;" and if the senior Senator from California were present, he would vote "nay."

Mr. COPELAND. My colleague [Mr. WAGNER] is detained from the Senate on official business. If he were present and permitted to vote, he would vote "nay."

Mr. DAVIS. I have been informed that my general pair, if present, would vote as I would vote. Therefore, I am permitted to vote, and vote "nay."

Mr. McNARY. I desire to announce the following general pairs:

The Senator from Ohio [Mr. FESS] with the Senator from Utah [Mr. KING];

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. LONG];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Washington [Mr. DILL];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Oklahoma [Mr. GORE];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Georgia [Mr. COHEN];

The Senator from North Dakota [Mr. NYE] with the Senator from North Carolina [Mr. BAILEY]; and

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Alabama [Mr. BANKHEAD].

Mr. SHEPPARD. I desire to announce the special pair on this question of the Senator from Colorado [Mr. COSTIGAN] and the Senator from Florida [Mr. FLETCHER]. If the Senator from Colorado were present, he would vote "nay." If the Senator from Florida were present, he would vote "yea."

The roll call resulted—yeas 35, nays 11, as follows:

YEAS—35

Ashurst	Dickinson	Jones	Robinson, Ark.
Austin	George	Kean	Sheppard
Barbour	Goldsborough	Kendrick	Thomas, Okla.
Black	Hale	Keyes	Townsend
Bratton	Hastings	McGill	Trammell
Broussard	Hawes	McNary	Vandenberg
Capper	Hayden	Moses	Watson
Carey	Hebert	Oddie	White
Coolidge	Howell	Patterson	

NAYS—11

Blaine	Copeland	La Follette	Reed
Bulow	Dale	Lewis	Schall
Caraway	Davis	Pittman	

NOT VOTING—50

Bailey	Dill	Long	Steiwer
Bankhead	Fess	McKellar	Stephens
Barkley	Fletcher	Metcalf	Swanson
Bingham	Frazier	Morrison	Thomas, Idaho
Borah	Glass	Neely	Tydings
Brookhart	Glenn	Norbeck	Wagner
Bulkley	Gore	Norris	Walcott
Byrnes	Harrison	Nye	Walsh, Mass.
Cohen	Hatfield	Robinson, Ind.	Walsh, Mont.
Connally	Hull	Shipstead	Waterman
Costigan	Johnson	Shortridge	Wheeler
Couzens	King	Smith	
Cutting	Logan	Smoot	

The VICE PRESIDENT. On this question the yeas are 35 and the nays are 11. A quorum has not voted. However, including the Senator from Connecticut [Mr. BINGHAM], the Senator from West Virginia [Mr. HATFIELD], the Senator from Rhode Island [Mr. METCALF], the Senator from Indiana [Mr. ROBINSON], the Senator from California [Mr. SHORTRIDGE], the Senator from Oregon [Mr. STEIWER], and the Senator from Idaho [Mr. THOMAS], who are present and paired but have not voted, a quorum is accordingly present, and the conference report is agreed to.

CAPPER-KELLY FAIR TRADE BILL

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. C. M. Sandstrom, secretary-manager Kansas Retail Grocers Association, and also a letter from Mr. Frank E. Mortenson, secretary of the Alliance of Retail Trade Associations of Southern California, urging early and favorable action on S. 97, commonly known as the Capper-Kelly fair trade bill.

Both these letters make a strong appeal in favor of the passage of this measure to save the independent merchant by outlawing predatory price cutting on articles of standard manufacture.

If we do not come to the assistance of the small business man very soon, it will not be long until the great chain stores and other powerful combinations in the business world will have things pretty much their own way.

The bill should have been passed long ago, in the interest of the common welfare, and I trust that we can get early action on the measure. I send the letters to the desk.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

KANSAS CITY, KANS., *June 23, 1932.*

Senator ARTHUR CAPPER,
Senate Building, Washington, D. C.

DEAR SENATOR CAPPER: I understand that the Capper-Kelly fair trade bill, Senate No. 97, will come up for vote some time soon. We sincerely hope that you will vote in favor of this bill, because it is a very instrumental and helpful medium for the members of the independent retail food industry and helpful not only for the food industry but all the independent retailers who are handling products that can be protected under this act.

Our association has gone on record at both the State and National conventions favoring this act, and we sincerely trust you will use your utmost influence in securing passage of this bill, which we believe will be of material benefit to all the independent food retailers in our State.

Yours very truly,

C. M. SANDSTROM,
Secretary-Manager
Kansas Retail Grocers Association.

LOS ANGELES, CALIF., *June 22, 1932.*

Senator ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SENATOR: We appeal to you to use your best efforts to secure passage of the Capper-Kelly Fair Trade Act (S. 97). We believe if this clean-cut fair measure were made a law it would go a long way to help restore our country to normalcy.

Predatory price cutting is destroying everything in its path. The mortality among independent merchants has been enormous. It is now reaching into and destroying many large business concerns as well as real estate and security values. Profitless business is responsible for millions of men and women being out of work. Price stabilization would help to relieve this condition.

Let us provide our people with an opportunity to earn a living rather than make them objects of charity. Merchandising is becoming a racket in which honest men and women can not compete.

Many who have heretofore opposed the bill now realize that and have recently come out openly for it. Among them are two large chain drug companies. Our banks, railroads, and farmers have received governmental aid. Collective bargaining for labor has been approved. Merchants are not asking for any Federal help merely for an opportunity to do business honestly. All groups of our alliance, their families, and employees are united in favor of this bill.

Will you lend your assistance to help bring this measure before the Senate for an early vote?

Yours very truly,

THE ALLIANCE OF RETAIL TRADE ASSOCIATIONS
OF SOUTHERN CALIFORNIA, (LTD.),
FRANK E. MORTENSON, *Secretary.*

PROPOSED CHANGES IN ENROLLMENT OF LEGISLATIVE APPROPRIATION ACT OF 1933

Mr. BINGHAM. Mr. President, out of order, I ask unanimous consent for the immediate consideration of a concurrent resolution which, if adopted, would correct one of the chief abuses in the bill which we have just been forced to pass under threat of no economy at all, due to the fact that the House has refused to appoint new conferees and that two of its three conferees are absent.

This concurrent resolution, Mr. President, corrects section 213, in which the Senator from Illinois is particularly interested and which many Senators on the floor believe should never have been inserted in the bill. It refers to the question of placing married persons, that is, those persons living as husband and wife, in the category of those first to be discharged or to be furloughed. This is a concurrent resolution authorizing the Clerk of the House to strike from the bill that section. I am sure that it will meet with the practical unanimous approval of the Senate. Therefore, Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. Let the concurrent resolution be reported.

Mr. McNARY. Mr. President, I am willing to have it reported, but I should have to object to its consideration, and ask that it go over under the rule.

The VICE PRESIDENT. Objection is made.

The concurrent resolution submitted by Mr. BINGHAM (S. Con. Res. 33) is as follows:

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized and directed, in the enrollment of H. R. 11267 (the legislative appropriation act for the fiscal year ending June 30, 1933), to strike out all of section 213 (including the caption thereof) and to make such changes in section numbers and cross references thereto as are made necessary by striking out such section.

RECESS

Mr. McNARY. I move that the Senate carry out the unanimous-consent agreement and recess until 10 o'clock to-morrow morning.

The motion was agreed to; and (at 7 o'clock and 22 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until to-morrow, Wednesday, June 29, 1932, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 28, 1932

MEMBER OF THE RECONSTRUCTION FINANCE CORPORATION

Gardner Cowles, sr., to be a member, board of directors of the Reconstruction Finance Corporation.

JUDGE OF THE UNITED STATES CUSTOMS COURT

FREDERICK W. DALLINGER to be judge of the United States Customs Court.

UNITED STATES ATTORNEY

Harlan Besson to be United States attorney, district of New Jersey.

COAST GUARD

Muller S. Hay to be captain.
Frank J. Gorman to be commander.
Raymond V. Marron to be lieutenant commander.
Gustavus R. O'Connor to be commander (engineering).
Walter M. Troll to be commander (engineering).

APPOINTMENTS BY PROMOTION IN THE REGULAR ARMY

Otis Robert Cole to be colonel, Infantry.
Emile Victor Cutrer to be lieutenant colonel, Infantry.
Henry John Schroeder to be major, Signal Corps.
John Augustus Barksdale to be captain, Quartermaster Corps.
George John Zimmerman to be first lieutenant, Corps of Engineers.
Clarence Woodson Hardy to be captain, Medical Corps.

PROMOTIONS IN THE NAVY

TO BE CAPTAINS

Raymond A. Spruance.
Guy E. Baker.
Henry K. Hewitt.

TO BE COMMANDERS

Mahlon S. Tisdale.
James L. King.
Ralph S. Wentworth.

TO BE LIEUTENANT COMMANDERS

Asa Van R. Watson.
Roger F. McCall.
Louis Dreller.
James D. Barner.
Malcolm F. Schoeffel.
Rutledge Irvine.
Roy W. Bruner.

TO BE LIEUTENANTS

John H. Parrott.
Robert E. Cofer, jr.
John P. B. Barrett.
Truman J. Hedding.
Clarence E. Ekstrom.
Lee R. Herring.
Thomas U. Sisson.
Rufus E. Rose.
Philip R. Coffin.
Everett H. Browne.

TO BE LIEUTENANTS (JUNIOR GRADE)

Abraham L. Baird.
Charles E. Weakley.
Robert J. Ramsbotham.
Williston L. Dye.
Albert C. Perkins.
Lamar P. Carver.
Augustus R. Saint Angelo.
Bruce A. Van Voorhis.
Charles O. Triebel.
Lowell T. Stone.
Richard R. Ballinger.
Samuel B. Frankel.
John Andrews, jr.
Finley E. Hall.
John M. Bermingham.
James T. Hardin.
Robert H. Wilkinson.
Donald F. Weiss.
Melvin M. Martin.
Francis J. Johnson.
Philip R. Osborn.
William J. Richter.

TO BE PASSED ASSISTANT SURGEONS

Gerald W. Smith.
Thomas M. Arrasmith, jr.
Glenn S. Campbell.

TO BE ASSISTANT DENTAL SURGEONS

Merritt J. Crawford.
Adolph W. Borsum.

TO BE CHIEF RADIO ELECTRICIAN

Will R. McCutchan.

POSTMASTERS

CALIFORNIA

Lola P. Neff, Biggs.
Lola F. Thornton, Durham.
Nicholas Nanassy, Fontana.
M. Earle Adams, Healdsburg.
Linnie Jouett, Hobart Mills.
Charles E. Kline, Willows.

COLORADO

Emmons Ringle, Sugar City.

CONNECTICUT

Frederick A. Minnerly, Short Beach.

GEORGIA

William Renfroe, Lumber City.

IDAHO

John E. McBurney, Harrison.

INDIANA

Harry R. Hayes, Lawrenceburg.
Horace P. Goff, Middletown.
Iva D. Myers, Millersburg.
Vivian Milburn, Patoka.
Ernest C. Hefner, Roanoke.
Curtis D. Richards, Sharpsville.

MARYLAND

Edythe A. Baker, Aberdeen.
William Marshall, Lonaconing.

MINNESOTA

Roy A. Smith, Beardsley.
Stephen Singer, Goodridge.

MISSISSIPPI

Annie K. Mauldin, Water Valley.

MISSOURI

Harley L. Collins, Bethany.
Frederick M. Rich, Perry.
Rufus G. Beezley, Steelville.
Ora M. Anderson, Waynesville.
Winford E. Cahill, Windsor.

NEBRASKA

Joseph L. Hicks, Farnam.
Trevelyan E. Gillaspie, Lincoln.
Robert J. Boyd, Trenton.

NEW HAMPSHIRE

George P. Furbush, Rochester.

NEW JERSEY

Raymond L. Buck, Hammonton.
Weston Rice, Lake Como.

NEW YORK

Joseph Hrabovsky, Castle Point.

OHIO

William D. Dunifon, Van Wert.

OKLAHOMA

Lewis H. Owen, Cushing.
Theodosia Parsons, Mountain View.
Harold D. Larsh, Norman.

Floyd O. Hibbard, Snyder.
James W. McKay, Stonewall.
Leroy L. Stryker, Vinita.

PENNSYLVANIA

Mary K. Schambach, Beaver Springs.
Edward J. Durbin, Brockway.
J. Elmer Young, Delaware Water Gap.
Samuel J. McMains, Leechburg.
Thomas L. Lebo, New Bloomfield.
Benjamin P. Dawkins, Oakmont.
Horace H. Hammer, Reading.
Harry Olldorf, Stroudsburg.
William H. Deppen, Sunbury.
William H. D. Moyer, White Haven.

RHODE ISLAND

Peter L. Creighton, Harrisville.

SOUTH CAROLINA

Henry N. Folk, Bamberg.
Henry J. Bailey, Springfield.

SOUTH DAKOTA

Benjamin D. Kidman, Big Stone City.
Leonard D. Walters, Bruce.
Willis W. Youells, Revillo.
Helen E. Becker, Turton.
Olin A. Hart, Volin.
John F. Whittemore, Yankton.

TENNESSEE

Henry I. Smythe, Bristol.
Jasper A. Berry, Bullsgap.
Byron C. Lynch, Centerville.
Alice B. Ralston, Eagleville.
Robert T. Johnson, jr., Elizabethton.
Orville E. Bogart, Erwin.
Joseph W. Callis, Germantown.
Filbert G. McIlwain, Holladay.
James H. Clonts, Isabella.
Lulu M. Divine, Johnson City.
Rennie G. Connelly, Lyles.
William McD. Guinn, Mosheim.
Paul E. Walker, Ridgely.
John T. Christian, Smithville.
Simon C. Dodson, Sparta.
Joseph M. Patterson, Watertown.
Dewey F. Winnett, Woodbury.

TEXAS

William B. Hamilton, Laredo.

VIRGINIA

Claude Neale, Saluda.

WASHINGTON

Coy R. Kern, La Conner.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 28, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy Spirit, Faithful Guide, rise up in the chambers of our souls and crown us there, that we may be in alliance with the wisest and the very best things. O God, restrain us from all wrong tendencies by the sacredness of duty, by love divine, and by the inspiration of our finest possibilities. Guard all influences which are striving for the welfare and the stability of the Republic. O let our labors glow and palpitate in real genuine service. Bless all uncomplaining courage and heroic achievement. May our first and lasting joy be to serve the people, who have honored us with their confidence. O God of our fathers, do Thou bless and inspire every Member of this Congress with those simple yet beautiful and glorious virtues of which we caught the first glimpse when our hands were folded in prayer at our mother's knee. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 406. An act to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Pacific States Box & Basket Co., a corporation, involving certain portions of right of way in the vicinity of the town of Florin, county of Sacramento, State of California, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 922. An act for the relief of John Heffron;

H. R. 927. An act for the relief of the estate of Franklin D. Clark;

H. R. 996. An act for the relief of Mildred B. Crawford;

H. R. 1133. An act to provide for the relinquishment by the United States of certain lands to the city of Coeur d'Alene, in the county of Kootenai, in the State of Idaho;

H. R. 1226. An act for the relief of Edna M. Gilson;

H. R. 1383. An act for the relief of certain United States naval officers;

H. R. 1700. An act for the relief of Walter S. West;

H. R. 1804. An act for the relief of Frank Woodey;

H. R. 1903. An act for the relief of Harrison Simpson;

H. R. 1962. An act for the relief of Noble Jay Hall;

H. R. 2418. An act concerning the claim of Jacob Landry;

H. R. 2514. An act for the relief of the estate of Samuel Schwartz;

H. R. 2606. An act for the relief of Edward Christianson;

H. R. 2695. An act for the relief of David Albert Robeson;

H. R. 2707. An act for the relief of William Alexander Keys;

H. R. 3624. An act for the relief of Minnie Hopkins;

H. R. 3644. An act for the relief of Lewis A. McDormott;

H. R. 3725. An act for the relief of the First National Bank of Brenham, Tex.;

H. R. 3726. An act for the relief of the Farmers State Bank of Georgetown, Tex.;

H. R. 4059. An act for the relief of Rosamond B. McManus;

H. R. 4071. An act for the relief of W. A. Blankenship;

H. R. 4233. An act for the relief of Enza A. Zeller;

H. R. 4264. An act for the relief of Lieut. Col. H. H. Kipp, United States Marine Corps, retired;

H. R. 4743. An act to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended;

H. R. 5007. An act for the relief of Marie E. McGrath;

H. R. 5059. An act for the relief of Mrs. Johnnie Schley Gatewood;

H. R. 5595. An act for the relief of Harry Manning Lee;

H. R. 5971. An act for the relief of Grover Cleveland Ballard;

H. R. 6003. An act for the relief of A. L. Marshall;

H. R. 6334. An act for the relief of Lieut. M. A. Sprengel;

H. R. 6336. An act for the relief of George W. Steele, jr.;

H. R. 6444. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts, the silver service presented to the United States for the U. S. S. *Montgomery;*

H. R. 6599. An act to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy;

H. R. 6735. An act to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy;

H. R. 6860. An act for the relief of Florence Northcott Hannas;

H. R. 7308. An act for the relief of Amy Turner;

H. R. 7411. An act for the relief of Alex Bremer;

H. R. 7793. An act to secure the departure of certain aliens from the United States;

H. R. 8306. An act for the relief of D. M. Leypoldt Co.;

H. R. 9004. An act for the relief of Agnes C. Reder;

H. R. 9058. An act to authorize the Secretary of War to accept on behalf of the United States a tract or parcel of land for park purposes, to the Chickamauga-Chattanooga National Military Park;

H. R. 9369. An act to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a lease to Phillips County Post, No. 57, of the American Legion, Department of Montana;

H. R. 10829. An act relating to the naturalization of certain women born in Hawaii;

H. R. 12078. An act to extend the times for commencing and completing the construction of a bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.; and

H. J. Res. 408. Joint resolution providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 4230. An act for the relief of Genevieve M. Heberle;

H. R. 6337. An act for the relief of Capt. Chester G. Mayo;

H. R. 7449. An act for the relief of the estate of Jacob D. Hanson;

H. R. 7939. An act to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando, and Wiley Post and Harold Gatty, and for other purposes;

H. R. 8750. An act relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma;

H. R. 8817. An act to provide for fees for entry of a publication as second-class matter, and for other purposes;

H. R. 10022. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes; and

H. J. Res. 138. Joint resolution for the relief of the State of Idaho.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1308. An act to amend the Code of Law for the District of Columbia, approved March 3, 1901, as amended, by adding a new chapter relating to guardians for incompetent veterans, and for other purposes;

S. 1863. An act to authorize and direct the transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge;

S. 2824. An act to amend the act of the Legislative Assembly of the District of Columbia creating the office of steam-boiler inspector for the District of Columbia;

S. 2859. An act validating application for entry upon public lands;

S. 4381. An act authorizing the President to transfer and appoint Lieut. Morris Smellow, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy;

S. 4497. An act to add certain lands to the Boise National Forest;

S. 4509. An act to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain";

S. 4522. An act to authorize the conveyance to the State of Tennessee of certain land deeded to the United States for the Great Smoky Mountain National Park and not needed therefor;

S. 4591. An act to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes;

S. 4616. An act imposing upon consignors of liquid fuels the duty of making monthly reports in certain cases to the Bureau of Mines of the Department of Commerce, and imposing penalties;

S. 4661. An act to repeal an act entitled "An act to legalize the incorporation of National Trade Unions," approved June 29, 1886;

S. 4710. An act to amend the act approved February 25, 1920, as amended, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain";

S. 4712. An act authorizing the sale of certain lands no longer required for public purposes in the District of Columbia;

S. 4735. An act to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association;

S. 4747. An act to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea;

S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.;

S. 4851. An act to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes;

S. 4874. An act to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa;

S. 4898. An act amending an act entitled "An act authorizing the State of West Virginia, by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931;

S. J. Res. 101. Joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; and

S. J. Res. 178. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 418) entitled "Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McNARY, Mr. NORRIS, and Mr. KENDRICK to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10384) entitled "An act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and ap-

points Mr. FRAZIER, Mr. SCHALL, and Mr. ASHURST to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 29) authorizing the printing and distribution of copies of the Federal laws relating to the veterans of various wars be discharged from its further consideration and that the Senate recede from its disagreement to the amendments of the House of Representatives and agree to the same.

The message also announced that the Senate had ordered that the House of Representatives be requested to return to the Senate the bill (H. R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," together with all accompanying papers.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 22 and 135 to the bill (H. R. 11361) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes."

The message also announced that the Senate had ordered that the House be requested to return to the Senate the bill (H. R. 10829) entitled "An act relating to the naturalization of certain women born in Hawaii."

AMELIA EARHART PUTNAM

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (S. J. Res. 165), authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, insist on the House amendment and agree to the conference asked with the Senate.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HILL of Alabama, FITZPATRICK, and JAMES.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

Mr. LAGUARDIA. Reserving the right to object, I notice that an amendment, a proviso put in by the House which would prohibit the Shipping Board from making loans to any corporation based on a postal contract which has not been approved by the Comptroller General, was stricken from the bill by the Senate. I am sure that that was done in the other body under a misapprehension of the facts, or not having all of the facts. It simply means that loans might be made by the Shipping Board, the basis of which is a postal contract under the provisions of the merchant marine act, and yet that contract not having been approved by the Comptroller General. I know that the conferees, the gentleman from Virginia, will look after the views of the House, and I trust the gentleman will bear in mind that very important proviso, which I believe will prevent, not a saving, but something like $3,000,000 being squandered by the United States Government.

Mr. WOODRUM. I am in sympathy with the amendment and will do what we can to defend it.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WOODRUM, WRIGHT, and WASON.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the conferees just appointed may have until midnight to-night to file a conference report on the bill, H. R. 10022.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

APPROPRIATIONS FOR VETERANS' RELIEF

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bonus, and also to extend my remarks in the RECORD, showing an allocation of the various amounts appropriated for veteran relief as between the veterans of the various wars.

Mr. MOUSER. Reserving the right to object, I do not object to the gentleman extending his own remarks, but the gentleman has quite an extensive speech in the RECORD on that question. I do not object to the table, but the gentleman will have extended his own remarks twice on that question. The gentleman has already extended his remarks on the bonus, under the rule granting him that right.

Mr. LOZIER. This is a mere revision, an inconsequential revision of my former remarks on the bonus.

Mr. MOUSER. If the gentleman will give the tables as to what we are paying in costs, that would be illuminating.

Mr. LOZIER. I have no intention of duplicating my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LOZIER. Mr. Speaker, much misinformation is in circulation as to what the World War is costing the United States Government in all forms of relief provided for veterans and their dependents. It is frequently stated that the Government is paying approximately $1,000,000,000 annually for relief of World War veterans and their dependents. This statement is far from the truth, as I will proceed to demonstrate.

In December President Hoover sent to Congress the estimates by his Director of the Budget, and, among other items, was one calling for an appropriation of $1,072,064,527, of which $983,160,000 could properly be classified as intended for the relief of veterans and their dependents. The House lopped off $33,922,205, reducing the appropriation to $949,237,795. It is believed that an additional $50,000,000 will have to be appropriated in December, which will bring the total to $999,237,795 for the fiscal year of 1933.

But of this amount $20,850,000 was intended for the civil-service retirement and disability fund, which reduces the amount to $978,387,795, which is the total proposed to be expended for pensions and veterans' relief of every kind and character from July 1, 1932, to June 30, 1933. But of this amount approximately $240,129,450 will be used to pay pensions to soldiers (and their dependents) of other wars, viz, the Mexican War, Civil War, Spanish-American War, Philippine insurrection, Boxer rebellion, Indian wars, and pensions to those who served in peace time in the Regular Army and Navy. Deducting the amounts required to pay pensions granted on account of former wars, we have left the sum of $738,258,345, which represents the amount that will be paid in the coming fiscal year for the relief of World War veterans and their dependents.

Now, this $738,258,345 will be distributed as follows:

1. For all forms of direct compensation, including death and disability payment, retirement payments to disabled emergency officers, etc	$356,250,000
2. Hospital and domiciliary facilities	10,877,000
3. Administration costs, including personnel, half of which is in hospitals and homes	104,131,345
4. War-risk insurance	117,000,000
5. Adjusted-service certificate fund	150,000,000
Total	738,258,345

But of this amount, $117,000,000 is to be used to pay death benefits under war-risk insurance contracts, which are legal obligations of the Government and which must be paid and can only be avoided by repudiation, which is unthinkable, and $150,000,000 are to be used to pay adjusted-service certificates that mature by death of the veterans or as loans on

their certificates as heretofore authorized by law. So these two items—$117,000,000 and $150,000,000—aggregate $267,000,000 and represent legal obligations of the United States Government, for the payment of which the faith and credit of the United States Government has been solemnly pledged. These $267,000,000 must not be considered as a bounty to be given or withheld at the will or pleasure of the Government, but this sum is to be applied in payment of obligations of the Government that are just as legal as the Liberty bonds or other Government securities.

Now deducting the $267,000,000 from the $738,258,345 we have $471,258,345 as the total net cost to the United States Government of the World War veterans and their dependents for the fiscal year of 1933, exclusive of the $267,000,000 applied on the fixed and irrevocable obligations of the Government.

Excluding the $267,000,000 fixed and irrevocable obligations of the Government, we find that World War veterans' relief will cost the American people in the fiscal year of 1933 as follows:

All forms of direct compensation, including death and disability payment, retirement payments to disabled emergency officers, etc	$356,250,000
Hospital and domiciliary facilities	10,877,000
Administration costs, including personnel, half of which is in hospitals and homes	104,131,345
Total cost of World War veteran relief exclusive of war-risk insurance and adjusted-certificate retirement fund	471,258,345

As compared with $240,129,450 costs for pensions resulting from the Mexican, Civil, Indian, Spanish-American Wars, Philippine insurrection, and Boxer rebellion.

Of course, the $267,000,000 that will be paid in 1933 on account of war-risk insurance and adjusted-service certificates are a part of the cost of veteran relief on account of the World War, but those amounts are fixed and irrevocable obligations of the Government for the payment of which we are legally and morally obligated to make provision to the same extent as it is necessary to make provision to discharge maturing Liberty bonds or other Government securities.

I have made this analysis and survey of our expenditures for relief of veterans (and their dependents) of all wars so we may know what proportion of this expenditure of approximately $1,000,000,000 goes to the relief of veterans of the World War and their dependents and what amounts are paid to veterans of former wars.

Wide publicity has been given to the statement that 26 per cent of our entire National Budget is expended for the relief of World War veterans and their dependents. This is not true. The fact is that 26.1 per cent of our estimated total Government expenses for the coming year will be expended for the relief of veterans and their dependents, not of the World War alone but for the relief of veterans of all wars and their dependents, less than 18 per cent being chargeable to the relief for World War veterans and 8 per cent being chargeable to the relief for veterans of the Mexican, Civil, Spanish-American, and Indian Wars, Philippine insurrection, and Boxer rebellion.

It may be of interest to add that there are on the rolls of the Veterans' Administration 1,349,812 beneficiaries of pensions, compensation, and disability legislation, as follows:

War of 1812	8
Mexican War	547
Indian War	9,753
Civil War	193,721
Spanish-American War	239,860
Regular Establishment	22,571
World War	883,352

EXTENSION OF REMARKS

Mr. DE PRIEST. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD a speech made by President Hoover recently at Howard University.

Mr. UNDERHILL. Mr. Speaker, I object to that.

COMMUNISM—OUT OF THEIR OWN MOUTHS

Mr. HOPKINS. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include two small quotations from the Russian constitution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HOPKINS. Mr. Speaker and colleagues, I want to make a calm statement and as nearly impartial as an American can make about a system that openly attempts to destroy the type of government set up by our forefathers and protected and preserved by many great Americans up until the present day.

I am not going to try to make an oratorical or an emotional appeal to you to-day. I am simply going to record a few known facts for thinking Americans to consider and understand. In the main I am going to use original-source material and quote from statements of communists in official positions under direct appointment from Moscow and from official communistic publications.

The difficulty in talking about Russia does not arise from lack of information but rather from the lack of accurate information.

MAIN OBJECTIVES OF COMMUNISM

First, let us arrive at the primary objectives of communism and thereby define the term.

TO DESTROY RELIGION

The first object of communism is to destroy religion. Let me quote Mr. William Z. Foster, the candidate for President on the communist ticket, when he testified before the special congressional committee:

Mr. FOSTER. Our party considers religion to be the opium of the people, as Karl Marx has stated, and we carry on propaganda for the liquidation of these prejudices amongst the workers.

* * * * * * *

Many workers join the Communist Party who still have some religious scruples or religious ideas; but a worker who will join the Communist Party, who understands the elementary principles of the Communist Party, must necessarily be in the process of liquidating his religious beliefs, and, if he still has any lingerings when he joins the party, he will soon get rid of them.

Let me also quote from the testimony of Mr. M. J. Olgin, editor of the communistic daily newspaper, the Morning Freiheit, New York:

Mr. OLGIN. I agree perfectly with what Marx said about religion; that religion is the opium for the people.

The CHAIRMAN. Do you believe in abolition of all religion?

Mr. OLGIN. I believe in enlightening all the people so they may stop believing what don't exist. * * *

The right to vote is denied all clergymen, according to the Russian constitution (Art. IV, ch. 13, par. 65, div. d).

The decree affecting the church and state, paragraph 12, reads as follows: "No church or religious society has the right to own property. They have no rights of a judicial person."

TO DESTROY INDIVIDUALISM AND PRIVATE INITIATIVE

Communism has as one of its objectives the abolition of private ownership and individual initiative and substitutes nationalization of all resources and energies. This can be more clearly understood by reading some official publications of the Union of Socialist Soviet Republics.

While testifying before the congressional investigating committee, Mr. Louis Bebrits, editor of the Uj Elore, of New York, when questioned by the late Mr. Eslick, a member of the committee, gave this testimony:

Mr. ESLICK. If your idea of the new state would come into being at once, a change from our form of government to the soviet form of government, would you pay the landowner and the merchant and the other property owner anything for his holdings?

Mr. BEBRITS. The landowner, the property owner, will not get anything. I hold it that property owning, in my opinion, is the result of robbing generations of the people.

Mr. ESLICK. You would take away lands, merchandise, banking?

Mr. BEBRITS. Yes.

Mr. ESLICK. All of these forms of industry?

Mr. BEBRITS. Yes.

Mr. ESLICK. You would make no compensation whatever to the owners?

Mr. BEBRITS. No.

Mr. ESLICK. But suppose the capitalist class and individual corporations refused to give it up, then how would you take it away from them except by force?

Mr. BEBRITS. All revolutions are working with force.

Mr. ESLICK. And you would go to the extent of killing him in order to take his property, would you not, if it became necessary?

Mr. BEBRITS. I guess he will be wiser than to say he will stand and get killed.

Now, let me quote subdivisions (a), (b), (c), and (e) from chapter 2 of article 1 of the Russian Constitution:

(a) For the purpose of realizing the socialization of land, all private property in land is abolished, and the entire land is declared to be national property and is to be apportioned among husbandmen without any compensation to the former owners, in the measure of each one's ability to till it.

(b) All forests, treasures of the earth, and waters of general public utility, all implements, whether animate or inanimate, model farms and agricultural enterprises, are declared to be national property.

(c) As a first step toward complete transfer of ownership to the Soviet Republic of all factories, mills, mines, railways, and other means of production and transportation, the Soviet law for the control by workmen and the establishment of the Supreme Soviet of National Economy is hereby confirmed, so as to assure the power of the workers over the exploiters.

(e) The transfer of all banks into the ownership of the Workers and Peasants' Government, as one of the conditions of the liberation of the toiling masses from the yoke of capital, is confirmed.

It is of great interest to note the law concerning "Inheritance" as set up by official decree. The following is an exact quotation of Article I of this decree:

DECREE ABOLISHING INHERITANCE

I. Inheritance, whether by law or by will, is abolished. After the death of an owner, the property which belonged to him, whether movable or immovable, becomes the property of the Government of the Russian Socialist Soviet Federative Republic.

NOTE.—The discontinuance and transfer of rights of utilization of farm lands is determined by the rules provided in the fundamental law of the socialization of the land.

Let me quote further from the Russian Constitution, Article IV, chapter 13, paragraph 65, subdivisions (a), (b), (c), (d):

65. The following persons enjoy neither the right to vote nor the right to be voted for, even though they belong to one of the categories enumerated above, namely:

(a) Persons who employ hired labor in order to obtain from it an increase in profits.

(b) Persons who have an income without doing any work, such as interest from capital, receipts from property, etc.

(c) Private merchants, trade and commercial brokers.

(d) Monks and clergy of all denominations.

TO BRING ABOUT REVOLUTION IN THE UNITED STATES

Communists hope and plan to bring about a forcible revolution in the United States and thereby overthrow our Government, putting in its place a "red" government backed by the "red" army. Constantly propaganda along this line is sent throughout the United States. The following quotations are of interest along this line:

The program of the Communist Party, as established by the Comintern by a decision of the Sixth World Congress, September 1, 1929, at Moscow, as appears in the International Press Correspondence (Inprecor), an official organ of the Comintern, includes the following paragraph:

"The communists consider it unworthy to dissimulate their opinions or their plans. They proclaim openly that their designs can only be realized by the violent overthrow of the entire traditional social order."

When W. Z. Foster, communist candidate for President of the United States, made his acceptance speech on May 25, 1928, he said in part as follows:

"Our party, different from the Socialist Party, creates no illusions amongst the workers that they can vote their way to emancipation, that they can capture the ready-made machinery of the state and utilize it for the emancipation of the working class. On the contrary, we must utilize this campaign to carry on widespread and energetic propaganda to teach the workers that the capitalist class would never allow the working class peacefully to take control of the state. That is their strong right arm and they will fight violently to the end to retain it. The working class must shatter the capitalist state. It must build a new state, a new government, a workers and farmers' government, the soviet government of the United States. No communist, no matter how many votes he should secure in a national election, could, even if he would, become President of the present Government. When a communist heads a government in the United States, and that day will come just as surely as the sun rises, that government will not be a capitalistic government, but a soviet government, and behind this government will stand the red army to enforce the dictatorship of the proletariat."

The following excerpt is taken from the hearings held by the congressional investigating committee. Mr. William Z. Foster, communist candidate for President in 1928, was answering the questions:

Mr. FOSTER. I, of course, do not say we derived our theories from the Declaration of Independence; but the Declaration of Independence says that when a government demonstrates that it no longer represents the interests of the masses, it is not only the right but the duty of these masses to dispose of that government and to establish one that will represent their interests—to abolish that government.

The CHAIRMAN. That is, what you advocate is a change of our republican form of government and the substituting of the soviet form of government?

Mr. FOSTER. I have stated that a number of times.

The CHAIRMAN. Now, if I understand you, the workers in this country look upon the Soviet Union as their country; is that right?

Mr. FOSTER. The more advanced workers do.

The CHAIRMAN. Look upon the Soviet Union as their country?

Mr. FOSTER. Yes.

The CHAIRMAN. They look upon the soviet flag as their flag?

Mr. FOSTER. The workers of this country and the workers of every country have only one flag and that is the red flag.

The following testimony of Mr. Louis Bebrits, editor and chief of the Uj Elore, a revolutionary communist daily printed in Hungarian in New York City, given before the congressional committee, is both interesting and alarming to an American reading it:

Mr. BEBRITS. I am always fighting against capitalism and seeking to overthrow capitalism and to get a soviet government.

Mr. BACHMANN. Yes; and you would go to the extent of using force and violence the same as they did in Russia when the Russian provisional government was overthrown and the communist took control?

Mr. BEBRITS. I can not imagine a revolution without the same methods as the Russian workers and farmers used!"

CONSCRIPT, CONVICT, OR FORCED LABOR

Much has been said and a great deal written about "forced," "conscript," and "convict" labor in Russia. Certain United States custom courts have refused to allow products coming from Russia to be shipped into the United States on the ground that they were wholly or in part produced or manufactured by conscript or convict labor.

The Hawley-Smoot Tariff Act of 1930 prohibits the importation of any such products and sets up the principle that it is wrong to sell "convict-made" goods in competition with goods made by "free" labor.

The Russian trading corporation, Amtorg, has denied the use of forced labor. Certain so-called liberal-minded men who have sympathies for Russia have expressed doubt as to the use of forced labor being used in Russia. Admittedly it is a difficult proposition to prove, but I want to present to-day some evidence from Russia's own publications to show that there certainly is ground for the belief that a great amount of Russian labor is forced labor and that this country would be justified in refusing to admit into this country any Russian exports produced by such labor.

The Russian Constitution, Article I, Chapter II, paragraph 3, subdivision f, reads:

(f) Universal obligation to work is introduced for the purpose of eliminating the parasitic strata of society and organizing the economic life of the country.

Of course, there is nothing really objectionable in this section, but the real test comes in its application. By decree this section has been construed to mean that the government may assign to the individual the specific job to be done regardless of his own choice.

If the laborer rejects that job his food card is taken from him, and, as food is a national monopoly, this deprives the laborer of the chance to live unless he is wealthy enough to buy his food at the private stores where prices are many times higher than at the government commissary. Thus, if a man refuses to do the specific piece of work assigned him by the government he is practically made a waif on society. It is estimated that there are 3,000,000 families of this type in Russia to-day.

Certainly then, in a practical sense, there is "enforced" labor in Russia to-day.

FORCED LABOR IN THE TIMBER INDUSTRY

Publications emanating from Moscow and considered to be official, as well as strictly censored, indicate that there are

at least four forms of labor employed in the timber industry of the Soviet Government.

First. Labor of local peasants.

Second. Indentured labor raised within the district or sent from adjoining or distant districts, or from other "Republics."

Third. Convict labor (imprisoned).

Fourth. Convict labor (unimprisoned).

The labor of the local peasants in the timber regions is called, in official language, "self-obligations," or "self-imposed tasks."

When labor is needed for timber projects, meetings are called in each village to decide on whether or not they will accept a labor "contract." Kulaks, priests, and other disfranchised members of the community are not allowed to attend these meetings or to vote. One-fourth of the population of labor age constitutes a quorum. If the majority of those present vote to accept a labor "obligation," the "contract" is binding on the entire community.

Members of the community may then be organized into groups and sent to timber camps or other projects for certain periods of time. Not only are the free members of the community required to go to these camps for work, but particularly heavy burdens are placed on the so-called disfranchised or "declassed" members of the community.

To an American citizen accustomed as he has been for generations to accept or reject labor and to have reserved to himself entirely the right as to where he shall or shall not live, it certainly would appear that these "self-imposed tasks" are in reality forced labor and in some cases would approach slave labor.

If peasants who are bound by these "self-imposed tasks" resist, the penalty is imprisonment, "with compulsory labor up to two years and the confiscation of * * * their possessions."

According to Pravda of January 10, 1931, there were required 900,000 laborers of the type above mentioned for work in the timber camps. The great bulk of these were to be recruited from the peasants under the system I have just outlined. In Izvestia on January 25 (pp. 35, 36), on February 10 (p. 52), and February 28 (p. 99), all in 1931, the rules providing for raising of gangs of indentured lumbermen directed that women be used to replace men on the farms so that men could be released for the timber camps. However, women were also used in timber gangs. On March 15, 1931, Pravda printed articles to the effect that the women gangs in the forests were giving better results in some places than were men.

The operation of the indentured labor system is better understood if we note news statements from Izvestia on October 22 to the effect that 720 local peasants were working under the voluntary agreement, but some "blockheads and wreckers" had been prosecuted for failing in their duty. On January 8, 1931, the Archangel correspondent of Izvestia telegraphed that "self-imposed tasks" were being "enforced" badly by local authorities. On January 16, 1931, Krasnaya Gazeta stated that an anonymous person at an election meeting in Leningrad dared to present a written question asking when forced labor would be abolished.

The further proof of indentured or forced labor might be found in the published lists of deserters that appear frequently in the Soviet press (see Za Industrializatsiu, September 25, 28, November 26, 1930; January 16, 18, 21, 24, 26, February 8, 11, 12, 17, 18, 19, 23, 28, March 13, 28, 1931; Trud, August 30; Izvestia, February 13).

If time permitted, I could continue to give original source references to Russian newspapers and magazines showing that many forms of labor in Russia could well be defined as forced or indentured labor. By decrees issued by the Government, men are forced to give up professions of long years' standing to enter other professions needing men of their experience. I believe, however, I have given sufficient information to show that there certainly is considerable basis for the belief that exists to the effect that the Soviet Government employs forced labor at least in the timber camps.

I am not one of those that feels that the "red peril" is going to effectively undermine our country, yet I certainly feel that full study should be given the problem and proper safeguards set up to at least prevent the shipment into this country of products made by forced, indentured, or convict labor.

THE 1932 REVENUE ACT

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOPE. Mr. Speaker, the 1932 revenue act is undoubtedly the most burdensome tax measure ever enacted during a time of peace. It is to be regretted that at a time like this it is necessary to put such an additional load upon the distressed people of this country. Any tax bill would be hard to bear under existing conditions, but the present bill contains so many discriminations and inequalities that it is particularly objectionable.

There are some features about the bill which I like. It very properly increases the tax upon incomes, estates, and gifts to heights heretofore unknown except during the war emergency. It provides for administrative changes which will bring in many millions of dollars from sources which have heretofore escaped taxation. Yet, though the taxes on incomes, both individual and corporate, and upon estates and gifts have been so greatly increased, still these sources are not nearly enough to provide the necessary revenue for the Government. Therefore, it has been necessary to reach out and impose taxes which are going to be felt by every man, woman, and child in the country. It is these taxes which are particularly objectionable and discriminatory.

They include a Federal tax on gasoline, a tax on lubricating oil, a tax on bank checks, an increase in postage rates, a tax upon automobiles, trucks, and motor accessories, including tires and tubes, upon radios, electricity, sporting goods, soap, cosmetics, matches, and many other articles down to the children's candy and chewing gum. These taxes will greatly add to the burden which the farmers of this country are already carrying. The tax on gasoline, on lubricating oil, on checks, on automobiles, trucks, and accessories, and the increased postage rate will all hit the farmer directly and to a greater extent than those engaged in any other business or profession.

All of these discriminations against agriculture could have been avoided if the bill, as proposed by the House Ways and Means Committee, providing for a manufacturers' sales tax had been adopted. This proposed tax was at the rate of 2¼ per cent upon all manufactured articles, but it excepted food, clothing, medicines, and farm implements. With these exceptions this tax could not have been burdensome upon the farmer or anyone in moderate circumstances. The House of Representatives, however, refused to follow the committee on this proposal and voted to eliminate the provision for a manufacturers' sales tax from the bill. Likewise a proposal in the Senate to impose a similar tax was defeated. The natural result was that it became necessary to seek other sources of revenue. It was apparent from the beginning that if the manufacturers' sales tax, with the liberal exemptions which were made, was defeated that it would be necessary to impose some of the burdensome taxes now in the bill. Likewise, it has been apparent during all the time this tax legislation has been under consideration that unless Congress was willing to make great decreases in governmental expenditures through the reduction of salaries and the elimination of useless bureaus and commissions that the burden of taxation would have to be further increased.

This seems to be an appropriate point at which to refer to the remarks which I made in the House on Saturday, March 12, 1932, during the general debate on the tax bill. At that time I suggested that before passing a general tax bill a much greater effort should be made to reduce expenditures and particularly that the salaries of Government employees should be reduced. A part of my remarks at

that time, both on the question of reduction of expenditures and the alternatives to the manufacturers' sales tax follows:

Mr. HOPE. I am not saying that these salaries are too high, but I do say the employees of the Federal Government in this time of stress ought to be willing to make the same sacrifices that other people in the country are making; and on that basis I justify cuts in Federal salaries at this time. Likewise, it must not be overlooked that the reduced cost of living makes it possible to decrease salaries at least 20 per cent without making any reduction in real wages as compared with 1927.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Yes.

Mr. COCHRAN of Missouri. Will the gentleman say now, with such a tax as it is now proposed to force on the masses of the people, that he would still cut their salaries?

Mr. HOPE. I say I would prefer to cut their salaries rather than impose additional taxes on the common people of this country. Federal employees to-day, compared with the farmers and the wage earners of this country, are a privileged class, and I think they should bear a part of the burden of this depression. I further believe that they are patriotic enough to be perfectly willing to do so. However, I did not get up here to discuss Federal salaries. I merely wanted to state that I believe there are some taxes which we might eliminate in this bill if our expenditures committee or other appropriate committees in this Congress would reduce Federal salaries in the higher brackets.

Getting back to the bill that is before us, I say frankly I do not like a sales tax. I do not think that any of us like a sales tax. There is an instinctive feeling against it. Yet when we contemplate the taxes it is proposed to substitute for a sales tax I think almost all of us will agree that the manufacturers' tax—or sales tax; whatever you want to call it—will be more satisfactory. What has been proposed in the place of a sales tax? A tax on gasoline, for one thing. Members of this House know how popular that would be throughout the country. Every one of you have been receiving letters and telegrams protesting against a tax on gasoline. We know that is a field which has already been preempted by the States as far as taxation is concerned. We know that in a great many States they are overdoing it, with the result that they have reached the point of diminishing returns already. We have a problem on our hands in the matter of bootlegging of gasoline at the present time, and it would intensify this problem as well as be unfair to the States to place a Federal tax of 1 cent a gallon on gasoline.

It has been proposed that we increase postage rates 1 cent on first-class matter. If you want an unpopular tax, I suggest that you adopt that. If there is going to be any unpopularity so far as a manufacturers' tax is concerned, you are going to have that multiplied ten times the moment you increase postage rates.

An automobile tax has been proposed. You know the protest that would come regarding that. You know and I know that such a tax is discriminatory, and it would be putting a tax on an industry which is already bearing more than its proper share of taxation.

Then there has been a proposal to put a tax on bank checks, which, in my opinion, would be the worst nuisance tax which could be devised. You members here from rural districts, how do you think your farmer constituents will appreciate having this tax deducted from their meager cream checks?

After studying all these proposals, I am unable to see how any substitute which has been proposed for the sales tax would in any way be a more popular or equitable tax, or one which could be any more easily borne by the people of the country.

It will be noted that when the manufacturers' sales tax was eliminated it became necessary to adopt every one of the substitutes which I mentioned above. It was such taxes as these I was seeking to avoid when I supported the manufacturers' sales tax. Likewise, it was the avoidance of such taxes as these which I had in mind when I supported all of the various economy programs which have been proposed in Congress, most of which have not been adopted.

The result is that the people of this country, particularly the farmers, are going to feel the burden of taxation during the next fiscal year as never before in our history. Every one of these taxes, although paid by the manufacturer, will be passed on to the consumer because they are too large to be absorbed. The small 2¼ per cent tax, however, would in most instances, especially in these days of intense competition, have been absorbed by the manufacturer, and the consumer would never have felt it.

I am in entire agreement with those who feel it is essential that the Budget be balanced. I realize that in times like these when all incomes, both great and small, have shrunk to undreamed of proportions that even by increasing the rates tremendously, as has been done, we can not hope to realize enough from income taxes to balance Federal expenditures. I realize that other sources of taxation must be found in order to provide sufficient revenue to maintain our national credit. I do not, however, agree that it is necessary to levy the unjust and discriminatory taxes contained in this revenue act.

EXTENSION OF REMARKS

Mr. UNDERHILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. UNDERHILL. When is the proper time to request that all Members have the privilege of extending their own remarks in the RECORD for five legislative days?

The SPEAKER. That is in order at any time.

Mr. UNDERHILL. Then, I make that request now, Mr. Speaker, in order to save time. I ask unanimous consent that all Members have five legislative days in which to extend their own remarks in the RECORD.

Mr. COCHRAN of Missouri. Reserving the right to object, the gentleman limits it to five days. The general procedure is that Members have permission to extend their own remarks up to the last issue of the RECORD.

Mr. UNDERHILL. Five days after adjournment. I will amend my request to that extent.

Mr. SNELL. Limiting the extension to his own remarks.

The SPEAKER. The gentleman from Massachusetts [Mr. UNDERHILL] asks unanimous consent that all Members of the House of Representatives be permitted to extend their own remarks in the RECORD until the printing of the final issue of the RECORD of this session of Congress. Is there objection?

Mr. STEVENSON. Mr. Speaker, reserving the right to object, and I am not going to object, I want to draw the attention of the Members who are getting these extensions to the fact that the printers and the people concerned with the RECORD are being very much embarrassed now by the delay of Members in handing in their remarks that are to go in the RECORD, and I want to impress on them the fact that the RECORD is not going to be kept open indefinitely, and if they do not file their remarks in a reasonable time the RECORD will be printed without them.

Mr. CHINDBLOM. Mr. Speaker, further reserving the right to object, on previous occasions it has been held that such a request includes not a single extension but such extensions as a Member may desire to make of his own remarks.

The SPEAKER. The gentleman's interpretation of the rule is correct.

Mr. TILSON. Mr. Speaker, reserving the right to object, is it thoroughly understood that these extensions are of the Member's own remarks and that this will not open the RECORD to all sorts of insertions, editorials, and other kinds of articles?

The SPEAKER. That was the request of the gentleman from Massachusetts, and the Chair thought he repeated it as accurately as was possible. The Chair will state the request again.

The gentleman from Massachusetts, Mr. UNDERHILL, asks unanimous consent that all Members of the House of Representatives may be permitted to extend their own remarks in the RECORD until the printing of the final RECORD of this session of Congress. Is there objection?

Mr. LAMBERTSON. I object.

RESTRICTIONS APPLICABLE TO FIVE CIVILIZED TRIBES

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Nebraska [Mr. HOWARD] asks unanimous consent to take from the Speaker's table the bill (H. R. 8750) with Senate amendments, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Messrs. HOWARD, CARTWRIGHT, and LEAVITT.

ADDRESS OF PRESIDENT HOOVER AT HOWARD UNIVERSITY

Mr. UNDERHILL. Mr. Speaker, I withdraw my objection to the request of the gentleman from Illinois.

Mr. DE PRIEST. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting therein a speech made by President Hoover.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DE PRIEST. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of President Hoover, Friday, June 10, 1932, at Howard University:

[From the Washington Post, Saturday, June 11, 1932]

HOOVER PRAISES HOWARD UNIVERSITY IN ADDRESS AT GRADUATION EXERCISES

It is an inspiration to come into this great institution of higher education for the Negro race.

Nothing that the Federal Government has done reflects more credit upon it for the meeting of an obligation than this institution to bring to a great segment of our population the means of overcoming handicap for which they were not responsible and of leveling upward for them an equal opportunity to share in the full measure of citizenship with its brethren of other races.

It is vital in a democracy that the public opinion upon which it rests shall be an informed and educated opinion.

The Negro race comprises 10 per cent of our population, and unless this 10 per cent is developed proportionately with the rest of the population it can not pull its proper strength at the oars of our pressing problems of democracy.

To provide this development requires trained leadership, and I conceive that to be the functioning of Howard University. You are providing here professional training in all those fields to which the community naturally looks.

For leadership—religion, law, medicine, education, science, and art.

You are providing this professional training to men and women of the colored race, to your own best talents, your own leaders by natural endowment. Through the instruction which they receive here, your natural leaders become trained leaders, and this training is of the same kind and of equal efficiency with that which is provided for the natural leaders of the white race.

By this process the colored people are being integrated fully into the broad stream of the national life, sharing in the obligation and opportunity for political service, for economic advancement, for educational development of the individual, and for enjoyment of all the benefits of science and art and general culture, including skilled medical service, more beautiful home surroundings, and a share in the intellectual progress of mankind.

These things are the natural rights of the citizens of a republic. The Federal Government has nobly acknowledged its duty to provide them here.

I congratulate the graduating class upon completing their studies with credit, and I congratulate the Negro race upon your efforts to prepare yourselves for leadership in their development. I wish you well in your careers upon which you now embark.

EXTENSION OF REMARKS

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein the speech made in Chicago by Senator BARKLEY at the Democratic National Convention.

The SPEAKER. Is there objection?

Mr. UNDERHILL. Mr. Speaker, I object.

PRIVATE CALENDAR

The SPEAKER. By special order of the House this is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

CHARLES P. SHIPLEY SADDLERY & MERCANTILE CO.

The Clerk called the first bill on the Private Calendar, H. R. 6219, for the relief of Charles P. Shipley Saddlery & Mercantile Co.

Mr. MOUSER and Mr. PATTERSON objected.

Mr. GUYER. Will the gentleman from Ohio reserve his objection?

The SPEAKER. The gentleman from Ohio and the gentleman from Alabama object. The Clerk will call the next bill.

FRANK MARTIN

The Clerk called the next bill, H. R. 7199, for the relief of Frank Martin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $3,168.50 to Frank Martin for injuries received when struck by a United States mail truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FRANK R. SCOTT

The Clerk called the next bill, H. R. 7309, for the relief of Frank R. Scott.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I would like to state to the author of the bill my reason for making this reservation of objection, if he is interested. The report from the War Department is unfavorable and included in the claim is a claim for business losses. I had in mind that I would not object if the amount could be limited to the actual medical and hospital expenses. If the gentleman will accept an amendment providing that the amount shall be $750 rather than $1,283, I shall not object; otherwise, I will be forced to object.

Mr. LONERGAN. Mr. Speaker, I will accept that amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank R. Scott the sum of $1,283. Such sum shall be in full satisfaction of all claims against the United States on account of damages sustained by him on January 24, 1928, when United States Army truck No. 214243 collided with his automobile at a place known as Halls Hill, in the town of Killingly, in the State of Connecticut: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. MOUSER. Mr. Speaker, I offer an amendment. In line 6, strike out the figures "$1,283" and insert the figures "$750."

The SPEAKER. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: On page 1, line 6, strike out the sign and figures "$1,283" and insert in lieu thereof the sign and figures "$750."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PRESSING NATIONAL QUESTIONS—PRESENT MATERIAL PROBLEMS

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. NELSON of Wisconsin. Mr. Speaker, I have already outlined the fundamental principles that must guide us in the solution of our present national problems. I now wish to discuss these problems and the remedies. Obviously my treatment must be condensed, because I wish to diagnose the

more serious evils with which Congress has had to deal this session. I will first consider those that affect more directly our material prosperity—the current depression, high taxes, and excessive railroad rates and fares.

THE DEPRESSION

The most pressing problem facing the country to-day is, undoubtedly, this much-talked-about depression which came down upon us like a "ghost at a feast." It did not come by chance. Even the French atheist Voltaire admitted that "chance is a word void of sense; nothing exists without a cause."

If we could trace the successive steps of causation, we should see that present conditions have come as the most natural consequence of individual and national disregard for fundamental moral laws. Those who do not admit the operation of immutable laws are, nevertheless, subject to them. Shaking our fist at the thundercloud will never drive it away. Whether we like it or not, we have brought this depression upon ourselves. It rests with us all to get rid of this scourge by facing the reasons for its presence and by correcting the moral errors we have made.

Sifting the evidence before us, we find four causes primarily responsible for this calamity: First, the concentration of wealth in the hands of a few; next, the World War, third, dishonest business manipulation; and, lastly, inordinate extravagance on the part of the American people, and of local and Federal Governments.

CONCENTRATION OF WEALTH

For 40 years I have watched this concentration of wealth. As the owner and editor of a newspaper, when on the threshold of political activities, I decided my stand mainly on this issue. In my editorials I warned against the evils resulting from concentration of wealth through combinations, trusts, and monopolies.

To-day statistics show that 4 per cent of our people own 80 per cent of our national wealth. The Mellon brothers are reputed to own and control approximately $8,000,000,000, or one-fiftieth of our national wealth. Think of this enormous wealth in the hands of two men, while millions of our citizens have next to nothing. And we are told that the Mellon fortune does not compare with the Rockefeller fortune. The Rockefeller and Morgan interests hold 341 directorships in 112 corporations—banks, railroads, insurance companies, and the like. It is a recent boast of one of this group that 12 men, of whom he is one, control the business of the United States. The American Federation of Labor predicts that 80 per cent of the Nation's corporate wealth—industries, transportation, mining, power, and so forth—will be, by 1950, in the hands of 200 corporations. Huge fortunes amassed by the few and their gigantic corporate control violate the basic principles upon which our democracy is founded, that of justice, and equality of opportunity for all. A handful of men, by exerting the pressure their enormous power carries, can, at will, throw us into a financial panic, or even into war. They did, in fact, plunge us into the World War.

OUR ENTRY INTO THE WORLD WAR

Not satisfied with investments at home, these owners of great fortunes, the admitted controllers of our business world, hurried to Europe at the outbreak of the World War to make loans to the allied powers at exorbitant interest rates. They also sold munitions and other war materials to these countries at huge profits. When Europe became financially exhausted, to continue their money-grabbing and to protect their interests, they dragged us into war.

I opposed our participation in the world's greatest armed conflict and I voted against it. I could see the real reason we were being railroaded into that European quarrel—it was purely a matter of money, although camouflaged with the claim that it would make for everlasting peace. I could see nothing ahead but distress, and so stated at the time I voted against war. My predictions have been abundantly verified.

Immediately after the war there was a tremendous inflation in all values. Prosperity seemed limitless. American war profits were listed at $32,000,000,000. But as the boom was not the product of an honest effort, it could not last. So its end came with the 1929 deflation, affecting the entire country—in fact, the whole world. All that Uncle Sam seemed to be able to rescue from under the ashes of the erstwhile prosperity brought about by the European conflagration are the war loans—foreign and national—debt cancellations, worthless stocks, increased armaments, and greater preparation for future wars.

DISHONEST BUSINESS

When we thought we were prosperous we indulged in an orgy of dishonest business manipulations that beggars description. There can be no more flagrant example of destruction of the people's confidence than the stock-gambling debauch in which investors lost, through short selling, $17,000,000,000 in the stock of 25 of the leading industries; the average depreciation was 83 per cent. All together, more than $57,000,000,000 were lost in stocks.

Eagerness to get rich quickly generally overreaches itself and ends in bankruptcy. There is latent in every power a spark which, if the power is abused, ignites a retributive fire. The suicide of Ivar Kreuger, the Swedish match king, uncovered the fact that $250,000,000 worth of foreign bonds which had been sold in this country were entirely worthless. The receivership of the Insull utilities combine has endangered the savings of thousands of our citizens who had invested in its watered stocks. Mention must also be made of the enormous flotation by international bankers at huge profits of bonds of South American republics and European governments which have proved to be substantially without value. The most disastrous agency of this dishonesty was the stock exchange.

Twenty million Americans of every financial stratum, many of them heads of families, sought to enrich themselves by taking a plunge in Wall Street. Now their savings are gone and they are left with the empty sack to hold.

My first campaign platform, in 1906, contained a plank recommending regulation and control of the stock exchange. I saw then their dishonest dealings and believed that they could lead only into such widespread corruption as has in recent years been prevalent. In 1921 Congress enacted legislation, which I supported, to regulate future trading in grain. The Senate Committee on Banking and Currency has been conducting investigation of "bull markets" and "bear raids," which I hope will result in preventing a recurrence of this form of swindling the general public wholesale. But this belated investigation will not put back into the pockets of the people the billions of dollars that have been lost nor restore confidence in the stocks and bonds our great industries have to sell.

INORDINATE EXTRAVAGANCE

The general public's contribution to the current depression has been the madness for pleasure and luxury that resulted from the bubble of prosperity. Movies, night clubs, football, baseball drew great crowds at all times. Pleasure and luxury were set above thrift. High-powered salesmanship and installment credit facilities lured us to indulgence in the most expensive of automobiles and radios. Billions of dollars went into luxuries. Gratification of desires and appetites has robbed us of our one-time prudence and economy and set us helpless on the lap of hard times.

Not alone individuals, but even governments—National, State, and municipal—went on a spending spree. Less than 20 years ago the combined income and earnings of the American people were $34,000,000,000, and governmental expenditures amounted to $2,900,000,000, or 8½ per cent. In 1930 the combined income and earnings of our people were $71,000,000,000, of which the Government took 18.6 per cent. Out of every $5 Americans in the aggregate earn, $1 goes to pay the expenses of government. The per capita cost of all government—Federal, State, and municipal—has increased from $13.56 in 1890 to $105.20 in 1928.

THE REMEDY

In our frantic effort to end the depression, all kinds of remedies are suggested. Each special interest has its special scheme to bring back prosperity. In the coming political campaign, there will be a bedlam of remedial policies inspired more or less by self-interest. None of these, how-

ever, will cure our economic ills; at most, they will be mere palliatives. Our trouble is too deep-rooted. To effect a permanent cure we must rid our body politic of the venom of greed and graft; we must be honest and just in our business dealings and in our relations with other peoples and nations; we must practice prudence and thrift.

Practical suggestions for meeting the evils I have just enumerated can not be here discussed in full. To meet the concentration of wealth the Government can use its taxing power and also strengthen and enforce more rigidly our antimonopoly laws. Measures to prevent or avert wars will be discussed more fully under the heading "Our Next War." Dishonest business practices can be curbed by a strict regulation of the stock exchange and by providing severe penalties for the sale of worthless securities. And, finally, the antidote for extravagance is practice of thrift by the people and rigid economy in the expenses of government. All of these remedies, however, can only be effective and of permanent results if the needed reforms begin with the people themselves. The powers of government without the support of the people are not only limited but in many instances ineffective.

With our Nation infected, as has been for years past, with a cancer nourished by concentrated money power, war-inflamed greed, unprecedented gambling, and inordinate self-indulgence and extravagance, we can not wonder that a calamity such as this depression has come. It is the divine way of correcting abuse. If this economic plague had not engulfed us now, conditions would have become worse. In spite of its severity, it is our cure. Just as the knife in the hand of the surgeon rids the human body of disease, so does an experience like the present, administered by Providence, tend to remove evil practices from the body politic. No appropriation of money by Congress will bring about lasting relief. We must pay the penalty of our wrongdoing in full, and when fully paid, this depression will pass away.

It has been well said that—

> The destiny of a people is determined by their willingness to lay to heart the lessons of national chastisement and to use these as stepping-stones to purer life.

HIGH TAXES

Let us now consider the subject of tax relief. Taxes are an evil, but a necessary evil; they represent the price we must pay for the protection of life and property. At this session Congress has been brought painfully face to face with this problem. In all my legislative experience I have never known a more difficult task to adjust properly than that of trying to balance the Budget by raising sufficient taxes in these times of depression.

No one wants to pay a tax. Certainly no one has written to me expressing his willingness to pay taxes. Some humorist has said that the best method of collecting taxes is that by which the goose may be plucked of the greatest number of feathers with the least possible number of squawks. There has been plenty of squawking by the people at this session—squawking over salary cuts, sales tax, income tax, inheritance tax, and the so-called nuisance taxes. This squawking generally takes the form of—

> Uncle Sam, Uncle Sam, don't tax me,
> Tax the fellow behind the tree.

When the tax bill was before us there was organized one tremendous wail of woe throughout the country over high taxes. But, I repeat, a tax be it high or low is the price we have to pay for the protection of our lives and properties.

CRIME INCREASES TAXES

That crime is on the increase and assuming dreadful forms is apparent to everybody. The press is full of accounts of it. When a police officer, as in my home city, is taken for a ride and brutally murdered, his body thrown into a sand pit; when banks are held up throughout my district by bandits in open daylight; or when outlaws invade the home of a banker, remain there all night, and at the point of a gun compel him to open the bank in the morning; when little children are taken from their cribs by kidnapers and murdered—of which outrage the Lindbergh case is the most notorious example—the cry goes up to Congress and the State legislatures for more laws, more severe punishments, and relentless pursuit of the wrongdoers. This comes right back to the people in taxes in sums that range from thousands to millions of dollars.

PRINCIPLES OF TAXATION

In trying to raise taxes Congress should make the laws conform to moral principles. It is unfortunate that because of the failure of lawmakers in the past to adopt fixed standards and principles taxation has come to be largely arbitrary. Committees select certain persons or kinds of business to be taxed and these organize themselves into groups to fight the tax. So it comes to be a question, not of principle but of power, influence, organized votes to coerce and control Congress.

In a speech some years ago I stated what, as a result of my studies, I believed should be the principle of Federal taxation. Taxes should be levied according to the ability to pay them. Ability to pay depends upon property possessions. Or taxes should be levied according to the amount of protection of life and property accorded by the Government. As local and State governments levy taxes on tangible property, the Federal Government should depend mainly upon the three following sources: Income tax, inheritance tax, and corporation taxes. This would place the Federal tax directly upon those who have the means to pay, proportionate to the protection they receive, and would tend to check the menace of tremendous fortunes and the concentration of the wealth of the Nation more and more in the hands of the few. But these large taxpayers are powerful, well organized, and bring a constant pressure upon Congress. They demand that the National Legislature levy what is known as "sales tax," which shifts the burden at once upon the people.

The leaders of both parties in the House yielded to the pressure of organized wealth and brought in a sales tax in the form of manufacturers' tax. The manufacturer was virtually called upon to put the tax into the article and add it to the price of the goods sold. But the manufacturers' tax was defeated and we caused to be adopted instead higher income, inheritance, and corporation taxes, adopting also the so-called sales tax to a very limited extent and only temporarily, and without establishing the principle of this tax in our taxation system.

It is this shifting of the burden of taxation that is one of the chief elements causing the poverty of the many and the increase of the wealth of the few. It is this lifting of the burden of taxation from the backs of those best able to bear it and loading it upon the masses of the people that is causing unrest and discontent with the capitalistic system in this country. Our capitalists are very unwise in opposing fair and equitable taxes, because injustice jeopardizes the capitalistic system itself. Senator COUZENS, himself a multimillionaire, showed wisdom and the right spirit when he offered an amendment to the tax bill in the Senate to increase the income taxes, especially in the higher brackets, to meet the present emergency.

When I was leader of the progressive group in the House we agreed with the conservatives on a tax bill that was considered generally the fairest ever enacted by Congress.

EXCESSIVE RAILROAD RATES

When we look into the matter of railway fares and rates what do we find? The principle of solidarity grossly violated. More inequalities, more concentration of wealth into the hands of a few. There is much clamor for help for the railroads, but who is greatly concerned whether or not the farmers and shippers and the traveling public get assistance or relief from excessive railroad rates? Everyone knows that unless rates are equitably adjusted so that both carrier and shipper may operate with reasonable and fair profits, both soon suffer. The Good Book taught us long ago that "no man liveth to himself and no man dieth to himself."

The railroad interests were too greedy for profits to recognize this law of an ordered universe and went blindly against it in making rates that were almost prohibitive. Not content with these rates they succeeded in getting the Esch-Cum-

mins bill passed through Congress. It was backed by railway security holders and railway executives. The men most responsible for the enactment of this measure were punished with defeat when they came up for re-election. If the people were always alert and informed as to what their Representatives in Congress were actually doing for or against them, or were not doing, they could make the best possible contribution to good government. But they, too, must be actuated by fairness and interest in the general good. If greed is paramount, advantage is turned to disadvantage, gain to loss.

This is what happened with the recapture and valuation features of the Esch-Cummins law, which are now about to be scrapped for something more advantageous to the railroads. These interests would like to have the La Follette valuation plan nullified because it makes the value of the property and not watered stock the basis of rates. The railroad interests have always chafed under this restraint. Provision was made that all profits in excess of 6 per cent on property value should be set aside for the use of the railroads, one half to be held by the roads as a trust fund for specified purposes and the other half to be held by the Government as a contingent fund for the use of weaker roads in times of emergency. The main defect of the law was the so-called guaranty clause, which many thought would insure the railroads a fair return of 6 per cent. While it was not so stated in words, it was expected to operate that way in fact.

Now it is proposed that instead of valuation, an intangible and indefinite "barometer of earnings" be adopted as the basis for rate making. The Interstate Commerce Commission is to be guided only by their individual judgment and by reports supplied by the railroads as to their investment and earnings. This is an unsound and unscientific course of procedure.

But this is not all that is sought by railroad interests. Under the provisions of a bill reported favorably by a committee in Congress, $360,000,000 due the Government in recapture liabilities, according to an estimate by the Interstate Commerce Commission, would be handed over to these interests. Moreover, $10,000,000 already paid to the Government on account of the three hundred and sixty millions, upon which the railroad interests have no claim whatever, would be returned to them.

Although I was not on the committee considering this bill, having made an extensive study of the subject, I saw that the hearings were largely one-sided, and the whole procedure was but a plea by special interests for more privilege. I noticed also that all the facts had not been brought before the committee and before Congress. Knowing what they were and their value if produced, I wrote to the Interstate Commerce Commission calling for statistics showing how much was due the Government by each road, rich or poor.

Much had been said about the "poor roads" that could not afford to pay what they owe the Government. Commissioner Eastman told the committee that he presented these statistics at my request, which showed just how many millions of dollars some of these "poor roads" had made annually in profits; how the dividends paid to their stockholders ranged from 100 to as high as 400 per cent. These were cold, hard facts to dispute.

This was much too big a question to dispose of during this busy session, when Members of Congress and the Committee on Interstate and Foreign Commerce had so little time to give it careful study. I filed a statement with the Rules Committee, objecting to the rule that was asked for. I believed that the committee which had the bill under consideration should have time to give it careful and expert thought. My study of the subject, printed in the RECORD of May 21, 1932, sets forth the history of the legislation and the essential facts in the light of the statistical data supplied by the commission and the hearings before the committee. For the present, at least, attempts to force the measure through the House were stopped.

Organized interests like the railroads, with an army of the most skillful attorneys, are not easily put down when they set out to get benefits for themselves. They will continue to press their claims at the next session. The people are unorganized, often indifferent and uninformed. They are, therefore, wholly at the mercy of these efficiently organized and highly financed groups unless the representatives whom they delegate to serve them are on guard, informed, and have the courage to stand for the general good on sound principles. Nothing else will save our country from vested tyranny.

ENCROACHMENT UPON LIBERTY

I now wish to point to the evils that more directly affect our liberties—the fury of partisanship, the arbitrary rules of the House, and the eighteenth amendment to the Constitution. I shall treat them in the order mentioned.

THE FURY OF PARTISANSHIP

Let us look at the evil of partisanship. Politics has a good and a bad meaning. In its rightful meaning it is the art of government, but in its bad meaning it stands for the selfishness of partisanship, filled with fury, unfairness, and prejudice. That is why George Washington so denounced party fury in his Farewell Address and warned the country against it.

It frequently shows itself in Congress by dividing Members strictly on party lines. I select as illustration an election case in this Congress, that of Kunz *v.* Granata. It came from Chicago. The report of the committee was divided along party lines, the Democrats in favor of KUNZ and the Republicans supporting Granata. The argument on the floor was likewise divided along party lines. The vote was strictly a party vote. The Republicans lost, and Granata was unseated. The principle that had been violated here was the principle of truth. The committee did not send for the ballots, so there was no definite way of determining who had been rightfully elected.

I have been chairman of committees on elections, and I have been astonished at times at the unfairness of party action in close contests. As a member of one of these committees some years ago, I decided in favor of a Democrat from North Carolina, Mr. DOUGHTON. It was clear to me, from the evidence, that he had been elected. But I was called to the office of the Republican floor leader and there met the Republican national committeeman from North Carolina. He came to insist that we report for the Republican and oust Mr. DOUGHTON, the Democrat. Of course I did nothing of the kind and told the floor leader that I would not decide a case upon partisan grounds. Mr. DOUGHTON is now a ranking member on the Ways and Means Committee. At this session he led the Democrats who were opposed to the sales tax and is one of my lifelong friends.

As chairman of the committee, I wrote the report on an election case where Mr. LAGUARDIA'S election was contested. He was opposed by a Tammany Hall Democrat. The members of the committee unanimously agreed to my report and LAGUARDIA was seated. In this session he led the progressives of both parties in the sales-tax fight.

Some years ago, when I was chairman of the progressive group and the party division in the House was very close, there was a contest between Chandler and BLOOM, a Republican and a Democrat. I was not on that Elections Committee, but suspecting unfairness in the report agreed upon by the Republicans, I decided to intervene. Familiar with the rules that govern such cases, I studied this one. Although Mr. Chandler was my friend and we had been fellow-members of the Committee on the Judiciary, I told the Democrats that I would argue the case, which I did, and the House seated SOL BLOOM, a Democrat. May I add that he has been a very useful Member of Congress and is now the director of the George Washington Bicentennial Commission. These three Members were seated because I stood for justice rather than politics, notwithstanding party pressure.

I have illustrated the evil of partisanship from election cases and might give innumerable examples of party division in voting on legislation. Generally I have found that party leaders, whenever special interests are intensely concerned in subjects such as the tariff, taxation, and rules of the House, resort to party feeling and the plea of party regularity. This is especially true with reference to legis-

lation advocated by the administration that may be in power. Sometimes members are coerced by calling a party caucus. More often they are made subject to the spur and whip of party leadership. Obviously, right and truth and the public interest do not run along party lines. Members should stand for principles and be loyal to the best interests of their constituents.

So profoundly have I been impressed by long experience with the evil effects of partisanship and its harmful consequences that I have been driven to the position of independence even at the risk of my political life.

There is, I admit, a proper place for party action, and this is limited to the organization of the Houses of Congress, and in so far as possible we must yield individual opinions to unity of action. No Member should be compelled, however, to accept the moral standards of another Member contrary to his conscience and good judgment, simply because that other Member temporarily happens to occupy a position of leadership in the party. Country and the common good must prevail over party regularity and partisan success.

I know of no selfish interest more powerful than partisanship. When that gets into a man he becomes so prejudiced that he can not see what is right; he can not see the truth at all and he comes almost to hate a political opponent.

Party action is, at times, necessary and useful. I act with my party whenever I can do so conscientiously, for I believe in discharging party duties also. But I can not bring myself to do that which I know is wrong just because party leaders urge it. The principle of solidarity calls for cooperation in government as well as in any field affecting the common good.

The proper course to pursue is to stand by the will of our constituents and to do what is right as our conscience gives us to see the right.

RULES OF THE HOUSE

May I now further illustrate by taking up the rules of the House. These rules were amended at this session in several ways, especially by giving power to the minority to compel committees to make reports to the House on bills before them.

The interest of the people in fair and just rules of procedure is very clear, because these rules can be so drawn by shrewd and crafty Members that they concentrate legislative power in the hands of a few. Such was the case years ago when I began the fight against the so-called Cannonism, which was the use of arbitrary powers by the Speaker. Mr. Cannon was only a Member from Illinois; his constituents should have no more power in Congress than my constituents, but what did I find when I began the contest to curtail the Speaker's arbitrary powers and to reform the rules of the House?

As Speaker, this one Member was the czar of the House. He was not only the presiding officer but also chairman of the Rules Committee. He and two other Members made up this committee, which is the controlling factor in arranging the program of legislation. It is one of the most powerful committees of the House to-day. I know this because I was once a member of it. The Speaker appointed all committees, membership and chairmen. If they did not do what he directed them to do, he would punish them by taking them off the committees. My late colleague, Mr. Cooper, lost his chairmanship on the Committee on Insular Affairs because of a disagreement with the Speaker. He had not only this power but controlled the right of recognition. No one could make a speech or offer a motion without first having seen him privately and obtained promise of recognition.

I organized the fight and directed it for three years. Finally, as insurgent Republicans, combining with the Democrats, we won. The new rules made the Speaker an impartial presiding officer. We gave larger rights to committees to present legislation to the House; took from the Speaker the appointment of committees, refused him a place on the Rules Committee, and made this committee much larger and more representative.

It is interesting to note, however, that when evil is checked in one way it comes up again in another form. So, gradually a few leaders got together, the chairman of the Committee on Rules, the chairman of the Committee on Committees—the Steering Committee—and the Speaker, and they centralized the legislative power so that a few men ruled the House. When the progressives held the balance of power in the House they elected me leader of the group. We immediately took up the task of organizing the House, bent upon doing away with this new form of bossism. In order to get a vote on the rules, we held up the election of Speaker for three days. We did succeed finally in securing some good rules. But when we lost power the discharge rule was so changed that the committees could continue to sit on legislation.

At this session the rule giving the right to get a vote on any bill before a committee, if 145 Members sign the request, was restored. But reformed rules or methods are not in themselves effective, for these can be made use of by Members of low as well as lofty principles. In this session this rule has been exclusively used by minorities for selfish ends.

This matter of reform of rules will go on to the end of time, for when an evil is checked, soon it reappears disguised in another form and the fight is on again. Law and rules can not do everything if we do not change the principles in the hearts, the minds, and consciences of men. Therefore, it is clear to me as an old Member that we must raise our moral standards or popular government will be repudiated. Freedom, equality, and justice must prevail or free government can not exist in our lawmaking bodies. Lust for power is the most dangerous desire of the human heart. Down with every dictator!

THE EIGHTEENTH AMENDMENT TO THE CONSTITUTION

Two stubborn facts are before us for thoughtful action—what shall we do with the eighteenth amendment and the Volstead law enacted to enforce it, and how shall we carry out the express will of the people.

I can approach this question from an entirely independent point of view, for the simple reason that while I was a Member of Congress when the eighteenth amendment was adopted, I was not when the Volstead law was passed. Having voted against our entry into the World War, I was defeated for reelection. I was not, therefore, in Congress when the Volstead law was enacted.

What shall we do with this law and the eighteenth amendment? Let us not lose sight of the fact that we have but two ways of changing the situation brought about by this amendment and the Volstead law—by resorting to violence or by peaceful means. As Lincoln clearly and courageously stated in his first inaugural address—

> This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing Government, they can exercise their constitutional right of amending it or their revolutionary right to dismember or overthrow it.

I wish to say here that it is not my purpose to give my personal views as to the merits or faults of the eighteenth amendment and the legislation enacted to enforce it. I must consider the wet and dry question now in the light of our rights and duties as citizens and of our responsibilities toward the institutions of our own creation.

Since I am sure no one would advocate violent methods to do away with the eighteenth amendment, we must direct attention to the orderly and constitutional way of dealing with this amendment. Whether we believe in it or not, it has come to be a part of the Federal Constitution, the charter of our liberties.

This is the provision popularly known as the eighteenth or prohibition amendment:

> After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Its validity has been repeatedly upheld by the United States Supreme Court and has become, therefore, an integral part of the supreme law of the land. The people of the

State of Wisconsin, through their duly elected representatives in the legislature, gave their formal assent to this enactment.

In a democracy like ours the Constitution and the laws enacted pursuant thereto are the expression of the will of the majority. Only by respecting the will of that majority can our Government and our institutions survive. To disregard that will would be tantamount to inviting disorder and chaos. As William Penn rightfully said:

> Government is free to the people under it when the laws rule and the people are a party to those laws; and all the rest is tyranny, oligarchy, and confusion.

What can we hope to accomplish by nullifying a constitutional provision? Even if it were set aside by a large number of the people and this action of the people were supported by a law of Congress, it would not be recognized as valid by the United States Supreme Court. No President has ever tolerated or ever will tolerate nullification of law.

Abraham Lincoln urged every lover of liberty to—

> swear by the blood of the Revolution never to violate in the least particular the laws of the country, and never to tolerate their violation by others.

In the days of Andrew Jackson there was an attempt to nullify a law of Congress by one of the States. He forcibly declared against such attitude in the following language:

> I consider * * * the power to annul a law of the United States, assumed by one State, incompatible with the existence of the Union, contradicted expressly by the letter of the Constitution, unauthorized by its spirit, inconsistent with every principle on which it was founded, and destructive of the great object for which it was formed.

During the administration of President Washington we find another instance of an attempt to nullify a law. In the early days of our Government an excise law on domestic spirits was enacted by Congress. The principle of excise was disputed as interfering with State rights and working injury to the farmers of western Pennsylvania. The collection of taxes was actively opposed in four counties; revenue officers were molested; buildings were burned. Washington saw that to permit individuals, or even a large section of the country, to annul a law because it was not favorable to them was dangerous to the welfare of the Union. He promptly called the militia of four States and established the supremacy of the law, and probably preserved for us the Union. The same responsibility rests upon us to-day—200 years after the birth of George Washington.

What do we see as the result of the unprincipled and dangerous attempts to nullify the supreme law of the land in our day, or of its utter failure of enforcement in many States?

On the one hand, we see irrepressible speak-easies and bootleggers infesting the country, and lawless concerns that take the form of gangsters and racketeers that terrorize law-abiding citizens to such an extent that they practically defy the power of city governments to cope with them. On the other hand, we witness everywhere a growing disregard for law. Even the lawmakers themselves go so far as to attempt nullification.

For this deplorable state of affairs are responsible, in part, the men who in the United States Congress and in the State legislatures have been loud in their advocacy of the virtual nullification of the eighteenth amendment by their refusal to provide the means for its enforcement; notwithstanding the fact that these very men have subscribed, or acquiesced, through duly chosen delegates to their respective party conventions, to the following pledges:

Republicans:

> The people through the method provided by the Constitution have written the eighteenth amendment into the Constitution. The Republican Party pledges itself and its nominees to the observance and vigorous enforcement of this provision of the Constitution.

Democrats:

> Speaking for the National Democracy, this convention pledges the party and its nominees to an honest effort to enforce the eighteenth amendment and all other provisions of the Federal Constitution and all laws enacted pursuant thereto.

Both the Republican and Democratic parties will, it is reported, adopt platform pledges recommitting the control of the liquor question to the States; but both should, with equal assurance, stand for the sanctity of our Constitution and for respect for the laws of the land.

We are confronted with a question of graver consequences than is realized by those who clamor for nullification, and those in Congress who have attempted to render void a constitutional amendment. They seem to ignore the fact that human society is so constituted that certain rules of conduct are essential to insure the protection of human rights. Rights and duties are correlative. We can not justly claim the right of protection of life and liberty, of home and property, if we are not ready, as the great commoner of Illinois expressed it, to "swear by the blood of the Revolution never to violate in the least particular the laws of the country and never to tolerate their violation by others."

It is on questions of this kind that we must make every effort to see both sides of the subject and to arrive at some common, practical method of action. It is a subject like this that leads to sharp divisions, strife, and dissensions, and even to war. If any method proves to be unworkable, then common sense dictates that we try another method. Let us also calmly face the facts before us.

Repeated attempts have been made in both Houses of Congress directly or indirectly to amend the Volstead law by declaring beverages containing 2.75 per cent of alcohol by weight as nonintoxicating. In the absence of a binding decision on the matter, we are forced to seek the counsel of scientists for a determination as to what is and what is not intoxicating.

On one side there are such eminent doctors as the late Harvey W. Wiley; Arthur D. Bevan, professor of surgery, Rush Medical College, and a former president of the American Medical Association, and other authorities testifying that 2.75 per cent by weight beer is intoxicating. On the other side, equally eminent doctors such as Yandell Henderson, professor of applied physiology, Yale University; William G. Morgan, dean Georgetown Medical School and also former president of the American Medical Association, and others, who have expressed the opinion that beer containing 2.75 per cent alcohol by weight is not intoxicating.

Notwithstanding scientific, legal, commercial, and other opinions given as to the toxic action of beverages containing 2.75 per cent alcohol by weight, how many from observation or from experience would take the responsibility of swearing that it is their firm conviction that so much alcohol in a beverage is not intoxicating?

It would be well to recall at this point what Lincoln considered his duty under his oath of office as a Member of the Federal Congress. He said:

> All Members of Congress swear support to the whole Constitution * * *. I have always hated slavery, but we have no right to interfere with it because it is in the Constitution, and we are both by duty and inclination to stick by that Constitution in all its letter and spirit from beginning to end.

The form of oath prescribed by law for Members of the House of Representatives is as follows:

> I, ———, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

How then, can a Member of Congress be expected to take the risk of violating his oath of office by accepting a view that is not founded on certainty, an oath publicly avowed and solemnized by an appeal to Almighty God?

In Wisconsin and other States that have repudiated the eighteenth amendment and refused to enforce it, it is quite apparent that public sentiment no longer supports it. This leaves a most unfortunate condition, for it is a nullification of national law by a sovereign State itself; and as the

struggle goes on, the attempt to deny to these sovereign States the right and responsibility of dealing with the evil of alcoholic intoxication must inevitably intensify those aforesaid evils. Moreover, it must forcibly tend to take up more and more of the time and energy of Congress, now much overburdened with the multitude of problems that press upon the country for solution.

Therefore, as an enemy of the saloon and as one who has stood for temperance all his life, I see no other wise course to pursue than that the liquor problem go back to the States. Manifestly where a State repudiates the eighteenth amendment and the Volstead law it can far better grapple with the liquor problem, if permitted to do so, than the National Government.

I voted for the eighteenth amendment, as did the late Senator Robert M. La Follette, because we stood then, as I stand now, for representative government. When it is evident that a majority, or very nearly a majority, of the people ask for the right to pass upon legislation or upon a constitutional amendment I believe that they should be given that privilege and be required to assume the resultant responsibility. For the National Government to refuse the people this right must inevitably lead to most serious national evils that not only would threaten the well-being and safety of our citizens but also endanger the perpetuity of our form of government.

That the legislatures and not Congress should solve the problem of liquor regulation is so self-evident that by almost common consent all political parties and factions of parties in Wisconsin and in the United States, generally, have declared for such action as not only right in principle but the wisest and most effective means for the solution of this perplexing problem.

This reasonable attitude is wholly in keeping with the spirit of our democratic form of government and has been taken repeatedly by the leaders interested in the subject of prohibition, irrespective of their personal opinion as to the merits or demerits of the amendment itself. This was the position taken at the time of the adoption of the eighteenth amendment by the Rev. Edwin Dinwiddie, legislative superintendent of the National Anti-Saloon League, appearing before a subcommittee of the Senate Judiciary Committee. He said:

> We are simply asking that Congress, under the terms of the Constitution, give the people a chance to vote on this proposition by a referendum through their State legislature. Congress, therefore, is not asked to pass on the policy of prohibition or nonprohibition, license or no license.

Likewise, Rev. D. James Cannon, jr., representing the Methodist Episcopal Church South, set forth the right of the people to express their views on any question when demanded by any considerable number, in the following words:

> It does not seem to me that in view of the general trend of political thought in our day, whenever it becomes evident that a large percentage of the people desire an opportunity to express themselves upon a great question, the body in whose hands is committed the right to decide whether the people shall have that opportunity could at least divide the responsibility with the people as to the decision of that question.

In 1917, Senator MORRIS SHEPPARD, the legislative sponsor of the eighteenth amendment, said:

> The Member of Congress who will not vote for the submission of a constitutional amendment to the decision of the States, where it belongs, unless he personally believes it should become a part of the Constitution, usurps the function of the States, arrogates to himself and to the Federal Government a prerogative that belongs to the States and violates the very essence of sovereignty.

The author of the enforcement act, Senator JONES, expressed his opinion on the subject thus:

> Mr. President, the real question presented to the Senate upon this joint resolution is, Shall the people rule?
>
> I believe it is my duty as a Senator to vote to submit an amendment to the State legislatures when there is a strong, matured, widespread sentiment and demand from the people for such an amendment. To refuse to do so is to act as the master rather than as the representative of the people.

But aside from every other consideration, any Member who stands for the principles of representative government, whatever may be his personal belief, wish, or hope, must consider himself bound by the instructions of his State and more especially by the instructions of the constituents of the congressional district he represents, consistent with his oath of office.

EVILS THAT AFFECT OUR NATIONAL LIFE

I wish to discuss briefly the evils that affect directly our national life and well-being—the burden of the abuse of our pension system and the impending peril of the next war.

OUR PENSION SYSTEM

If it were for no other reason than for the safety and permanency of the pension system itself it would be my clear duty to direct attention to the danger involved in an indiscriminate and appalling increase in pension relief and compensation. The mountainous growth of our pensions is menacing the certainty of Government aid to the men disabled in their country's service who are wholly dependent upon this relief. But more than that, it is threatening in more than one way the perpetuity of our Government, for there is a limit to the burden a democracy can bear. Veterans, as patriotic in time of peace as in war time, are raising their voices in warning against this very real danger. My two sons and a son-in-law are World War veterans. I quote the words of a Member of Congress who is himself a World War veteran:

> I submit * * * that this is an appalling picture; that as we look forward into the future and see the mounting annual cost incident to existing statutes, you must become convinced that we must change some of the provisions in the existing law; that we must modify and revamp the statutes which grant benefits to veterans of past wars; that we must do it fairly and honestly, without depriving the real war casualty of any benefits to which he may be entitled, without destroying the entire structure.
>
> If we fail to do this, the effect may well be destruction of our Government. No democracy can stand the burden which is now imposed upon ours. I know that were the ex-service men themselves to become aware, to be made cognizant of what has been done they are sufficiently patriotic to rise up and say, "This thing must stop."

And he adds:

> Were I to take any other position I would consider that I, as an individual, were unworthy of the uniform I once wore; that I were unworthy of the flag which I once followed. * * *

As a Member of Congress I have supported pension legislation for nearly 25 years, for I am a friend of the soldiers of all wars. When I was made chairman of the Committee on Invalid Pensions, I decided to make a thorough study of the pension system. A scientific research was made of the history of pensions in the United States and the practices of other countries. The theories upon which pensions and compensations were based received careful consideration, for unless founded on sound principles and kept working in harmony with them, a pension system must inevitably collapse from its own inherent weakness. We studied carefully the change proposed at the outbreak of the World War from pension to other methods of compensation; the practices and justification of private pensions; Congress as an agency for pensions; the relationship of veterans' organizations to pension legislation; the line of demarcation between pensioners and nonpensioners; the cost of pensions for all wars; the probable cost of compensation for all wars on the basis of Civil War practices; methods of securing economy in the present pension system, soldiers' homes and the benefits they confer.

This research was done by the staff of the committee and my own research assistants with the cooperation of the Veterans' Bureau and the Bureau of Pensions. This survey will be an aid in a further scientific consideration of the whole question of pensions. This is of vital importance, both to the veteran taxpayer and to the general citizen taxpayer, as well as to the welfare of the pension system itself. The perpetuity of this system depends upon the restraint we now exercise in keeping it on a just basis and within reasonable bounds.

The investigation of which I have just spoken revealed a real need for more uniform and systematic pension legislation. Wide discrepancies exist in the manner and methods of administering relief to veterans of former wars as com-

pared with those of the World War. The situation is fertile with possibilities for dissatisfaction and agitation for special legislation as well as violation of the fundamental principle of relief. Some of these inequalities were minimized in a bill which I introduced. As chairman of the committee I was gratified that my Civil War pension bill was passed without a dissenting vote, and it met with the approval of the veterans. Letters of commendation came from many directions. The commander in chief of the Grand Army of the Republic sent his approval in a telegram saying: "Right on time. God bless you."

Although we are merely on the threshold, as it were, of pension relief, it has already become an alarming burden. The peak of relief expenditures for any war is not reached for many years after the war. For the Revolution, the height was reached 65 years after the war; for the Mexican War, 42 years after. If we look to the past for the lessons of the future, we should be safe in saying that we may expect the high point for the World War to be somewhere about the average number of years, which is about 54 years, and that would bring the World War peak in pensions about 1974.

In a very recent report submitted by the Veterans' Administration it is estimated that considering all the forms of relief, disbursements for all purposes, including loans made to veterans of the World War secured by their adjusted-compensation certificates, approximately $16,512,000,000 had been paid up to March 31, 1932. With this as a basis, it is computed that the disbursements as of the close of the fiscal year of 1942, will approximate $28,389,599,000, an average disbursement of $1,200,000,000 yearly for the next 10 years.

Records show that there were more than twice as many soldiers and sailors in the World War as in the Civil War—more than 4,000,000 of them. In addition, there are the widows and other dependents to be taken into consideration. This should make us pause and consider what we are leading ourselves into if we open the floodgates too wide.

Few people realize the alarming increase in veterans' relief. There is an increase from two hundred and fifty-three million in 1931 to three hundred and sixty-six million in 1933. It rolls and grows like a snowball. The total amount paid by the Government in veterans' relief for all wars exceeds $16,500,000,000. Of that amount $5,390,000,000 has been paid in benefits to veterans of the World War. This means that within the past 10 years one-third of the total cost of relief for all wars has gone to the veterans of the latest war—the World War. What must we expect if we have another war? If our Government sees fit to be as liberal with the World War pensioners as with pensioners of previous wars, if we are so unfortunate or so unwise as to get into another war, and if the pyramiding of pensions continues, the result is well-nigh incomprehensible. It must surely spell ruin to the whole system. We are spending more than a billion dollars annually in pensions. It is costing us about $2,000 a minute.

Of the 4,200,000 men who served their country in the World War, more than 3,000,000 are not receiving pension relief. They are not now clamoring for this perpetual drain upon the Treasury in the form of compensation. They are peace-time patriots as well as war-time patriots. They are taxpayers and realize that the burden falls back upon the individual in every community. The agitation comes from a few professional patriots who plead the cause of the veterans in theory, but in fact are looking for their own profits. A war veteran said that he had checked up on a man and found that he had written to Members of Congress 25 letters a day for five weeks. This is unfair to the great body of veterans who are reasonable in their demands and who realize that to cripple the Government's paying power is to destroy the pension system and their own good, and to place our Government in a worse dilemma than it is in now.

That there is injustice done in the denial of aid and compensation to some who are both worthy and needy, is undoubtedly true in a number of cases. This must necessarily be true in a system so huge as our pension system, and where we have no scientific plan. And it is no doubt true, also, that there are those receiving compensation who are not needy. It is generally admitted, however, that Uncle Sam has been most generous, more so than most countries, in giving pensions to the men who offered their lives at their country's call. It is right that we should be generous; our veterans deserve it. God alone knows all that it must have meant to our boys to be sent to the front to destroy or be destroyed, to kill or be killed. It should never have happened; and I am proud to say that it did not happen with my vote. It must never happen again. There is a better way. If there is not, then man has made very little progress in civilization in spite of his much boasting. But until we find that better way, the moral way, the Christian way, we must patiently carry these almost unbearable burdens of pension relief and war expenditures.

But in the meanwhile lest it break with its own strain, we must guide the system and guard it and make it serve the needy and weak veterans while it is also protecting the strong. This is a big task, a delicate task. It demands the thoughtful attention and cooperation of every high-minded citizen and the fearless support of every true statesman. Let us learn this lesson, too: That wars cost more in pensions when peace has come than they cost in actual warfare. Truly when we sow the wind we must reap the whirlwind.

OUR NEXT WAR

Let us now turn from the consideration of present problems and take a glimpse at the immediate future, for, as has been rightfully said, "to-morrow will soon be to-day."

In the light of our recent history the most vital factor related to our country's future welfare is a prayerful consideration of our next war. May a merciful heaven forbid it! Surely it is our highest desire as a people to prevent or postpone another such national calamity or world catastrophe, and to this end, as a national lawmaker, I pledge my most earnest endeavor. The mere mention at this time of war may seem preposterous and even ludicrous. Yet, the elements that cause wars are ever present—economic and racial discrimination, commercial and political rivalry, and, beyond national frontiers, competitive arming.

It is absolutely certain that war and peace are effects resulting from underlying causes. Therefore, the only way to direct our future for peace is to control these causes. If these contain in any large measure the elements of ambition, selfishness, greed, they will produce war; if they contain elements of amity, tolerance, and justice, they will produce peace. These elements are to be found in human nature and determine human conduct. It is illuminating to note how selfish interests at home and abroad study the character and moral standards of public men to use these men's weaknesses to serve their own needs. This is especially apparent in the gradual shifting of President Wilson from his attitude toward peace to his final attitude toward war. He was essentially an idealist. By working on our very ideals, on our ambitions, and on our love for power, this metamorphosis is often, slowly, but surely, accomplished.

At the beginning of his Presidency I was strongly pro-Wilson; at first because of his progressive stand and later because of my belief that he was opposed to our entry into the World War. My first disappointment came in December, 1915, when Representative Buchanan, of Illinois, and others were indicted by the Department of Justice for alleged conspiracy to violate the Sherman antitrust law by making speeches to labor in opposition to war. Previously I had been informed of his differences with the President.

Representative Buchanan replied to the indictment by impeaching for official crimes and misdemeanors the district attorney of New York who had charge of the prosecution against him. The impeachment charges were referred to the Judiciary Committee, and I was appointed by the chairman as one of a subcommittee of three to go to New York to investigate the conduct of this Federal official. We found this official corrupt. While there I came into the atmosphere of the profiteers who were swarming the New York

hotels. Conditions for them looked desperate. The war had been fought to a draw, and it was becoming evident that neither side of the European struggle might be able to pay the profits they expected from their loans and their bills for munitions and other war materials. They were behind the propaganda for war.

During the investigation and immediately following it the newspapers carried the report that the leaders of Congress were stirred up over the fact that the President had invited the Democratic chiefs to the White House to sound them out on the question of intervention in the World War.

I at once made a careful inquiry upon my return to the House and was told by leaders that the President had so sounded them out. Congress wished to hush the matter up speedily lest this suggestion get into the minds of the public, so the report was informally denied; nevertheless, it was only too true. From this time on, a year at least before we entered the war, I learned from many sources, through the somewhat vague but persuasive trend of events, that the President was rapidly veering the ship of state toward intervention.

It has therefore been very interesting to me to read the published accounts containing State papers and the biographies of the leading participants in the war, because they now make clear that which I did not then quite understand. We know now that the President not only had a committee at work at home on war plans, but through Colonel House he had entered into an agreement with the allied leaders of France and England to intervene at the opportune time. This is disclosed in interviews with Colonel House himself, in a series of magazine articles. I will quote briefly a sentence or two from the colonel's letters.

On October 17, 1915, he confirmed his conversations with Sir Edward Grey, a British statesman, by writing thus:

> What I want you to know is that, whenever you consider the time is propitious for this intervention, I will propose it to the President.

On February 7, 1916, Colonel House reported that he "had a complete understanding as to the immediate future" with Briand and his colleague and that he "again told them that the lower the fortunes of the Allies ebbed, the closer the United States would stand by them."

In a letter dated February 9, 1916, Colonel House wrote to Wilson:

> It was finally understood that in the event the Allies had some notable victories during the spring and summer, you would not intervene; and in the event that the tide of war went against them or remained stationary, you would intervene. This conversation is to go no further than between Briand, Cambon, and myself, and I promised that no one in America should know of it excepting yourself and Lansing.

On February 10 Colonel House cabled to Wilson:

> We finally agreed that it would be best for you to demand that the belligerents permit you to call a conference for the discussion of peace terms. We concluded this would be better than intervention (on the submarine issue) and it was understood, though not definitely agreed upon, that you might do this within a very short time—perhaps soon after I returned.

On February 23, Sir Edward Grey finally embodied the gentleman's agreement in the following memorandum marked "Confidential":

> Colonel House told me that President Wilson was ready, on hearing from France and England that the moment was opportune to propose that a conference should be summoned to put an end to the war.

These documents clarified many things that happened in Congress at that time: The indictment of Buchanan, the armed neutrality bill, which was denounced by La Follette and others, including myself, as intended directly to bring us into war. When this bill was before the House I made predictions which have since been verified.

I have related this experience to point out that the human factor of protection is exceedingly weak, and uncertain at best.

In the light of the facts and experiences just related, let us consider the ways that we can pursue and the means within our reach that will lead us to and secure for us what we all crave—enduring peace.

To avert, or at least postpone, war we must know its causes. The annals of all armed conflicts among nations record as the outstanding of all causes greed for power and material wealth. The divine right of monarchs became discredited, and their absolute power gave way to the mightier power of the peoples they ruled, but the principal cause for wars remained essentially unchanged, although disguised in the less abhorrent and even patriotic pretext of self-preservation and self-defense. Thus we now observe that, after the World War, which as far as this country is concerned was said to have been waged to end wars, nations are again vying with one another in devising and constructing implements of war and in training the very best of their youth and their manhood how to devastate wealth produced by the labor of their fellow men and how to destroy human lives more swiftly and efficiently.

Since nations are but aggregations of human beings, their actions and reactions are motivated by similar causes. It has been rightfully said that it takes two to create a quarrel. If a physically strong man and a physically weak man should have a disagreement, the logical and natural thing that would occur is that the weaker man will resort to the power of his intelligence to attain, if not full victory, at least a fair deal. But if both were armed, the consideration of physical disadvantage would disappear, and instead of a peaceful argument a fight would immediately ensue. It is so with nations. Therefore, arming under pretext of self-defense is one of the most powerful causes of war.

Greed for wealth, an age-long cause of quarrels among individuals and nations, has also donned the brighter and less odious disguise of self-preservation. Those who have amassed riches in this country, who have come to control the economic life of the Nation and have spread their interests far beyond the national frontiers, insisting on protection not only at home but also abroad, afford another cause for the next and future wars.

Selfishness, which is at the bottom of greed for power and wealth, and which is responsible for racial discrimination and trade rivalry, also comes to us in the flambuoyant disguise of nationalism, causing resentment and even hatred among the peoples of the world.

It is obvious, therefore, that the virus of war is in the very life arteries of our body politic, in our subconsciousness as individuals. It is especially fitting, therefore, to emphasize the plea that we not only prepare but act to avert or at least to delay the next war.

Now, bearing in mind our experience in the World War and considering what scientists and military-minded people have done and are doing since the close of that great conflict, let us visualize what the next war will be.

Rear Admiral Sims says that if we have another war "we will use gas * * * and we won't care how, when, or why."

French experts claim they have at their disposal 1,000 deadly gases. British technicians say that there are now gases a thousand times more powerful than anything used in the past. Our own experts aver that if the Germans had had 4,000 tons of the gas-generating liquid recently discovered by chemists and a few hundred airplanes, the entire American Expeditionary Forces would have been annihilated in 10 or 12 hours.

In addition to gases there are the disease germs. Scientists are now engaged in the diabolical task of finding the best and most effective method of disseminating these germs from the air that the slaughter of human lives, of combatants and noncombatants alike of the enemy country, may be accomplished in the swiftest fashion and on a larger scale than has ever before been accomplished. It is said that by this means a whole nation can be wiped out in a day.

Electricity will also contribute powerful death-dealing and destructive devices. It is claimed that rays are now available that can dissolve wood, stone, or steel and are able to pierce a wall at a distance of 7 miles and kill.

All these efforts are along the lines of thought of the war experts of the world, who are bent on waging the wars of the future on a "wholesale scale instead of * * *

thinking so much about methods which kill a few individuals at a time."

Again there is the money factor. Implements of war, equipment and supplies for the combatants, transportation, and hospital facilities are not available without money. So the people will again be called upon to give, keep on giving "until it hurts."

And, finally, there is the aftermath. Whether the country is victor or loser, the people will have to pay. There will be thousands, even myriads of men with dependents killed or disabled for life; economic and social demoralization and chaos worse than the present depression and criminal exploits; starvation and taxes eating up the product of years of toil and the yield of present and future generations. From what we know of the consequences of the World War we can draw a mental picture of the aftermath of the next war.

But, can we do anything to prevent the next war? I am neither a fatalist nor an optimist, yet I have enough confidence in the better nature of man to assert that by a proper cultivation and development of that better nature, the next war may be postponed or made less likely to happen, at least so far as the American people are concerned.

I said that war is the effect of underlying causes, and that we must control these causes if their effect is to be averted. All these causes can be summarized in this one word—greed. As you all know, this word denotes ambition, desire to possess power or material riches irrespective of the means to be employed to attain that ambition or satisfy that desire. Unbridled ambition or desire is necessarily attended by envy, disregard of the rights of others, intolerance, dishonesty.

The fundamental remedy lies not in the innumerable panaceas proposed by many, not even on peace treaties, or the League of Nations, but in the observance of the Golden Rule. Let every man be fair to his fellowman; teach the individual not to covet that to which he is not rightfully entitled; train minds to condemn inequalities and not to seek advantages at the expense of others; in short, let us hold under control our appetites. It is never too late to detour from the wrong to the right road, not even to start all over again.

Here, I deem it especially opportune to make my plea to the mothers of our country, upon whom rests the grave responsibility of molding the character of our future citizens, to begin the task of erecting the edifice of an enduring peace by laying its foundations from the very moment that the baby utters the first syllables and simplest words, and let this task be carried on in the schools and churches, and continued in connection with all activities of the citizenry.

In the meantime let us make use of the most expedient remedy within our immediate reach. It is within the power of the electorate of the country to avert the next war by electing Representatives who will refuse to enact laws seeking to protect interests beyond our national frontiers while neglecting or denying that protection to interests that are right at home; by declining to support candidates for seats in our law-making bodies who bring war nearer our own doors by increasing appropriations for warfare or refusing to reduce them.

The past war should be accepted as sufficient evidence of the fact that arming in times of peace brings war. The nations were engaged in a mad race for naval and military supremacy just before the World War. If none had been armed, there could have been no war. Yet there are those who insist on the policy of preparing for war to avert war. Peoples are being taxed almost beyond human endurance to invite war rather than to prevent it.

Right now we are spending $2,000,000 a day for the maintenance of our Army and Navy, at a time when nearly one-third of our population is on the verge of starvation; when our farm crops do not bring in return enough to compensate the investment and labor that is being put into their production; when the Government refuses to pay before due the compensation promised the men, now in dire need, who risked their lives at their country's call.

God grant that the next "carnival of hell" may be averted or long postponed for our beloved country!

ECONOMY BILL

The SPEAKER. The Chair lays before the House the following privileged resolution:

Ordered, That the House of Representatives be requested to return to the Senate the bill (H. R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, together with all accompanying papers.

Mr. BYRNS. Mr. Speaker, I move that the request of the Senate be complied with, and on that motion I move the previous question.

The previous question was ordered.

Mr. COCHRAN of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN of Missouri. Is the motion debatable?

The SPEAKER. It is not. The previous question has been ordered. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

HILDA BARNARD

The Clerk called the next bill, H. R. 5276, for the relief of Hilda Barnard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the legal guardian of Hilda Barnard, out of any money in the Treasury not otherwise appropriated, the sum of $1,386.80, in reimbursement of the penalty imposed by the collector of customs and paid by said Hilda Barnard on September 6, 1929, for failure to declare articles entered in the port of New York on August 12, 1929, upon her return from Europe, when she was insane and otherwise suffering from a mental disease which rendered her incapable of understanding the nature and consequences of her action in failing to make a proper declaration.

Mr. COCHRAN of Missouri. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to be permitted to proceed out of order for three minutes.

The SPEAKER. The gentleman from Missouri asks unanimous consent to proceed out of order for three minutes. Is there objection?

There was no objection.

ECONOMY BILL

Mr. COCHRAN of Missouri. Mr. Speaker, in my opinion, the House made a very grave mistake when it did not agree to the request of the Senate to reappoint conferees on the economy bill. It is true that some of the conferees of the House on the Democratic side are out of the city, but there are two Democratic members of the Economy Committee who are present, and I think they could be trusted by the House as its conferees in connection with the measure. I think the House could trust the gentleman from Tennessee [Mr. BYRNS] and myself to look after its interests.

As I pointed out to the gentleman from Alabama [Mr. MCDUFFIE] when that bill was before the House, there were certain injustices in the bill, inserted by mistake, and he admitted the mistake, that should have been corrected. The Government departments have requested certain changes. There is language in the bill which I understand will prevent the intent of Congress from being carried out.

My contention has always been that discriminations should be removed from the bill and that is just what the Senate sought to do in asking for a further conference. If the changes are not made, there will be general dissatisfaction and it will no doubt interfere with the morale of the service. Why give to one set of employees what you do not give to another group? We should make the furlough provision plain so that the administrative officers will understand what Congress intended. Congress intended that a 15-day

leave was to be granted where the furlough plan did not apply. There are about five provisions in the bill that should be changed, and it will not interfere with the intended savings.

I think it was the duty of the House to accept its responsibility and make the changes the Senate desired, or at least give the Senate an opportunity to do so or be heard.

So far as I am concerned, there was no feature in that bill where money was involved that I would not have agreed to, but it is the language in the bill that should be changed, and I believe it is a bad precedent for the House of Representatives to refuse to appoint conferees when the other body requests it.

How would the House take it if the Senate refused to appoint conferees if the request had been made?

There is no doubt about the final passage of the bill. That is admitted, and if that be the case, why should there be objection to changing certain language that would enable the officials to understand what we intended?

I can not agree that the absence of the two original conferees warrants the action the House is taking. We are indeed unfortunate if the absence of two men is to prevent us from properly discharging our duties. I say to you, the Senate will not forget this uncalled-for procedure. I do not criticize the members of the Economy Committee who are absent. They have worked hard day and night, but there are other members of the Economy Committee who have likewise worked hard and they are here to-day ready to do their duty if called upon by the House to serve. I am certain that within an hour every difference could be ironed out, the necessary changes made, with not a dollar reduction in the total amount that the bill seeks to save. This bill should carry language that every official will understand and that the Comptroller General will understand. I submit that this is no way for the House to legislate.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I seldom disagree with my friend from Missouri, but I want to say I heartily approve of what was reported to be the intended action with reference to the refusal to appoint any other save those conferees who had previously considered the economy bill. Any other course would have been an unusual parliamentary procedure and in a certain sense a reflection.

The chairman of that committee, the gentleman from Alabama [Mr. McDUFFIE]—and I say this with the utmost deference to every other member of the committee—has done more work, has labored more assiduously with respect to this bill than possibly any other member of the committee—certainly more than myself. In my judgment, he is more familiar with all of its details than any other member of the committee, and I think it would have been a very grave mistake to have appointed a new conference committee without the gentleman from Alabama being a member.

So I may say, with all due deference to my friend from Missouri, although he referred to me as one of the Democratic members of the committee who is present, I think the gentleman from Alabama is better fitted to represent the views of the House and with the views of the Economy Committee than any other Member, certainly, on this side of the Chamber.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LaGUARDIA. This is not a House of personality, this is a House of rules, and the rules are absolutely clear that under such circumstances new conferees must be appointed; and permit me to say, with all due deference to the conferees, at no time were the conferees in sympathy with the view of the House.

Mr. BYRNS. I differ with the gentleman because, as a matter of fact, the House, by an overwhelming vote, adopted the report of the conferees.

Mr. LaGUARDIA. Yes; when it was jammed down their throats.

Mr. BYRNS. Well, the gentleman can say that; but I presume every Member here acted on his own responsibility and understood what he was doing.

Mr. LaGUARDIA. How about the vote of the House when the bill was sent to the Senate? There was no mistake about that.

Mr. BYRNS. It went to the Senate and the Senate requested the return of the papers and the House did the courteous and proper thing a moment ago when it complied with the request of the Senate and sent the papers back to the Senate. This was also the usual thing, I may say to the gentleman.

Mr. LaGUARDIA. The gentleman knows that not only will every department of the Government be crippled, but next year we will have to make up for this situation by passing deficiency appropriations. It is an unsound bill and is absolutely cruel.

Mr. BYRNS. There are many features of the bill with which I am not in accord, but the House could do no less than accede to the request of the Senate.

[Here the gavel fell.]

HILDA BARNARD

The bill (H. R. 5276) was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LILLIAN G. FROST

The Clerk called the next bill, S. 440, for the relief of Lillian G. Frost.

Mr. STAFFORD. Mr. Speaker, I object.

ELLINGSON & GROSKOPF (INC.)

The Clerk called the next bill, S. 803, for the relief of Ellingson & Groskopf (Inc.).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Pacific Creditors' Association, Marshfield, Oreg., the sum of $147, which sum represents the amount due Ellingson & Groskopf (Inc.), morticians, of Marshfield, Oreg., for funeral services rendered in connection with the burial of Alice Johnson, an Indian woman, such expenses having been authorized by the United States Government Indian superintendent at Salem, Oreg., on April 26, 1928.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

E. H. FLAGG

The Clerk called the next bill, S. 816, for the relief of E. H. Flagg.

Mr. EATON of Colorado. Mr. Speaker, I object to the consideration of this bill.

Mr. BUTLER. Will the gentleman reserve his objection a moment?

Mr. EATON of Colorado. I will be very pleased to reserve the objection.

Mr. BUTLER. I really can not see on what ground my friend objects to this bill.

Mr. EATON of Colorado. I will be pleased to tell the gentleman. The report submitted with the bill shows that this $1,000 is asked as a fee to an informer in a case which was dismissed, and in the suit, apparently brought by the claimant here in 1903, 29 years ago, it was taken under advisement by the court on the 25th day of April, 1903, and no decision has yet been rendered. It seems improper to come to the Congress and ask for payment of any of this informer's money, if any is due, without bringing here the decision in the pending case.

Mr. BUTLER. That is the reason I asked my friend to withhold his objection, because with all courtesy to him, he apparently has not carefully read the record in this case.

The facts are that the statute gives one-half of the recovery in a case of this kind to the man who brings the proceeding at his own risk, as the claimant did in this particular case. He brought the proceedings in the Territorial Court of Alaska and the court decreed a recovery of $2,000, one-half of which, under the statute, absolutely belonged to

the plaintiff in the case. The money was actually paid in to the clerk of the court by the defendant in the case and a stipulation was entered dismissing the case. Then the defendant, from whom the recovery was obtained, filed some sort of petition, not an appeal, as was his right and remedy if he were dissatisfied, asking for the return of the money in the Federal court. Evidently the court there paid no attention to it, and in the meantime the clerk of the court transmitted to the Treasury of the United States the full amount, including the one-half which belonged to the claimant and had been adjudged to him.

This is all set forth in the report of the Treasury Department, and I trust my friend will not object to a claim which is as clear, under the law, and under the decision of the court which had jurisdiction, as this one.

Mr. EATON of Colorado. What is the gentleman's answer to this question? In the report it says, "A hearing was had on these last-mentioned pleadings upon April 25, 1903, and the same was taken under advisement by the court, but the court evidently did not make any decision on the matter."

Mr. BUTLER. The court had made a decision adjudging and ordering the payment of the sum of $2,000, one-half of which, under the statute, belonged to the claimant after the $2,000 was paid. Instead of appealing, the defendant did bring some sort of proceedings in court, and that was transmitted to the Treasury Department, with affidavits, which were ignored by the Treasury Department.

Mr. EATON of Colorado. The gentleman from Oregon knows the facts and has personally examined the records and is satisfied that this man is entitled to this sum?

Mr. BUTLER. Yes.

Mr. EATON of Colorado. Mr. Speaker, I withdraw my objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. H. Flagg, St. Helens, Oreg., formerly deputy collector of internal revenue, the sum of $1,000, representing one-half the sum of $2,000 paid by the J. S. Kimball Co., in full satisfaction of the claim of the United States and the said E. H. Flagg against said company, for violation of the internal revenue laws of the United States, to the clerk of the United States District Court for the District of Alaska, second division, at Nome, Alaska, on December 3, 1901.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote was laid on the table.

ELIZABETH B. DAYTON

The Clerk read the next bill on the Private Calendar, S. 904, for the relief of Elizabeth B. Dayton.

The SPEAKER pro tempore (Mr. BYRNS). Is there objection?

Mr. STAFFORD. I have no objection, if the gentleman will consent to the customary adopted form in such cases.

Mr. PITTENGER. I shall be glad to do so. I thought the bill was in proper form.

Mr. STAFFORD. This bill would enable the claimant to receive proper compensation from the date of the injury. It is customary to authorize an investigation as to whether the injury was within the compensation act.

The Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Elizabeth B. Dayton, formerly an employee of the United States Shipping Board.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Elizabeth B. Dayton as to whether she suffered an injury while employed in the United States Shipping Board some time in the year 1928, compensable under said act and after the date of its enactment, in the same manner and to the same extent as if said Elizabeth B. Dayton had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

STATE, JUSTICE, DEPARTMENTS OF COMMERCE AND LABOR APPROPRIATION BILL

Mr. OLIVER of Alabama presented a conference report on the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, for printing in the RECORD.

LEWIS O. WICK

The next business on the Private Calendar was the bill (S. 2569) authorizing adjustment of the claim of Lewis O. Wick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller of the United States is hereby authorized and directed to adjust and settle the claim of Lewis O. Wick for assisting in the seizure and forfeiture of a large quantity of opium from unknown parties in June, 1930, and to allow in full and final settlement of said claim an amount not in excess of $500. There is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $500, or so much thereof as may be necessary for the payment of such claim.

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

F. M. PETERS AND J. T. AKERS

The next business on the Private Calendar was the bill (H. R. 5005) for the relief of F. M. Peters and J. T. Akers.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLLINS. Mr. Speaker, I reserve the right to object. The department in its letter to the committee indicates that these two postmasters were negligent, and therefore that they should be required to pay the amounts for which refunds are asked in this bill.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. PITTENGER. The committee went into that matter very carefully and fully, and there are additional facts not set forth in the Post Office Department letter. The facts are that these two men complied with the regulations laid down by the department, and in complying with those regulations did everything they could, everything that was required of them; and since those irregularities developed, the department adopted regulations which they wanted to follow and tried to folow before but were forbidden to do so by the inspectors.

Mr. COLLINS. Let me read from the report. We find a letter from Harold N. Graves, executive assistant to the Postmaster General, in which this statement is made:

An investigation disclosed that proper supervision was not given to the work of former clerk Hensley, and that this omission contributed directly to the numerous embezzlements by Hensley that otherwise would not have been possible without early detection. There was no check made on the funds handled by him, nor was advantage taken of numerous complaints received from the public, constituting ready clues to irregularities and defalcations.

Under these circumstances the amounts that are charged against this postmaster should not be remitted.

Mr. PITTENGER. Will not the gentleman permit an explanation at that point?

Mr. COLLINS. That is a part of the committee's report.

Mr. PITTENGER. Of course, the committee always attaches the report of the department. The explanation and answer to that is this: That under the regulations laid down by the department which these men were required to follow, this man, who had charge of this C. O. D. work, had exclusive charge of it, and there was no way to check up and detect the irregularities. After these irregularities were

discovered the department adopted new regulations. Those complaints were investigated, but the only man who knew anything about the irregularity was the clerk himself. The complaint never reached anybody else in that particular post office where a check up could be made.

Mr. COLLINS. In reply to that statement——

Mr. PITTENGER. But that is the fact.

Mr. COLLINS. Not according to the report of the Postmaster General, because we find this further statement in his report. Referring to the complaints from the public, he says:

> These complaints were simply turned over to the embezzler for treatment, notwithstanding the complaints bore directly on him.

So it seems that instead of making an investigation and doing those things that prudent men would do in order to prevent such things, they are alleged to have aided him in doing it by turning over to him complaints made against him. Under those circumstances I feel constrained to object.

Mr. PITTENGER. Those complaints came in and the postmaster checked up with the only man who had charge of that particular work, the only man who could have charge of those collections and remittances, under the regulations of the department; and this particular clerk, of course, showed to the postmaster that his accounts were regular, that there was some mistake, and there was no way to go back of that under the regulations then in force.

Mr. COLLINS. I have an abundant sympathy for these two officers, but there must be some sort of accountability in public office, and the Congress ought not to remit penalties where a public officer has been negligent or derelict in his duty. Under the circumstances I shall have to object.

Mr. PITTENGER. Let me say to the gentleman that I appreciate his viewpoint and am in sympathy with it. The only trouble is that the principles he has laid down do not apply to the facts in this particular case. Going further, these men never were under any legal liability to turn that money over to the Government. The Supreme Court of the United States, in a case on all fours, has so held.

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. Mr. Speaker, I object.

EXCHANGE OF POTASSIUM-BEARING LANDS IN UTAH

Mr. COLTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5062, to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER pro tempore. The gentleman from Utah asks unanimous consent to take from the Speaker's table the bill H. R. 5062 with Senate amendments thereto and concur in the Senate amendments. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 3, line 18, after "also," insert "north half section 4."

Page 3, line 21, strike out "21,323.84" and insert "21,647.96."

Page 3, line 24, strike out all after "following:" down to and including "less" in line 9, page 5, and insert "northwest quarter, south half southwest quarter, and southeast quarter section 17; lots 1, 2, 4, northeast quarter, east half northwest quarter, southeast quarter southwest quarter, south half southeast quarter section 18; all section 19; all section 20; all section 29; lots 1, 2, 3, northeast quarter, east half northwest quarter, northeast quarter southwest quarter, southeast quarter section 30; lots 2, 3, 4, southeast quarter northwest quarter, east half southwest quarter, west half southeast quarter section 31, in township 2 south of range 18 west. Also lots 3, 4, 5, southeast quarter northwest quarter section 6, in township 3 south of range 18 west. Also west half section 21; west half section 22; east half, west half west half section 23; all section 25; east half, west half west half section 26; all section 27; west half section 28; south half northeast quarter, northwest quarter, south half section 33; west half southwest quarter, southeast quarter section 34; south half north half, south half section 35, in township 1 south of range 19 west. Also lots 1, 2, 4, south half northeast quarter, southwest quarter northwest quarter, west half southwest quarter, southeast quarter section 3; all section 4; lot 1, southeast quarter northeast quarter, northeast quarter southeast quarter, south half southeast quarter section 5; east half section 8; all section 9; east half, west half west half section 10; north half, south half southwest quarter section 13; north half, southwest quarter southwest quarter, southeast quarter section 14; northeast quarter, west half west half, southeast quarter southwest quarter, south half southeast quarter section 15; east half section 17; east half section 20; all section 21; all section 22; northeast quarter, west half west half, southeast quarter southwest quarter, southwest quarter southeast quarter, section 23; west half east half, west half section 24; southwest quarter northeast quarter, south half northwest quarter, southwest quarter, west half southeast quarter section 25; southeast quarter northeast quarter, west half northeast quarter, northwest quarter, south half section 36; all section 27; all section 28; all section 29; east half east half section 30; east half east half section 31; all section 33; all section 34; all section 35 in township 2 south of range 19 west. Also lots 1, 2, 3, 4, south half north half section 1; lots 1, 2, 3, 4, south half north half section 3; lots 1, 2, 3, 4, south half north half section 4; lots 1, 2, 3, 4, south half north half section 5; lot 1, southeast quarter northeast quarter section 6 in township 3 south of range 19 west, all of Salt Lake meridian and containing 21,654.68 acres, more or less."

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, I think it would be proper to have the gentleman make a very brief explanation of this amendment.

Mr. COLTON. I will be glad to do so. This is a bill authorizing the exchange of certain potash-bearing lands in the State of Utah. The bill was on the Consent Calendar and passed without objection. The Senate made some amendment, which the Geological Survey felt was more in the interest of the Government. In the opinion of the Geological Survey, the changes made give to the parties lands less valuable than the lands that the original bill described. So this amendment is really in the interest of the Government, according to the best judgment of the Geological Survey.

Mr. STAFFORD. As I glean from reading the several Senate amendments, they are minor and carry out the purposes of the original House bill.

Mr. COLTON. The gentleman is substantially correct.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

So the Senate amendments were agreed to.

WILLIAM R. COX

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H. R. 2633, an act for the relief of William R. Cox, with Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 3, strike out "Postmaster General" and insert "Comptroller General of the United States."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

So the Senate amendment was agreed to.

JOHN S. SHAW

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent to return to Calendar No. 305, H. R. 1778, for the relief of John S. Shaw, which was called up during the time I was away from here at home. The RECORD shows that objection was lodged. I ask unanimous consent that this bill be called up at this time.

Mr. COLLINS. Reserving the right to object, I feel very kindly toward the gentleman, but every Member who has a bill on this calendar has a right to have it called up and considered. If we begin the practice of returning to bills that have been objected to, we will never give other Members an opportunity to have their bills called. As much as I would like to serve the gentleman, I feel it is my duty to object.

Mr. RAMSEYER. Will the gentleman withhold his objection for just a few minutes?

Mr. COLLINS. I will reserve it.

Mr. RAMSEYER. I was unavoidably away when this particular bill was called up. It is H. R. 1778. The bill simply refers the case of an injury to a rural mail carrier in line of duty to the United States Employees Compensation Commission, so that they may consider it on its merits.

During my entire service in Congress I have only had one other private bill. I am not pleading for sympathy but simply stating facts which I think are unusual, and which ought to entitle me to consideration, in view of the fact that I was unavoidably absent. That may not apply to somebody else's bill.

Mr. COLLINS. Under the circumstances I shall not object, but I want to serve notice upon the membership of the House that I shall object to similar requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

Mr. STAFFORD. I have no objection to returning to the bill, subject to reservation of objection when it is brought up for consideration.

There was no objection.

The Clerk called the bill (H. R. 1778) for the relief of John S. Shaw.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to have the gentleman explain some reason why this rural carrier is entitled to the benefits of the compensation act. If the gentleman satisfies me that he is entitled to it, then I shall offer an amendment customarily adopted by the House, providing for investigation by the compensation commission.

Mr. RAMSEYER. I shall be glad to inform my friend from Wisconsin. This rural carrier received an injury while in the service and in discharge of his duties as rural carrier, in October, 1918, which resulted in an abscess on his right hand, and which, notwithstanding skillful treatment, spread over his body and left him in a crippled condition. For the last 12 years he has been so crippled that he has been unable to earn anything. He lived in a small town and he did not know of his rights until he saw me about two years ago and I told him I would introduce this bill so as to give him an opportunity to present his case to the United States Employees Compensation Commission. Of course, he must make out his case. This simply waives the statute of limitations.

Mr. STAFFORD. Will the gentleman state the date when this injury took place?

Mr. RAMSEYER. October, 1918.

Mr. STAFFORD. I have no objection, with the substitute which I will offer considered.

Mr. HARE. Reserving the right to object, as I understand this bill is somewhat similar to a number of bills that have been heretofore objected to by conscientious objectors. I will not object to the bill, but I want to know whether the conscientious objectors are going to be conscientious in this case and not conscientious in the others.

Mr. STAFFORD. Well, I do not think that is well merited by the scrutinizing gentleman from South Carolina, because the gentleman is in error. The fact is we have allowed all of these bills to pass, subject to the customary substitute, and the gentleman from New York [Mr. BLACK], who has been here all the time, will confirm that statement.

Mr. BLACK. Every one of them.

Mr. HARE. If I am in error, I stand corrected; and I shall not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and directed to extend the benefits of the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, to John S. Shaw, former rural mail carrier, United States Post Office Department, in the same manner and to the same extent as if said John S. Shaw had made application for benefits of said act within the 1-year period required by sections 17 and 20 thereof.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out all after the enacting clause and insert: "That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of John S. Shaw, who purports to have suffered an injury while employed as rural mail carrier some time in October, 1918, in the same manner and to the same extent as if said John S. Shaw had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof; provided that no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WESTINGHOUSE ELECTRIC & MANUFACTURING CO.

The Clerk called the next bill, S. 218, authorizing adjustments of the claim of the Westinghouse Electric & Manufacturing Co.

Mr. PATTERSON. Mr. Speaker, reserving the right to object, in view of all this company has received from the Government in the way of contracts, and so forth, I feel this bill should not pass.

Mr. PITTENGER. Will the gentleman yield?

Mr. PATTERSON. I am pleased to yield to the gentleman from Minnesota.

Mr. PITTENGER. The bill is in the form recommended by the Comptroller General. I believe after the Comptroller General has finished with all possible objections there surely can not be any from other sources. I think the gentleman will find at the end of the report a recommendation from the Comptroller General that the bill is meritorious.

If there ever was a meritorious bill which has had the careful consideration of the Claims Committee of the House it is this bill. I think the bill ought to pass.

Mr. PATTERSON. I do not like this bill and I have it marked for objection, but in view of the indorsement of the Comptroller General and the appeal my friend, the gentleman from Minnesota, makes I will let the bill pass.

There being no objection, the Clerk read the bill, as follows.

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized to adjust and settle the claim of the Westinghouse Electric & Manufacturing Co. under contract No. TCG–1591, dated February 25, 1927, for extra cost of making certain changes directed by the Government in the design of throttle valves, and to allow not to exceed the sum of $999 in full and final settlement of said claim. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, a sum not to exceed $999 for the payment of the claim.

The bill was ordered to be read the third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PETROLIA-FORT WORTH GAS-PIPE LINE

The Clerk called the next bill, S. 2307, to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, I would like to ask the proponent of this bill on what basis he expects this amount to be paid by the United States?

Mr. PITTENGER. Is this Calendar No. 482?

Mr. EATON of Colorado. Yes.

Mr. PITTENGER. I will say to my friend, the gentleman from Colorado, that the draft of the bill was prepared by the Navy Department, submitted to the Director of the Budget, and O. K'd by him. The bill has passed the Senate and has had the careful consideration of the Claims Committee of the House.

The report from the Navy Department is a favorable report. It is my opinion the bill should pass.

Mr. COOPER of Tennessee rose.

Mr. EATON of Colorado. I should like to hear from the gentleman from Tennessee.

Mr. COOPER of Tennessee. Mr. Speaker, my interest in this bill is by reason of the fact the distinguished gentleman from Texas [Mr. LANHAM] is unavoidably absent and requests me to look after the matter for him.

As has been stated by the gentleman from Minnesota [Mr. PITTENGER], a member of the committee considering the bill, this bill was drawn by the Navy Department. It

has the approval of the Navy Department and the Department of Commerce. It has been submitted to the Comptroller General, and the report shows there is no objection to the bill from any of those sources.

The bill simply provides that these claims having been carefully examined by a civil engineer designated as the Government's agent and adjusted by him, the claimants shall have the right to further negotiate their settlement.

These claims were allowed at one time and appropriation made for them, but some controversy developed between a few of those interested, and the settlements were not finally terminated. Therefore, the appropriation lapsed. This is simply to extend the same right that has already been extended and is recommended by all of the departments affected. The Senate has already passed the bill.

Mr. EATON of Colorado. Let me ask the gentleman if this is not the situation: The Navy Department under its wartime right used property for a pipe line and offered to adjust the price or the value of the property used with the different property owners. Those who were decent and kind made their settlement and got their money. Those who fought for too big a settlement from the Government are still waiting to get their money and have not got it yet, and they are not even now asking to settle with the Government, but the Government is asking to have a fund of $7,000 set aside so its representatives can still go out and make these people take some money which they do not want to take. Is not that correct?

Mr. COOPER of Tennessee. That is not correct.

Mr. PITTENGER. That is not reflected in the report.

Mr. EATON of Colorado. Is it not a fact the money is being asked for simply to put in a fund so that officers representing the United States, in the event they can make a settlement, can right then and there pay over the money at the time of making the settlement instead of having these claimants, if they still are claimants, make their settlements with the Navy Department and coming in here afterward and asking for the money?

Mr. COOPER of Tennessee. No; I respectfully submit to the gentleman from Colorado the report indicates clearly that further negotiations have been carried on and that these claimants who were originally not disposed to settle on the basis of the report of this civil engineer now feel disposed to do so. In the meantime the appropriation has lapsed. This is simply an effort to treat these owners as all the others were treated. There are very few involved.

Mr. EATON of Colorado. Can the gentleman say from his knowledge of the matter that the settlement has in fact been made with these people?

Mr. COOPER of Tennessee. That is my understanding from the author of the bill, and it is supported by the report of the bill in this case.

Mr. EATON of Colorado. If the gentleman's statement is based on the report, I can not find it there. I wish the gentleman would read into the RECORD what he relies upon showing that settlement has been made. If it has been, I shall withdraw my objection; but if settlement has not been made and this is an effort to put money in the hands of somebody representing the Government to go out and settle these 15-year-old claims, I am going to object to it, so these people can make their settlement with the Government in the same way other claimants do and ask Congress to appropriate the money on a settled claim. This is not a settled claim, as I see it.

Mr. PITTENGER. The report states that—

> The extent of the damages suffered was very carefully appraised and the amounts for payment in compensation were authorized in the individual cases. In the majority of cases the claimants along the line accepted settlement on this basis and executed releases. Some of the claimants refused payment, but several have since signified their willingness to accept the amounts heretofore authorized.

I think that answers the gentleman's question. I think the bill ought to pass.

Mr. EATON of Colorado. From the report my idea is that some of these claimants refused to make settlement in order to secure a higher amount. I think I am right in my position and that these claimants have no right to come here unless they come in like the others, and that whatever appropriation is made shall be in full settlement of all claims and demands against the United States Government instead of making available some money to a settling agent to have with him the next time he sees the claimants.

Mr. COOPER of Tennessee. The bill states that in plain language. It states that positively and definitely, so that there can be no question about that. Supplementing the statement of the gentleman from Minnesota, I will state to the gentleman that it is my information from the author of the bill that these people are willing to make settlement on the basis of the report made by the officer who made the investigation.

Mr. EATON of Colorado. I shall object to all of the bill except section 2, which provides for the payment of the claim of W. S. Wakeman in the sum of $65. I have no objection to that, but I do object to the balance of the bill.

Mr. COOPER of Tennessee. If the gentleman will permit, do I understand the gentleman's proposition to be that he has no objection to the bill except the provision contained in section 2?

Mr. EATON of Colorado. As I understand section 2, it provides that the Secretary of the Navy is authorized to transmit to the General Accounting Office for payment the claim of W. S. Wakeman in the sum of $65. I have no objection to that, but I do object to the rest of the bill, which places money in the hands of a settling officer before settlements have been actually made and permits him to go out to try and settle these 14-year-old claims. I object to that.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. I object.

KATHERINE L. CUSHING

The Clerk called the next bill, H. R. 2548, granting an increase of pension to Katherine L. Cushing.

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted, etc.*, That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Katherine L. Cushing, widow of William B. Cushing, late commander, United States Navy, and pay her a pension at the rate of $100 per month in lieu of that she is now receiving.

Mr. REED of New York. Mr. Speaker, I wish to make the statement to the House that Mrs. Cushing is now dead and the bill should really go off the calendar.

Mr. COLLINS. Under those circumstances it seems to me we ought to reconsider the action just taken.

Mr. STAFFORD. Mr. Speaker, I move that the bill be laid on the table.

The SPEAKER pro tempore. Without objection, the bill will be laid on the table.

There was no objection.

GEORGE B. SPEARIN

The Clerk called the next bill, H. R. 695, for the relief of the estate of George B. Spearin, deceased.

Mr. MOUSER. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

Mr. BLACK. What is the gentleman's objection to the bill?

Mr. MOUSER. I can not see why we should pay interest to this claimant because his attorney was negligent.

Mr. BLACK. The attorney was worse than negligent.

Mr. MOUSER. And did not comply with the law. We have been turning down these claims when they did not come within the statute of limitations.

Mr. BLACK. Here is a man who prosecuted his claim before the Court of Claims. He got a judgment, but his attorney failed to file at the proper time, and this is for the payment of interest on the judgment. It so happens that after the successful prosecution of the claim the attorney developed senile dementia. He was not fit to carry on the work and he overlooked making the proper claim at the proper time.

Mr. MOUSER. What does the gentleman mean by senile dementia?

Mr. BLACK. That means he took years and years to prosecute the claim against the Government and finally went crazy.

Mr. MOUSER. Why did not the claimant get another attorney?

Mr. BLACK. He probably did not know that. He thought that because the man succeeded he was not crazy. Maybe he succeeded because he was crazy.

Mr. MOUSER. I am going to ask that the bill go over for the present without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

JACK SCHNEIDER

The Clerk called the next bill, H. R. 2757, for the relief of Jack Schneider.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. BARBOUR. Will the gentleman reserve his objection?

Mr. STAFFORD. I withhold the objection.

Mr. BARBOUR. Mr. Speaker, I would like to give to the House a few words of explanation in regard to this bill, because it seems to me it is a very meritorious claim. It is different from the ordinary run of claims that come before the Congress.

This claim grows out of an accident that happened in the Sierra Nevada Mountains a year ago last summer, in the Sequoia National Park. A trail crew, which was composed largely of students, was working back on the John Muir Trail, near Mount Whitney. There was a landslide and three or four of these young men were very badly hurt. Word was sent out and the park doctor with a nurse went back into these high mountains, taking about two days by horseback to make the trip, and pitched a little shelter tent for a hospital. One of these boys was so badly hurt that his leg had to be amputated, and later on the boy died and his body had to be carried out. The others were in very bad shape. They sent word down to a doctor at Bishop, on the east side of the Sierra Nevada Mountains, that they must have some medicines up there in a very short time in order to attend to these young men. The medicines were not obtainable in Bishop, so they telephoned from Bishop to a doctor in Fresno and asked if there was an aviator there who would undertake to deliver the medicines for these young men at this emergency camp hospital that had been erected for their care back in the high mountains.

The Fresno doctor telephoned the airport there asking if there was an aviator with a plane strong enough to make this trip. Jack Schneider was called in by the superintendent of the airport and asked if he would undertake the trip. Schneider said that he realized the hazard of the trip; but as it was an errand of mercy, he would go.

Mr. PATTERSON. If the gentleman will yield right there, will the gentleman tell us something about Schneider? Was he employed by the Government?

Mr. BARBOUR. He was not a Government employee; and Mr. Schneider told me, and he has an affidavit on file here stating, that not a word was said to him about compensation. He said he would have gone without compensation; but, naturally, he expected the Government to reimburse him, but he has never received a dollar and nobody has ever said a word to him about compensation.

Mr. PATTERSON. He was a private individual, piloting a private plane.

Mr. BARBOUR. This was a private plane, owned by Schneider.

He took these medicines up there. He first flew over the mountains and picked up a forest ranger at Bishop, who guided him to the camp. It was necessary to attain an elevation of 13,500 or 14,000 feet, drop down over the mountains and drop the medicines at the camp. There was no landing field there of any kind, as it was in the rough mountains, and the medicines were attached to a small parachute and dropped down into this canyon in the mountains where the camp was. By skimming the tree tops, as the forest ranger describes it, he dropped the medicines at the camp. He then undertook to circle round to get out of the canyon, but was unable, at a height of 13,000 or 14,000 feet, to gain the necessary altitude to get over the canyon rim. They had one parachute between them, and Schneider saw it was necessary to land the plane as best he could. He picked out the only place that looked like a possible landing place, because the walls of the canyon were almost straight up and down—picked out a dry creek bed and undertook to bring his plane down among the rocks and bowlders in the creek bed. He brought the plane down, and it is a miracle that both he and the forest ranger were not killed. His plane was ruined, and this claim is simply to reimburse this young aviator for the plane that he lost in undertaking this errand of mercy. [Applause.]

Mr. STAFFORD. Mr. Speaker, I have reserved the right to object, and I am basing my objection on the report, and particularly upon the statement of the Secretary of the Interior. Secretary of the Interior Wilbur rarely, in these cases, makes a personal report, but in this case he does. He uses this language in reply to a letter addressed to him by the chairman of the Committee on Claims of the last Congress:

> This aviator, for a consideration presumably sufficient and satisfactory, offered his plane and services for a certain flight. He was compelled to make a forced landing with resultant damages to his plane. The hazards necessarily incident to the airplane journey, including a forced landing, were assumed by him for a consideration. I see no obligation on the part of the Government to pay any part of these damages or for loss of time. If, without consideration, he had undertaken a flight of mercy to drop medicines and supplies to injured men and he had met with this accident, in my opinion, his request for relief would rest upon a very different basis. No negligence on the part of the Government appears. He assumed, for payment, the risk that overtook him.
>
> I do not recommend passage of the bill.

Now, what was the real cause of the accident? All of us are sympathetic with the work that was performed by this person who contracted to do this humanitarian service. We are not here to pass judgment as to the amount that is compensatory for the risk undertaken. We have no evidence here to show this, except what appears from the director of parks, and he is a man that generally does not go wrong in his recommendations to the Congress on claims, and he says:

> The reports indicate that Mr. Schneider was of the opinion that the accident was due to carburetor trouble.

Now, what does this aviator wish? He wishes to be reimbursed the full value of all damage done in order to reestablish his demolished plane.

If this aviator had done this thing as an act of mercy, without thought of compensation, that would be one thing. But here we have in this report the fact that he did it for contract purposes, and the injury was due to the defect in his motor.

Mr. BARBOUR. The gentleman from Wisconsin will remember that he was at an altitude of over 13,000 feet, and that altitude affects the carburetor, and it is not as effective as in lower altitudes. He had no contract with the Government. The Secretary of the Interior says,

> If, without consideration, he had undertaken a flight of mercy to drop medicines and supplies to injured men and he had met with this accident, in my opinion his request for relief would rest upon a very different basis.

That is just what did happen.

Mr. STAFFORD. Where is there any confirmation of that?

Mr. BARBOUR. The affidavit of Doctor Burks. He says he got in touch with the superintendent of the airport and asked if there was a pilot on the field competent to carry medical supplies and drop them to these men, and that the superintendent immediately got in touch with Schneider and asked him if he would deliver the supplies to these men, and Schneider said he would. He says to the best of his knowledge and belief there was not mentioned any remuneration for such services as were to be performed by

Schneider, nor to the best of his knowledge has he ever received any.

Even if compensation had been offered, he would not, if he received the amount carried in the bill, be overpaid for the job he undertook.

Mr. STAFFORD. The question is whether he contracted to do the work.

Mr. BARBOUR. Here is the affidavit, and it is very short:

I, the undersigned, Jack Schneider, transport pilot No. 3395, make affidavit to the following, to wit:

That on September 1, 1930, George T. Johnson, superintendent of Fresno Chandler Municipal Airport, called me and asked me if I would deliver medical supplies to Mount Whitney region. I consented, owing to the fact that it was an emergency case.

I dropped the supplies successfully, and in climbing out of canyon in which camp was situated the motor in my ship failed and I was compelled to make a forced landing, with the result of damaging my ship to the extent that only a few parts could be salvaged.

I did not receive any compensation for this trip, and at no time was there anything said about getting any compensation.

Mr. STAFFORD. Mr. Speaker, in view of the positive statement by the claimant, confirmed by the rather weak statement of the doctor, that there was no compensation paid, and never any intention of making any charge, and in opposition to the statement of the Secretary of the Interior—and I wish to disabuse the Secretary of any criticism, because he can not have knowledge of these minor matters, most of them taken care of by underclerks—I will withdraw the objection.

Mr. EATON of Colorado. Further reserving the right to object, was there any personal injury suffered by Mr. Schneider?

Mr. BARBOUR. There was slight injury, but he is not asking anything for that.

Mr. STAFFORD. The gentleman will not object to an amendment making this in full settlement of all claims?

Mr. BARBOUR. No.

Mr. PATTERSON. Reserving the right to object, I notice something about a claim here for $3,000. Why is it that he is asking for $4,000?

Mr. BARBOUR. The statement he filed called for $3,459.25, on account of the damage to the plane, and $630 for loss of the use of the plane.

Mr. PATTERSON. Were these people that he was trying to relieve in the employ of the Government?

Mr. BARBOUR. Yes. This happened in Sequoia National Park.

Mr. PATTERSON. I had this marked for objection, but I have been in those mountains and appreciate the situation. I have respect for the gentleman's plea.

Mr. BARBOUR. The gentleman knows it is no place to fly an airplane or to land one.

Mr. PATTERSON. I admit that. There is something that gets pretty close to a fellow there who knows those things, but I do not see why it should be $4,000.

Mr. BARBOUR. There is included in that amount $630 for the loss of the use of his ship and time for six weeks. It seems to me that that is a reasonable charge.

Mr. KNUTSON. We are giving him a new ship.

Mr. BARBOUR. They are paying him for damages done, practically giving him a new ship.

Mr. KNUTSON. He ought to forego any penalty.

Mr. BARBOUR. There is no penalty.

Mr. PATTERSON. It seems to me that the gentleman should be willing to accept $3,500.

Mr. BARBOUR. Make it $3,750.

Mr. PATTERSON. Very well.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jack Schneider the sum of $4,200, being the cost of an airplane, the property of said Jack Schneider, described as a fleet training ship, Government License No. NC-705-V, which was completely demolished on September 1, 1930, while making a forced landing in a ravine in the Sierra Nevada Mountains, about 18 miles west of Independence, Calif., after the said Jack Schneider had delivered certain medical supplies and drugs for the aid of four young men who were injured in a rock slide while working on a mountain trail being constructed by the National Park Service near Diamond Lake, in Sequoia National Park, Calif.

Mr. PATTERSON. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read, as follows:

Amendment offered by Mr. PATTERSON: Line 6, page 1, after the word "of," where it occurs the first time, strike out "$4,200" and insert "$3,750."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Lines 8 and 9, strike out the words "which was completely demolished on September 1, 1930."

The amendment was agreed to.

Mr. STAFFORD. Also the further amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Beginning with the comma following the word "California," in line 11, page 1, insert a period and strike out the remainder of the bill.

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Line 6, after "$3,750," insert "in full settlement of all claims by reason of personal injury to and damage to."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ROSA E. BROWNING

The next business on the Private Calendar was the bill (H. R. 5920) for the relief of Rosa E. Browning.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, and I regret that the chairman of the Claims Committee is not present; there are many bills coming up for consideration to-day, and this is the first where the committee has failed to incorporate in their report the views of the department. The committee refers to the fact in some of these reports that the department favors it, but we are at a loss to know the views of the department. In passing these bills by unanimous consent we are entitled to have the views of the department. I would like to know what the views of the department are in this case.

Mr. MILLER. The report shows that the department does not recommend the bill.

Mr. STAFFORD. And for what reason? Is not the committee taking unfair advantage of the House, though unintentionally and unwittingly, when it asks favorable recommendation of a bill, small in amount it is true, $500, where it does not present the views of the department? This is a matter involving administration of the Post Office Department, and certainly the Members of the House are entitled to the views of the administration in respect to it.

Mr. COCHRAN of Missouri. Maybe it is in the interest of economy, for it costs money to print these small reports.

Mr. STAFFORD. Perhaps it would save the amount of the claim allowed if they would print the views of the department.

Mr. COCHRAN of Missouri. I agree with the gentleman.

Mr. STAFFORD. I sometimes believe there is a double-entendre in withholding a letter of the department if it is adverse, so that the House may not have the opinion of the department. We are entitled to it.

Mr. MILLER. May I say this to the gentleman: The clerk of the committee tells me that for some reason they were left off. If he has them here, they ought to be submitted. I have no objection to it.

Mr. STAFFORD. I notice that this is a bill introduced by the gentleman from South Carolina [Mr. HARE]. I always try not to look at the names of the authors of bills, so that I shall not be influenced unconsciously by ties of friendship or otherwise.

Mr. HARE. Mr. Speaker, I have the report here of the Postmaster General in connection with this claim. He goes into considerable detail in describing the fire that occurred which destroyed the post office, and then describes the amount of funds and property on hand before and subsequent to the fire. At the conclusion he says that the department does not consistently recommend action on the pending bill, but the facts in the case are submitted for such action as Congress may desire to take.

Mr. STAFFORD. Now, that is not an adverse report. It is rather friendly. When I read the report, I came to the conclusion that it was a postmistress who took such good care of the postage stamps that she took them home with her every night, thinking it was better to have the postage stamps in her first national bank rather than at the post office, so I have no objection.

Mr. MOUSER. Mr. Speaker, I think there should be some limitation of speeches on these bills, especially when there is not any idea of objecting.

Mr. STAFFORD. Oh, the gentleman can demand the regular order.

Mr. MOUSER. I do not demand the regular order, but there should be some limitation on these speeches.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. The gentleman will agree that I was right in my adverse criticism that there was no report or letter from the Postmaster General, and I took occasion in a mild way to lecture the Committee on Claims—only in a mild way—and I am allowing the bill to pass.

Mr. MOUSER. The gentleman studies these bills and contributes a great deal to the consideration of them, but there are many Members who have been sitting here day after day and week after week waiting for their bills to be considered, and this may be the last day on the present calendar. I do hope we will proceed more rapidly.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the account of Rosa E. Browning, former postmaster at Tillman, S. C., with the sum of $580.31, covering a balance of a shortage in her accounts believed to be due to loss of moneys, stamps, cash-on-delivery packages, etc., when the post office was destroyed by fire April 3, 1930.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

REIMBURSABLE DEBTS OF INDIANS AND TRIBES OF INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that I may have until midnight to-night within which to file a report of the conferees on the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

ROYCE WELLS

The Clerk called the next bill on the Private Calendar, H. R. 6382, for the relief of Royce Wells.

Mr. STAFFORD. Reserving the right to object, may I have some explanation of this matter?

Mr. PITTENGER. I am glad to give it. The report is not complete, although I understand there are documents in the files. There should have been some affidavits and a report along with the printed report. I personally prepared that report and attached those exhibits; and if there is any error, it is somewhere else, because when it left my office that report was in proper form.

This claim of Royce Wells is a companion claim to the claim of one Orville Paul. The claim of Orville Paul became a law and a very extensive report was written. I was tempted to incorporate the report on the claim of Orville Paul in this report here. The reason I did not do it was because I wanted to save the Government money. It is a report consisting of seven or eight pages, and it deals with facts which are identical with the facts in this case.

The report in the case of Orville Paul was prepared by a former Member of this House, Mr. Box, of Texas. It was a a favorable report. I do not know why there was delay in passing a bill for the relief of Royce Wells, because his case is on all fours with the other case, except the committee felt that the evidence of the injury was not as great in the Wells case as it was in the other case.

Mr. STAFFORD. Will the gentleman inform the House as to the present condition of this claimant? The other boy who suffered at the same time had his hand blown off, I understand.

Mr. PITTENGER. I yield to the author of the bill, the gentleman from Missouri.

Mr. WILLIAMS of Missouri. He has not been able to continue any sustained work at all up to this time. He has been able to get a few little odd jobs and has done the very best he could. He is an industrious, honest, straightforward man.

Mr. STAFFORD. How old is he at present?

Mr. WILLIAMS of Missouri. He is about 25, I would say. He was a boy of 10 when this happened.

Mr. STAFFORD. The only question in my mind is as to the amount of injury.

Mr. WILLIAMS of Missouri. As to this case, it is perhaps unfortunate on account of the fact that the doctor who treated him died shortly afterwards, but the evidence in the case shows, and it is a part of the record, that the doctor bill and nurse hire was $100, which indicated a very serious injury. The auditor of the war loan department, who went down there in December after this happened in May, to make an investigation of it, found that the boy was in bed at that time. His letter shows that the boy still had wounds on his body, burns, and lacerations.

Mr. STAFFORD. Does not the gentleman think that $1,500 is a large amount for a boy who suffered such slight injuries? I am not in the bartering business. I want to be liberal, but when we pay a boy $2,500 for losing his hand that is reasonable compensation, but paying a boy $1,500 for merely having a little jar to his nervous system, seems a little large.

Mr. PITTENGER. Oh, the injuries were serious injuries. He was burned and lacerated, and things have developed to affect his mental condition, as a direct result of that injury. I feel that the figure is too low rather than too high.

Mr. WILLIAMS of Missouri. It shows also, as I have stated before, that he has not been able, during all these years, to do anything more than a few days' work at a time.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Royce Wells the sum of $2,500 in full settlement for personal injury sustained by reason of the explosion of a bomb under the direction of the war-loan organization of the eighth Federal reserve district in connection with a Victory-loan drive at De Soto, Mo.

With the following committee amendment:

Page 1, line 6, strike out "$2,500" and insert "$1,500."

The committee amendment was agreed to.

The Clerk read the following committee amendment.

Page 1, line 7, after the word "by," insert "Royce Wells by."

The committee amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word. Is any attorney involved in this claim?

Mr. WILLIAMS of Missouri. No.

Mr. STAFFORD. So it is not necessary to add the attorney's fee amendment?

Mr. WILLIAMS of Missouri. No; it came direct to me.

Mr. PITTENGER. If the gentleman will yield, I am perfectly willing to have the 10 per cent attorney's fee proviso carried in the bill. I think it ought to be on all these bills.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: At the end of the bill add the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WILLIAM J. FLEMING

The Clerk called the next bill, H. R. 7301, for the relief of William J. Fleming.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized to hear, consider, decide, and make an award upon the claim of William J. Fleming for alleged personal injuries suffered by him while an employee of the United States in the year 1918, if and when filed, in all respects the same as though sufficient notice thereof had been given within 48 hours after the injury, and as though a sufficient claim for compensation therefor had been filed within 60 days after the injury.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of William J. Fleming, on account of injuries sustained by him while employed by the Air Nitrates Corporation at Muscle Shoals, Ala., in the year 1918, in the same manner and to the same extent as if said William J. Fleming had made application for the benefits of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended, within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

M. P. CREATH

The Clerk called the next bill, H. R. 8108, to reimburse M. P. Creath for taxes illegally assessed.

Mr. EATON of Colorado. Mr. Speaker, I object to the consideration of this bill.

MAX M. MEYERS

The Clerk called the next bill, H. R. 2922, for the relief of Max M. Meyers.

Mr. COLLINS. Mr. Speaker, reserving the right to object, I wish to inquire if the passage of this bill means the beginning of an avalanche of bills that may or may not be meritorious against the Government on account of the Galveston flood?

Mr. LAMNECK. I can not answer that.

Mr. COLLINS. Is there any precedent for this bill?

Mr. LAMNECK. None that I know of. This is a claim filed by a man who was in the military service down there and lost his clothing. The War Department made a survey and said he ought to be reimbursed, and recommended that he be paid $65.56.

Mr. COLLINS. Why is not the Government just as much responsible to civilians as it is to this military man for losses incurred in the Galveston flood? The Government is not liable for the payment of all claims that may be presented because of this flood.

Mr. LAMNECK. It seems to me if the War Department states he is entitled to this claim, this indicates he is entitled to it.

Mr. COLLINS. Had he been entitled to this money it would have been paid a long time ago.

If we are going to insure our public officers against cyclones, floods, rainstorms, lightning, and so on, I think we ought to do it by general legislation.

I am sympathetic toward this man, but the Government is not an insurer against losses by its officers.

Mr. BROWNING. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. BROWNING. Is it a fact this man was ordered there by the Government?

Mr. LAMNECK. Yes; and he floated around there for four days before he was finally rescued.

Mr. COLLINS. I am sorry about that.

Mr. BROWNING. I think that makes a difference.

Mr. COLLINS. If the gentleman can show me any reason why the Government should pay this claim I will readily acquiesce in its payment, but it seems to me human beings ought to protect themselves by insurance against storms, fires, and so forth, although they are public officers. There are many other people who lost property in the Galveston flood. They may not have been public officers, nevertheless they are just as much entitled to help as this man.

Mr. LAGUARDIA. How long ago was it?

Mr. STAFFORD. It was a long time ago.

Mr. COLLINS. It was in 1900.

Mr. LAMNECK. This bill was presented first in the Seventy-first Congress, and came to me by inheritance.

Mr. COLLINS. It just seems to me to be opening up the gates for all kinds of claims. If lightning strikes some one, if he is a public officer then he can recover $5,000 or $10,000, under the theory upon which this bill is based.

Mr. Speaker, I object.

SAMUEL B. INMAN

The Clerk called the next bill, H. R. 5211, for the relief of the heirs of Samuel B. Inman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Amy Dysert the sum of $102.64 and to N. F. Inman the sum of $102.64.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

C. H. HOOGENDORN

The Clerk called the next bill, H. R. 6982, for the relief of C. H. Hoogendorn.

Mr. COLLINS. Mr. Speaker, I object.

PIERRE E. TEETS

The Clerk called the next bill, H. R. 1261, for the relief of Pierre E. Teets.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. BACON. Will the gentleman reserve his objection?

Mr. STAFFORD. I reserve it.

Mr. BACON. I do not want to take up the time of the House unnecessarily, but this is one of the most meritorious bills that has ever come to my attention. This boy is a cripple for life. He can not get about except on crutches which he will always have to use. We are not asking any compensation for him because of his present condition. We are simply asking that his hospital bills be paid, because if a proper medical examination had been made before he left camp he would have been hospitalized at the camp at Government expense. A medical examination was not made before he left camp with the result that a few days after he left camp he was taken to a private hospital where four major operations were performed on him and he had three blood transfusions to save his life. He is now a cripple and a wreck for life. All we are asking is what he would have been entitled to under the law had a proper

medical examination been made prior to the time he left camp.

Mr. STAFFORD. Is not this a case where the boy voluntarily left the camp after the accident?

Mr. BACON. No. He left at the close of the camp and as soon as he did leave camp his condition became worse. A blood culture was taken which showed a very dangerous streptococcic condition. If a blood culture had been taken while he was at camp, he would never have been allowed to leave camp but would have been hospitalized there at Government expense. All we are asking is that his hospital expenses and doctors' bills be refunded to him and these to be determined by the Secretary of War and the Comptroller General.

Mr. STAFFORD. Is it only for hospitalization?

Mr. BACON. For hospitalization. That is all, and the amount he would have been entitled to under the law had he remained at camp.

Mr. STAFFORD. The gentleman now says "and." The gentleman previously laid stress on the fact that the claim was only for hospital expenses, whereas the bill provides for six months' pay and allowances.

Mr. BACON. We are only asking what he would have been entitled to had the proper medical examination been made, which would have disclosed his condition before he left camp. In other words, a proper medical examination was not made with the result that he has had to go through this expense himself.

Mr. STAFFORD. Do not the records show that this injury was not traceable to his service in camp?

Mr. BACON. Absolutely not. The records in this case are most complete. The gentleman from Minnesota [Mr. PITTENGER] spent a great deal of time in wading through a mass of affidavits. It is one of the most complete records in any case I have ever seen.

Mr. STAFFORD. In reading the letter written by the Secretary of War, I find he states:

> There is some doubt as to whether the fall from his horse had any bearing on his subsequent illness.

Mr. BACON. There is no question at all about that. The medical affidavits, which are numerous, establish that fact beyond any question of doubt.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. COCHRAN of Missouri. It seems to me that the wording of this bill sets a very bad precedent. Taking the bill with the report, the bill provides for six months' pay and allowances and reimbursement for such amounts as may be approved by the Secretary of War expended by him for medical and hospital treatment. I would be perfectly willing to have a certain amount recommended, but the Secretary of War says this man has presented bills for medical treatment amounting to $6,543.

Mr. BACON. But here is the point: The Secretary of War and the comptroller together will examine the actual amounts paid for hospital services and pay this boy accordingly.

Mr. STAFFORD. Following the suggestion of the gentleman from Missouri, that he paid out very large sums—The gentleman does not want to impose that expense on the Government for something in his system that was not traceable to his service?

Mr. BACON. There is no question but that his illness came from injuries received at camp while on active duty.

Mr. STAFFORD. The gentleman says there is no question about it, but the Secretary of War says there is some question.

Mr. BACON. He is entirely mistaken in that, because there are many, many affidavits on file with the committee proving my statements.

Mr. COCHRAN of Missouri. Why not state a specific amount?

Mr. BACON. If the committee had undertaken to file a complete account of this accident with the affidavits that go with it, it would have required 20 printed pages of the report.

Mr. STAFFORD. The amendment seeks to reimburse the claimant for medical and hospital treatment for injuries sustained while on active duty from July 3 to July 17, 1927.

Mr. BACON. The committee suggested a rewording of the bill after a great deal of thought. I do not suppose any bill has received more careful attention in the Committee on Claims than this one, and the gentleman from Minnesota [Mr. PITTENGER] has been most meticulous and painstaking in going over the matter.

Mr. COLLINS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. COLLINS. It seems that this gentleman was a first lieutenant and fell off of a horse in camp. The report of the War Department shows that he did not appear to be very badly injured, and later on there were certain developments which caused him to go to the hospital. He claims a hospital bill of $10,891.28——

Mr. BACON. But the bill is drawn so as to protect the Government in that respect.

Mr. COLLINS. Of which amount $4,348.19 is a claim for loss of income and so on.

Mr. BACON. But the gentleman will see that the bill directs the Secretary of War to pay his actual medical expenses, which must be proved to the satisfaction of the Comptroller General, and all question of compensation for time lost is eliminated.

Mr. COLLINS. Except it is provided he is to be given six months' salary.

Mr. BACON. Under the law he would have been entitled to that had this condition been disclosed by a proper medical examination at the camp.

Mr. COLLINS. The War Department objects to the passage of the bill because, as the department states, it has consistently opposed enactment of special legislation of the type carried in this bill, which would single out an individual of a class for preferential treatment not accorded to others of that class. So I am going to have to follow the War Department.

Mr. BACON. The War Department raises this technical objection to all of these bills; but here was a boy who was serving his country in a patriotic way at this camp and was severely injured. He is a complete physical wreck as a result of this accident, and he can only get about on crutches, and then only for short distances. He is totally incapacitated and is unable to earn a living, and all he is asking is that his actual hospital expenses be paid to him.

Mr. COLLINS. The gentleman understands that if we begin the payment of claims of this nature it will run into the millions of dollars.

Mr. BACON. The medical officers in this case did not give as thorough an examination as they should have. This is a rare case; and the House need fear no precedent, as a similar case will probably never occur again.

Mr. COLLINS. They are medical officers of the department.

I object, Mr. Speaker.

Mr. BACON. In line with the permission given me, I append hereto part of the report of the Committee on Claims of the House of Representatives giving the full facts in the case:

[House Report No. 809, Seventy-second Congress, first session]

PIERRE E. TEETS

Mr. PITTENGER, from the Committee on Claims, submitted the following report (to accompany H. R. 1261):

The Committee on Claims, to whom was referred the bill (H. R. 1261) for the relief of Pierre E. Teets, having considered the same, report thereon with a recommendation that it do pass with the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Comptroller General of the United States is hereby authorized and directed to certify for payment the claim of Pierre E. Teets, first lieutenant, Field Artillery Reserve, United States Army, for six months' pay and allowances, and reimbursement for such amounts as may be approved by the Secretary of War expended by him for medical and hospital treatment for injuries sustained while under active duty training from July 3, 1927, to July 17, 1927, at Camp Pine, N. Y."

STATEMENT OF FACTS

Pierre E. Teets, a first lieutenant in the Field Artillery Reserve, was ordered to active duty at Pine Camp, Great Bend, N. Y., from July 3, 1927, to July 16, 1927. The evidence shows that on July 11, 1927, Lieutenant Teets sustained an injury by his horse falling on him, the injury consisting of bruises on both legs and abrasion of the scalp. At the time they were considered trivial, and it appears no official record was made regarding the accident. A day or two after the accident Teets developed a lesion on the left buttock which was considered by the medical officers at the camp to be a carbuncle. He was given treatment at the camp by the application of ichtheol locally. He left the camp at the close thereof on July 16, 1927.

After proceeding to his home, Teets called in his family physician. This physician continued the treatment. Another doctor was called in for consultation, and it was then determined that Teets was suffering from "advanced cellulitis." A day or two before his transfer to the Peck Memorial Hospital a blood culture was made which showed positive streptococcic infection. He was hospitalized at the Peck Memorial Hospital on July 30, 1927, 14 days after he left the camp, and remained at this hospital until December 24, 1927. While at the Peck Memorial Hospital Teets underwent four major operations and underwent three blood transfusions in order to save his life. The cellulitis was followed by osteomyelitis, which made it necessary to remove bones from his feet, leaving him unable to walk. After leaving the hospital, Teets had to visit Doctor Cochrane at stated intervals for X rays.

At the present time, some of the broken bones in Teets's feet have permanently grown to each other, which do not leave one foot flexible.

While at the time of the accident it was absolutely impossible to foresee any serious results for Teets, and while the only visible injury, except bruises and lacerations, was the development of the carbuncle, streptococcic infection was not suspected. Therefore, he left for home at the close of the time, but immediately took to bed. But that this infection was present is proven by the blood culture that was taken just before Teets's transfer to Peck Memorial Hospital.

On this point the Secretary of War, under date of February 11, 1930, in a letter to the Claims Committee, "is of the opinion that the War Department feels the benefit of the doubt should be given to Teets." Had Teets remained at the camp and had he been hospitalized in an Army institution there is absolutely no doubt but that he would have received every needed care, without any expense to himself, and also that he would have received the six months' pay and allowances provided for in the act of June 3, 1924.

There can be no question about Mr. Teets suffering from his injuries when he left the camp. Had he remained in camp for medical treatment, or had he entered the hospital instead of going to his home at the close of the camp, as was his privilege, he would have clearly been entitled to the benefits of the act of June 3, 1924. The War Department frankly admits that the infection which led to his illness could have resulted from the bruises and that he was entitled to the benefit of the doubt on this proposition.

The amended bill is intended to give him the benefits of that act. The committee feels that it is only fair to do this. While the War Department report is adverse to the bill, its adverse action is based upon hostility to special legislation, and the adverse recommendation is not consistent with the admissions by the War Department to the effect that the infection in this case probably resulted in the disability and illness heretofore set forth.

It is the opinion of your committee that the department rests its adverse report upon a technicality, namely, the fact that the streptococcic infection was not known at the time Lieutenant Teets left camp. The controlling and important fact in this case has to do with the blood culture which was taken before Teets's transfer to the Peck Memorial Hospital. This infection was disclosed by the blood culture. Had there been a blood culture before he left the camp, undoubtedly streptococcic infection would have been shown to exist.

To follow the War Department recommendations would have the effect of penalizing this man because his preliminary medical examinations did not consist of having a blood culture, which would have shown his real condition. He was performing a patriotic duty for the Government, and your committee is of the opinion that he is entitled to the benefits of the act of June 3, 1924, and that he should not be penalized because he went home in an injured condition instead of remaining in camp and continuing his medical and hospital treatment there for his injury sustained in line of duty. There can be no question as to the facts. Numerous affidavits have been submitted to the committee and are not here set forth in detail. * * *

CLAUDE E. DOVE

The Clerk called the next bill, H. R. 1834, for the relief of Claude E. Dove.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I shall not object if the amount can be reduced to $5,000, which is the maximum amount we have been paying in death cases; and further, the bill is rather crudely drawn, in that it will need several perfecting amendments. The date of the accident is not in the bill, there is no stipulation that it is in full payment of all claims and demands, and then there should be the usual attorney's fee provision.

We have been paying in similar cases $5,000, and I do not see any reason why we should go beyond that amount. I think the facts so far as negligence goes, are with the claimant.

Mr. THOMASON. Will the gentleman yield?

Mr. MOUSER. Yes.

Mr. THOMASON. I am quite in accord with what the gentleman says, that $5,000 is the usual amount and probably an ample amount, but in this case in addition to the death of the wife and mother, the unborn babe was killed, the husband was injured, and the other two children were injured. So it occurs to me, as a matter of justice, there ought to be more than the usual $5,000 paid on account of the death of the wife, where there was the grossest kind of negligence. The man was convicted of negligence and homicide and sent to the penitentiary. He had no brakes on his truck and there was the worst sort of negligence; but, of course, this perhaps is beside the question.

Mr. MOUSER. This is a claim of the husband on account of the loss of his wife and there is involved what her services would be worth. She was not the support of the family.

Mr. THOMASON. No; but the personal injury to the husband and the children ought to be considered too.

Mr. MOUSER. The bill simply has to do with the death of the wife. Will the gentleman consent to such an amendment?

Mr. THOMASON. Yes; I consent to that.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Claude E. Dove, of El Paso, Tex., the sum of $10,000 as payment for damages sustained by him on account of the death of his wife, the injury of himself and two sons, caused by collision with an Army truck operated by Sergeant Merlin Brace, of the United States Army.

With the following committee amendment:

In line 6, strike out "$10,000" and insert "$7,500," and in line 8 strike out the word "sons" and insert the word "children."

Mr. MOUSER. Mr. Speaker, I offer an amendment to the committee amendment. In line 6, strike out "$7,500" and insert "$5,000."

The Clerk read as follows:

Amendment offered by Mr. MOUSER to the committee amendment: In line 6, strike out "$7,500" and insert in lieu thereof "$5,000."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

Mr. MOUSER. Mr. Speaker, I offer another amendment, adding the words "in full of all claims against the Government of the United States," after "$5,000."

The Clerk read as follows:

Amendment offered by Mr. MOUSER: After the figures, in line 6, insert: "In full settlement of all claims against the Government of the United States."

The amendment was agreed to.

Mr. MOUSER. Mr. Speaker, I offer another amendment. At the end of line 10, strike out the period, insert a comma, and add: "on May 24, 1929, at El Paso, Tex."

The Clerk read as follows:

Amendment offered by Mr. MOUSER: In line 10, after the word "Army," strike out the period, insert a comma and the words, "on May 24, 1929, at El Paso, Tex."

The amendment was agreed to.

Mr. MOUSER. Mr. Speaker, I offer a further perfecting amendment, in line 6, in view of the amendment which has been adopted, reading, "in full settlement of all claims against the Government of the United States," the words "as payment" should go out.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: In line 6, strike out the words "as payment."

The amendment was agreed to.

Mr. MOUSER. Mr. Speaker, I offer the usual attorney's fee provision.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: After the word "Texas," in line 10, strike out the period, insert a colon, and add the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

KATHRYN THURSTON

The Clerk read the next bill on the Private Calendar, H. R. 2916, for the relief of Kathryn Thurston.

The SPEAKER pro tempore. Is there objection?

Mr. MOUSER. Reserving the right to object, I see that in this case the claimant has been paid $1,000 by the Railroad Administration functioning during the war, and she has signed a release to that effect. I do not think there is any question about the liability, and the Railroad Administration did not deny it. I think $1,000 was too small an amount, considering the injury, but there is absolutely no liability, in view of the release that she signed. If the gentleman will consent to reduce the amount to $2,500, in view of the serious injury, I will not object.

Mr. KNUTSON. Was this $1,000 paid in full settlement?

Mr. MOUSER. It was.

Mr. STAFFORD. Further reserving the right to object, if we are going to establish the policy of opening up every case where a settlement has been made with the injured person during the operation of the railroads by the Government it is going to cost the Government not only a million dollars but tens of millions of dollars. This will be setting a precedent that will plague us in the future.

Mr. MOUSER. In this case it is a question where the facts in the case were not brought out until later. There was no witness to the death, because the detective was shot and killed. There was no other witness to the death except the robbers themselves. Later on, after the robbers were arrested, the facts in regard to the death of the detective were brought out. There was no question but that the Railroad Administration was not in possession of the facts, and if they had been they would have paid a larger amount. This was an insignificant amount for the death of the detective.

Mr. STAFFORD. The Railroad Administration paid the thousand dollars regardless of the way the death resulted. The Railroad Administration did not base the amount on the way the person was killed, but, rather, on the fact that he was killed.

Mr. MOUSER. Oh, yes. He was in the performance of his duty, and he would not have been killed otherwise. He was engaged in performance of his duty, and it was a precarious duty.

Mr. STAFFORD. If we are going to open up these cases and unearth incidental facts, it is going to cost the Government millions of dollars.

Mr. LAMNECK. The gentleman does not know that the Railroad Administration would not have made a greater settlement at the time of the murder if it had been known that he was actually murdered. But it was nine months after before it was finally discovered that he was murdered.

Mr. STAFFORD. There is no question but that he died when he was shot, and his widow received a thousand dollars in payment of the death.

Mr. PITTENGER. I investigated this, and I had something to do with it. The facts are that the railroad company at the time they made the $1,000 payment was not in possession of the facts. There was no proof of how he died or whether he was in the performance of his duty. Those facts were subsequently uncovered. This thousand dollars was in the nature of, as you might say, a gratuity—at least it was not based on the actual facts, which were brought out later.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. MOUSER. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Oh, I do not wish to take up the time of the House unnecessarily.

Mr. MOUSER. What is the condition of the widow?

Mr. LAMNECK. She is in destitute circumstances.

The SPEAKER pro tempore. The gentleman from Wisconsin objects.

LOTTIE W. M'CASKILL

The next business was the bill (H. R. 5980) for the relief of Lottie W. McCaskill.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lottie W. McCaskill the sum of $271. Such sum represents the amount paid by the said Lottie W. McCaskill to the United States to cover the shortage in her accounts as postmaster at Cassatt, S. C., caused by the theft in the year 1928, on the night of December 29, of postal funds and stamps, etc., from said post office.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MINNIE D. HINES

The next business was the bill (H. R. 6623) for the relief of Minnie D. Hines.

The SPEAKER pro tempore (Mr. BROWNING). Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. There is no report from the department on this bill. The bill that just went through unobjected to contained no report from the department. When the chairman of the committee was not present a few moments ago I criticized the committee for not incorporating in its report the views of the department.

Mr. COCHRAN of Missouri. Mr. Speaker, I have some knowledge of this case. I know that the matter was taken up with the Department of Justice, and a letter secured by my colleague showing that this money had been collected on the bond and that the prisoner had been apprehended and sent to the penitentiary.

Mr. BLACK. The clerk of the committee calls my attention to the fact that the incomplete report in the former bill was due to a printer's error. That was indicated by a cross mark at the foot of the report. The printer omitted something that he could not find. In this bill I do not understand why the department's report is not with the bill excepting that the report was probably printed in reports in prior Congresses. I think it is a bill that ought to pass.

Mr. STAFFORD. Mr. Speaker, from the statement made by the drafter of the report, and that it contains facts which merit approval I withdraw the reservation of objection.

The SPEAKER pro tempore. Is there objection?

There was no objection; and the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,000 to Minnie D. Hines, of St. Joseph, Mo., which sum was paid by her to the United States by reason of the forfeiture of the bail bond of Jack Beaver, who was later taken into custody and surrendered to the United States District Court for the Western District of Missouri and is now in jail awaiting trial in said case.

With the following committee amendment:

Page 1, line 5, strike out "$4,000" and insert "$3,869.60."

Page 2, line 1, strike out the period after the word "case," insert a colon, and the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MAY WEAVER

The next business was the bill (H. R. 7215) for the relief of May Weaver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the United States Treasury not otherwise appropriated, to May Weaver, widow of Charles V. Weaver, the sum of $10,000 for fatal injuries sustained by him while performing services in removing and assisting post-office inspectors in the examination and unloading of bombs mailed at the Easton, Pa., post office on December 30, 1931: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "5,000."

The committee amendment was agreed to, and the bill, as amended, ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH VIGLIOTTI

The next business was the bill (H. R. 7278) for the relief of Joseph Vigliotti.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Joseph Vigliotti, of Detroit, Mich., the sum of $1,500, being the amount of a bond deposited as security and filed with the inspector in charge of immigration at Detroit and later forfeited for alleged failure to produce certain aliens for deportation, the alleged failure being no fault of Joseph Vigliotti.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

O. H. CHRISP

The next business was the bill (H. R. 8144) for the relief of O. H. Chrisp.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. Here is another one of those cases where we are trying to revive matters that took place during the operation of the railroads by the Government during the war.

Mr. MILLER. Mr. Speaker, if the gentleman will yield, here are the facts in the case. This man was injured on January 17, 1919. About four days before the two years statute of limitations ran he employed counsel, a former member of this body, and suit was filed. At that time the law of Arkansas as announced by the Supreme Court was that the proper defendant was the railroad company regardless of the fact that the railroads were being operated by the Government. Suit was filed. The railroad company filed a general demurrer upon the ground that it was not the proper party defendant. Then an amendment was offered naming James C. Davis, director general, a party defendant. The case proceeded to trial. The jury returned a verdict for the plaintiff for $27,500. The case was appealed to the Supreme Court of the State, but by the time the case reached the Supreme Court of the State of Arkansas, the Supreme Court of the United States in the Alt case, upon which this suit was based, reversed and remanded that case, holding that the director general was the party defendant and not the railroad company. This man was deprived of his claim there simply because the Supreme Court of Arkansas was reversed by the Supreme Court of the United States.

Mr. MOUSER. There is the additional fact that he did not file his suit correctly.

Mr. MILLER. That is correct.

Mr. MOUSER. Within the time limit prescribed by the law wherein suits in damages could be filed.

Mr. MILLER. That is true.

Mr. MOUSER. So you have the question of the statute of limitations?

Mr. MILLER. The question of the statute of limitations came up. After he made the director general a party it was too late. The two years had already run.

Mr. STAFFORD. There would be many, many such cases, I fear. I shall have to object, Mr. Speaker, because of the danger of establishing a precedent.

ABRAHAM GREEN

The Clerk called the next bill, S. 84, for the relief of Abraham Green.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $800 to Abraham Green, of Manchester, N. H., which sum represents the loss sustained by said Abraham Green on the bail bond of Myer Gallant, who was afterwards captured and returned to the United States officers by the said Abraham Green; record of said estreatment of bond and the payment of said sum of money on April 7, 1924, are shown in the report and affidavit of the clerk of the United States Court for the District of New Hampshire.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EDITH TOLERTON LATHROP

The Clerk called the next bill, S. 1205, for the relief of Edith Tolerton Lathrop.

Mr. STAFFORD. Mr. Speaker, I object.

PERMITTING UNITED STATES TO BE MADE A PARTY DEFENDANT

The Clerk called the next bill, H. R. 5513, to permit the United States to be made a party defendant in certain cases.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon the conditions herein prescribed for the protection of the United States, the consent of the United States be, and it is hereby, given to be named a party in any suit which may hereafter be brought in the District Court of the United States for the Western District of New York, for the purpose of quieting the title to, determining conflicting claims to, or removing clouds from the title to the following-described real property:

All that tract or parcel of land situate in the city of Buffalo, county of Erie, and State of New York, being part of the parish tract, bounded and described as follows: Beginning at the point of intersection of the center line of Amherst Street extended with the United States harbor line, established in 1907; thence east along the center line of Amherst Street 255 feet, more or less, to a point which is 34 feet west from the inner line of the west wall of the Erie Canal, measuring along the center line of Amherst Street; thence south 23° 20′ E. parallel to said canal wall, 207.37 feet, more or less, to the southerly line of lot 7, as shown on map recorded in Erie County clerk's office in liber No. 242 of deeds, page 298; thence west along the south line of said lot 7 and extension thereof to the United States harbor line, 1907; thence northwesterly along the said United States harbor line 222.23 feet, more or less, to the point or place of beginning; excepting and reserving therefrom a strip of land 22 feet wide lying south of and adjacent to said center line of Amherst Street extending from Erie Canal to the present dock front, for street purposes.

SEC. 2. Service upon the United States shall be made by serving the process of the court with a copy of the bill of complaint upon the United States attorney for the western district of New York, and by sending copies of the process and bill of complaint by registered mail to the Attorney General of the United States at Wash-

ington, D. C. The United States shall have 30 days after service as above provided, or such further time as the court may allow, within which to appear and answer, plead, or otherwise proceed.

SEC. 3. Except as herein otherwise provided, such judgment may be rendered in any such suit as might under like circumstances be rendered under the laws of the State of New York, if the suit were between private persons, and such judgment may determine the right, title, and interest of the parties to said suit, in and to the above-described real property.

SEC. 4. No judgment for costs or other money judgment shall be rendered against the United States in any suit or proceeding which may be instituted under the provisions of this act. The United States shall not be nor become liable for the payment of the costs of any such suit or proceeding, or any part thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

O. R. YORK

The Clerk called the next bill, H. R. 6339, for the relief of O. R. York.

The SPEAKER pro tempore (Mr. BYRNS). Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 2335) will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the accounts of O. R. York, postmaster at High Point, N. C., with the sum of $1,562.63, or so much thereof as may be necessary to cover the shortage in his accounts resulting from the theft, embezzlement, or robbery of funds while in the custody of one William B. Clinard, then a post-office clerk.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

MARGARET CROTTY

The Clerk called the next bill, S. 83, for the relief of Margaret Crotty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret Crotty, the sum of $579.60, being the amount of gratuity pay due her on account of the death of her son, John P. Crotty: *Provided*, That Margaret Crotty's dependency upon her son, John Patrick Crotty, shall be established to the satisfaction of the Secretary of the Navy.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HOMER C. CHAPIN

The Clerk called the next bill, H. R. 8255, for the relief of Homer C. Chapin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Homer C. Chapin, the cash value of a $500 Liberty bond deposited by him with the Immigration Service of the Department of Labor in the case of Dimitri Ivanenko, which said bond or the proceeds of which was erroneously covered into the Treasury of the United States.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

H. FORSELL

The Clerk called the next bill, H. R. 10405, for the relief of H. Forsell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Miss H. Forsell, out of any money in the Treasury not otherwise appropriated, the sum of $196.97 in full settlement against the Government for customs duties paid on two packages of merchandise that were not received by the addressee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ALEXANDER F. SAWHILL

The Clerk called the next bill, H. R. 6270, for the relief of Alexander F. Sawhill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Alexander F. Sawhill, who was a member of Company C, Tenth Regiment Pennsylvania Reserves, Thirty-ninth Regiment Pennsylvania Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 7th day of December, 1863: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

JOHN B. RUSSELL

The Clerk called the next bill, H. R. 3629, for the relief of John B. Russell.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman explain how the claimant arrives at the damages because he was prevented from marketing garden truck for which he makes claim in the amount of $1,525?

Mr. TARVER. Considerable evidence was submitted to the committee, which I regret to note is not included in the report touching on the subject matter.

At the time of the injury to the claimant many thousands of men were encamped at Fort Oglethorpe during the Spanish-American War and the business of selling supplies there was one of considerable importance to the truck farmers in the neighborhood.

This claimant arrived at the amount of damage sustained on account of the loss of the business on his truck farm by itemizing the character of truck which he had for the market at the time he sustained the wound because of which he was confined to his bed for eight weeks unable to look after his crop, unable to market his truck, and sustaining as a result thereof the loss of its full value.

Mr. STAFFORD. I would surmise that there would be some other person in the household who could have looked after the marketing of his garden truck. This is a very old claim, resurrected from the Spanish-American War.

Mr. TARVER. It is true it is an old claim, but if it is a just claim the fact it is an old one ought not to prevent its payment.

Mr. STAFFORD. There are many just claims not being recognized by the Government because they are too hoary for consideration.

Mr. TARVER. A few days ago the House passed a bill introduced by the gentleman from Arkansas [Mr. MILLER] which allowed compensation to a man for an injury sustained in 1897. The man was a member of a deputy marshal's posse.

Mr. STAFFORD. Yes; and if the gentleman will permit right there, I know the gentleman is very strong on calling the attention of the House to certain instances of bills being passed where perhaps a Member through a desire to be lenient has not objected, or because a case was meritorious as in the instance cited by the gentleman from Georgia, where a man had his arm shot off. But in this case the claimant is seeking reimbursement for not marketing truck garden crops, and is asking $1,500, which, I think, is rather far-fetched at this late date.

Now, this is an old claim. I am not very much inclined to these old claims which are resurrected 32 years after the happening of the occurrence.

Mr. TARVER. The evidence further shows, as I pointed out a moment ago, that this man was injured without fault on his part and was confined to his bed for eight weeks with a doctor in attendance. The evidence shows he suf-

fered a great deal of pain and, according to the medical evidence in the file, is still suffering pain on account of this injury.

Mr. BLACK. The claimant has not asked for interest, has he?

Mr. TARVER. No.

Mr. STAFFORD. That does not make any difference, because Congress does not recognize interest on claims of this character.

I want to be just in the consideration of this matter, but I will say to my friend, the gentleman from Georgia, that I do not like a claim of $1,500 in such an old claim.

Mr. TARVER. Let me say to the gentleman that the full amount of the claim is just and should be paid, but if the gentleman's feeling with regard to the value of the truck lost by the claimant is sufficiently strong to cause him to insist upon that as an objection to the passage of the bill I will be willing to accept a reasonable reduction in the amount, but I do not think it ought to be cut out entirely.

Mr. STAFFORD. I think $1,000 is a very fair amount. I think it would be generous treatment.

Mr. TARVER. Under the circumstances I shall accept such an amendment if the gentleman will offer it.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John B. Russell $2,500 as compenstation for injuries sustained on July 8, 1898, from gunshot wound occasioned by the discharge of a pistol held in the hand of Walter Crowe, private, Company D, Thirty-first Michigan Infantry, in the Chickamauga and Chattanooga National Military Park.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Line 6, strike out "$2,500" and insert in lieu thereof "$1,000."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Line 6, strike out the words "as compensation for" and insert in lieu thereof: "In full settlement of all claims against the Government of the United States."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MRS. ASA CASWELL HAWKINS

The Clerk called the next bill, H. R. 8353, for the relief of Mrs. Asa Caswell Hawkins.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I note this bill provides that the Administrator of Veterans' Affairs be authorized to pay to the widow of a man who lost his life in the prohibition service the sum of $5,000. I do not know what jurisdiction is conferred upon the Administrator of Veterans' Affairs to pay to the widow of a man engaged in the prohibition service any sum of money.

Mr. BLACK. That will have to be amended.

Mr. MOUSER. The bill is not in shape to be considered at this time.

Mr. BLACK. We can offer an amendment.

Mr. STAFFORD. Mr. Speaker, further reserving the right to object, I understand this officer was a deputy sheriff.

Mr. BLACK. No; he was a contract prohibition officer.

Mr. MOUSER. He had been in the service for 10 years and there should not be any distinction between a citizen and an officer. They should both get $5,000 under circumstances as disclosed in this case.

Mr. STAFFORD. The chairman of the committee says he was not a deputy sheriff. I read from page 1 of the report:

Hawkins was deputy sheriff here for a number of years, and was always at the service of any officer who might need him, whether Federal, State, or county.

I take it that this man Hawkins, who was killed, was a deputy sheriff at the time this service was performed.

Mr. KERR. He was deputized to perform this service by the Federal officer. Let me state the facts. This man had a contract with the United States Government.

Mr. MOUSER. Will the gentleman yield?

Mr. KERR. Yes.

Mr. MOUSER. He was in the service of the Federal Government. There is no question about that.

Mr. KERR. None whatever.

Mr. STAFFORD. I wish to be satisfied of that, because it appears he was in the service of the State, and if so, we are under no obligation to pay him for injuries received during the performance of this service.

Mr. KERR. He had a written contract with the Government.

Mr. MOUSER. So he was a special agent.

Mr. KERR. Besides that, he was deputized by the enforcement officer. If the gentleman will refer to the report, he will find this language:

It is stated in the affidavit of Prohibition Agent S. K. Hughes that at the time of his death Hawkins was engaged in the discharge of his duties in making said raid, under deputization of his superiors.

Mr. BLACK. Evidently from this report his service as deputy sheriff had expired some years before. The statement which the gentleman from Wisconsin has read as to his being a deputy sheriff appeared in a newspaper article, but the evidence shows that he was a contract prohibition agent.

Mr. STAFFORD. May I inquire of the author of the bill who it is proposed shall pay this money?

Mr. KERR. That ought to be amended.

Mr. BLACK. That should be in the usual form and provide that the money shall be paid by the Secretary of the Treasury.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Asa Caswell Hawkins, widow of Asa C. Hawkins, of the county of Lenoir and the State of North Carolina, the sum of $5,000, in full compensation for the death of said Asa C. Hawkins, who was killed while employed by and assisting Federal prohibition agents in the enforcement of the national prohibition act.

With the following committee amendment:

Beginning in line 1, page 2, after the word "act," insert the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. BLACK. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Strike out in line 3, page 1, the words "Administrator of Veterans' Affairs" and insert in lieu thereof the words "Secretary of the Treasury."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

JOHN A. PEARCE

The Clerk called the next bill, S. 1030, for the relief of John A. Pearce.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I am absolutely against paying a certain sum per month

over a period of months. Under the circumstances I have no objection to paying a reasonable amount. This comes to us as a Senate bill, and I have no way of knowing what would be a fair amount.

Mr. BLACK. I think the recently duly nominated Member from Minnesota can explain this bill. The reason he was nominated was because he is such an excellent subcommittee.

Mr. STAFFORD. We all hope that information is broadcast not only in the gentleman's present district but throughout the State in which he is going to run at large, because he is one of the most efficient and effective working Members of the House of Representatives.

Mr. PITTENGER. Will the gentleman yield?

Mr. MOUSER. Yes.

Mr. PITTENGER. As I understand, the reason for this action on the part of the Senate was to give this man over a period of months what he would otherwise be entitled to in a lump-sum payment.

Mr. MOUSER. We can not act as guardians for these people.

Mr. PITTENGER. It would be better to pay it in that way. The bill is a meritorious bill and has the favorable report of the department.

Mr. MOUSER. If the gentleman will agree to change the amount to $1,500, I shall not object.

Mr. PITTENGER. I shall have to agree to anything that is submitted that is within reason, because anything is better than nothing.

Mr. MOUSER. Will the gentleman agree to such an amendment?

Mr. PITTENGER. I shall reluctantly agree to it.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500, and $50 per month thereafter not to exceed 40 months, to John A. Pearce, in full settlement of all claims against the Government for injuries sustained by him on July 19, 1918, when he was shot by a sentry at the Aberdeen Proving Ground, in the State of Maryland.

Mr. MOUSER. Mr. Speaker, I offer an amendment, in line 5, after the comma, strike out the words "the sum of $500, and $50 per month thereafter, not to exceed 40 months," and in lieu thereof insert the sum of "$1,500."

Mr. PITTENGER. Can not the gentleman raise that amount? This man is totally disabled, and $1,500 would be a pitiable sum to pay him. I do not know anything about the case, except the facts as presented. When I say I do not know anything about the case, I mean I do not know this party and I have no personal interest in the matter, and the amount certainly ought to be raised.

Mr. MOUSER. In view of what the gentleman from Minnesota has said, I will ask to insert $2,000 in the amendment.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: Beginning in line 5, strike out "the sum of $500, and $50 per month thereafter not to exceed 40 months," and insert "$2,000."

The amendment was agreed to.

Mr. MOUSER. Mr. Speaker, I offer the usual attorney's fee amendment.

Mr. PITTENGER. Mr. Speaker, I agree to that.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: At the end of line 10, strike out the period, insert a colon and the following: *"Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LOUIS SOLURI

The Clerk called the next bill, S. 2242, granting six months' pay to Louis Soluri.

Mr. ARENTZ. Mr. Speaker, I reserve the right to object in order to ask a question of the gentleman from Minnesota [Mr. PITTENGER]. I have read the report, but I find nothing therein which gives any inkling as to how this man met his death. The report just states that his skull was fractured. How did he fracture his skull?

Mr. PITTENGER. It was in line of duty.

Mr. ARENTZ. The report states that, but how was it in line of duty; in other words, what are the facts?

Mr. PITTENGER. I can not recall the facts just at this moment.

Mr. ARENTZ. Does not the gentleman believe the RECORD ought to contain something about how the man met his death? This report states that it was not on account of his own misconduct.

Mr. PITTENGER. I have submitted quite a few reports and that fact has escaped me for the moment. I will say to the gentleman that I went over the facts carefully and this bill is the usual one granting six months' pay.

Mr. ARENTZ. But the gentleman has no recollection now of how the man met his death?

Mr. PITTENGER. No; I can not recall at the moment.

Mr. STAFFORD. If the gentleman will permit, the report of the Secretary of the Navy shows it was not the result of his own misconduct.

Mr. PITTENGER. That is correct.

Mr. STAFFORD. There is no question about that, and the second fact is that he suffered a fracture of the skull and the third fact is that it was in line of duty. This is shown in the letter of the Secretary.

Mr. ARENTZ. As long as the gentleman from Minnesota has studied the matter, I think that is sufficient; but the report should show how the accident occurred and what was the nature of the accident. I think the gentleman will agree that that is correct.

Mr. PITTENGER. The gentleman is quite correct, and in the reports I prepare I try to give all the facts. I overlooked doing that in this particular case.

Mr. ARENTZ. In view of the statement the gentleman has made about having studied the matter, and in view of the statement of the gentleman from Wisconsin, who is always so careful about such cases, I withdraw my objection.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the Secretary of the Navy states that this father should not receive compensation of six months' pay unless he establishes to the satisfaction of the Secretary that he was actually dependent upon his son at the time of the injury. I assume the gentleman will have no objection to the following proviso:

Provided, That said Louis Soluri can show to the satisfaction of the Secretary of the Navy that he was actually dependent upon his son at the time of his son's death.

Mr. PITTENGER. I may say for the information of my friend from Wisconsin that money-order stubs and letters from the son are in the file, showing dependency, and that is why that was not put in the bill.

Mr. STAFFORD. The Secretary of the Navy has made this report, and of course we want to leave it to the Secretary of the Navy to determine the matter under the general law.

Mr. PITTENGER. I have no objection to that amendment. The facts are as I have stated them.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay of the Navy, 1932," to Louis Soluri, father of the late Felix Soluri, seaman first class, United States Navy, an amount equal to six months' pay at the rate said Felix Soluri was receiving at the date of his death.

Mr. STAFFORD. Mr. Speaker, I offer an amendment in line 4, strike out "and directed."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: In line 4, strike out the words "and directed."

The amendment was agreed to.

Mr. STAFFORD. And at the end of the section strike out the period, insert a comma and the following: "*Provided*, That said Louis Soluri can show to the satisfaction of the Secretary of the Navy that he was actually dependent upon his son at the time of his death."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: In line 8, after the word "death," strike out the period, insert a colon and the following: "*Provided*, That the said Louis Soluri can show to the satisfaction of the Secretary of the Navy that he was actually dependent upon his son at the time of his son's death."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOSEPH E. BOURRIE CO.

The Clerk read the next bill on the Private Calendar, S. 2570, authorizing adjustment of the claim of Joseph E. Bourrie Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of Joseph E. Bourrie Co. for refund of $1,055.70, included in the amount of a certified check submitted by it as a guarantee with bids on two items of construction work at Camp Grayling, Mich., the total amount of which was collected and paid into the Treasury, although $1,055.70 included in such check was for a guarantee on a bid which was rejected, and to allow not to exceed $1,055.70 in full and final settlement of any and all claims arising out of the transaction. There is hereby appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $1,055.70, or as much thereof as may be necessary, for payment of said claim.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, after line 4, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the ameunt appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

RIO GRANDE SOUTHERN RAILROAD CO.

The Clerk read the next bill on the Private Calendar, S. 3058, authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Rio Grande Southern Railroad Co. for reimbursement of its expenditures for labor and expenses in repairing the damages to the Western Union telegraph line on its right of way at mile posts 95 and 96 plus 16, near Stapleton, Colo., which was damaged by the blasting during the Government's construction of the Dolores-Rico Forest highway project in Colorado, and to allow in full and final settlement of said claim not to exceed the sum of $34.40. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $34.40, or so much thereof as may be necessary, to pay said claim.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOHN STRATIS

The Clerk read the next bill on the Private Calendar, S. 3447, for the relief of John Stratis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to John Stratis, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, representing the face value of two Liberty bonds in the amount of $500 each, deposited by him as security for a public charge and departure bond in the sum of $1,000, executed by him on account of Vasilios Kaplandis, an alien, conditioned upon the alien traveling in transit through the United States within 15 days, and forfeited through breach of such condition, subsequent hearings by the Department of Labor having developed that the alien had a former residence in this country and was entitled to admission to the United States without regard to the quota law.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 9, after the word "alien," strike out the comma, insert a period, and strike out the remainder of the bill.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read a third time, and passed.

A motion to reconsider was laid on the table.

POTOMAC ELECTRIC POWER CO.

Mr. BLACK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 446, S. 260, authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D. C. That came up on the last day that we considered the Private Calendar, and the gentleman from Colorado objected. I was not in the Chamber.

Mr. COLLINS. Mr. Speaker, I am very sorry, but I shall have to object.

W. B. FOUNTAIN

The Clerk read the next bill on the Private Calendar, H. R. 2928, for the relief of W. B. Fountain.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Reserving the right to object, I understand the sponsor of the bill wishes to make a statement showing why the dishonorable discharge to this man should be set aside.

Mr. LANKFORD of Virginia. Mr. Speaker, if I thought this man was guilty I would not have this bill here. I have investigated, and I believe that there has been a severe miscarriage of justice in this case.

This man had three enlistments, all honorable discharges. In his last enlistment he received a good-conduct medal. He was accused of stealing some rope. The letters here show where this rope was accounted for, and the only evidence he was convicted on was the evidence of a man named Hand. I had a special investigation made of Mr. Hand by the county attorney of the county where he lived, and the investigation showed that he was run out of the county. He had a grudge against Fountain. It was on the testimony of this man alone, unsupported, that this conviction was had. The rope was accounted for. He bought it from a junk dealer in my city named Cashen, that I know myself. I believe a rank injustice has been done in this case, and that the Congress can correct it. I hope the gentleman will not object.

Mr. EATON of Colorado. Mr. Speaker, upon that statement I withdraw my objection.

The SPEAKER pro tempore. Is there objection?

There was no objection, and the Clerk read the bill, as follows:

Be it enacted etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged enlisted personnel of the United States Navy W. B. Fountain, aviation chief rigger, United States Navy, late of the Naval Operating Base, Hampton Roads, Va., until May, 1925, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on the 4th day of May, 1925: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Page 1, line 8, strike out the word "honorably" and insert after the word "discharged," in line 9, the words "under honorable conditions."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JAMES JOHNSON

The next business was the bill (H. R. 4396) for the relief of James Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws James Johnson, who served as a private in Troop F, Tenth Regiment Kentucky Volunteer Cavalry, from September 9, 1862, to September 17, 1863, and in Company A, Fifty-fourth Regiment Kentucky Volunteer Mounted Infantry, from September 19, 1864, to December 19, 1864, shall hereafter be held to have been honorably discharged from the military forces of the United States on December 19, 1864: *Provided*, That no pay, bounty, pension, or other emolument shall accrue prior to the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James Johnson, late of Troop F, Tenth Regiment Kentucky Volunteer Cavalry, from September 9, 1862, to September 17, 1863, and Company A, Fifty-fourth Regiment Kentucky Volunteer Mounted Infantry, from September 19, 1864, to December 19, 1864, shall hereafter be held to have been honorably discharged from the military service of the United States as a private of the latter organization on the 19th day of December, 1864: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to rconsider laid on the table.

WILLIAM A. TOZER

The next business was the bill (H. R. 7071) to remove the charge of desertion from the military record of William A. Tozer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to remove the charge of desertion now standing on the rolls and records of the War Department against the name of William A. Tozer, late of Company H, Eighty-third Regiment Pennsylvania Volunteer Infantry, Civil War, and grant him an honorable discharge therefrom.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William A. Tozer, late of Company H, Eighty-third Regiment Pennsylvania Volunteer Infantry, Civil War, from September 2, 1862, to February 20, 1863, shall hereafter be held to have been honorably discharged from the military service of the United States as a private of that organization on the 20th day of February, 1863: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GILBERT CLOCK CO.

The next business was the bill (H. R. 1437) to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GOSS. Mr. Speaker, I ask unanimous consent to substitute S. 2236, a similar bill, which has passed the Senate.

The SPEAKER pro tempore. Without objection, a similar bill, S. 2236, will be substituted, which the Clerk will report.

There was no objection, and the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the William L. Gilbert Clock Co., of Winsted, Conn., the sum of $416.92 to reimburse the company for money expended by it in an overpayment of customs duties to the collector of customs at New York, N. Y., on parts used in making clocks which were imported and entered at the port of New York, N. Y., under entry No. 888945 of March, 1926, and entry No. 901780 of April, 1926.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN WORTHINGTON

The next business was the bill, H. R. 4276, for the relief of John Worthington.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. MONTAGUE. Mr. Speaker, will the gentleman reserve his objection?

Mr. EATON of Colorado. Yes.

Mr. MONTAGUE. What is the reason on which the gentleman bases his objection to the bill?

Mr. EATON of Colorado. This is one of a class of bills, of which there have been a number, objected to because the accident complained of arose prior to the enactment of the employees' compensation act. In this case the accident was in 1903, 29 years ago. As far as I know, no bill going back as far as that has passed through the Seventy-second Congress.

Mr. MONTAGUE. The record shows that every Secretary of War has approved of this measure and the United States compensation commissioners have approved of it. It has met with unanimous approval wherever there has been any official occasion to consider its merits and equity. The committee has cut down the amount from $5,000, which the compensation commission thought was right, to $2,500. The man lost his eye in the discharge of his duties as a punch-press operator in the United States armory at Springfield. It is a patent, open case, the facts are not dead, the evidence is not dead, the reports are alive, and the justice is manifest. I submit to the gentleman that we should not treat the employees of our Government in a manner like this, and I appeal to the gentleman from his high altitude of Colorado to look down on this humble man and withdraw his objection.

Mr. EATON of Colorado. It distresses me greatly to refuse such an appeal, but under the circumstances of the case my objection must stand.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. I object.

JOHN H. DAY

The Clerk called the next bill, H. R. 8398, for the relief of John H. Day.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John H. Day, Decatur, Ala., the sum of $721. Such sum represents compensation for excess mileage of approximately 12,500 miles which the said John H. Day was required to travel while carrying the mails on star route No. 24352, Decatur, Ala., by Albany, to Moulton, Ala., during the years 1925, 1926, and 1927, on account of the grading and paving of the regular route between Decatur and Moulton.

With the following committee amendment:

Page 1, line 6, strike out "$721" and insert in lieu thereof "$650."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FAIRMONT CREAMERY CO.

The Clerk called the next bill, S. 945, for the relief of the Fairmont Creamery Co., of Omaha, Nebr.

Mr. PATTERSON. Mr. Speaker, I object.

Mr. BALDRIGE. Will the gentleman withhold his objection?

Mr. PATTERSON. I will reserve it for my colleague to make a statement.

Mr. BALDRIGE. This claimant was over-assessed over $99,000. This is admitted in a letter, a copy of which is in the report. Of this amount $41,000 was not allowed because it was barred by the statute of limitations. Claimant's position is that the Government was unable to determine the tax in time to be within the statutory period. This tax relief came under a special relief, sections 327 and 328, that makes it necessary to compare complainant's profit tax with similar concerns in a similar business, and it could not obtain this information in time to file a refund claim.

Permit me to say that there is in the coffers of the United States Treasury to-day this money that does not belong to it. This company paid the money and they are entitled to have it paid back. There was a mistake. There was no negligence on their part. It certainly seems fair and just that they should be allowed to get the money back.

Mr. PATTERSON. This is the first time I knew there was any money at all in the coffers of the United States Treasury.

Mr. BALDRIGE. This claim has been through the Senate. We battled this through the Claims Committee. The committee thought it was a good bill. This is the last hurdle.

Mr. PATTERSON. I can reply to my good friend, the distinguished chairman of this committee, on this bill. I will admit there may be some of these claims which have some equity, but there are thousands of individuals who have overpaid three or four dollars on this income-tax business, and to open up one of these claims I do not believe it is fair. There are probably thousands of claims where individuals have paid three or four dollars over the amount due. The only way to handle these things is to do it by a general law, and I am going to oppose any special law to do this.

Mr. STAFFORD. Will the gentleman yield?

Mr. PATTERSON. I yield.

Mr. STAFFORD. The gentleman will recall when a similar bill providing for refunds of tax payments came up for consideration on the first call of the Private Calendar, the Speaker of the House took occasion to state from his desk that the Committee on Ways and Means, years ago, when these bills under special order of the House were referred to the Committee on Ways and Means for consideration, adopted a policy not to report any of the bills, because it would involve the expenditure of hundreds of millions of dollars by the National Government.

Mr. PATTERSON. Three billion dollars, to be exact.

Mr. STAFFORD. I objected to this same bill in the last Congress because of that very principle, and we can not, especially at the present time, open the empty Treasury to have the taxpayers of the country burdened by the payment of these claims.

Mr. BLACK. Mr. Speaker, I do not think that the gentlemen in all good morality could insist that the Government should be operated on money they owe other people. I do not see any morality in that position. If the Government wants to adopt that attitude that it should be the supreme embezzler and keep all the money it can lay its hands on, we do not need worry about the Budget at all.

Mr. STAFFORD. Under the enlarged view of the generous gentleman from New York, chairman of the committee, he would justify the opening of the old French spoliation claims and allow the claim agents to put their hands in the United States Treasury. These are no times for the gentleman's liberality at the expense of the taxpayers.

Mr. PATTERSON. I am not so sure that I agree with the gentleman from Wisconsin entirely. I am not sure that I would not support a general law at the proper time, but for the present I am against these special laws, and I object.

Mr. EATON of Colorado. Would not the gentleman be willing to let them have half of it now and the other half at the next session of Congress?

Mr. PATTERSON. No. I am against them having any of it now. I object, Mr. Speaker.

STEPHEN SOWINSKI

The Clerk called the next bill, H. R. 5154, for the relief of Stephen Sowinski.

Mr. STAFFORD. Reserving the right to object, I would like to inquire as to the reason why the committee struck out the proviso which always accompanies these bills, that no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act?

Mr. CHIPERFIELD. I have no interest of any kind in this measure other than it was delegated to me to make the report.

In this matter, Sowinski received an honorable discharge from the Army, but it was upon a surgeon's certificate of disability, to the effect that he was suffering from epilepsy, grand mal, contracted prior to his enlistment and not in line of duty. The evidence indubitably disclosed the fact that the finding was incorrect; that the epilepsy was contracted in line of duty. I might suggest that in the clinical record it was also found that his father had died of epilepsy, and by the proof in the case it was found that his father was not dead at all, but was living in a village in Poland. The previous health condition of this man was established by the affidavits not only of medical officers of the Army but of his associates in the Army and of associates prior to his enlistment. So the fact appeared very plain to the committee that he did receive the disability and that it originated in the line of service.

I take it that the only reason the language which usually goes in these measures was stricken out was because the case was so plain that if any rights accrued to this man, it was thought by the committee they should accrue as of that time. I suggest that the gentleman should keep in mind the fact that this is not a case of dishonorable discharge against which relief is being sought, but it is a case where a man was discharged honorably, and where the entire record shows that his service was faithful and good, and that he has been denied the benefits which he should have, and which might possibly accrue in the future because of an incorrect finding as to the disability that necessitated his honorable discharge.

Mr. STAFFORD. Will the gentleman yield?

Mr. CHIPERFIELD. I yield.

Mr. STAFFORD. I have no objection whatsoever to the amendment of the committee stating that the disability of epilepsy was incurred in line of duty. I have read the report, and I question somewhat whether it did occur in line of duty, but I am positively opposed to allowing any bill to be passed recognizing the principle for the first time that any person will have a pension claim prior to the passage of the enabling act.

Mr. CHIPERFIELD. I am not going to disagree with the gentleman from Wisconsin, but I may say I think a very different rule should apply in the case where the discharge is honorable than in a case where, from the records, the discharge was dishonorable. But, it is a matter that is in the hands of the House, and whatever the judgment of the House is with reference to the matter, of course, it ought to be accepted.

Mr. STAFFORD. The gentleman can see it is a fundamental postulate that this Congress never votes back pension and should not vote back pension.

Mr. CHIPERFIELD. I am not disagreeing with the gentleman in that respect.

Mr. STAFFORD. With that understanding, I have no objection to the present consideration of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Stephen Sowinski, late of Company —, Battery D, Second United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 4th day of August, 1909: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Line 5, page 1, strike out the word "Company," the blank, and the comma following it.

The committee amendment was agreed to.

The Clerk reported the next committee amendment, as follows:

Line 9, page 1, after the word "August," strike out the figures "1909" and the colon following it and the proviso ending in line 1, page 2.

Mr. STAFFORD. Mr. Speaker, as a substitute for the committee amendment I offer the following: Insert after the figures "1909," in line 9, page 1, the following: "For disability of epilepsy grand mal incurred in the service in line of duty" and leave the rest of it in there.

Mr. EATON of Colorado. Mr. Speaker, is not the purpose accomplished by adding to the committee amendment that these words follow the word "duty" in the next amendment?

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 9, after the figures "1909," insert "for disability of epilepsy grand mal incurred in the service in line of duty: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The substitute amendment was agreed to.

The committee amendment, as amended by the substitute, was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ANNA CAPORASO

The Clerk called the next bill, H. R. 3720, for the relief of Anna Caporaso.

Mr. MOUSER. Mr. Speaker, reserving the right to object, as I understand it, this bill was introduced by the gentleman from New York [Mr. BOYLAN], who has been ill. There is practically no report accompanying the bill, and I wonder if the chairman of the committee can throw some light upon the evidence in addition to that which is included in the report?

The report indicates that this woman deliberately stepped in front of the truck. In view of the illness of the gentleman from New York [Mr. BOYLAN], if the chairman of the committee can satisfy me that the claim is just I shall not object.

Mr. BLACK. There is a great deal of material here which the gentleman may look at if he wishes. There were two conflicting reports from the inspectors, one inspector saying she was responsible, and the other saying she was not.

There is the affidavit of an outside witness among the papers in the case, the affidavit of a fellow named Jennings.

Mr. MOUSER. Is there any corroboration of her statement that she did not do as claimed, step deliberately in front of this passing vehicle?

Mr. BLACK. From what I know of conditions in the west side of New York I can see just what happened here. This is right near the general post office, and these mail truck drivers of New York think this part of New York City constitutes a race track for them to drive madly around in.

Mr. MOUSER. It is not a question of what happens generally; it is a question of what happened in this case. Is there any statement in the record in disagreement with the statement of the post-office inspector that she stepped in front of the truck deliberately?

Mr. BLACK. Mr. Jennings's affidavit is to the effect that he saw Mrs. Caporaso cross Ninth Avenue in a westerly direction on the north side of West Twenty-sixth Street; that while she was 2 or 3 feet away from the west curb of Ninth Avenue he saw a mail truck going south, close to the west curb; that when it was 10 or 12 feet from the corner it was going at a fast speed, and as Mrs. Caporaso was stepping onto the curb the truck hit her.

Mr. MOUSER. That is all I wanted to know. In other words, that is in contradiction to the inspector's report that she deliberately ran in front of the truck.

Mr. BLACK. That is right.

Mr. MOUSER. She was stepping up on the curb when this truck hit her while it was going at a fast speed.

The amount involved is very reasonable, because she was very seriously injured.

Mr. Speaker, I have no objection to the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Anna Caporaso for injuries sustained as a result of being struck by a Government-owned truck of the Post Office Department, New York City, N. Y., on October 29, 1928.

Mr. STAFFORD. Mr. Speaker, I offer the customary attorney's fee amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 9, after the figures "1928," insert the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorneys or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 10022) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMOOT, Mr. JONES, Mr. HALE, Mr. GLASS, and Mr. BROUSSARD to be the conferees on the part of the Senate.

CATHERINE BELL

The Clerk called the next bill on the Private Calendar, H. R. 3961, for the relief of Catherine Bell.

Mr. MOUSER. Mr. Speaker, I object.

Mr. GLOVER. Will the gentleman reserve his objection?

Mr. MOUSER. I will, but here is my objection: This woman settled with the railroad company and signed a release.

Mr. GLOVER. If the gentleman will allow me to make a statement, I think I can convince him. This was a claim that was purely a claim against the Government. A suit was first filed at Stuttgart, Ark., and the attorney, when he got it, recognized that it was solely a claim against the United States Government, and took a nonsuit. A suit was afterwards brought by another attorney, this woman not knowing her rights. As I say, a suit was brought, and in order to get rid of it, but not admitting liability, the railroad company out of court made an adjustment. However, the evidence in this case clearly shows that the Government employees were negligent in throwing off these mail sacks.

Mr. MOUSER. Does the gentleman say there was no obligation on the part of the railroad company?

Mr. GLOVER. I do not think so.

Mr. MOUSER. And that the $500 was purely a gratuity?

Mr. GLOVER. Suppose it was? I think I have tried as many of these personal-injury suits as any man in this

House. Suppose there was joint liability as between the railroad company and the Government?

Mr. MOUSER. You could not sue the Government.

Mr. GLOVER. No; you could not sue the Government.

Mr. MOUSER. The amount is reasonable and I will withdraw my objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherine Bell, in full settlement of all claims against the Government of the United States, the sum of $5,000 for personal injuries received by her on the 8th day of June, 1928, at Havana, Ark., a station on the Chicago, Rock Island & Pacific Railway Co.'s road, by being struck by a sack of United States mail negligently thrown off a fast mail train by Government employees handling said mail, and in violation of the custom and rules for the delivering of mail from running trains.

With the following committee amendment:

Page 1, line 7, strike out "$5,000" and insert "$1,000."

The committee amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the customary attorney's fee amendment.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: On page 2, line 4, after the word "trains," insert a colon and the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

VERTNER TATE

The Clerk called the next bill, H. R. 6634, for the relief of Vertner Tate.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, I would like to have the distinguished gentleman from Virginia tell us why this man, after being reinstated and having the disgrace against his name wiped out, should come and ask $2,000 from the United States.

Mr. MONTAGUE. He was inadvertently reinstated and held his position and drew his salary one month or two months.

Mr. EATON of Colorado. Was not the thing he was looking for the justification of his record as an honest man?

Mr. MONTAGUE. He was looking for that, having been discharged without justification after being 16 years in the service, with a reputation unsullied, one of the kindest, one of the most honest, one of the most faithful men that was ever in the service of the United States. The city of Richmond was shocked to learn one day that he had been indicted for embezzling $30 of postal funds. He was put upon trial by the United States Government. He was acquitted—acquitted triumphantly—the judge remarking that a more unjustifiable case had never been in his court. It had developed that another employee in the post office had "framed" this crime to get rid of him by reason of his personal enmity. When I came to Congress I undertook to have him restored to office. I did not succeed under the Wilson administration; but when Mr. Harding came in, his Postmaster General restored this good man. He entered upon his duties, but performed them only, I think, a month or a month and a half, when the Comptroller General ruled that he was beyond age and within the prohibitions of the civil service law, and again he was separated from the service. He had nothing to live upon. His salary had always been a very meager one.

Mr. EATON of Colorado. Let me interrupt the gentleman and ask this: Was this person who falsely charged this man an employee of the Government?

Mr. MONTAGUE. Yes.

Mr. EATON of Colorado. One of the post-office employees?

Mr. MONTAGUE. Yes.

Mr. EATON of Colorado. I withdraw my objection.

Mr. STAFFORD. Mr. Speaker, further reserving the right to object, what perturbs me is the precedent we would be establishing if we recognized the rule that where persons are temporarily suspended from work in the Postal Service and then it is found the suspension was not merited, they would have the right to present a claim against the Government for their salaries. I would say, speaking offhand, that there are 10,000 cases where persons could come to Congress and claim they had been unrighteously separated from the Government and that they should be paid for the time they were separated from the service.

Mr. BLACK. This was a different situation. Here was a case where they absolutely libeled this man and ruined his good name in addition to separating him from the service.

Mr. STAFFORD. I have had cases come to my attention since I returned to Congress where a man imbibed too freely and was discharged.

Mr. BLACK. That is not defaming. That was glorifying, while this is defaming, a different proposition.

Mr. STAFFORD. I may say, coming from Milwaukee, it was a glorifying case, because he is perhaps the most popular letter carrier in the city; but, really, I am very serious. I can not see how I can subscribe to the principle involved here.

Mr. MONTAGUE. Will the gentleman permit me to make a further statement?

Mr. STAFFORD. Surely.

Mr. MONTAGUE. The gentleman interrupted my statement, not without my consent, of course.

I wish to say to the gentleman from Wisconsin that for 17 years I have been following this case. This is a unique case. The injury done this man was in no wise of his own making. The Government prosecuted him and the Government was the cause of his irreparable injury.

Mr. STAFFORD. Even granting the Government was the direct cause of the injury, yet the Government is operating a great business corporation, and in passing upon individual cases we can not consider them as if it were a private corporation. We have to consider the effects that may be presented to the Congress if such cases are considered and passed.

Mr. MONTAGUE. I do not know that I can remove that opinion of the gentleman, but I utterly dissent from it. I deny that the Government is a corporation. The Government is an institution to safeguard and administer the safety, the liberty, the aspirations, the duties, the responsibilities, and opportunities of its citizens. It is not a money-making institution. It is not governed by the ordinary rules of corporations; its objects and purposes are different, as are the methods and means to effectuate such objects and purposes. I believe that if the gentleman would investigate this case he could not dissent from the views which I entertain upon this subject, and I will give the gentleman something more than my own views.

Here was an innocent man. He had been a faithful employee of the Government. He was indicted by the Government of the United States, through the machinations of an enemy, acquitted triumphantly. But still the clouds hung over him, his reputation was more or less destroyed; but after the matter had been submitted to two administrations he was finally restored to duty, his friends in the meantime supporting and avouching his high character which a just public soon proclaimed.

Let me submit this to the gentleman: Attorney General Stone in a letter to Senator CAPPER, of the Claims Committee, some time about February, 1925, used this language,

and Attorney General Stone, as the gentleman knows, is now upon the Supreme Bench:

It appears from data in the files of this department that on or about the 23d of May, 1911, Mr. Taylor was removed from his position as a clerk in the post office at Richmond, Va., on charge of embezzling public funds. It subsequently developed that Mr. Taylor was in no wise responsible for the embezzlement.

His attempts to be reinstated in the post office were unsuccessful until 1921, when he was reinstated by Executive order, dated October 22, 1921. At the time of the order of reinstatement, however, Mr. Taylor had passed the age of 65, and it was held he was ineligible under the law for reinstatement in the service. From all the data in this department it appears that a great injustice has been done Mr. Taylor, and it also appears that the only relief that can be afforded him is such relief as Congress is willing to give. I can not advise the committee in regard to the amount, if any, which should be paid to Mr. Taylor. This advice should come from either the General Accounting Office or the Post Office Department. I do think, however, that Mr. Taylor should be given some relief, for the reason that his separation from the service was occasioned by no act of his, and his trial for embezzlement by the Government has cast a reflection upon his integrity, although the trial resulted in his acquittal.

I also desire to quote from a letter of Acting Attorney General JAMES M. BECK, now an honored Member of this House:

It would seem—

Said he—

a plain act of justice to do something for this man.

Mr. BECK's letter, I may state, I knew nothing of until long after it was sent here, was addressed to Speaker Gillett, under date of February 24, 1925:

It would seem to be a plain act of justice—

Says Mr. BECK—

to do something for this man which would not only be in the nature of a vindication, but, incidentally, would recoup him for the loss he has sustained through the mistake of the United States Government, and I am writing to urge earnestly that some special action be taken in the matter that will enable the bill to be brought up in the House during the present session. It would seem to me this bill can be fairly differentiated from ordinary private relief bills. It is not only a question of paying what the Government owes in money but rectifying a very grave injustice done to a worthy man who, I understand, may not live until another term of Congress—

Which is true—he is dead now—

you will know best how this bill may be brought up, and this department earnestly addresses the matter to your attention in the hope that in this way the Government may rectify what was a grave injustice.

I am, Mr. Speaker, yours respectfully,

JAMES M. BECK, *Acting Attorney General.*

If the gentleman will indulge me further, a similar bill passed the Senate two or three years ago and when the measure failed in the House, I gave up hope. The newspapers of the country took the case up without the slightest impulse from me, and the most distinguished papers in the country urged that this man's misfortunes should be rectified, and the gentleman from Arkansas, a member of the Claims Committee, came upon the file in the case and gave the matter diligent, faithful, and judicial consideration, and I think it was largely through his interest that the committee reported this bill out, and I beg the gentleman to withdraw his objection.

Mr. BACHMANN. Will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. BACHMANN. I want to ask the gentleman from Wisconsin if he does not think from the explanation which the gentleman from Virginia has made, the documents he has here, and the evidence he has presented, we can get around the gentleman's objection about establishing a principle in this particular case? Does not this case rest upon a sound principle and is it not a meritorious case and should it not pass here?

Mr. STAFFORD. The gentleman ought to know, in his brief service in the House which is running now to years, of many instances where persons have been wrongfully severed from the Postal Service and after review have been reinstated, but we do not pay them back salary. We would have hundreds of such cases. This may be a meritorious claim, but I do not recall one case where any person has ever sought payment for salary where they had been unjustifiably severed from the service.

Mr. BACHMANN. I understand the amount involved——

Mr. STAFFORD. It is not a question of amount. If it were $250 or $50, I would object.

I object, Mr. Speaker.

ANNIE MORAN

The Clerk read the next bill on the Private Calendar, H. R. 7734, for the relief of Annie Moran.

The SPEAKER pro tempore. Is there objection?

Mr. MOUSER. Reserving the right to object, in this case there is no question about the negligence of the driver of the postal truck causing the death of this boy. However, the sum of $5,000 is asked, which is the same amount as if he had been the head of the family. He was 24 years of age, and the mother had a right to look to him for future support. She asked for $550 for funeral expenses. At the proper time I want to amend the bill by dividing this amount, making it $2,500, instead of $5,000, and adding the funeral expenses to that.

Mr. BLOOM. That will be satisfactory.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Annie Moran, New York City, the sum of $12,500. Such sum shall be in full satisfaction of all claims against the United States for damage sustained by the said Annie Moran as the result of the death of her son, Edward Moran, who was struck and fatally injured by a United States mail truck in New York City, May 12, 1930.

Committee amendment:

Line 6, strike out the figures "$12,500" and insert in lieu thereof the figures "$5,000."

Mr. MOUSER. I offer the following amendment to the committee amendment.

The Clerk read as follows:

Strike out "$5,000" and insert "$3,050."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. MOUSER. Now, Mr. Speaker, I offer the following attorney's fee amendment.

The Clerk read as follows:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOSEPH J. BAYLIN

The Clerk read the next bill on the Private Calendar, S. 1021, for the relief of Joseph J. Baylin.

The SPEAKER pro tempore. Is there objection?

Mr. MOUSER. Reserving the right to object, I would like some explanation of this bill. I can not understand why this money should be refunded.

Mr. PALMISANO. A number of similar bills have been passed by the House, and, as I understand, some have been passed this afternoon. The bondsman in this case made all efforts to apprehend the culprit and have him brought to justice.

Mr. MOUSER. But the bondsman did not produce him. The authorities picked him up without anything being done by the bondsman. It seems to me idle to require a man to put up a bond in a case and then if the accused flees and later on he is caught by the Government officials without any assistance of the bondsman, the bondsman should come

in and ask the Treasury of the United States to refund the amount of the bond. That simply encourages citizens to go on bonds of crooks promiscuously.

Mr. PALMISANO. I would agree with the gentleman if the facts were as the gentleman says.

Mr. MOUSER. I do not see anything in the report which shows where the bondsman had anything to do with the apprehension and return to custody of the accused. I may be wrong.

Mr. PALMISANO. I agree with the gentleman, if it had been a case where nothing had been done by the bondsman himself in apprehending the accused. In that case the money ought not to be refunded; but in this case everything possible was done by the bondsman, and the accused was afterward produced in court and pleaded guilty. If the gentleman will notice, in the report Mr. Woodcock, who was then United States district attorney for the district of Maryland, did not object to the refund of this amount. This passed the Senate in the last Congress, but for some reason failed to pass here.

Mr. MOUSER. Did the gentleman say that Mr. Woodcock recommended that this be passed?

Mr. PALMISANO. No; I say that he did not object to it.

Mr. MOUSER. This is what I want to get at. The report of the Claims Committee indicates that the accused was apprehended through the diligence of the bondsman, but I can not find in the report, at least my memory does not serve me to that extent now, where he did anything, and I am wondering where the Claims Committee got the impression from the evidence that which warranted it in making a deduction which authorized it to include the last statement in the report.

Mr. PALMISANO. This is a Senate bill. Evidently they got the report from the Senate. Of course, I am not familiar with that except that the statement claims that he did produce this man in court and there is no denial of these facts by the former district attorney, who is now the prohibition director.

Mr. MOUSER. I would like to hear from the chairman of the Committee on Claims. If this is like other forfeitures which have not been objected to, I shall not object, but I do think that it is time that we quit holding out encouragement to people to promiscuously go on bonds when they do not know the accused or know anything about the innocence or guilt of the accused, and then come back here believing that as a matter of mere procedure we are going to refund the amount paid in forfeiture out of the Treasury of the United States, regardless of any effort expended on their part to produce the accused in court.

Mr. PALMISANO. It was evidently investigated by the Senate and this man was produced in court.

Mr. MOUSER. How was he produced, and where is the evidence?

Mr. PALMISANO. I am sorry the gentleman from Wisconsin [Mr. SCHAFER] is not here.

Mr. MOUSER. I ask unanimous consent that this go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

OSWALD BAUCH

The next business was the bill (H. R. 6501) for the relief of Oswald Bauch.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. There is a very brief report, and what is stated there shows that this claimant apparently is receiving compensation at the rate of $70 a month. If he is receiving compensation for this injury, why should he receive in addition thereto $10,000?

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

R. B. BAUGH

The next business was the bill (H. R. 10294) to authorize the Secretary of War to pay to R. B. Baugh, M. D., certain money due him for services rendered as a member of the local board of Smith County, Miss., operating during the World War.

The SPEAKER pro tempore. Is there objection?

Mr. BLACK. Mr. Speaker, I reserve the right to object. I rise to protect the conscientious objectors of this House from other Members of the House who go outside of their own districts and introduce bills in the districts of other Congressmen. I find that Smith County, Miss., is in the district of my good friend, one of our leading conscientious objectors, the gentleman from Mississippi [Mr. COLLINS], and that the gentleman from Mississippi [Mr. COLLIER], without any regard at all for the proprieties, has gone into the district of my friend COLLINS, this most conscientious man, and has introduced this bill, a low claims bill. I merely want to call this to the attention of the House.

Mr. BACHMANN. But the gentleman's committee, of which he is chairman, unanimously reported the bill favorably.

Mr. BLACK. Of course, upon the assumption that the gentleman from Mississippi [Mr. COLLINS], in whom I have great faith, is for the bill.

Mr. BACHMANN. And the fact is, there is nothing wrong with it now, is there?

Mr. BLACK. No; but I merely wanted to call the situation to the attention of the House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to pay to R. B. Baugh, M. D., out of any funds in the Treasury not otherwise appropriated, the amount of $300 for services rendered by him as a member of the local board of Smith County, Miss., between the dates of June, 1917, and March, 1918, inclusive.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES PARSHALL

The next business was the bill (S. 278) for the relief of Charles Parshall, Fort Peck Indian allottee, of the Fort Peck Reservation, Mont.

The SPEAKER pro tempore. Is there objection?

Mr. GOSS. Mr. Speaker, I reserve the right to object in order to get an explanation of the bill.

Mr. ARENTZ. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ALBERT G. DAWSON

The next business was the bill (H. R. 7191) for the relief of Albert G. Dawson.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I object.

STEPHEN A. M'NEIL

The next business was the bill (H. R. 620) for the relief of Stephen A. McNeil.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MITCHELL, for an indefinite time, on account of important business.

To Mr. LANHAM, for one week, on account of important business.

NAVY APPROPRIATION BILL

Mr. AYRES. Mr. Speaker, I call up the conference report on the bill (H. R. 11452) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes, and I ask

unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11452) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 9, 21, 22, 23, 28, 32, 48, 49, 51, 52, 58, 59, and 60.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 6, 7, 11, 12, 25, 26, 27, 30, 31, 34, 39, 40, 41, 42, 44, 45, 46, 47, 50, 53, 54, 55, 56, and 57, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "in other than civil government and literature, and cost of special instruction"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "(not to exceed an average of 5,910 chief petty officers and an average of 850 chief petty officers under acting appointment)"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "in excess of four"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "and the compensation of any greater number than 90"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 1, 10, 13, 14, 15, 16, 17, 19, 24, 29, 35, 36, 37, 38, and 43.

W. A. AYRES,
W. B. OLIVER,
BURTON L. FRENCH
(Except as to amendment No. 50),
JOHN TABER
(Except as to amendment No. 50),
Managers on the part of the House.

FREDERICK HALE,
HENRY W. KEYES,
HIRAM BINGHAM,
E. S. BROUSSARD,
PARK TRAMMELL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to H. R. 11452, a bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 2 and 3, relating to the appropriation "Pay, miscellaneous": Excepts "history" and "languages" from the proposal of the House designating subjects to be omitted from postgraduate instruction, and strikes out the proposal of the House requiring expenditures for the collection and classification of information from abroad and at home to be accounted for specifically, as proposed by the Senate.

On Nos. 4, 5, 6, and 7, relating to naval training stations: Appropriates $160,200 for the station at San Diego, Calif., as proposed by the Senate, instead of $166,300, as proposed by the House; appropriates $202,000 for the station at Newport, R. I., as proposed by the Senate, instead of $182,000, as proposed by the House; appropriates $245,000 for the station at Great Lakes, Ill., as proposed by the Senate, instead of $252,900, as proposed by the House; and appropriates $225,000 for the station at Hampton Roads, Va., as proposed by the Senate, instead of $231,000, as proposed by the House.

On Nos. 8 and 9: Appropriates $3,077,686 for the Naval Reserve, as proposed by the House, instead of $3,727,686, as proposed by the Senate.

On No. 11: Amends the House proposal to deny funds for training or practice cruises of members of the Naval Reserve Officers' Training Corps so as to permit such cruises at the personal expense of such persons, as proposed by the Senate.

On No. 12: Imposes a limitation of $15,000 upon the appropriation for pay of the class of employees at the Naval Home, Philadelphia, Pa., whose compensation is adjustable to correspond so far as may be practicable to the rates established by the classification act, as amended, for the departmental service in the District of Columbia, as proposed by the Senate.

On Nos. 18, 20, 21, 22, 23, 25, 26, and 27, relating to the appropriation "Pay, subsistence, and transportation of naval personnel": Restores the limitation proposed by the House upon the number of chief petty officers and chief petty officers under acting appointment, amended to provide for an average number of each, instead of a specific number, as proposed by the House; provides for the employment of four retired officers on active duty, instead of six, as proposed by the Senate, and none, as proposed by the House; restores the proposal of the House looking to the ultimate abolition of the assigned class of the Fleet Naval Reserve; imposes limitations upon expenditures for the transportation of dependents of officers and enlisted men and for travel by officers, midshipmen, and female nurses, as proposed by the House; corrects the text, as proposed by the Senate; strikes out, as proposed by the Senate, the restriction proposed by the House upon the employment of civilian and naval personnel required for the care of patients of the Veterans' Administration, and strikes out, as proposed by the Senate, the House provision respecting the compensation of retired officers filling civil offices or positions.

On No. 28, relating to the appropriation "Maintenance, Bureau of Supplies and Accounts": Restores the proposal of the House to limit expenditures on account of the transportation of privately owned automobiles to the return to the United States of such vehicles as may be in transit to or from points outside of the continental limits of the United States or have been transported to such outside points at public expense on or by the date of the approval of the naval appropriation bill, striking out the substitute proposed by the Senate simply to impose an expenditure limitation of $5,000.

On No. 30: Reappropriates $150,000 of the unexpended balance of the appropriation "Fuel and transportation, Bureau of Supplies and Accounts, 1932," for the same objects for which originally made, as proposed by the Senate.

On No. 31: Corrects the text of the appropriation "Medical Department," as proposed by the Senate.

On Nos. 32 and 33, relating to the appropriation "Maintenance, Bureau of Yards and Docks": Strikes out the authorization proposed by the Senate to furnish paving material to the city of Bremerton, Wash., for paving that portion of a street abutted by the Puget Sound Navy Yard,

and excludes from the limitation proposed by the House upon expenditures for the maintenance, operation, and repair of motor-propelled passenger-carrying vehicles the compensation of enlisted chauffeurs in excess of 90, as proposed by the Senate, amended so as more clearly to express the intent of such exclusion.

On No. 34: Appropriates $2,490,000 for public works, Bureau of Yards and Docks, as proposed by the Senate, instead of $2,790,000, as proposed by the House.

On No. 39: Authorizes contractual obligations for the procurement of new airplanes and their equipment, spare parts, and accessories to the extent of $5,715,000, as proposed by the Senate, instead of $5,000,000, as proposed by the House.

On Nos. 40, 41, and 42, relating to the Naval Academy: Appropriates $284,130 for the pay of civilian instructors, as proposed by the Senate, instead of $269,000, as proposed by the House; imposes a limitation of $236,000 upon the appropriation for pay of employees whose compensation is adjustable to correspond so far as may be practicable to the rates established by the classification act, as amended, for the departmental service in the District of Columbia, as proposed by the Senate, and strikes out a conjunction, incident to another amendment, as proposed by the Senate.

On Nos. 44 to 52, both inclusive, relating to the Marine Corps: Reappropriates $129,101 for pay of officers on the active list, as proposed by the Senate; increases the limitation on flying pay from $122,018, as proposed by the House, to $138,148, as proposed by the Senate; strikes out the provision proposed by the House prohibiting the commissioning of additional officers in the Marine Corps prior to June 1, 1933, as proposed by the Senate, reappropriates $100,000 for pay of enlisted men, active list, as proposed by the Senate; restores the proposal of the House looking to the ultimate abolition of the assigned class of the Fleet Marine Corps Reserve; limits expenditures for travel by officers, as proposed by the House; prohibits expenditures on account of sending additional marines to Nicaragua to supervise an election there, as proposed by the Senate; limits expenditures for transportation of dependents of officers and enlisted men, as proposed by the House, and strikes out the proposal of the Senate to make the sums provided for the Marine Corps Reserve available exclusively for such activity.

On No. 53: Strikes out, as proposed by the Senate, the proposal of the House to reduce the limit of cost of modernizing the U. S. S. *New Mexico*, *Mississippi*, and *Idaho* from a total of $30,000,000 to a total of $27,000,000.

On Nos. 54, 55, 56, and 57, relating to the appropriation "Increase of the Navy": Appropriates $15,063,000 for construction and machinery, as proposed by the Senate, instead of $23,063,000, as proposed by the House; appropriates $3,000,000 for armor, armament, and ammunition, as proposed by the Senate, instead of $4,167,333, as proposed by the House; excludes the cost of material on hand from the total cost of certain submarines and destroyers, as proposed by the Senate, and increases the total cost of destroyers *Nos. 350, 351,* and *352,* exclusive of material on hand, from $4,569,000 each, as proposed by the House, to $4,844,000 each, as proposed by the Senate.

On No. 58: Strikes out the proposal of the Senate providing that hereafter the existing scale of wages applicable to civil employees shall be the minimum rates payable, prohibiting the average pay for any trade or occupation from being less than when such schedule became effective, and forbidding a reduction of pay by resort to assigning lower-paid employees to work of a character usually performed by higher-paid employees.

In No. 59: Strikes out the proposal of the Senate to make appropriations interchangeable.

On No. 60: Strikes out the proposal of the Senate requiring all unobligated balances of annual appropriations heretofore made to be covered into the Treasury on July 1, 1932.

The committee of conference report in disagreement the following amendments of the Senate:

On No. 1, relating to the attendance upon meetings of technical organizations by civilian employees.

On No. 10, relating to reserve officers employed on extended active duty.

On No. 13, relating to the purchase of patents pertaining to radio control.

On No. 14, relating to the number of officers of the Navy on the active list.

On Nos. 15, 16, 17, 19, and 24, relating to the appropriation for increased pay for making aerial flights.

On No. 29, relating to the disposition of cash receipts by Navy and Marine Corps disbursing officers.

On Nos. 35 and 36, relating to a new naval hospital at Philadelphia, Pa.

On Nos. 37 and 38, relating to the appropriation "Aviation, Navy," and being incident to the appropriation for increased pay for making aerial flights.

On No. 43: Making the appropriation "Current and miscellaneous expenses, Naval Academy," available for the engraving of trophies and badges.

W. A. AYRES,
W. B. OLIVER,
BURTON L. FRENCH,
JOHN TABER,
Managers on the part of the House.

Mr. AYRES. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1: Page 2, line 2, after the word "employees," insert "including not to exceed $1,500 for the expenses of attendance, at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations when, in the judgment of the Secretary of the Navy, such attendance would be of benefit in the conduct of the work of the Navy Department."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 10: On page 12, in line 20, after the words "Naval Reserve," strike out the colon and all of the proviso ending in line 2 on page 13.

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment which I have sent to the desk.

The Clerk read as follows:

Mr. AYRES moves that the House recede and concur in Senate amendment No. 10 by restoring the matter stricken out by said amendment, amended to read as follows:

"*Provided*, That no appropriation contained in this act shall be available to pay more than one officer of the Naval Reserve and one officer of the Marine Corps Reserve above the grade of lieutenant or captain, respectively, the pay and allowances of their grade for the performance of active duty other than the performance of drills or other equivalent instruction or duty, or appropriate duties, and/or the performance of 15 days' active training duty, and other officers above such grades employed on such class of active duty shall not be entitled to or be paid a greater rate of pay and allowances than authorized by law for a lieutenant of the Navy or a captain of the Marine Corps entitled to not exceeding 10 years' longevity pay."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 13: Page 18, line 22, after the word "control," insert the following: "and the Secretary of the Navy is authorized to enter into contract for purchase of the patents covered by this license agreement, subject to appropriations therefor."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. STAFFORD. Will the gentleman explain the necessity of authorizing the Secretary of the Navy to purchase patents, as is provided in this amendment?

Mr. AYRES. This applies to what are known as the Hammond patents on radio control. Several years ago Con-

gress authorized and made an appropriation to purchase these patents. The appropriation was not used and finally was covered back into the Treasury. It has been contended that the repeal of the appropriation, by implication, repealed the authorization. The Navy Department is now using the patents under a license agreement, and the purpose of the amendment is to give the department the right to purchase, subject to appropriation. A contract has been entered into on the part of the Navy and the patentee, whereby we pay $90,000 for leasing these patents over an 18-month period, with the provision that in case they should be purchased whatever sum has been paid for leasing will be applied on the purchase price.

Mr. STAFFORD. Has any set price been agreed upon as to what the patentee will sell his rights to the Government for?

Mr. AYRES. Yes; $720,000.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Kansas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 14: Page 23, beginning in line 6, after the word "orders," strike out all down to and including the word "officers" in line 16.

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment which I have sent to the desk.

The Clerk read as follows:

Mr. AYRES moves that the House recede and concur in amendment No. 14 by restoring the matter stricken out by said amendment, amended to read as follows: "(not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: *Provided*, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1932, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act.)"

Mr. STAFFORD. Mr. Speaker, will the gentleman explain the latter part of the proposed amendment, which seems to negative, to a large extent, the purpose that the House had in mind in placing a limit of numbers in these respective grades?

Mr. AYRES. There happen to be a few officers in the service in excess of the numbers specified in the original provision. The amendment is designed to take care of that situation.

Mr. STAFFORD. Then, as I understand, it only takes care of those few who are in excess of the numbers designated?

Mr. AYRES. That is it exactly.

Mr. STAFFORD. It was the purpose of the House amendment to exclude them. I suppose some favorites levied hard to have them excepted from the purview of the amendment.

The SPEAKER. The question is on the motion of the gentleman from Kansas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 15: Page 23, line 16, strike out "$30,653,486" and insert in lieu thereof "$31,513,421."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

Mr. LaGUARDIA. Mr. Speaker, I offer a preferential motion to concur in the Senate amendment.

The SPEAKER. The motion to recede and concur is a preferential motion. The gentleman from Kansas has offered a preferential motion. The question is on the motion to recede and concur.

Mr. STAFFORD. Mr. Speaker, I ask for a division of the motion.

The SPEAKER. The question is on the motion to recede.

The motion to recede was agreed to.

The SPEAKER pro tempore. The question now is on the motion to concur.

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. AYRES moves to concur in Senate amendment No. 15 with an amendment.

Mr. LaGUARDIA. Mr. Speaker, I move to concur.

The SPEAKER. The motion to amend takes precedence over the motion to concur at this stage of the proceedings. The Clerk will report the amendment.

The Clerk read as follows:

Mr. AYRES moves to concur in Senate amendment No. 15 with an amendment, as follows: In lieu of the sum inserted by said amendment insert "$31,479,106."

The SPEAKER. The question is on the motion of the gentleman from Kansas.

The motion to concur with an amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 16: Page 23, line 17, strike out "$1,014,250" and insert in lieu thereof "$1,191,850."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. AYRES moves to recede and concur in Senate amendment No. 16 with the following amendment: In lieu of the sum proposed by said amendment insert the following: "$1,157,535 (none of which shall be available for increased pay for making aerial flights by nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy)."

Mr. LaGUARDIA. Mr. Speaker, on that I reserve the point of order.

I want to ask the gentleman from Kansas the purpose of his amendment.

If I remember correctly, when the bill was before us the entire question of aerial flights was agreed to in the House. The amount was reduced and the bill went over to the Senate. Now we come back with an entirely new proposition, and it surely is not a compromise, and it surely is subject to a point of order, because the Senate bill provides a new amount. The House bill had an amount in there. There is nothing about any limitation on the number of flights.

Mr. AYRES. I am perfectly willing to give the gentleman the information.

Mr. STAFFORD. Mr. Speaker——

Mr. LaGUARDIA. I would like to have the information pending the time the gentleman from Wisconsin can bring up his reinforcements.

Mr. STAFFORD. I have been rather effective with my reinforcements so far, I may say to the gentleman from New York.

Mr. AYRES. The House provided $1,014,250 for increased pay for officers of the Navy for making aerial flights. This sum was $271,890 less than the Budget estimate for such purpose. As agreed to by the conferees, the figure has been raised to $1,157,535, which is $143,285 more than proposed by the House and $128,605 less than the Budget estimate. This Senate increase, as finally agreed to, it is proposed to meet by reducing the appropriation for naval aviation by a like amount.

As passed by the Senate the reduction below the Budget for flying pay was reduced to $94,290. This amount the Navy Department intended to meet administratively in the following manner: Reduce nonaviator aerological officers on flight status from 12 to 0; reduce medical officers on flying status from 26 to 15; reduce miscellaneous flight orders from 14 to 6; discontinue student training in lighter-than-air; curtail heavier-than-air student training; detach 10 lighter-than-air aviators from flight status—account *Los Angeles* going out of commission.

The House conferees insisted upon a larger reduction and the amendment I have proposed provides for a further reduction of $34,315, to be met by refusing flying pay to more

than eight nonflying officers, who must be above the grade of lieutenant commander. It may be necessary to curtail in other directions to meet the entire amount of the reduction to which we have agreed. I might add, Mr. Speaker, that the conferees were fortunate in having the counsel of a recognized authority upon aviation matters. I refer to the Senator from Connecticut [Mr. BINGHAM], who was one of the Senate conferees.

Mr. LaGUARDIA. How many flight surgeons are there?

Mr. AYRES. I should say about 18.

Mr. LaGUARDIA. They do a very important piece of research work.

Mr. CHINDBLOM. Mr. Speaker, in order to obviate the necessity for a point of order I move that the House recede and concur, which is a preferential motion.

Mr. LaGUARDIA. What becomes of the point of order?

Mr. CHINDBLOM. That will be pending if my motion is defeated.

Mr. STAFFORD. Mr. Speaker, the question of the point of order is not free from doubt, I will confess. We have here an appropriation which was limited as it passed the House in its use to certain stated purposes, and there is now before the House for consideration appropriation for increased pay for making aerial flights.

The Senate increased the amount that may be available for that purpose by some one hundred and seventy odd thousand dollars. The question now before the House is whether the committee can offer any germane amendment as if it were an original proposition. I am assuming the House agrees to recede from their disagreement and if it is an original proposition then I maintain the committee has the right under the Holman rule to limit, if it is germane, the purpose for which this sum may be utilized. So the committee offers an amendment within the appropriation as it passed the House and as agreed to by the Senate, namely, instead of $1,014,250, the House appropriation, and the Senate appropriation, $1,191,850, it makes the amount $1,157,535, with a limitation. That is just the same as determining how the excess appropriation that is proposed may be utilized. The committee says, "none of which shall be available for increased pay for making aerial flights by nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy." I think if it were an original proposition, as it must be considered, this amendment would be in order in the House under the Holman rule, seeking to limit the authorization as to how this money should be expended.

Mr. LaGUARDIA. The gentleman is losing his punch in this argument.

Mr. STAFFORD. I will determine whether I have lost my punch after the Speaker rules.

The SPEAKER. The point of order has not been made yet.

Mr. CHINDBLOM. Mr. Speaker, I have offered a preferential motion to recede and concur.

The SPEAKER. The gentleman from Illinois offers a preferential motion to recede and concur in the Senate amendment.

Mr. STAFFORD. Mr. Speaker, I ask for a division of the question.

The SPEAKER. The gentleman from Wisconsin demands a division. The question is on receding.

The motion was agreed to.

The SPEAKER. The question is on the motion to concur.

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment.

Mr. LaGUARDIA. Mr. Speaker, I have made a point of order on the amendment.

The SPEAKER. The gentleman has not stated his point of order.

Mr. LaGUARDIA. The gentleman from Wisconsin has been arguing it for the last 5 or 10 minutes.

Mr. STAFFORD. I was arguing under the impression that the gentleman had made his point of order.

Mr. LaGUARDIA. I have made the point of order that the amendment is beyond the jurisdiction of the conferees.

The SPEAKER. Yes; but the gentleman from New York did not make the point of order after the preferential motion was made.

Mr. LaGUARDIA. I certainly did, as quickly as I could speak without being rude to the Speaker.

The SPEAKER. The Chair agrees with the gentleman that he made it as quickly as he could, but the first point of order would not apply to the motion.

Mr. LaGUARDIA. But immediately after the division of the question I renewed the point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. LaGUARDIA. I make the point of order that the amendment offered by the gentleman from Kansas is beyond the power and scope of the conferees; that it brings in entirely new matter; that the difference between the Senate bill and the House bill is simply one of amount, and we can not at this stage of the proceedings legislate on the bill.

The SPEAKER. On the grounds the gentleman makes his point of order the Chair will overrule it. The question is on the motion to concur with an amendment.

The motion was agreed to.

The SPEAKER. Let the Chair say in connection with that point of order that if the gentleman from New York had made the point of order that the proposed amendment was not germane to the Senate amendment, the Chair thinks it would have been sufficient, but the gentleman from New York said it was beyond the jurisdiction of the conferees, and the motion to concur with an amendment is not subject to that point of order.

The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

On page 23 of the bill, in line 20, strike out "$40,457,181" and insert "$41,317,116."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Mr. AYRES moves that the House recede and concur in Senate amendment No. 17 with an amendment: In lieu of the sum proposed by said amendment insert: "$41,282,801."

The motion was agreed to.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. What was the amendment offered by the committee? I understood the House would recede and concur with an amendment.

The SPEAKER. The Clerk reported the amendment, and the Chair said that without objection the motion to recede and concur with an amendment would be agreed to, and there was no objection.

Mr. GOSS. What about the amendment?

The SPEAKER. It is concurred in.

Mr. GOSS. May I inquire what the amendment was?

The SPEAKER. The Clerk reported the amendment changing the amount only, and the Chair announced that, without objection, the motion to recede and concur with an amendment was agreed to, and there was no objection.

The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 19: On page 25 of the bill, in line 20, strike out "$130,751,221" and insert in lieu thereof "$131,611,156."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. AYRES moves to recede and concur in Senate amendment No. 19 with an amendment as follows: In lieu of the sum inserted by the Senate amendment insert "$131,576,841."

The motion to recede and concur in the Senate amendment with an amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 24: On page 28 of the bill, in line 12, strike out "$149,052,211" and insert in lieu thereof "$149,912,146."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. AYRES moves to recede and concur in Senate amendment No. 24 with an amendment as follows: In lieu of the sum inserted by the Senate amendment insert "$149,877,831."

Mr. STAFFORD. Mr. Speaker, will the gentleman briefly state what was accomplished by the conference in the way of reduction, so far as the total of the bill is concerned, as agreed to in conference. I think the RECORD ought to show just what economies have been effected by the efforts of the House and Senate conferees.

Mr. AYRES. The bill as it passed the House, I will say to the gentleman from Wisconsin, carried $326,353,459. The bill as passed by the Senate carried $318,233,591, or a reduction below the House bill of $8,119,868. As agreed to by the conferees the bill carries $317,583,591, or a reduction below the House bill of $8,769,868.

In its final stage, therefore, assuming that the action of the conferees will be confirmed, the bill carries $40,678,532 less than the sum of the current appropriations and $24,093,859 less than the sum of the Budget estimates.

The Senate reductions run to three items, namely:

Public works	$300,000
Increase of the Navy, construction and machinery	8,000,000
Increase of the Navy, armor, armament, and ammunition	1,167,333
Total	9,467,333

These were partly offset by an increase of a like number (3) of items, namely:

Naval Reserve—for 15-day training	$650,000
Pay of the Navy—for pay of ensigns recently commissioned	682,335
Naval Academy—for pay of five civilian instructors	15,130
Total	1,347,465

Making the net reduction $8,119,868, as previously stated.

In addition to these changes as to direct appropriations, the Senate added reappropriations totaling $379,101 and provided $1,000,000 for commencing the construction of the naval hospital at Philadelphia, Pa., to be charged to the naval hospital fund. The effect of these additions upon the Treasury will be the same as if direct appropriations had been provided. So the Senate reduction actually may be said to be $6,740,767.

The House conferees insisted upon the disagreement of the House to the amendment of the Senate adding $650,000 for 15-day training for members of the Naval Reserve and the Senate has receded from this amendment. In no other respect does the action of the conferees affect the amounts of money carried by the bill as passed by the Senate.

Mr. STAFFORD. So the House conferees, with the cooperation of the Senate conferees, have reduced still further the total appropriations——

Mr. AYRES. To $8,769,868 below the House bill.

Mr. STAFFORD. And a reduction in conference of one-half million dollars.

Mr. AYRES. Six hundred and fifty thousand dollars.

Mr. WOOD of Indiana. Mr. Speaker, I would like to ask for a little information, and perhaps I should have asked it sooner. In the appropriation for flight pay is provision made for the pay of the pioneers in naval aviation?

Mr. AYRES. I do not think there is any question about that at all, but, of course, that will be largely an administrative matter.

Mr. WOOD of Indiana. I think those who were the pioneers in this business and have had to do with designing and construction ought to be taken care of in preference to some of the other gentlemen.

Mr. AYRES. I will say to the gentleman from Indiana that there is nothing in the bill that prevents that being done.

The motion to recede and concur in the Senate amendment, with an amendment, was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 29: Page 31, line 12, after the figures, insert a colon and the following proviso:

"*And provided further*, That, without deposit to the credit of the Treasurer of the United States and withdrawal on money requisitions, receipts of public moneys from sales or other sources by officers of the Navy and Marine Corps on disbursing duty and charged in their official accounts may be used by them as required for current expenditures, all necessary bookkeeping adjustments of appropriations, funds, and accounts to be made in the settlement of their disbursing accounts."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 35: On page 40, after line 8, insert:

"The availability of the $200,000 authorized by the act approved February 12, 1931, public numbered 620, of the Seventy-first Congress, to be expended from the naval hospital fund for the acquisition of land for a site for the hospital buildings at Philadelphia, Pa., authorized by said act, is hereby extended to include investigations by contract or otherwise of subsurface conditions at said site."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will read the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 36, page 40, line 16, insert the following:

"Naval Hospital, Philadelphia, Pa.: To continue construction of the public works authorized by the act entitled 'An act to authorize the Secretary of the Navy to proceed with the construction of certain public works at Philadelphia, Pa., and for other purposes,' approved February 12, 1931 (46 Stat. 1091), subject to the limit of cost fixed by such act, the Secretary of the Navy is authorized to expend $1,000,000 from the naval hospital fund for the buildings, equipment, accessories, and appurtenances authorized by such act, in addition to the expenditures authorized from such fund by such act."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read the amendment, as follows:

Amendment No. 36: In lieu of the matter inserted by said amendment insert the following:

"Naval Hospital, Philadelphia, Pa.: To continue construction of the public works authorized by the act entitled 'An act to authorize the Secretary of the Navy to proceed with the construction of certain public works at Philadelphia, Pa., and for other purposes,' approved February 12, 1931 (46 Stat. 1091), the Secretary of the Navy is authorized to expend $1,000,000 from the naval hospital fund for the buildings, equipment, accessories, utilities, and appurtenances authorized by such act, in addition to the expenditures authorized from such fund by such act: *Provided*, That the limit of cost of such buildings, equipment, accessories, utilities, and appurtenances is hereby reduced from $3,000,000 to $2,250,000, and additional appropriations for such work may be made from the naval hospital fund to the extent that the Secretary of the Navy may approve."

Mr. DARROW. Will the gentleman yield?

Mr. AYRES. I yield.

Mr. DARROW. As I understand, in making this amendment there is no intention on the part of the conferees to fail to carry out the present plans for the building of this hospital?

Mr. AYRES. I will say that there is no intention except to carry out the original plan.

Mr. DARROW. As the gentleman knows, we have already appropriated $100,000, and in this cutting down of the appropriation it is the plan to build the hospital according to the plans as they have been prepared.

Mr. AYRES. The gentleman is correct.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 37: Page 41, line 11, strike out "$13,578,805" and insert "$13,401,205."

Mr. AYRES. I move that the House recede and concur with an amendment.

The Clerk read the amendment, as follows:

Amendment No. 37: In lieu of the sum inserted by said amendment, insert "$13,435,520."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 38: Page 42, line 8, strike out "$25,388,705" and insert "$25,211,105."

Mr. AYRES. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read the amendment, as follows:

Amendment No. 38: In lieu of the sum inserted by said amendment, insert "$25,245,420."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 43: Page 44, line 6, after the word "purposes," insert "and engraving of trophies and badges."

Mr. AYRES. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

On motion of Mr. AYRES, a motion to reconsider the several votes was laid on the table.

Mr. AYRES. Mr. Speaker, I ask unanimous consent to extend my remarks on the conference report.

The SPEAKER. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks on the conference report, to show that I am opposed to it.

The SPEAKER. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I am opposed to adopting the conference report on H. R. 11452, the naval appropriation bill. The conferees have agreed to economize at the expense of the Naval Reserve, and, in my opinion, the Naval Reserve is just as important as any other branch of the Navy. The House bill as passed by the Senate was amended so as to increase the appropriation for the Naval Reserve. The increase was $650,000. That Senate amendment ought to be adopted by the House. I know that what I say is going to be futile. I know that the steam roller is working and that the conference report will be passed without opportunity to offer amendments or make any changes in the program of the conferees.

But I want to protest this procedure. It is false economy. It is a clear attempt, as I indicated some time ago in a speech on the floor of the House, on the part of some Navy Department officials to economize at the expense of the Naval Reserve, so that other branches of the Navy may have more funds. Such an attitude is unfair. This Senate amendment is still below the Budget estimate. As a matter of fact, let us keep the record straight. The House committee was going to follow the Budget estimate. After the hearings on the bill were closed Navy Department officials, without giving opportunity to oppose their plans, came before the Naval Affairs Committee and asked that the amounts for the Naval Reserve be reduced. This was an unusual thing to do. It was a wrong policy for the Navy to pursue. We have at Duluth, Minn., a Naval Reserve vessel, the *Paducah*. We do not want it junked, nor do we want the efficiency of the Naval Reserve there lessened in any way.

I am opposed to adoption of the report of the conferees, and the following memorandum sustains the correctness of my position:

MEMORANDUM REGARDING APPROPRIATION FOR ANNUAL TRAINING DUTY FOR THE UNITED STATES NAVAL RESERVE

The Naval Reserve budget for the fiscal year 1933, as submitted to Congress, contemplated an appropriation of $3,840,000, a decrease of $780,835 from 1932. This reduction was cheerfully accepted by the reserve in view of existing conditions. The Naval Reserve appropriation, as passed by the House, provided only $3,077,686, or a total decrease from the previous year of $1,543,149, or 34 per cent. This is $762,314 under the Budget and eliminates annual training cruises for the Navy's civilian component.

A similar condition existed in regard to the Army's civilian components, which was corrected by the House. The United States has by far the smallest naval reserve of any of the treaty powers (approximately 40,000 officers and men).

Present foreign relations and domestic conditions demand an adequate national defense. To meet this condition the War Department and the Army have advocated and procured training duty from the House for approximately 250,000 of its civilian components.

The Naval Reserve is asking that Congress replace the Naval Reserve active training which will require only $617,710 increase over the House appropriation, and is still less than the Budget figures by $144,604.

It may be stated here that many officers and men of the Naval Reserve are out of work and have looked forward to and counted on this training-duty appropriation as a means of procuring the bare necessities of life for themselves and their families.

Sailors can not be made from books, but only upon ships which are available, as follows: East Coast and Gulf, 5 destroyers (*Tillman, Goff, Bainbridge, James,* and *Taylor*), and 7 Eagle boats; Great Lakes, 5 gunboats; West coast, practically entire United States Fleet.

At the present time, the Navy budget has been cut 9 per cent; the Naval Reserve budget 34 per cent; and of the cut absorbed by Navy personnel, the Naval Reserve has absorbed 78 per cent of the total. The Naval Reserve has cheerfully taken a cut under 1932 appropriation of approximately $1,000,000 without complaint, but the elimination of training duty strikes at national safety.

This situation ought to be corrected by the restoration to the Naval Reserve appropriation of this vital item of $617,710.

FARM LEGISLATION

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, I have remained on my post of duty, although the campaign in my State has been on since June 14, and I have two opponents opposing me. I felt it would be to the best interest of my constituents to stay on the job because of so many important matters pending in Congress at this time—conference reports on appropriation bills, economy legislation, and various bills of my own. During this period I have been able to get a favorable report from the Agricultural Committee on my bill proposing to extend additional facilities to the actual producers of cotton under the United States cotton grading act passed during the Sixty-seventh Congress, whereby farmers would be able to get the full benefit of the actual grade and staple of cotton, which they are not now getting in many instances. I have also had the privilege of receiving a favorable report from the Agricultural Committee on my bill authorizing the turning over to the National Red Cross of 40,000,000 bushels of wheat out of the very large surplus of wheat and 500,000 bales of cotton out of the 1,300,000 bales being held by the Federal Farm Board. The purpose of this legislation is to help feed and clothe the millions of hungry and naked unemployed people in America to-day.

Not only will this bring about a consumption of a great part of this Federal Farm Board surplus, but, it will be a godsend to millions of people who are unable to buy food, bedding, and clothing. It will also enable cotton mills that are now closing down to continue running as well as give employment to hundreds of their employees who would otherwise be laid off and turned into the ranks of the unemployed. The Federal Farm Board and a great many other people, including quite a few Congressmen, prefer that this surplus wheat and cotton be sold to foreign countries on a credit basis rather than distribute same in this country as above outlined. They know and you know that these countries have already practically repudiated their obligations to the United States contracted during the war, and, therefore, it would be just a gift to foreigners. The Federal Government has already done this in several instances at the expense of the American people. So far as I am concerned in this great hour of need the American people should come first in every instance.

I have especially stayed on the job for the purpose of trying to help pilot through the Senate the appropriation bill for the Post Office and Treasury Departments, which is a hard job, especially in a time when so many of the Senators and Congressman are playing politics. Some time earlier in the session I introduced a bill authorizing the Postmaster General to purchase supplies for the Post Office Department from merchandise produced in the United States, although a little higher in price than the same or similar type of merchandise imported into the United States.

I received a favorable report on this bill by the Post Office Committee and was able to amend the Post Office and Treasury Departments appropriation bill so as to carry the provision of this bill, which, as stated, has been pending in the Senate for some time. The reason I have been so deeply interested in this matter is because the Postmaster General is now holding up an order for twine to be used in the post offices of the United States that will be given to cotton mills for cotton twine instead of jute which has always been used under the present law because in every instance jute twine has been cheaper than cotton. It was my hope that I would be able to pass my net weight cotton bagging bill also before this session of Congress closed. I received a unanimous favorable report from the Agricultural Committee and the bill is now pending on the House Calendar. On Monday Mr. GARNER, Speaker of the House, agreed to recognize me to make a unanimous-consent request to consider the bill for the purpose of its passage. However, as usual, we have Representatives from the cotton States who are more interested in jute mills that are located in their States than they are in the cotton farmers, and I was unable to have this bill considered as above stated for the reason that several Congressmen told the Speaker they would object if the bill were called for consideration. These gentlemen are from the States of North Carolina and Georgia.

The gentleman from Georgia previously objected to this bill when same was up for consideration on the Consent Calendar. I expect to pass this bill during the next session of Congress either by a special rule or when the Agricultural Committee has a day for considering its bills. These bills I have passed and expect to pass would put the cotton South in a position to dispose of and consume between 750,000 and 1,000,000 bales of cotton. I also have a bill pending before the Ways and Means Committee proposing to place a tax on the importation of jute and jute products flooding this country, that if prohibited, we could use an additional two to three million bales of cotton. I have been especially concerned about farm-relief legislation, and one of the main reasons I have remained on my post of duty was because I hoped to be able to get the members of the Agricultural Committee to agree to work out and report a real farm relief bill that would at least give to farmers the cost of production on their major farm products.

For the past 10 or 12 years farmers have been promised legislation that would place them on a basis of equality with industry and other lines of business; however, up to this time these promises have not been fulfilled. I want to state now as I have stated in practically every speech I have made upon the floor of the House, as well as in my various remarks in the committee, that until something is done to give farmers a fair price for that which they produce normal prosperity will be long drawn out.

Some years ago we passed the equalization-fee legislation, and it was promptly vetoed by Mr. Coolidge and later by President Hoover. The Republican Party then gave us the Federal marketing act under the supervision of the Federal Farm Board. I still maintain that the marketing act is a very good piece of legislation, but under the interpretation placed upon this legislation, and the rules and regulations promulgated by this board, under which they have administered the act, it has proven to be an absolute failure so far as rendering farmers any appreciable service. I especially want to get before the House the history of farm-relief legislation during this session of the Congress. Some time during the month of April the chairman of the Agricultural Committee, my colleague [Mr. JONES], requested the representatives of the various farm organizations of the country who were appearing before the committee in behalf of numerous bills to get together on a bill that would be satisfactory to these leaders and that the committee would give serious consideration to same. Some time in May they came before our committee with a bill which I introduced and which is known as H. R. 11866, or the "Three Title Bill." This bill under titles 1, 2, and 3 contains the following plans:

Title I, equalization-fee plan; Title II, the debenture plan; and Title III, the allotment or cost of production plan. In a regular meeting of the committee I made a motion that this particular bill be taken up as a basis for consideration to be read and amended with the hope that we would be able to work out and report to the House a real bill for the relief of farmers that would be workable under one or all three of these plans, in connection with the various major farm products. The committee read Titles I and II, adopting numerous amendments perfecting these titles. When we came to Title III, I made a motion that the chairman appoint a subcommittee of five members to take up the allotment plan as carried under Title III, along with the McAdoo and Wilson allotment plan, for the purpose of working out an allotment plan that would be sound and workable to be substituted for the allotment plan carried under Title III in the bill. The subcommittee, of which I was chairman, along with the legislative drafting service, worked several days on this proposition, finally submitting our plans to the whole committee for consideration.

The subcommittee allotment plan was further considered and perfected, with additional amendments by the whole committee, but when the time came for the final consideration of the 3-title bill for the purpose of adopting all amendments agreed upon, including the perfected allotment plan for Title III, several members of the committee, who seemingly were more interested in playing politics than working out real helpful legislation, made a motion that the bill be reported as originally introduced, without the crossing of a "t" or the dotting of an "i," stating that this was the bill farm leaders wanted and that we should give them what they wanted. They knew that the bill was unworkable as well as ridiculous, especially as to Title III of the bill. At this point I immediately refused to further sponsor the bill. The bill was then reintroduced by my colleague, Mr. NORTON, of Nebraska, and we went before the Rules Committee, requesting that we be given a rule to consider the Norton bill, H. R. 12617, making the debenture, H. R. 12574, as introduced by Mr. JONES, chairman of the committee, and the perfected subcommittee allotment plan bill, H. R. 12644, as introduced by me in order to substitute for the Norton bill, or to be offered as a substitute to Titles II and III, respectively, of the Norton bill. We had about three days' hearings before the Rules Committee, but for some reason unknown to me and the farmers of this country, who are daily going into bankruptcy, the rule up to this date has been refused.

At this stage of the game an emergency bill was introduced by my colleague, Mr. KLEBERG, of Texas, which contains practically everything contained in my bill, H. R. 12644. On last Friday the committee met, as I understood, for the purpose of voting out this bill as an emergency piece of legislation which would not or should not interfere with the final passage of the 3-title bill, debenture bill, or my allotment bill. However, I found when the bill was up for consideration that several Members were perfectly willing to so load the bill with amendments, many of them, perhaps, unworkable, that it would be impossible to get consideration in either House during this session of the Congress.

Therefore I want to state, and I believe that every member of the Agricultural Committee will agree with me, that I have done everything that could humanly be done in and out of the committee to have farm legislation considered at this session.

It is my belief that the equalization fee as well as the debenture plan will work in the interest of farmers.

The allotment plan, which is a practically new plan, is, so far as I am concerned, the best farmer's bill that has been before the Congress since I have been a Member.

I am willing to go to the country on this type of legislation and I sincerely hope that if this session closes without farm legislation that we will be able to pass H. R. 12644, known as the domestic allotment plan, in the next session of Congress.

NATURALIZATION OF WOMEN BORN IN HAWAII

The SPEAKER laid before the House the following order, which the Clerk read:

IN THE SENATE OF THE UNITED STATES,
June 28, 1932.

Ordered, That the House of Representatives be requested to return to the Senate the bill (H. R. 10629) entitled "An act relating to the naturalization of certain women born in Hawaii."

The SPEAKER. Without objection, the request is agreed to.

There was no objection.

STATE BRIDGE OF WEST VIRGINIA

Mr. BACHMANN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 4898, amending an act entitled "An act authorizing the State of West Virginia by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State" approved March 3, 1931.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. BACHMANN. Yes.

Mr. STAFFORD. I understand a similar House bill has already been reported from the Committee on Interstate and Foreign Commerce.

Mr. BACHMANN. It has.

Mr. STAFFORD. And it is on the Consent Calendar?

Mr. BACHMANN. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That section 5 of an act entitled "An act authorizing the State of West Virginia by and through the West Virginia Bridge Commission, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931, be, and the same is hereby, amended to read as follows:

"SEC. 5. The State of West Virginia, by and through the West Virginia Bridge Commission, or its successors, may unite or group all or such of said intrastate bridges into one or more separate projects for financing purposes as in its judgment shall be deemed practicable, and may also unite or group for financing purposes in any one issue of bonds such interstate bridges as the West Virginia Bridge Commission shall determine to be competitive, but no particular project or group shall be so united that any such project or group will include both interstate and intrastate bridges: *Provided, however*, That the bridges herein authorized to be acquired across the Ohio River from the city of Wheeling, W. Va., to an island in the Ohio River, constituting territory of the State of West Virginia, may be included in the same group or groups as the respective connecting bridges from such island to a point in Ohio shall be included, and when sufficient revenues shall have been determined to be available from the collection of tolls on the bridges terminating in the State of Ohio to pay interest and maintenance charges and to provide a sinking fund ample to retire the bonds at maturity as issued for the acquirement of all said bridges, the commission is authorized to make free of tolls the bridges between the city of Wheeling proper and Wheeling Island.

"If tolls are charged for the use of a bridge or bridges in a project, the rates of toll to be charged for the use of such bridge or bridges embraced in the particular project shall be so adjusted as to provide a fund not to exceed an amount sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge or all of the bridges included in the particular project and their approaches under economical management, and not to exceed an amount sufficient in addition to the foregoing, to provide a sinking fund sufficient to amortize the aggregate cost of the bridge or all of the bridges embraced in the particular project, and their approaches, including reasonable interest and financing costs, as soon as possible under reasonable charges, but within a period not exceeding 25 years from the date of approval of this act. The tolls derived from the bridge or bridges embraced in any particular project may be continued and paid into the appropriate sinking fund until all such costs of the bridges embraced in the particular project shall have been amortized. In any event tolls may be charged on the basis aforesaid for transit over the bridge or bridges in each project for which revenue bonds of said State are issued, and such tolls may be continued and adjusted at such rates as may be necessary to pay such bonds with interest thereon and any lawful premium for the retirement thereof before maturity, subject only to the power of the Secretary of War or other authorized Federal authority to regulate such rates."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. BYRNS. Mr. Speaker, there are at least two conference reports to be taken up to-morrow. I ask unanimous consent that the business in order to-morrow on Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

RADIO

Mr. LAGUARDIA. Mr. Speaker, in that connection last Tuesday, June 21, 1932, the gentleman from Illinois [Mr. CHINDBLOM] inserted a proposed amendment that he had prepared to the copyright bill. I have read that amendment, and I have gleaned a few ideas from it. I am introducing two bills carrying out the idea of the gentleman from Illinois to its logical conclusion. I ask unanimous consent to insert the two bills in connection with this statement at this point.

The SPEAKER. Is there objection?

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, is the gentleman's purpose to introduce the two bills in the CONGRESSIONAL RECORD of to-day?

Mr. LAGUARDIA. Yes.

Mr. CHINDBLOM. In the regular reading matter of the RECORD?

Mr. LAGUARDIA. Yes.

Mr. CHINDBLOM. I shall not object, although the bills will be printed in the usual form and be available to all Members.

Mr. LAGUARDIA. I know, but after reading the gentleman's inspired amendment, I want to follow the gentleman's proposition to its logical conclusion.

The SPEAKER. Is there objection?

There was no objection.

The bills referred to are as follows:

A bill to regulate and establish reasonable license fees for patented radio equipment

Be it enacted, etc., That if in any suit for infringement for the unauthorized sale or use of any patented article used in the transmission or receipt of radio programs or messages it shall appear that the suit is brought by or in behalf of any association, society, corporation, combination, pool, or group of corporations with interlocking directorates which deal with or in the issue or grant of licenses for the use or sale of such patented items and which exercises in the United States a substantial control of the use or sale of such patented articles or any class thereof, recovery shall be limited to an amount which will justly compensate the plaintiff for the use made of such patented articles and shall in no event exceed the amount of a reasonable fee or price for a license which, under similar circumstances, would have authorized the infringing act or acts complained of. In determining the amount of such reasonable fee or price the prices currently paid for such licenses to use or sell such patented articles under similar circumstances shall be considered. Upon payment of a reasonable price or fee, as found by the court, the infringer shall, in the discretion of the court, be entitled to continue the infringing acts complained of, upon such terms and for such reasonable license period as the court shall deem just. No injunction shall issue in respect to any articles other than those proved to have the subject of infringement.

A bill to regulate and establish reasonable fees for radio advertisements

Be it enacted, etc., That if any owner or operator of two or more radiobroadcasting stations, operating under license from the Federal Radio Commission, shall refuse to allow any legitimate advertiser or sponsor of radio programs the use of such stations for the broadcasting of his advertisements or sponsored programs at a reasonable price for the privilege therefor, such advertiser may appeal to the Federal Radio Commission to fix such reasonable price or fee, and upon tender of same he shall be entitled to the use of

said broadcasting station or stations for the broadcasting of his advertisements or programs. The reasonable price or fee so fixed shall be limited to an amount which will justly compensate the owner or operator of the station for the use made thereof, and shall in no event exceed the amount of a reasonable fee or price which, under similar circumstances, would have been charged by the owner or operator of the radiobroadcasting station for the use thereof. In determining the amount of such just compensation or of such reasonable fee, the prices currently paid for similar broadcasting privileges under similar circumstances shall be considered. Upon payment of a reasonable fee, as found by the Federal Radio Commission, the advertiser or sponsor of programs may, in the discretion of the commission, be entitled to continue the use of such station at the same rate of payment and for such reasonable period as the commission may deem just.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills, a joint resolution, and a concurrent resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 406. An act to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Pacific States Box & Basket Co., a corporation, involving certain portions of right of way in the vicinity of the town of Florin, county of Sacramento, State of California, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 922. An act for the relief of John Heffron;

H. R. 927. An act for the relief of the estate of Franklin D. Clark;

H. R. 996. An act for the relief of Mildred B. Crawford;

H. R. 1226. An act for the relief of Edna M. Gilson.

H. R. 1383. An act for the relief of certain United States naval officers.

H. R. 1700. An act for the relief of Walter S. West.

H. R. 1804. An act for the relief of Frank Woodey;

H. R. 1903. An act for the relief of Harrison Simpson;

H. R. 1962. An act for the relief of Noble Jay Hall;

H. R. 2418. An act concerning the claim of Jacob Landry.

H. R. 2514. An act for the relief of the estate of Samuel Schwartz;

H. R. 2695. An act for the relief of David Albert Robeson;

H. R. 2707. An act for the relief of William Alexander Keys;

H. R. 3624. An act for the relief of Minnie Hopkins;

H. R. 3644. An act for the relief of Lewis A. McDormott;

H. R. 3725. An act for the relief of the First National Bank of Brenham, Tex.;

H. R. 3726. An act for the relief of the Farmers State Bank of Georgetown, Tex.;

H. R. 4059. An act for the relief of Rosamond B. McManus;

H. R. 4071. An act for the relief of W. A. Blankenship;

H. R. 4264. An act for the relief of Lieut. Col. H. H. Kipp, United States Marine Corps, retired;

H. R. 4743. An act to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended;

H. R. 5059. An act for the relief of Mrs. Johnnie Schley Gatewood;

H. R. 5971. An act for the relief of Grover Cleveland Ballard;

H. R. 6003. An act for the relief of A. L. Marshall;

H. R. 6334. An act for the relief of Lieut. M. A. Sprengel;

H. R. 6336. An act for the relief of George W. Steele, jr.;

H. R. 6444. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts the silver service presented to the United States for the U. S. S. *Montgomery*;

H. R. 6599. An act to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy;

H. R. 6735. An act to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy;

H. R. 6860. An act for the relief of Florence Northcott Hannas;

H. R. 7411. An act for the relief of Alex Bremer;

H. R. 7793. An act to secure the departure of certain aliens from the United States;

H. R. 8306. An act for the relief of D. M. Leypoldt Co.;

H. R. 9004. An act for the relief of Agnes C. Reder;

H. R. 9058. An act to authorize the Secretary of War to accept on behalf of the United States a tract or parcel of land for park purposes, to the Chickamauga-Chattanooga National Military Park;

H. R. 9369. An act to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a lease to Phillips County Post No. 57, of the American Legion, Department of Montana;

H. R. 11361. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 12078. An act to extend the times for commencing and completing the construction of a bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.;

H. J. Res. 408. Joint resolution providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; and

H. Con. Res. 26. House concurrent resolution to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho;

S. 4525. An act providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes;

S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.; and

S. 4808. An act relating to the acquisition of restricted Indian lands by States, counties, or municipalities.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 27, 1932, present to the President, for his approval, bills of the House of the following titles:

H. R. 3987. An act for the relief of R. K. Stiles & Co.;

H. R. 4594. An act to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located;

H. R. 5649. An act to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes";

H. R. 7238. An act to amend section 5 of the suits in admiralty act, approved March 9, 1920;

H. R. 8031. An act to provide for expenses of the Crow and Fort Peck Indian tribal councils and authorized delegates of such tribes;

H. R. 8548. An act authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes;

H. R. 8777. An act for the relief of J. N. Gordon;

H. R. 9306. An act to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended;

H. R. 10161. An act amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes;

H. R. 10587. An act to provide for alternate jurors in certain criminal cases;

H. R. 10590. An act to prohibit the misuse of official insignia;

H. R. 10599. An act to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws;

H. R. 10683. An act to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut;

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 11639. An act to authorize extensions of time on oil and gas prospecting permits, and for other purposes; and

H. R. 11944. An act to facilitate execution of and economy in field season contracts of the Forest Service.

EXTENSION OF REMARKS

TARIFF DUTIES ON VEGETABLE AND ANIMAL OILS AND FATS

Mr. SELVIG. Mr. Speaker, I have introduced a bill amending the tariff act of 1930 relative to the duties on vegetable and animal oils and fats. I have done so at this time in order that the membership of this body and the country may study its provisions in the hope that action may be secured at an early date.

The provisions of this bill are included at the close of my statement. There may be necessary changes and modifications which can best be formulated when the subject is given more detailed study and consideration. The bill and the discussion of its provisions are not the final words on this important matter. I have attempted to bring the facts together because I believe the American farmer under our system of protection is entitled to equal consideration with every other group or industry that has been given tariff protection.

I was encouraged in reading the plank in the Republican Party's platform adopted at Chicago this month which states:

> The American farmer is entitled not only to tariff schedules on his products but to protection from substitutes therefor.

This is a clear mandate from the chosen delegates of the Republican Party in national convention assembled. To assist in translating that declaration into the actuality of the law of the land is my purpose in submitting the facts I desire to present.

The proposed bill seeks to remedy a tariff injustice which Congress failed to do when the tariff act of 1930 was enacted into law. I discussed the subject of the tariff in its relation to agriculture at that time and included the vegetable oils and animal fats, but there were too many other important schedules that required attention. In the 1930 act most of agriculture's demands were fully and adequately met. They stand on the statute books to-day; and if the present world tragedy had not intervened, our fondest hopes would have been realized.

Now that the problem of giving protection to substitute products has been sanctioned by the Republican Party, our attention can be turned to this very important phase.

One of the omissions in the 1929 revision of the tariff was the failure of Congress to give agriculture any substantial protection against the enormous importations of foreign vegetable, animal, and fish oils and fats which are flooding our markets, displacing domestic butter and other oils and fats. In fact, in one important particular, protection to agriculture was still further reduced by extending the list of products entitled to free entry to include a number of oils and fats previously dutiable, but now to be free of duty when rendered inedible by denaturing.

The proposed bill includes all of the proposed duties on vegetable, animal and fish oils and fats which Congress failed to grant. It seeks to provide adequate rates of duty on all of these products, many of which are now on the free list. Many others are now dutiable at very low rates of duty. The complete list appears in the bill.

INJURY TO AMERICAN AGRICULTURE FROM THE IMPORTS OF FOREIGN OILS AND FATS

During the year 1930, the same year that the tariff act of 1930 became effective, a total of 1,813,707,000 pounds of animal and vegetable oils, including raw materials in terms of oil, were imported for consumption in the United States. Of this nearly 2,000,000,000 pounds of imported oils and fats, 511,005,000 pounds were dutiable and 1,302,702,000 pounds were free of duty. Thus the duty-free imports were about two and one-half times the volume of the dutiable imports. This does not indicate that agriculture is anything like adequately protected against foreign oils and fats.

This situation has been growing rapidly worse for two decades. Domestic oils and fats are being displaced more and more by imported oils and fats which can be purchased at cheaper prices for comparable grades. In 1923 our imports practically equaled our exports of oils and fats, including oil from imported stock. Seven years later, in 1930, our imports exceeded our exports by 932,905,000 pounds, or nearly 1,000,000,000 pounds.

The enormous increase in the importation of foreign oils and fats into the United States means that domestic oils produced from the products of American farms have been displaced to an increasing extent by the use of these cheaper materials from foreign countries. The total consumption of foreign soap and food oils in the United States increased 407.4 per cent in 1929 as compared with 1914, whereas the use of domestic soap and food oils made from domestic materials increased but 39 per cent during the same period. The use of foreign food oils increased 2,168.8 per cent compared with only 31.1 per cent for domestic food oils during this same period, and the use of foreign soap oils increased 388.9 per cent compared with 40.6 per cent for domestic oils during this period.

This is summarized in the following table (Table I) taken from the 1932 report of the tariff commission.

TABLE I.—*Consumption and exports of principal domestic and foreign animal and vegetable oils, not including butter, edible olive oil, paint oils, and other specialized oils, 1914 and 1929*

	Domestic oils made from domestic materials			5 foreign oils covered by resolution	Total foreign soap and food oils [2]	All foreign and domestic oils	
	Lard (except neutral)	Other [1]	Total			Excluding lard	Including lard
Consumption in food:	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
1914	1,152,197,000	1,533,860,000	2,686,057,000	5,280,000	12,645,000	1,546,505,000	2,698,702,000
1929	1,725,164,000	1,795,535,000	3,520,699,000	284,950,000	286,886,000	2,082,421,000	3,807,585,000
Increase or decrease	572,967,000	261,675,000	834,642,000	279,700,000	274,241,000	535,916,000	1,108,883,000
Per cent	49.7	17.1	31.1	5,297.3	2,168.8	34.7	41.1

[1] Including cottonseed, corn, peanut, soybean, oleo oil, neutral lard, edible and inedible tallow, greases, fish and whale oils.
[2] Including, in addition to the 5 oils mentioned in the resolution, inedible olive oil and foots, soybean, peanut oils, other animal oils, including fish.

TABLE I.—*Consumption and exports of principal domestic and foreign animal and vegetable oils, not including butter, edible olive oil, paint oils, and other specialized oils, 1914 and 1929*—Continued

	Domestic oils made from domestic materials			5 foreign oils covered by resolution	Total foreign soap and food oils	All foreign and domestic oils	
	Lard (except neutral)	Other	Total			Excluding lard	Including lard
Consumption in soap:	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
1914	10,484,000	581,547,000	592,031,000	123,358,000	160,334,000	741,881,000	[1] 752,365,000
1929		832,402,000	832,402,000	673,871,000	783,900,000	1,616,302,000	[1] 1,616,302,000
Increase or decrease		250,855,000	240,371,000	550,513,000	623,566,000	874,421,000	863,937,000
Per cent		43.1	40.6	446.3	388.9	117.9	114.8
Total consumption: [2]							
1914	1,162,681,000	2,118,171,000	3,280,852,000	168,987,000	234,816,000	2,352,987,000	3,515,668,000
1929	1,725,164,000	2,833,871,000	4,559,035,000	1,067,779,000	1,191,484,000	4,025,355,000	5,750,519,000
Increase or decrease	562,483,000	715,790,000	1,278,183,000	898,792,000	956,668,000	1,672,368,000	2,234,851,000
Per cent	48.4	33.8	39.0	531.9	407.4	71.1	63.6
Exports:							
1914	438,016,000	350,971,000	788,987,000	997,000	1,071,000	352,042,000	790,068,000
1929	829,328,000	174,419,000	1,003,747,000	29,532,000	29,532,000	203,951,000	1,033,279,000
Increase or decrease	391,312,000	−176,552,000	214,760,000	28,535,000	28,406,000	−148,091,000	243,221,000
Per cent	89.3	−50.3	27.2	2,862.1	2,522.7	−42.1	30.8

[1] The difference between these totals and those shown in Table IV-3, p. 15, −66,303,000 pounds in 1914 and 75,438,000 pounds in 1929, is accounted for by soap stock, red oil, vegetable tallow, and miscellaneous oils, which are not included in this table.
[2] Exceeds food and soap consumption by quantities used in other industries.

Source: Report of Tariff Commission on "Certain vegetable oils," 1932.

EFFECT ON DAIRY INDUSTRY

The soap interests have been the principal opponents of tariffs on oils and fats. Their chief argument has been that certain of these imported oils and fats possess peculiar properties for soap making not possessed by any domestic oils or fats. This argument will be discussed later at length. Obviously this argument can not be applied to the manufacture of margarine or other butter substitutes. Every pound of margarine or other butter substitute manufactured and sold displaces a pound of butter which otherwise could be consumed.

The production of margarine in the United States has more than doubled since 1914, increasing from 144,000,000 pounds in 1914 to 312,000,000 pounds in 1930, as shown by the following table.

TABLE II.—*Production of margarine in the United States by classes*

[Report of Tariff Commission on certain vegetable oils, 1932]

Calendar year	Total quantity	Vegetable-oil margarine		Animal-oil margarine	
		Quantity	Per cent of total	Quantity	Per cent of total
	Pounds	*Pounds*		*Pounds*	
1914	144,000,000				
1916	203,000,000	2,000,000	1.0	201,000,000	99.0
1918	356,000,000	89,000,000	25.0	267,000,000	75.0
1919	371,000,000	143,000,000	38.4	228,000,000	61.6
1920	370,000,000	196,000,000	52.8	174,000,000	47.2
1921	212,000,000	102,000,000	47.8	110,000,000	52.2
1922	185,000,000	76,000,000	40.8	109,000,000	59.2
1924	229,000,000	101,000,000	44.2	128,000,000	55.8
1926	239,000,000	121,000,000	50.8	118,000,000	49.2
1928	308,000,000	196,000,000	63.7	112,000,000	36.3
1929	342,000,000	222,000,000	64.8	120,000,000	35.2
1930	312,000,000	216,000,000	69.3	96,000,000	30.7

The consumption of margarine in the United States varies from year to year, largely depending upon the amount of spread in price between butter and margarine. In 1914 when there was a spread of 9.4 cents a pound, the ratio of the consumption of margarine to the consumption of butter was 8.5 per cent. During the war period and subsequently the spread between butter prices and margarine prices increased to 16.8 cents in 1917, 21.3 cents in 1918, 23.6 cents in 1919, and 24.3 cents in 1920. During the same years the ratio of margarine consumption to butter consumption jumped to 15 per cent in 1917, 21.5 per cent in 1918, 22.6 per cent in 1919, and 24 per cent in 1920. In 1921 the price spread was reduced to 18.4 cents per pound, and simultaneously the ratio of consumption dropped to 16.5 per cent. After 1924 the price spread again began to increase, increasing from 17.5 cents in 1924, to 20.1 cents in 1925, 20.1 cents in 1926, 23.2 cents in 1927, 23.9 cents in 1928, and 23.2 cents in 1929. During the same period the ratio of consumption of margarine to butter consumption increased from 12.2 per cent in 1924, to 11.2 per cent in 1925, 11.8 per cent in 1926, 12.4 per cent in 1927, 14.4 per cent in 1928, and 16.2 per cent in 1929. In 1930 the price spread dropped to 13.5 cents per pound, and the ratio of consumption dropped to 14.2 per cent. A much larger drop in the ratio of consumption would probably be shown in 1931 if figures were available. These data are taken from the 1932 Report of the Tariff Commission. I insert this table at this point.

TABLE III.—*Comparison of price differences and relative consumption of butter and margarine*

[From Tables 143 and 144, 1932 report of Tariff Commission on certain vegetable oils]

Year	Excess of butter price over margarine price	Ratio of consumption of margarine to consumption of butter
	Cents per pound	*Per cent*
1914	9.4	8.5
1917	16.8	15.0
1918	21.3	21.5
1919	23.6	22.6
1920	24.3	24.0
1921	18.4	16.5
1922	18.9	10.5
1923	23.0	11.3
1924	17.5	12.2
1925	20.1	11.2
1926	20.1	11.8
1927	23.2	12.4
1928	23.9	14.4
1929	23.2	16.2
1930	13.5	14.2

Coconut oil in 1931 constituted two-thirds of the entire domestic consumption of oils and fats in the manufacture of margarine, a total of 155,954,000 pounds of coconut oil being utilized for this purpose during that year. All of this enormous quantity of coconut oil was imported into the United States either as coconut oil or in the form of copra, from which it was later extracted, and displaced an equivalent amount of domestic oils and fats.

In this connection it is interesting to compare the oleomargarine formula containing animal fats with that containing vegetable oils, as shown in Tables IV and V.

TABLE IV.—*Oleomargarine formula containing animal fats*

450 pounds oleo oil, at 7.5 cents	$33.75
350 pounds neutral lard, at 5.35 cents	18.73
100 pounds cottonseed oil, at 4 cents	4.00
100 pounds palm oil, at 3.25 cents	3.25
300 pounds milk, at 2 cents	6.00
35 pounds salt, at 1 cent	.35
	66.08

When churned this will produce about 1,150 pounds of finished product. Therefore, the cost of materials necessary for the production of 1 pound of oleomargarine is 5¾ cents.

TABLE V.—*Oleomargarine formula containing vegetable oils*

800 pounds coconut oil, at 3.5 cents	$28.00
100 pounds peanut oil, at 8.75 cents	8.75
100 pounds palm oil, at 3.25 cents	3.25
300 pounds milk, at 2 cents	6.00
35 pounds salt, at 1 cent	.35
	46.35

When churned this will produce about 1,150 pounds of finished product. Therefore, the cost of raw material going into 1 pound of oleomargarine is 4.03 cents.

The domestic dairy industry, which has been on a deficit basis for so many years, is on the verge of becoming a surplus-producing industry. The price levels of other farm commodities of which we produce large exportable surpluses have become so disastrously low that many of these producers are turning to dairying. Coincident with this expansion in the number of dairy producers is a decline in the purchasing power of city workers who purchase dairy products, with the result that the dairy industry is facing a critical period in its history. In view of this situation, the continuation of the enormous importation of foreign oils and fats to displace domestic butter becomes increasingly menacing.

EFFECT ON LIVESTOCK INDUSTRY

Domestic cattle producers and hog producers are affected adversely by the large volume of imports of vegetable and animal oils and fats, particularly for the manufacture of margarine, lard substitutes, and soap. The production of lard substitutes has increased about 50 per cent since 1912, increasing from 876,927,000 pounds in 1912 to 1,211,268,000 pounds in 1930, as shown by the following table:

TABLE VI.—*Production and consumption of lard compounds in the United States* [1]

[From 1932 report of the Tariff Commission on certain vegetable oils]

[Thousands of pounds]

Calendar year	Production	Consumption
1912	876,927	
1914	1,136,522	
1919	1,350,000	
1920	747,255	
1921	811,095	
1922	784,180	752,413
1923	750,522	747,899
1924	830,435	814,308
1925	1,152,620	1,135,215
1926	1,140,708	1,130,377
1927	1,178,995	1,166,413
1928	1,143,349	1,135,659
1929	1,220,102	1,214,986
1930	1,211,268	
1931 (first half)	569,602	

[1] Figures from 1912 to 1918, Department of Agriculture, Supplement to Bulletin No. 769; 1920 and 1921, estimated on basis of data obtained by Tariff Commission by questionnaire; for 1922 to 1931, Bureau of the Census, Animal and Vegetable Fats and Oils.

The consumption of nearly one and one-fourth billion pounds of lard substitutes in the United States displaces that much lard which otherwise might be utilized. The American hog producers, therefore, are deprived of a market for one and one-fourth billion pounds of lard. Not all of this consumption of lard substitutes can be attributed to the imports of foreign oils and fats, as cottonseed oil is the principal ingredient used in the manufacture of lard compounds at the present time. If adequate protection were given against foreign oils and fats, cottonseed oil and other vegetable oils now used in margarine and lard substitutes might be utilized for other industries to a much larger extent instead of using such large quantities in the production of butter substitutes and lard substitutes to compete with butter and lard.

The duties in the proposed bill will not prevent the manufacture of margarine and lard substitutes, as they are not high enough to increase the cost of margarine and lard substitutes sufficiently to eliminate the differential in price between these products and butter and lard. Domestic cottonseed oil, peanut oil, corn oil, tallow, and soybean oil will still be available for the manufacture of margarine and lard substitutes, but the effect would be to raise the general price level of both domestic and imported oils and fats with the result that the American producers of these products would receive a fairer price for these products.

If we are going to continue the production of margarine and lard substitutes in the United States, there is no reason why we should not produce our entire supply from domestic oils and fats. We have an exportable surplus of 800,000,000 pounds of lard, an exportable surplus of 2,665,000 pounds of tallow, 47,325,000 pounds of oleo oil, and 14,292,000 pounds of oleo stearin, which could be utilized for the manufacture of margarine or soap if it were not for the availability of the enormous quantity of cheaper materials imported into the United States.

The use of domestic animal oils has been materially reduced through their replacement by the utilization of imported oils and fats.

The cattle producers in the United States have been adversely affected by the increasing utilization of imported oils and fats and the resulting displacement for these uses of domestic oils and fats, including tallow, oleo oil and oleo stearin.

In 1912 domestic inedible tallow constituted 32.1 per cent of the total domestic consumption of oils and fats in soap making, whereas in 1930 it constituted 27.8 per cent of the total consumption. During the same period the use of imported whale oil increased from 1.3 per cent of the total consumption to 3.3 per cent. The use of imported coconut oil increased from 10.6 per cent to 19.4 per cent of the total consumption; the use of imported palm oil from 1 per cent to 12.3 per cent of the total consumption. These figures are shown in the following tables from the 1932 Report of the Tariff Commission on Certain Vegetable Oils.

TABLE VII.—*Consumption in soap making of major classes of domestic and foreign oils* [1]

[Report of the U. S. Tariff Commission on certain vegetable oils, 1932]

Calendar year	Made from domestic materials				Made from foreign materials		
	Vegetable oils	Animal oils and fats, except marine	Whale and fish oils	Miscellaneous	Vegetable oils	Animal oils and fats, except marine	Whale and fish oils
	In 1,000 pounds						
1912	256,261	316,835	1,103	27,414	114,301	15,510	9,927
1914	263,763	351,690	11,853	31,033	131,956	24,355	4,023
1916	345,615	436,922	4,726	40,464	200,275	22,667	8,126
1917	202,429	410,036	7,576	56,613	342,124	87,170	5,732
1919	198,407	338,696	8,712	41,111	269,787	45,967	4,843
1921	159,445	498,653	35,179	24,048	246,761	24,041	2,434
1922	114,507	580,550	41,863	19,169	292,818	21,832	48,642
1923	100,775	554,326	36,127	22,334	414,047	30,823	37,142
1924	112,214	714,564	33,764	20,000	386,412	20,440	34,017
1925	140,824	630,427	46,074	20,000	508,194	16,828	52,896
1926	153,727	652,663	42,886	20,000	512,002	35,647	68,787
1927	194,011	726,741	40,507	20,000	534,851	15,000	95,042
1928	168,866	684,897	52,814	20,000	580,180	32,500	89,406
1929	162,716	670,271	49,527	20,000	679,696	25,000	84,580
1930	146,775	678,554	41,160	15,000	585,542	20,000	72,669
	In percentages of total consumption of oil in soap making						
1912	34.6	42.7	0.2	3.7	15.4	2.1	1.3
1914	32.2	43.0	1.4	3.8	16.1	3.0	.5
1916	32.8	41.3	.5	3.8	18.9	2.1	.8
1917	24.3	34.1	.6	4.7	28.5	7.3	.5
1919	21.9	37.3	1.0	4.5	29.7	5.1	.5
1921	16.1	50.3	3.6	2.4	24.9	2.4	.3
1922	10.2	51.9	3.7	1.7	26.2	2.0	4.3
1923	8.4	46.4	3.0	1.9	34.6	2.6	3.1
1924	8.5	54.1	2.6	1.5	29.2	1.5	2.6
1925	10.0	44.6	3.2	1.4	35.9	1.2	3.7
1926	10.4	43.9	2.9	1.3	34.5	2.4	4.6
1927	11.9	44.7	2.5	1.2	32.9	.9	5.9
1928	10.3	41.9	3.2	1.2	35.9	2.0	5.5
1929	9.6	39.6	2.9	1.2	40.2	1.5	5.0
1930	9.4	43.5	2.6	1.0	37.5	1.3	4.7

[1] Government figures 1912–1919; 1921–1923 estimated from data furnished by the trade to the Tariff Commission; 1924–1930 estimated from trade sources based on Government data.

TABLE VIII.—*Consumption in soap making of vegetable oils, imported or from imported materials* [1]

Calendar year	Coconut oil	Palm oil	Palm-kernel oil	Olive oil, foots	Olive oil, inedible	Soybean oil	Miscellaneous oils
	In 1,000 pounds						
							Peanut oil
1912	78,816	7,546	20,579	5,457	600	1,182	31
1914	77,959	10,000	31,376	7,298	748	4,499	76
1916	111,084	14,938	5,804	9,411	1,184	57,373	4,811
1917	168,602	27,345	4,762	10,500	1,731	124,058	5,126
1919	182,613	17,268	4,551	3,964	935	58,401	2,055
1921	194,417	24,386	593	15,842	767	10,756	----------
1922	237,702	30,389	685	20,688	1,047	2,307	----------
							Vegetable tallow
1923	267,982	102,323	3,287	27,324	1,317	3,266	8,548
1924	260,000	82,250	4,440	24,785	7,239	2,500	5,198
1925	286,000	119,400	45,037	38,197	10,886	2,250	6,424
1926	270,206	100,960	83,653	42,981	9,225	2,500	2,477
1927	334,765	112,460	31,248	41,372	6,818	2,500	5,688
1928	335,417	142,363	50,578	39,621	8,439	2,500	7,262
1929	[2] 344,205	192,331	72,920	43,417	10,212	6,400	10,211
1930	303,271	191,956	29,431	43,013	6,829	5,000	6,042
	In percentages of total consumption of oils and fats in soap manufacture						
							Peanut oil
1912	10.6	1.0	2.8	0.7	0.1	0.2	----------
1914	9.5	1.2	3.8	.9	.1	.6	----------
1916	10.5	1.4	.6	.9	.1	5.4	----------
1917	14.0	2.3	.4	.9	.1	10.3	0.4
1919	20.1	1.9	.5	.4	.1	6.4	.2
1921	19.6	2.5	.1	1.6	.1	1.1	----------
1922	21.2	2.7	.1	1.9	.1	.2	----------
							Vegetable tallow
1923	22.4	8.6	0.3	2.3	0.1	0.3	0.7
1924	19.7	6.2	.3	1.9	.6	.2	.4
1925	20.2	8.4	3.2	2.7	.8	.2	.4
1926	18.2	6.8	5.6	2.9	.6	.2	.2
1927	20.6	6.9	1.9	2.5	.4	.2	.4
1928	20.5	8.7	3.1	2.4	.5	.2	.5
1929	[3] 20.3	11.4	4.3	2.6	.6	.4	.6
1930	19.4	12.3	1.9	2.8	.4	.3	.4

[1] Government figures 1912–1919; 1921–1923 estimated from data furnished by the trade to the Tariff Commission; 1924–1930 estimates based on Government data.

[2] Census of factory consumption of animal and vegetable oils in 1929 shows 393,914,000 pounds of coconut oil used in the soap industry; 178,851,000 pounds of palm oil; 44,532,000 pounds of palm-kernel oil; 38,448,000 pounds of olive-oil foods; 2,375,000 pounds of inedible olive oil.

[3] Based on census of factory consumption referred to in the preceding note, the percentages for this year would be as follows: Coconut oil 24.3, palm oil 11, palm-kernel oil 2.8, olive-oil foots 2.3, inedible olive oil 0.1. This report did not distinguish foreign and domestic soybean oil and miscellaneous oils.

Report of Tariff Commission on Certain Vegetable Oils, 1932.

TABLE IX.—*Consumption in soap making of specified domestic vegetable oils* [1]

[In 1,000 pounds]

Calendar year	Cottonseed oil		Cottonseed-oil foots		Corn oil	Peanut oil	Miscellaneous soap stock
	Quantity	Per cent total oil consumption in soaps	Quantity	Per cent total oil consumption in soaps			
1912	132,312	17.8	89,127	12.0	9,822	----------	25,000
1914	119,254	14.6	108,141	13.2	11,368	----------	25,000
1916	194,916	18.4	112,178	10.6	12,821	700	25,000
1917	126,390	10.5	115,042	9.6	15,997	10,000	25,000
1919	56,130	6.2	108,389	11.9	2,235	1,000	30,653
1921	47,935	4.8	76,018	7.7	2,405	10,883	22,104
1922	19,759	1.8	61,966	5.5	4,941	6,711	21,130
1923	10,824	.9	52,676	4.4	5,617	6,900	24,753
1924	10,000	.8	77,214	5.8	5,000	5,000	15,000
1925	8,000	.6	109,824	7.8	5,000	----------	18,000
1926	5,000	.3	118,727	8.0	5,000	3,000	22,000
1927	7,500	.5	147,511	9.0	5,000	2,000	32,000
1928	20,000	1.2	105,206	6.4	5,000	3,000	35,660
1929	12,000	.7	108,904	6.4	5,000	1,700	35,112
1930	7,500	.5	103,360	6.6	4,000	1,500	30,415

[1] Government figures 1912–1919; 1921–1923 estimated from data furnished by the trade to the Tariff Commission; 1924–1930 estimates based on Government data.

Report of the Tariff Commission on certain vegetable oils, 1932.

Likewise there has been a sharp displacement of animal oils by imported oils and fats in the manufacture of margarine. In 1914 domestic oleo oil constituted 49.7 per cent of the total domestic consumption of oils in margarine, but in 1931 it constituted only 12 per cent. Neutral lard constituted 15 per cent in 1914 but only 3.3 per cent in 1931, whereas imported coconut oil constituted three-tenths of 1 per cent of the total consumption in 1914 compared with 66.8 per cent in 1931.

In other words, the animal oils, neutral lard, and oleo oil which constituted 64.7 per cent, or more than two-thirds of the total consumption of oils in margarine in 1914, were so largely displaced by 1931 that they constituted only 15.3 per cent, or about one-seventh of the total consumption for margarine, whereas imported coconut oil increased in importance from virtually nothing in 1914 until it constituted two-thirds of the domestic consumption of oil in 1931.

There is no question but there is real displacement evidenced by these figures. The soap interests have sought to make a great deal of capital out of the point that certain imported oils, particularly coconut oil and palm kernel oil, have peculiar properties not possessed by domestic oils. While this may be granted for certain specialized types of soap, it does not apply in the manufacture of margarine. In fact, animal oil margarine generally sells at a premium over vegetable oil margarine as shown by the following table.

TABLE X.—*Comparison of annual average prices* [1] *of vegetable-oil and animal-oil margarine, Chicago*

[From 1932 report of the Tariff Commission on certain vegetable oils]

Calendar year	Nut margarine	Animal-oil margarine		Proportion of production composed of— [2]	
		First grade [3]	Second grade [4]	Nut (vegetable-oil) margarine	Animal-oil margarine
	Cents per pound	*Cents per pound*	*Cents per pound*	*Per cent*	*Per cent*
1920	28.7	33.8	32.4	52.8	47.2
1921	22.1	22.9	21.9	47.8	52.2
1922	19.4	19.7	18.7	40.8	59.2
1923	20.2	22.3	21.3	42.9	57.1
1924	21.2	23.4	22.4	44.2	55.8
1925	21.2	25.8	22.6	48.9	15.1
1926	21.5	24.4	21.2	50.8	49.2
1927	18.2	23.8	21.1	56.4	43.6
1928	17.2	24.0	21.1	63.8	36.2
1929	17.5	25.0	20.6	64.8	35.2
1930	17.0	23.5	19.1	69.2	30.8
1931 [5]	14.1	17.2	14.4	----------	----------

[1] The National Provisioner.

[2] Calculated from data in section on margarine.

[3] Quoted as butterine, 1920–1924; highest grade animal-oil oleomargarine, 1925–1931.

[4] Quoted as natural-color butterine, 1920–1924; white animal-fat oleomargarine, 1925–1931.

[5] Average for first 6 months.

The cheaper price of the imported coconut oil and the margarine made principally from this oil in comparison with margarine made from domestic animal oils has likewise resulted in a large displacement of domestic animal-oil margarine by vegetable-oil margarine. In 1916 animal-oil margarine constituted 99 per cent of the total margarine production in the United States, but in 1930 it constituted only 30.7 per cent, whereas vegetable-oil margarine increased in importance from virtually nothing in 1916 to 69.3 per cent in 1930.

While not all of the vegetable-oil margarine is made from imported oils and fats, the enormous increase in imports of coconut oil for this purpose was a predominant factor in the displacement of animal-oil margarine. This is apparent when it is realized that coconut oil now represents approximately two-thirds of the total consumption of all oils in all margarines produced in the United States, and when it is realized further that the prices of coconut oil have uniformly been cheaper than cottonseed oil, oleo oil, or neutral lard during the past decade. The displacement of animal-oil margarine by vegetable-oil margarine is shown in Table II.

If this displacement had resulted in proportionate benefits to the domestic cotton farmers and the domestic cottonseed-oil industry, it would have been much less objectionable

from a national point of view, but this displacement has resulted primarily to the benefit of the producers of imported coconut oil. While the production of vegetable-oil margarine has greatly increased at the expense of animal-oil margarine, the consumption of domestic cottonseed oil for this purpose has decreased in relative importance, while imported coconut oil has tremendously increased. In 1914 cottonseed oil constituted 20 per cent of the total consumption of oil in margarine, while in 1931 it constituted only 9.4 per cent, while coconut oil increased from three-tenths of 1 per cent of the total consumption of oil in margarine to 66.8 per cent in 1931.

INJURY TO COTTON FARMERS

The domestic cottonseed-oil industry has suffered severely from the growing volume of imports of foreign oils and fats into the United States, and this in turn has reflected adversely upon the cotton farmers by injuring the market for cottonseed. Cottonseed oil has lost its position of dominance in the domestic market for oils and fats which it once enjoyed. In 1914 cottonseed oil constituted 63 per cent of the total domestic consumption of all oils and fats, except lard, butter, and edible olive oil. In addition cottonseed foots constituted 4.6 per cent of the total domestic consumption. By 1929, however, cottonseed oil had declined from a position of major importance to one of minor importance, constituting only 36.6 per cent, or a little over one-third of the total domestic consumption of all oils and fats for food and soap uses, and cottonseed foots had declined to 2.7 per cent of the total consumption. In striking contrast, the use of imported coconut oil and palm-kernel oil increased from 4.9 per cent of the total domestic consumption for food and soap uses in 1914 to 18.6 per cent of the total domestic consumption in 1929. Imported palm oil increased from 2.1 per cent in 1914 to 5.7 per cent in 1929; imported whale oil from two-tenths of 1 per cent to 1½ per cent.

The four most important uses for cottonseed oil are for the manufacture of margarine, for the manufacture of lard compounds, for the manufacture of soap, and for the manufacture of mayonnaise, salad oils, cooking oil, and so forth.

The use of imported oils and fats for these purposes has increased at the expense of domestic cottonseed oil and other domestic oils. In the manufacture of margarine the relative importance of cottonseed oil has declined from 20 per cent of the total oil consumption in margarine in 1914 to 9.4 per cent in 1931, whereas the relative importance of coconut oil has increased from three-tenths of 1 per cent of the total consumption in margarine in 1914 to 66.8 per cent in 1931. In soap making the relative importance of cottonseed oil has decreased from 14.6 per cent of the total consumption of oils in 1914 to five-tenths of 1 per cent in 1930, whereas the relative importance of coconut oil and palm-kernel oil increased from 13.4 per cent of the total consumption in 1914 to 21.3 per cent in 1930. In the case of salad oils, cooking oils, and oils for mayonnaise manufacture, there has been a considerable increase in the importance of sesame oil which has displaced to that extent the use of cottonseed oil and other domestic oils.

INJURY TO OTHER AMERICAN FARMERS

Corn oil produced from corn, soybean oil produced from soybeans, peanut oil produced from peanuts, and olive oil produced from olives, have all encountered injurious competition from imported oils from foreign countries such as sesame oil, soybean oil, peanut oil, and olive oil, and to some extent rapeseed oil. Corn oil, soybean oil, and peanut oil when hardened are suitable for use in the manufacture of margarine and lard substitutes. These oils are also suitable without hardening for use in the manufacture of soap, salad oils, cooking oils, and for the manufacture of mayonnaise.

If adequate protection can be obtained on all of the imported oils and fats which are suitable for similar uses to which these domestic oils are fitted, the market for these domestic oils would be broadened, thereby providing increased outlets for our surplus corn and for soybeans, peanuts, and olives.

INJURY TO PRODUCERS OF ROSIN

The increased utilization of imported oils in the manufacture of white laundry soap has greatly displaced the use of domestic rosin which otherwise might have been utilized in the manufacture of yellow laundry soap. The switch in consumption from yellow laundry soap to white laundry soap was promoted to a large extent by elaborate advertising campaigns conducted by soap manufacturers utilizing foreign oils and fats for the manufacture of white soaps. Strenuous efforts have been made to impress the belief on consumers that white laundry soap is superior to yellow laundry soap. The Tariff Commission in its 1932 report, however, points out that so far as results are concerned the two soaps are substantially similar although differing materially in characteristics.

The soap interests opposing tariffs on foreign oils and fats have greatly stressed the statement that we do not possess any domestic soap materials possessing quick-lathering properties. This is not true so far as rosin is concerned, as it produces a quick-lathering laundry soap. If the same proportionate production of yellow laundry soap had been maintained as prevailed in 1914, there would have been an additional market in 1929 for 272,987,000 pounds of rosin for soap manufacture. Thus the domestic producers of rosin have been deprived of a large outlet for their product as a result of the high-pressure promotion of white laundry soap made largely from imported oils and fats.

INJURY TO DOMESTIC FISHERMEN

Thousands of American fishermen are adversely affected by the importation of whale oil, herring oil, pilchard oil, sardine oil, and other fish oils for soap making, margarine manufacture, and other uses for which domestic whale and fish oils are equally well suited.

The domestic consumption of imported whale oil in soap making has increased from 4,023,000 pounds in 1914 to 50,669,000 pounds in 1930, whereas the use of domestic whale oil has only increased during the same period from 632,000 pounds to 9,939,000 pounds. The use of imported herring and sardine oil increased from virtually nothing in 1914 to 22,000,000 pounds in 1930, whereas the use of domestic herring, sardine, and menhaden oils increased during the same period from 11,221,000 pounds to 31,221,000 pounds.

In terms of percentages of total domestic consumption in soap manufacture, imported whale oil increased from one-half of 1 per cent in 1914 to 3.3 per cent in 1930, whereas domestic whale oil only increased from one-tenth of 1 per cent to three-fifths of 1 per cent during this period. The relative use of imported herring and sardine oils increased much more in proportion than the relative use of domestic herring, sardine, and menhaden oils during this same period, the use of these imported oils increasing from virtually nothing in 1914 to 1.4 per cent of the total consumption in soap manufacture in 1930, while the use of these domestic oils increased from 1.4 per cent to 2 per cent.

Modern whaling methods have been developed which have resulted in the wholesale exploitation of this industry, with the result that the world production of whale oil has increased tenfold since 1920, increasing from 160,000,000 pounds in the whaling season of 1919–20 to 1,500,000,000 pounds in the 1930–31 season. The industry now has large fleets of steamers equipped with vessels where the oil can be rendered immediately. Fishermen residing in all of the coastal States, both on the Atlantic coast and Pacific coast of the United States, are adversely affected by the importation, not only of fish and whale oils, but by the importation of coconut oil, palm oil, palm-kernel oil, and various other foreign oils and fats which are imported into the United States to displace domestic oils and fats which otherwise might be utilized.

There are fish-oil and whale-oil plants in all of the following States: Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Louisiana, Mississippi, Texas, Washington, Oregon, California, and the Territory of Alaska. The State of Maine is reported to have as many as 50 plants. The total investment in this

industry is approximately $150,000,000, and approximately 35,000 men are employed in the 300 plants, in addition to the large number of fishermen who supply the fish for these plants. At the present time, large numbers of these employees are without work because of the inability of the domestic industry to compete with the foreign oils and fats.

Not only is the domestic fishing industry injured by the imports of whale oil and fish oil, but the dairy industry, the livestock industry, the cottonseed producers, and other domestic producers of oils and fats are injured by the importation of these foreign whale and fish oils which displace the use of domestic oils and fats.

INJURY TO FLAXSEED PRODUCERS

Domestic flaxseed producers encounter competition not only from imported flaxseed, but also from imported perilla oil and tung oil. The imports of perilla oil into the United States in 1930 totaled 8,837,000 pounds. Perilla oil and linseed oil are not completely interchangeable, but they are interchangeable for various border-line uses where there is not much preference between the two oils.

Although the importation of perilla oil, including the raw material in terms of oil, has declined sharply since the increase in the duty in the tariff act of 1930, the possibility of increased competition for the domestic flaxseed industry from imported perilla oil and imported tung oil is enhanced by the fact that since 1929 perilla oil has been slightly cheaper than linseed oil, the average price for the first six months of 1931, as shown by the 1932 report of the Tariff Commission, being 8.9 cents per pound for crude perilla oil in barrels at New York, compared to 9 cents per pound for raw linseed oil in barrels at New York.

The average price in 1930 was 12.2 cents per pound for perilla oil, compared with 12.5 cents per pound for linseed oil, whereas in 1929 the price of perilla oil was 15.2 cents per pound and the price of linseed oil 12.3 cents. The differential now in price is much greater. Quotations in the New York Journal of Commerce on June 3, 1932, quoted linseed oil in car lots at New York at 6.1 cents to 6.2 cents per pound, compared to perilla oil, car lots delivered at New York, at 3¾ to 4 cents per pound.

The cheapness of imported China wood oil, or tung oil, which is also free of duty, is likely to encourage the substitution of this oil to a considerable extent for linseed oil. The price of China wood oil, or tung oil, as quoted in the June 3, 1932, issue of the New York Journal of Commerce, was 5⅜ cents per pound in tanks at New York, compared to 5.5 cents to 5.6 cents per pound for linseed oil in tank cars.

Furthermore, there is an "infant industry" which has recently started in Florida for the production of tung oil. A commercial acreage of tung-nut trees has been planted for this purpose. Tung oil can be substituted to some extent for linseed oil but has special properties which particularly fit it for certain special uses. The privilege of free entry accorded to foreign tung oil, particularly at the present time, when prices are so low, will make it more difficult for the United States to develop its own supply of tung oil.

COMPARATIVE NUMBER OF CITIZENS AFFECTED

The number of citizens who would be benefited by the proposed bill providing additional protection against foreign oils and fats would far exceed in number the comparatively few citizens who now enjoy the profits resulting from free trade or inadequate duties on these imported products.

The soap industry, which is the principal beneficiary of free entry of foreign oils and fats, consisted of 282 plants employing 14,363 wage earners, according to the 1929 census of manufactures. The oleomargarine industry (not including meat-packing establishments) consisted of 41 plants employing 1,534 wage earners. The paint and varnish industry consisted of 1,063 plants employing 29,211 wage earners. Many of these plants no doubt utilize domestic oils almost entirely.

In contrast with the comparatively small number engaged in these industries utilizing the bulk of the imports of foreign oils and fats, there are several million farmers who are affected either directly or indirectly by the enormous importation of foreign oils and fats at low prices. The following table shows the number of farmers who are adversely affected either directly or indirectly by the importation of foreign oils and fats.

TABLE XI.—*Number of farmers affected directly or indirectly*

Product	Number of farms reporting production of product named, census of 1930	
	Number	Products
Dairy products	1,556,487	Cream sold as butterfat.
	643,994	Butter sold.
Lard	4,850,807	Swine on farms.
Tallow	583,573	Sheep and lambs on farms.
	[1] 434,608	Sheep and lambs slaughtered.
	[2] 2,051,925	Beef cattle on farms.
Cottonseed	1,986,726	Cotton produced.
Peanuts	326,253	Peanuts produced.
Soybeans	302,842	Soybeans for all purposes.
Corn	4,148,791	Corn harvested for grain.
Flaxseed	87,002	Flax threshed.
Olives	4,311	Olives produced (in California).
Rosin		Number not reported separately by Census Bureau.

[1] Census of 1920. [2] Census of 1925.

IMPORTANCE IN PRICE IN REPLACEMENT

The comparative prices with which various oils and fats can be obtained in the market is perhaps the greatest single factor in determining which particular oil or fat will be used within the limits of possible technical interchangeability. Some oils have particular properties which specially fit them for particular uses, but there is a wide range of possible interchangeability for the manufacture of margarine, lard substitutes, soaps, salad oils, mayonnaise, and so forth.

The importance of price in determining the use of oils is indicated by a comparison of the prices of domestic and imported oils, and the comparative volume of each utilized. In margarine, for example, when coconut oil was selling for 12.2 cents per pound in 1914 and cottonseed 6.6 cents per pound, coconut oil constituted only three-tenths of 1 per cent of the total consumption, whereas cottonseed oil constituted 20 per cent. During the war the price of cottonseed oil rose rapidly so that it exceeded the price of coconut oil. In 1918 cottonseed oil averaged 20.1 cents per pound, whereas coconut oil averaged 18.1 cents per pound. This was reflected immediately in the comparative consumption, the consumption of coconut oil in margarine jumping to 22.6 per cent of the total consumption of oil in margarine, and cottonseed oil dropping to 13.4 per cent of the total domestic consumption.

By 1931 the price of cottonseed oil had dropped to 7.2 cents per pound, but coconut oil had dropped to 4.5 cents per pound. Coincident with this change in price relationship, the use of coconut oil increased to 66.8 per cent of the total oil consumption in margarine in 1931, whereas the use of cottonseed oil declined to 9.4 per cent of the total consumption of oil in margarine.

TABLE XII.—*Comparison of prices and consumption of coconut oil and cottonseed oil in margarine*

Year[4]	Prices in cents per pound [3]		Per cent of oil consumption in margarine [4] supplied by—	
	Coconut oil, crude (in tanks) Pacific coast	Cottonseed oil, prime, summer, yellow (in tanks) New York	Coconut oil	Cottonseed oil
1913	12.0	7.3		
1914	12.2	6.6	0.3	20.0
1915	12.3	6.8		
1916	15.1	10.6	.3	30.1
1917	17.1	15.4	7.9	25.6
1918	18.1	20.1	22.6	13.4
1919	17.4	24.1	23.3	12.7
1920	17.4	15.4	26.5	13.0

[1] Prices, calendar years; consumption, fiscal years.
[3] Bureau of Labor Statistics, Wholesale Prices.
[4] Calculated from data given in margarine on section.

TABLE XII.—*Comparison of prices and consumption of coconut oil and cottonseed oil in margarine*—Continued

Year	Prices in cents per pound		Per cent of oil consumption in margarine supplied by—	
	Coconut oil, crude (in tanks) Pacific coast	Cottonseed oil, prime, summer, yellow (in tanks) New York	Coconut oil	Cottonseed oil
1921	10.1	7.9	43.8	7.9
1922	8.4	10.1	35.3	9.5
1923	8.2	11.3	37.0	10.6
1924	8.6	10.8	41.0	10.2
1925	9.8	10.8	43.2	11.4
1926	9.4	11.8	46.4	12.1
1927	8.2	9.7	49.2	10.7
1928	8.0	9.9	56.3	9.9
1929	7.1	9.7	59.9	9.8
1930	5.9	8.1	62.7	10.2
1931	[4] 4.5	[4] 7.2	66.8	9.4

[4] Average for first 6 months.

Report of Tariff Commission on Certain Vegetable Oils, 1932.

A similar movement took place with respect to the relative prices and consumption of coconut oil, oleo oil and neutral lard in margarine. In 1914 when coconut oil was selling for 12.8 cents per pound compared with 10.9 cents per pound for oleo oil, and 11.4 cents per pound for neutral lard, the use of coconut oil amounted to three-tenths of 1 per cent of the total consumption of oils in margarine, whereas the use of oleo oil amounted to 49.7 per cent of the total consumption of oils in margarine, and neutral lard amounted to 15 per cent. During the war, likewise, the prices of oleo oil and neutral lard rose higher than the price of coconut oil so that in 1918 the price of coconut oil was 18.9 cents per pound compared with 25.7 cents per pound for oleo oil and 27.8 cents per pound for neutral lard. This was immediately reflected in a marked increase in the relative use of coconut oil and a marked decrease in the relative use of oleo oil and neutral lard, coconut oil in that year amounting to 22.6 per cent of the total consumption of oils in margarine, while oleo oil amounted to 35.3 per cent and neutral lard 13.5 per cent.

From that time on, coconut oil could be bought cheaper than oleo oil or neutral lard. As a result the displacement of domestic oils by imported coconut oil continued rapidly until in 1931 when coconut oil was selling for 5.2 cents per pound, compared with 6.8 cents per pound for oleo oil and 9.5 cents per pound for neutral lard, the use of coconut oil amounting to 66.8 per cent of the total consumption of oils in margarine compared with 12 per cent for oleo oil and 3.3 per cent for neutral lard.

These trends are shown in Tables XIII and XIV.

TABLE XIII.—*Comparison of prices and consumption of coconut oil, oleo oil, and neutral lard in margarine*

[From report of the Tariff Commission on certain vegetable oils, 1932]

Year [1]	Price (cents per pound) [2]			Ratio to total consumption of oils in margarine [3]		
	Coconut oil (plus freight rate from Pacific coast to Chicago) [4]	Oleo oil	Neutral lard	Coconut oil	Oleo oil	Neutral lard
				Per cent	*Per cent*	*Per cent*
1913	12.6	11.5	11.8			
1914	12.8	10.9	11.4	0.3	49.7	15.0
1915	12.8	12.2	11.0			
1916	15.6	14.0	14.0	.3	41.7	15.6
1917	17.6	21.7	23.5	7.9	38.7	14.0
1918	18.9	25.7	27.8	22.6	35.3	13.5
1919	18.5	20.6	31.8	23.3	32.7	12.3
1920	18.8	21.4	23.3	26.5	29.4	9.9
1921	11.3	11.3	13.3	43.8	21.1	9.2

[1] Prices, calendar year; ratios, fiscal year.
[2] Bureau of Labor Statistics, Wholesale Prices (Chicago).
[3] Computed from data given in section on soap making.
[4] Varied from 0.55 cent to 1.50 cents per pound during the period.

TABLE XIII.—*Comparison of prices and consumption of coconut oil, oleo oil, and neutral lard in margarine*—Continued

Year	Price (cents per pound)			Ratio to total consumption of oils in margarine		
	Coconut oil (plus freight rate from Pacific coast to Chicago)	Oleo oil	Neutral lard	Coconut oil	Oleo oil	Neutral lard
				Per cent	*Per cent*	*Per cent*
1922	9.6	10.7	12.6	35.3	25.2	12.4
1923	9.0	12.8	13.3	37.0	26.3	12.4
1924	9.4	15.1	15.0	41.0	25.8	11.8
1925	10.6	13.8	18.6	43.2	24.0	10.4
1926	10.2	12.0	16.8	46.4	22.3	8.8
1927	9.0	13.4	14.3	49.2	22.4	8.4
1928	8.8	14.1	13.8	56.3	18.1	7.4
1929	7.8	10.9	13.0	59.9	16.5	6.3
1930	6.6	10.5	12.1	62.7	15.4	5.0
1931	[4] 5.2	6.8	[4] 9.5	66.8	12.0	3.3

[4] Average for first 6 months.

Similarly, in the case of oils for soap making, the relative consumption of cottonseed oil has declined and the relative consumption of coconut oil has increased coincident with a reversal of the price relationship between these two materials. Prior to 1918 coconut oil was higher in price than cottonseed oil, and there was little or no increase in the relative consumption of coconut oil for soap making, and the relative consumption of cottonseed oil increased up until 1917. In 1918 the price of coconut oil was cheaper than the price of cottonseed oil and remained cheaper from then on, except for the year 1921. In 1919, when coconut oil was nearly 7 cents per pound cheaper than cottonseed oil, the consumption of coconut oil represented 20.6 per cent of the total consumption of oils in soap making compared with 13.4 per cent in 1914, whereas the use of cottonseed oil had declined until in 1919 it represented only 6.2 per cent of the total consumption in soap making compared to 14.6 per cent in 1914.

By 1930, when coconut oil was selling for 5.9 cents per pound, and cottonseed oil for 8.1 cents per pound, the use of coconut oil represented 21.3 per cent of the total consumption in soap making, whereas the use of cottonseed oil for this purpose had declined until it represented only one-half of 1 per cent of the total consumption.

The prices of inedible tallow have been more nearly competitive with coconut oil, and it has not lost its place of importance in the soap industry as cottonseed oil has but, in fact, has made some gains in relative importance since 1914. These trends are shown in Table XIV.

TABLE XIV.—*Comparison of prices and consumption in soap making of coconut oil, cottonseed oil, rosin, and inedible tallow*

[Report of the Tariff Commission on certain vegetable oils, 1932]

Year	Prices (cents per pound) [1]				Percentage of consumption of oils in soap making supplied by— [2]			Consumption of rosin in soap [3]
	Coconut oil, crude (in tanks), Pacific coast	Cottonseed oil, prime summer yellow (in tanks), New York	Tallow, inedible packers prime, Chicago	Rosin, K grade, Savannah [4]	Coconut and palm-kernel oils	Cottonseed oil	Inedible tallow and competitive materials [4]	
								1,000 pounds
1913	12.0	7.3	7.1	1.7				
1914	12.2	6.6	6.9	1.5	13.4	14.6	47.8	185,310
1915	12.3	6.8	6.9	1.3				
1916	15.1	10.6	9.9	2.0	11.0	18.4	45.2	
1917	17.1	15.4	15.6	2.1	14.4	10.5	44.1	
1918	18.1	20.1	17.9	3.5				
1919	17.4	24.1	15.4	5.8	20.6	6.2	50.3	119,529
1920	17.4	15.4	13.1	5.3				
1921	10.1	7.9	6.4	1.8	19.7	4.8	69.0	

[1] Bureau of Labor Statistics, Wholesale Prices.
[2] Computed from data given in section on soap making.
[3] Gamble, Thomas. Yearbook, 1913–1918 (naval stores); Naval Stores Review, 1921–1930.
[4] Includes greases, red oil, palm oil, whale, and fish oils.
[5] Bureau of Census, 1914 and 1919; Bureau of Chemistry and Soils, 1924–1929.

TABLE XIV.—*Comparison of prices and consumption in soap making of coconut oil, cottonseed oil, rosin, etc.*—Continued

Year	Prices (cents per pound)				Percentage of consumption of oils in soap making supplied by—			Consumption of rosin in soap
	Coconut oil, crude (in tanks), Pacific coast	Cottonseed oil, prime summer yellow (in tanks), New York	Tallow, inedible packers prime, Chicago	Rosin, K grade, Savannah	Coconut and palm-kernel oils	Cottonseed oil	Inedible tallow and competitive materials	
								1,000 pounds
1922	8.4	10.1	7.1	1.7	21.3	1.8	64.6	----------
1923	8.2	11.3	8.2	1.7	22.7	.9	63.6	----------
1924	8.6	10.8	8.5	1.8	20.0	.8	68.9	104,956
1925	9.8	10.8	9.7	3.5	23.4	.6	61.2	140,615
1926	9.4	11.8	8.7	4.5	23.8	.3	60.6	118,257
1927	8.2	9.7	8.1	3.2	22.5	.5	60.9	100,227
1928	8.0	9.9	8.8	2.8	23.6	1.2	61.3	92,777
1929	7.1	9.7	8.5	2.7	24.6	.7	60.4	114,300
1930	5.9	8.1	6.8	1.9	21.3	.5	64.4	----------
1931 [1]	4.5	7.2	4.3	----------	----------	----------	----------	----------

[1] Average for first 6 months.

TARIFF ON IMPORTS FROM PHILIPPINES

Unless the oils and fats imported into the United States from the Philippines are made subject to tariff duties, the expected benefits from the proposed bill, so far as assisting agriculture in meeting competition from foreign oils and fats, will be largely nullified. Coconut oil constitutes one of the most important imported oils and fats used for the manufacture of margarine and soap. The tariff act of 1930 provides a duty of 2 cents per pound upon coconut oil, but the duty is of little or no value to the farmers of the United States because of the fact that most of our coconut oil is imported from the Philippine Islands free of duty, either in the form of copra or in the form of oil. Practically the entire output of copra and coconut oil from the Philippine Islands is exported to the United States. In 1930, for example, 518,161,000 pounds of coconut oil and copra in terms of coconut oil were exported to the United States out of a total exportation to all countries of 566,965,000 pounds.

In 1930, 317,919,000 pounds of coconut oil were imported into the United States free of duty from the Philippine Islands, while only 32,000 pounds were imported from other countries, dutiable at 2 cents per pound. Thus, over 99 per cent of all the imports of coconut oil into the United States came from the Philippine Islands. The following table (Table XV) shows the enormous increase in exports of coconut oil and copra, in terms of coconut oil, from the Philippine Islands to the United States since 1900.

TABLE XV.—*Copra and coconut oil: Exports from the Philippine Islands to all countries and to the United States*

[From 1932 Report of the Tariff Commission on Certain Vegetable Oils]

[Thousand pounds; i. e., 000 omitted]

Calendar year	Copra		Coconut oil in terms of copra [1]		Total copra and coconut oil in terms of copra	
	To all countries	To the United States	To all countries	To the United States	To all countries	To the United States
1900	143,059	228	----------	----------	143,059	228
1905	122,903	226	36	----------	122,939	226
1910	265,619	15,737	----------	----------	265,619	15,737
1915	306,644	46,777	47,116	46,779	353,760	93,556
1916	159,342	78,198	56,310	53,567	215,652	131,765
1917	203,221	150,473	158,165	157,632	361,386	308,105
1918	121,389	121,389	403,410	397,300	524,799	518,689
1919	55,322	5,101	489,710	298,765	545,032	303,866
1920	56,885	3,160	271,451	251,762	328,336	254,922
1921	331,429	116,686	315,965	281,714	647,394	398,400
1922	381,510	196,999	375,160	373,190	756,670	570,189
1923	456,642	284,963	312,084	296,565	768,726	581,528
1924	345,597	237,054	390,630	386,879	736,227	623,933
1925	323,434	256,082	364,381	337,248	687,815	593,330
1926	383,647	284,572	410,443	402,189	794,090	686,761
1927	439,419	347,946	506,717	495,470	946,136	843,416
1928	516,795	402,529	497,760	492,828	1,014,555	895,357
1929	382,658	285,756	666,697	660,287	1,049,355	946,043
1930	384,263	311,205	515,682	511,273	899,945	822,478

[1] Converted to copra on basis of 63 per cent oil yield.

Sources: For 1900 to 1929, Statistical Bulletin of the Philippine Islands; for 1930, Annual Report of the Insular Collector of Customs.

CONCLUSION

The facts have been presented in order that Congress may know that a tariff injustice exists with respect to vegetable-oil and animal-fat substitutes.

The farm organizations have recognized the problem and are doing splendid work in bringing the facts before the people and Congress.

The proposed bill seeks to remedy this great injustice to agriculture. It remedies this injustice not by striking down the protection of any other group, but by giving to agriculture the benefit of the protective tariff which has already been given to industrial groups. Agriculture must be given tariff equality with other groups.

Text of bill amending the tariff act of 1930 to provide duties on oils and fats.

Be it enacted, etc., That paragraph 52, Title I, tariff act of 1930, is hereby amended to read as follows:

"PAR. 52. Oils, animal and fish: Cod, herring, pilchard, and menhaden, 2 cents per pound; whale, 2.7 cents per pound; seal, 2.4 cents per pound; sperm, 2.2 cents per pound; spermaceti wax, 6 cents per pound; wool grease containing more than 2 per cent of free fatty acids, 1 cent per pound; containing 2 per cent or less of free fatty acids and not suitable for medicinal use, 2 cents per pound; suitable for medicinal use, including adeps lanæ, hydrous or anhydrous, 3 cents per pound; all other animal and fish oils, fats, and greases, not specially provided for, 45 per cent ad valorem: *Provided*, That none of the foregoing shall be subject to a less rate of duty than 45 per cent ad valorem."

SEC. 2. Paragraph 53, Title I, tariff act of 1930, is hereby amended to read as follows:

"PAR. 53. Oils, vegetable: Castor, 5 cents per pound, but not less than 45 per cent ad valorem; hempseed, 4½ cents per pound, but not less than 45 per cent ad valorem; linseed or flaxseed, and combinations and mixtures in chief value of such oil, 4½ cents per pound, but not less than 45 per cent ad valorem; olive, weighing with the immediate container less than 40 pounds, 10 cents per pound on contents and container; olive, not specially provided for, 10.4 cents per pound; poppy seed, 8.8 cents per pound, but not less than 45 per cent ad valorem; rapeseed, 3 cents per pound, but not less than 45 per cent ad valorem; other expressed or extracted, not specially provided for, 45 per cent ad valorem."

SEC. 3. Paragraph 54, Title I, tariff act of 1930, is hereby amended to read as follows:

"PAR. 54. Coconut oil, including product of Philippine Islands, 3.6 cents per pound; cottonseed oil, 6 cents per pound; palm oil, 3.1 cents per pound; palm-kernel oil, 3.6 cents per pound; peanut oil, 5.4 cents per pound; perilla oil, 4.6 cents per pound; sesame oil, 5.4 cents per pound; soybean oil, 3½ cents per pound; sweet almond oil, 3.4 cents per pound; tung oil, 5.9 cents per pound; all other vegetable or nut oils, not specially provided for, 45 per cent ad valorem: *Provided*, That none of the foregoing shall be subject to a less rate of duty than 45 per cent ad valorem."

SEC. 4. Paragraph 56, Title I, tariff act of 1930, is hereby amended to read as follows:

"PAR. 56. Hydrogenated or hardened oils and fats, 1 cent per pound in addition to the duty provided herein on the oil from which chiefly made, but not less than 45 per cent ad valorem; other oils and fats, the composition and properties of which have been changed by vulcanizing, oxidizing, chlorinating, nitrating, or any other chemical process, and not specially provided for, 45 per cent ad valorem."

SEC. 5. Paragraph 57, Title I, tariff act of 1930, is hereby amended to read as follows:

"PAR. 57. Combinations and mixtures of animal, vegetable, or mineral oils, or of any of them (except combinations or mixtures containing essential or distilled oils), with or without other substances, and not specially provided for, 45 per cent ad valorem, but not less than the rate applicable to the component material subject to the highest rate of duty: *Provided*, That no article containing alcohol shall be classified for duty under this paragraph."

SEC. 6. The rates of duty on tallow, oleo oil, and oleo stearin, provided in paragraph 701, Title I, tariff act of 1930, are amended to read as follows:

"Tallow, 3.3 cents per pound, but not less than 45 per cent ad valorem; oleo oil, 3.7 cents per pound, but not less than 45 per cent ad valorem; and oleo stearin, 4.5 cents per pound, but not less than 45 per cent ad valorem."

SEC. 7. The rate of duty on lard, provided in paragraph 703, Title I, tariff act of 1930, is amended to read as follows:

"Lard, 4.6 cents per pound, but not less than 45 per cent ad valorem."

SEC. 8. Paragraph 762., Title I, tariff act of 1930, is hereby amended to read as follows:

"PAR. 762. Oil-bearing seeds and materials: Castor beans, 2.2 cents per pound; flaxseed, 65 cents per bushel of 56 pounds; poppy seed, 3.8 cents per pound; sunflower seed, 2 cents per pound; apricot and peach kernels, 3 cents per pound; soybeans, 2 cents per pound; cottonseed, 2 cents per pound; copra, including product of Philippine Islands, 2 cents per pound; hempseed, 1 cent per pound; palm nuts, 1.7 cents per pound; palm-nut kernels, 1.2 cents per pound; rapeseed, 1.8 cents per pound; perilla seed, 1.6

cents per pound; sesame seed, 2.4 cents per pound; seeds and nuts, not specially provided for, 45 per cent ad valorem: *Provided*, That none of the foregoing except flaxseed shall be subject to a less rate of duty than 45 per cent ad valorem."

SEC. 9. Subsection (b), paragraph 1730, Title II, tariff act of 1930, is hereby amended to read as follows:

"PAR. 1730. (b) Eulachon oil, cod and cod liver."

SEC. 10. Paragraph 1732, Title II, tariff act of 1930, is hereby amended to read as follows:

"PAR. 1732. Oils, expressed or extracted: Croton."

SEC. 11. Sec. 301, Title III, tariff act of 1930, is hereby amended by inserting at the beginning of the first sentence the following words: "Except as otherwise provided herein."

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 22 minutes p. m.) the House adjourned until to-morrow, Wednesday, June 29, 1932, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GREEN: Joint Committee on Disposition of Useless Executive Papers. A report on the disposition of useless executive papers in the Navy Department (Rept. No. 1726). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHAVEZ: A bill (H. R. 12834) to authorize a per capita payment of $100 to the Mescalero Apache Indians of New Mexico from their tribal funds; to the Committee on Indian Affairs.

By Mr. SELVIG: A bill (H. R. 12835) amending the tariff act of 1930 to provide duties on oils and fats; to the Committee on Ways and Means.

By Mr. LOZIER: A bill (H. R. 12836) to authorize the reimbursement of the Missouri State Highway Department, certain drainage and levee districts, and certain individuals for funds contributed to the War Department for use in the construction of permanent improvements on the Missouri River; to the Committee on Rivers and Harbors.

By Mr. KLEBERG: A bill (H. R. 12837) to provide for increasing the permissible alcoholic content of beer to 3 per cent by volume, to make intoxication upon premises where beer is sold unlawful, to provide penalties for such intoxication, and for other purposes; to the Committee on the Judiciary.

By Mr. MOREHEAD: A bill (H. R. 12838) to provide for the grading and paving of part of Eighth Street, city of Plattsmouth, Nebr., and of a part of county highway No. 307 of Cass County, Nebr.; to the Committee on Roads.

By Mr. COLLINS: A bill (H. R. 12839) providing for the appointment of a commissioner to hear cases arising under contracts of war-risk insurance in the district courts for the northern and southern districts of Mississippi; to the Committee on the Judiciary.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 12840) providing for the appointment of a commissioner to hear cases arising under contracts of war-risk insurance in the district courts for the eastern and western districts of Oklahoma; to the Committee on the Judiciary.

Also, a bill (H. R. 12841) to provide temporary aid to agriculture for the relief of the existing national economic emergency; to the Committee on Agriculture.

By Mr. WYANT: A bill (H. R. 12842) imposing upon consignors of liquid fuels the duty of making monthly reports in certain cases to the Bureau of Mines of the Department of Commerce, and imposing penalties; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK: A bill (H. R. 12843) to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies; to the Committee on Ways and Means.

By Mr. LaGUARDIA: A bill (H. R. 12844) to regulate and establish reasonable license fees of patented radio equipment; to the Committee on Patents.

Also, a bill (H. R. 12845) to regulate and establish reasonable fees for radio advertisement; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. KVALE: A bill (H. R. 12846) to repeal section 2 of Public Act No. 242, Sixty-fourth Congress, being an act making appropriations for the support of the Army, and approved August 29, 1916, and relating to the establishing of a council of national defense; to the Committee on Military Affairs.

By Mr. STEVENSON: Resolution (H. Res. 276) to print additional copies of the revenue act of 1932; to the Committee on Printing.

By Mr. MORTON D. HULL: Joint resolution (H. J. Res. 451) proposing an amendment to the eighteenth amendment of the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOSS: A bill (H. R. 12847) for the relief of John Inkinen; to the Committee on Claims.

By Mr. KLEBERG: A bill (H. R. 12848) for the relief of W. F. Lueders; to the Committee on Claims.

By Mr. LANKFORD of Virginia: A bill (H. R. 12849) for the relief of the heirs at law of John W. Dixon; to the Committee on Claims.

By Mr. MONTET: A bill (H. R. 12850) for the relief of Rene D. Trahan; to the Committee on Claims.

By Mr. PARKER of Georgia: A bill (H. R. 12851) granting retirement annuity or pension to John B. Fitzgerald; to the Committee on Pensions.

By Mr. RUDD: A bill (H. R. 12852) for the relief of Adolph Schnepf; to the Committee on Naval Affairs.

By Mr. SNELL: A bill (H. R. 12853) granting an increase of pension to Rose Ann Richards; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 12854) granting an increase of pension to Jane L. Morrill; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12855) granting a pension to Annie L. Gray; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8463. By Mr. CLANCY: Petition of Olaf J. Burgess and Charles Swartz and approximately 450 other citizens of Detroit, Mich.; to the Committee on Interstate and Foreign Commerce.

8464. By Mr. JAMES: Resolution of the Houghton Association of Commerce, Houghton, Mich., requesting reduction of Federal expenses in all departments and opposing any added program of expenditures for public works when not absolutely necessary, and also favoring repeal of all emergency tax legislation as soon as conditions of the Treasury warrants; to the Committee on Ways and Means.

8465. By Mr. KVALE: Petition of Morris National Farm Loan Association, Morris, Minn., urging a 3-year moratorium on mortgage indebtedness to apply only to bona fide farmers; to the Committee on Banking and Currency.

8466. Also, petition of Express Lodge, No. 2061, Minneapolis, Minn., urging increase in second, third, and fourth class postage rates; to the Committee on the Post Office and Post Roads.

8467. Also, petition of Lions Club, Dawson, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and currency.

8468. By Mr. WYANT: Petition of Southwest Lodge, No. 63, Brotherhood of Railroad Trainmen, Youngwood, Pa., urging legislation to regulate the operation of busses, trucks,

and waterway carriers in the interstate transportation of passengers and freight for hire; to the Committee on Interstate and Foreign Commerce.

8469. Also, petition of Western Pennsylvania Retail Druggists Association, urging passage of the $5,000,000,000 prosperity loan; to the Committee on Ways and Means.

8470. By Mr. YATES: Petition of 148 members of the Champaign County Farm Bureau, urging passage of the Rainey bill; to the Committee on Agriculture.

SENATE

WEDNESDAY, JUNE 29, 1932

(Legislative day of Tuesday, June 28, 1932)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	Kendrick	Sheppard
Austin	Dickinson	Keyes	Shipstead
Barbour	Fletcher	La Follette	Shortridge
Bingham	Frazier	Lewis	Smoot
Black	George	McGill	Steiwer
Blaine	Goldsborough	McNary	Thomas, Idaho
Borah	Hale	Metcalf	Thomas, Okla.
Bratton	Hastings	Moses	Townsend
Broussard	Hatfield	Norris	Trammell
Bulow	Hawes	Nye	Vandenberg
Capper	Hayden	Oddie	Walcott
Caraway	Hebert	Pittman	Watson
Carey	Howell	Reed	White
Coolidge	Johnson	Robinson, Ark.	
Copeland	Jones	Robinson, Ind.	
Couzens	Kean	Schall	

The VICE PRESIDENT. Sixty-one Senators have answered to their names. A quorum is present. The unfinished business, House bill 7233, the Philippine independence bill, is before the Senate.

NAVAL APPROPRIATIONS—CONFERENCE REPORT

Mr. HALE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11452) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 9, 21, 22, 23, 28, 32, 48, 49, 51, 52, 58, 59, and 60.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 6, 7, 11, 12, 25, 26, 27, 30, 31, 34, 39, 40, 41, 42, 44, 45, 46, 47, 50, 53, 54, 55, 56, and 57, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "in other than civil government and literature, and cost of special instruction"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "(not to exceed an average of 5,910 chief petty officers and an average of 850 chief petty officers under acting appointment)"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "in excess of four"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "and the compensation of any greater number than 90"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 1, 10, 13, 14, 15, 16, 17, 19, 24, 29, 35, 36, 37, 38, and 43.

FREDERICK HALE,
HENRY W. KEYES,
HIRAM BINGHAM,
E. S. BROUSSARD,
PARK TRAMMELL,
Managers on the part of the Senate.

W. A. AYRES,
W. B. OLIVER,
BURTON L. FRENCH
(Except as to amendment No. 50),
JOHN TABER
(Except as to amendment No. 50),
Managers on the part of the House.

Mr. HALE. I move the adoption of the conference report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on certain amendments of the Senate to the bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 28, 1932.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 1, 13, 29, 35, and 43 to the bill (H. R. 11452) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 10, and concur therein with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: ": *Provided*, That no appropriation contained in this act shall be available to pay more than one officer of the Naval Reserve and one officer of the Marine Corps Reserve above the grade of lieutenant or captain, respectively, the pay and allowances of their grade for the performance of active duty other than the performance of drills or other equivalent instruction or duty, or appropriate duties, and/or the performance of 15 days' active training duty, and other officers above such grades employed on such class of active duty shall not be entitled to or be paid a greater rate of pay and allowances than authorized by law for a lieutenant of the Navy or a captain of the Marine Corps entitled to not exceeding 10 years' longevity pay."

That the House recede from its disagreement to the amendment of the Senate No. 14, and concur therein with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: "(not to exceed 903 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: *Provided*, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1932, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act)."

That the House recede from its disagreement to the amendment of the Senate No. 15, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$31,479,106."

That the House recede from its disagreement to the amendment of the Senate No. 16, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$1,157,535 (none of which shall be available for increased pay for making aerial flights by nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy)."

That the House recede from its disagreement to the amendment of the Senate No. 17, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$41,282,801."

That the House recede from its disagreement to the amendment of the Senate No. 19, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$131,576,841."

That the House recede from its disagreement to the amendment of the Senate No. 24, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$149,877,831."

That the House recede from its disagreement to the amendment of the Senate No. 36, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert:

"Naval hospital, Philadelphia, Pa.: To continue construction of the public works authorized by the act entitled 'An act to authorize the Secretary of the Navy to proceed with the construction of certain public works at Philadelphia, Pa., and for other purposes,' approved February 12, 1931 (46 Stat. 1091), the Secretary of the Navy is authorized to expend $1,000,000 from the naval hospital fund for the buildings, equipment, accessories, utilities, and appurtenances authorized by such act, in addition to the expenditures authorized from such fund by such act: *Provided*, That the limit of cost of such buildings, equipment, accessories, utilities, and appurtenances is hereby reduced from $3,000,000 to $2,250,000, and additional appropriations for such work may be made from the naval hospital fund to the extent that the Secretary of the Navy may approve."

That the House recede from its disagreement to the amendment of the Senate No. 37, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$13,435,520."

That the House recede from its disagreement to the amendment of the Senate No. 38, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$25,245,420."

The VICE PRESIDENT. The question is on concurring in the amendments of the House of Representatives to the amendments of the Senate.

The amendments were concurred in.

AN APPEAL FOR VETERANS OF THE WORLD WAR

The VICE PRESIDENT laid before the Senate a letter from Hon. Louis A. Cuvillier, a member of the New York Legislature and veteran of the Spanish-American War, relative to the veterans of the World War, which was ordered to be printed in the RECORD and to lie on the table, as follows:

ALBANY, *June 16, 1932.*

Hon. CHARLES W. CURTIS,
Vice President of the United States,
United States Senate, Washington, D. C.

MY DEAR MR. CURTIS: The House of Representatives figures by a vote of 209 to 102 passed the Patman bonus bill appropriating $2,400,000,000, and the vote was along nonpartisan lines. I trust that the Senate will pass this bill or a similar one, so the National Government can honestly square itself with the World War veterans, who are entitled to the Federal bonus. It is a disgrace and humiliation for the United States Government to refuse payment to over 8,000,000 veterans who are out of work, they and their families starving for the want of food due to lack of employment in the richest country in the world; every country that participated in the World War has paid off any amount of money due their soldiers for defending their country.

The disgraceful exhibition of over 12,000 ex-service men camped at Washington, D. C., appealing to the elective representatives of the American people to pass this bonus legislation is the most humiliating demonstration by ex-soldiers that defended the very country and within a short distance of the Capitol Building, in which war was declared and in which legislation was passed conscripting these very men to defend the people of the United States; from the Revolutionary War to the present World War never was such a humiliating demonstration shown by veterans that defended our country in time of war.

The question that is foremost in the minds of the American people, Is property rights more valuable than human suffering and want due by the Federal Government to these ex-veterans? Congress has passed legislation to loan millions of dollars to corporations, yet not one dollar to pay the bonus, yet the Federal Government comes out with the statement that it has and is spending millions of dollars a year for hospitalization of disabled veterans.

In my opinion the veteran legislation is entirely wrong in theory. The veterans, if disabled, should get a straight monthly pension and receive hospitalization when sick, the same as the Civil and Spanish War veterans, but not to have a Veterans' Bureau squandering billions of dollars unwisely in which no effective result is accomplished. When Congress declared war with Germany and allied powers and conscripted over 2,600,000 able-bodied youths between the ages of 18 and 28 years those who are living will be an asset of the United States Government for the balance of their lives and have retarded the progress of the American Nation these 25 years.

The veterans are an exceptional class to the average citizen due to the fact that the United States people demanded that these veterans give their all that the United States of America should ever live. It must be remembered that this Nation was founded on revolution, and its Government was organized after a successful revolution from Great Britain and a republican form of government was established to represent the American people, and the Government is the trustee of the people to carry out the people's will. The attitude of certain Members of Congress are humorous if it were not so dangerously disgraceful. One from the West, who usually talks like a child, said solemnly: "Not a dollar for those veterans while they remain in Washington." This Senator did not sleep in the trenches in France and deprived of warm food and clothing in bitter cold winter. These veterans prefer work than to ask pay from the Government for which they were willing to lay down their lives for a dollar a day when others stayed at home, receiving $10 and $12 for work which in times of peace they received about one-half.

If Congress is unable to financially advance the cash balance due on the bonus of the veterans, Congress should at least pass legislation issuing negotiable notes for the balance due on the bonus of each veteran at the rate of 3 per cent interest a year, and the veteran could discount this Government note at any bank or financial institution. I do not see how this would interfere with the financial condition of the country at the present time.

It is reported in Washington that Congress will soon adjourn to get away from the veterans gathered in Washington, and leave them stranded there; it is not believable that such a cowardly course will be pursued or that Congressmen will run away from their duty. Men that have gone to war for their country are at least entitled to work for a living and if their country will not give them positions that will support them and their families, they are entitled to the payment of their bonuses. The Government has almost without exception shown itself stubborn in their timorousness, and both unable and unwilling to understand the condition which confronts the veteran or to respond to their most enlightened and to the most forward-facing public opinion of the United States. The key to unlock the door of this possible wrong is in the hands of public opinion, and it is only by public opinion's quick use of this key that steadily approaching calamity with their untold burden of woes of the veterans are to be forestalled. The responsibility is thus put on Congress and the President of the United States. Yet, as De Tocqueville well stated, "We follow success and not skill." Armies do not make the law, war makes armies. Thomas Jefferson stated, "Peace was his passion," and did not believe in armed force, yet where the 12,000 World War veterans are now in camp in Washington, in 1812 the British army captured and burnt Washington, D. C., and Jefferson wrote President Monroe as follows: "I think the truth must be obvious that we can not be defended, but by making every citizen a soldier and that in so doing all shall be marshaled, classed by their ages, and every service ascribed to its class."

Let me say in conclusion that if the late ex-President Theodore Roosevelt were alive you would not see such humiliating conditions as that now witnessed in Washington, D. C. Veterans starving at the door of Congress for a few dollars that Congress promised them as a gratuity for defending the American people, yet, as has been said, "In peace the scholar flourished, in war the soldier dies."

I again reiterate and trust that Congress will pass this bonus legislation and the same is sent to the President for his approval, so that the American Government will not be condemned by the civilized world for its actions toward its soldiers who fought to save the American people and Government.

Respectfully,

LOUIS A. CUVILLIER,
Member New York Legislature and
Veteran of the Spanish-American War.

MEMORIAL—FEDERAL HOME-LOAN BANKS

Mr. COPELAND presented resolutions adopted by the New York State League of Savings and Loan Associations in convention assembled, stating "that the Federal home-loan bank board, if and when established, * * * be advised against the inclusion of New York in any Federal home-loan bank district," and also opposing the passage of legislation amending the banking laws so as to permit the functioning of the proposed Federal home-loan banking system within the State of New York, which were ordered to lie on the table.

IMPROVEMENT OF THE COLUMBIA AND SNAKE RIVERS—HEARINGS

Mr. THOMAS of Idaho, from the Committee on Irrigation and Reclamation, to which was referred the resolution (S. Res. 256) to hold hearings on bills for the development and improvement of the Columbia and Snake Rivers, reported it without amendment, and the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 29, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho;

S. 4525. An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes;

S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.; and

S. 4808. An act relating to the acquisition of restricted Indian lands by States, counties, or municipalities.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOWELL:

A bill (S. 4937) conferring jurisdiction upon the Court of Claims to return its findings of fact in the claim of George B. Gates; to the Committee on Claims.

By Mr. LEWIS:

A bill (S. 4938) for the relief of Frank Martin; to the Committee on Claims.

ASSESSMENT WORK ON MINING CLAIMS

Mr. ODDIE. Mr. President, an error in wording has been made by both Houses of Congress which will result in very serious consequences to mining-claim owners in the United States. The House passed a joint resolution suspending annual assessment work for this year. The Senate later passed it, and it has become law. To correct this error I introduce a joint resolution and ask for its present consideration.

The joint resolution (S. J. Res. 188) amending the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932, be, and the same is hereby, amended to read as follows:

"That the provision of section 2324 of the Revised Statutes of the United States which requires on each mining claim located, and until a patent has been issued therefor, not less than $100 worth of labor to be performed, or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States, including Alaska, during the year beginning at 12 o'clock meridian July 1, 1931, and ending at 12 o'clock meridian July 1, 1932."

The joint resolution was considered by unanimous consent, ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENTS TO PHILIPPINE INDEPENDENCE BILL

Mr. BROUSSARD submitted an amendment intended to be proposed by him to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. VANDENBERG submitted sundry amendments intended to be proposed by him to House bill 7233, the Philippine independence bill, which were ordered to lie on the table and to be printed.

ADDRESS OF HON. THOMAS J. WALSH AT DEMOCRATIC NATIONAL CONVENTION

Mr. ROBINSON of Arkansas. Mr. President, availing myself of the privilege already granted, I ask to have printed in the RECORD the address of the senior Senator from Montana [Mr. WALSH] upon his election as chairman of the Democratic National Convention.

The PRESIDING OFFICER (Mr. DICKINSON in the chair). Is there objection?

Mr. ROBINSON of Arkansas. Consent has already been given.

The PRESIDING OFFICER. The address will be printed in the RECORD.

The address is as follows:

ADDRESS OF HON. THOMAS J. WALSH, OF MONTANA, PERMANENT CHAIRMAN OF THE DEMOCRATIC NATIONAL CONVENTION

Permit me to express my gratitude to you all for the high honor with which you invest me as the presiding officer of this assembly that is to name the next President of the United States. I venture to express the hope, echoed, no doubt, in the hearts of all those present, that the task will neither be so protracted nor the labors of the place so arduous or delicate as those developing on me when last I undertook to meet a like assignment.

I shall endeavor to merit the confidence you so generously repose in me by promoting the orderly and expeditious dispatch of your work, guided by a frail judgment but an honest purpose. My remarks might well terminate here, particularly in view of the stirring address by Senator BARKLEY, to which you listened yesterday, in which all was said that need be said on the imminent prospect of success for our party and of a brighter future for our country through its success. Besides, I am no orator as BARKLEY is.

However, it may be pardoned me if, in the midst of your justifiable jubilation, you should be reminded of the tremendous responsibilities we assume to the constituents we represent and the Nation whose destiny we would direct.

These are indeed times that try men's souls. Reflecting minds have speculated on whether we are not passing through one of the great crises in the history of mankind.

World trade has fallen from $31,000,000,000 in 1928 to $18,000,000,000 in 1932. In that brief period it has been halved while unemployment has doubled. Private fortunes have dwindled like Government revenues. Universal bankruptcy, in the view of many, impends. Destitution in appalling magnitude in even the most-favored nations abounds, while paradoxically unmarketable surpluses of basic commodities, the essential elements of food and clothing, glut the depots and magazines from which commerce is fed.

FUEL FOR A REVOLUTION AT HAND, HE DECLARES

Even worse, if that be possible, prices have fallen so that debts, incalculably vast, have doubled, and they continue to fall, paralyzing industry and checking enterprise. Out of such conditions, as history teaches, revolutionary movements arise and flourish. The plight of our own country excites concern in every patriotic mind. In desperation the Congress is moved to adopt measures of relief with little regard for constitutional limitations or for what, under ordinary circumstances, would be considered as sound economic principles.

Impelled by the prevalence of grim want among their constituents, legislation at which they would under other circumstances revolt commands the support of Members of both Houses of the National Legislature, traditional policies and national considerations being overborne by local needs. However, none need be dismayed. The onward march of the race can not be stayed. This Nation is so rich in the bounties of nature and the virility of its population, it is certain in the providence of God to emerge from the sea of troubles into which it is plunged chastened but triumphant.

Much indiscriminate criticism has been directed at Democratic Members of Congress who steadfastly resisted appeals from their constituents for tariff favors in connection with the general legislation of 1930, but who felt constrained to yield in 1932, hoping that some relief would thereby come to the destitute idle among those whose welfare is rightly their chief concern. As well carp at them for voting for loaning public funds to banks, railroads, and other like institutions to forestall a panic and financial chaos, or to States to aid them in averting wholesale starvation, or other legislation of like character induced only by the extraordinary conditions with which Congress has been confronted in the perplexing tasks that have lately been before it.

SEES NO INCONSISTENCY IN PLEAS FOR TARIFFS

Nor is it a particularly persuasive argument in favor of Republican tariff policies that some Democratic Members, realizing that additional and all but unbearable tariff burdens are to be imposed upon the people of their States

and districts, have felt impelled to support or even ask for duties upon some of the products thereof. The policy of the party to which they are attached is not to be determined by such instances of aberration or the fealty of the errant Member adjudged upon any such basis.

It will be salutary to recall at this juncture a few of the maxims of Jefferson, being tenets of our political creed. Equal and exact justice to all men of whatever state or persuasion, religious or political; peace, commerce, and honest friendship with all nations, entangling alliances with none; the support of the State governments in all their rights as the most competent administration for our domestic concerns; a jealous care of the right of election, economy in the public expense that labor may be lightly burdened; the honest payment of our debts and sacred preservation of the public faith; encouragement of agriculture and of commerce as its handmaid; absolute acquiescence in the will of the majority as the vital principle of a republic.

The ideal government, as the founder of our party conceived it, draws its inspiration from the thoughts and hopes of the mass of the toilers of every grade, irrespective of wealth or social position.

The theory that national well-being is to be looked for by giving free rein to the captains of industry and magnates in the field of finance, and accommodating government to their desires, has come through the logic of events to a tragic refutation. So complete has been its failure that even from within the favored circle has been advanced the proposal that government hereafter plan and limit industrial enterprise; in other words, that "rugged individualism," of which we have heard so much, be scrapped.

If confirmation of the folly of that notion of how best to subserve the common weal were needed, it is furnished by revelations concerning the appropriation of huge sums of corporate profits by the managing directors as bonuses, the peddling by great banking houses of questionable foreign securities running into billions, and by the disclosures touching stock jobbing and kindred practices on the exchanges by those on the inside in corporate management.

For more than 11 years our Government has been run on that theory, and from every section of the country an aroused and wrathful people demand a new deal. It may be admitted that factors of world-wide application must be reckoned with in any effort to trace the origin of the prevailing business debacle. The devastation of the war—the two hundred billions and more of the savings of the people of the world—the fruit of toil and thrift gone up in smoke in its prosecution, could not be ignored in such a reckoning. But none will question that in the struggle for resuscitation the barriers to international trade arising from ill-considered readjustment of national boundaries, the revived and intensified national hatreds and embargo tariffs, and similar restrictions are major obstacles.

The occasion called for the most liberal international cooperation. Too late it has come to be realized that our prosperity is intimately bound up in that of the rest of the world. Instead of generously laboring with other nations to repair the ravages of war and abate the animosities engendered by it, we pursued a policy of selfish isolation. Having become the greatest creditor nation on earth, with all Europe our debtors, we demanded that they pay, and proceeded to build higher our tariff wall, not once, but twice, in less than 10 years, in effect, adding to their obligation and diminishing their ability to pay.

SAYS TARIFFS HAVE DRIVEN OUR INDUSTRIES ABROAD

Retaliatory tariffs were to be expected and they have come. What is the result? In two years, from 1930 to May, 1932, American manufacturers have established in foreign countries to escape the penalty on the introduction of American-made goods 259 factories, 48 in Europe, 12 in Latin America, 28 in the Far East, and 171 in Canada, the weekly average in 1930 being 1.4 and in 1932, 4.7. Every week of 1932 has seen four American factories moving to Canada.

The fiscal policy of the Government has shown a constant subserviency to the wealthy and powerful, whose taxes in a season of hectic prosperity were repeatedly reduced, leaving a huge burden of public debt unliquidated, the interest on which cuts deeply into the diminishing revenues of the Treasury in these times of stress, to say nothing of the effect on the credit of the Government, now sustained only by the imposition of taxes approximating those rendered necessary by the exigency of the World War.

The tragedy of the last decade was the continued prostration of agriculture that, struggling to recover from the disastrous slump following the cessation of the war demand, was made to carry the added load imposed by the tariff act of 1922.

While most other industries were rejoicing in a phenomenal prosperity, induced by the marvelous increase in the productivity of labor through the use of new and improved machinery and methods of mass production, stimulated by an expanding export trade, financed by liberal American loans, agriculture remained a sick sister, its returns even in the best years scarcely meeting expenses.

Again and again warnings were sounded from the farming sections that the impoverishment of the farm population must in time be reflected in the paralysis of business in other lines, that to reduce to the vanishing point the net income of one-third of our people must eventually result in general disaster.

CHARGES REMEDY WAS LATE AND LED TO A SCANDAL

With callous indifference every appeal for relief was ignored or rejected until, yielding to political necessity, a substitute for the measures originating with the representatives of the languishing industry was brought forward by the administration and passed, of the scandalous history of which, in its operation, the whole world knows.

Another weakness in our economic system scarcely less obvious, a major factor in the collapse from which we still seek vainly to extricate ourselves, is the unequal distribution of the amazing accumulation of wealth garnered in the 10-year period from 1920 to 1929, inclusive, and its concentration in relatively few hands.

Figures supplied by the Treasury Department show that in 1920 incomes of a million dollars or more aggregated $77,000,000 odd; in 1929, a sum equal to approximately fifteen times as much.

It has been figured that the aggregate income of the 504 individuals who in 1929 paid taxes on incomes in excess of a million is more than sufficient to keep 615,000 automobile workers employed at current wages for a year.

Who got the bulk of the $87,000,000,000 of income realized by the American people in 1929? How much more of the comforts of life did the ordinary laboring man, not to speak of the farmer, enjoy in that year than he did in 1920? The Department of Labor reports that the productivity of railroad labor increased from 1915 to 1926 by more than 33 per cent, and the Bureau of Railway Economics, an organization of the railroads of the United States, asserts that efficiency in railroad operation has advanced approximately 20 per cent since 1922.

CALLS FOR A FAIR DIVISION OF THE PRODUCT OF LABOR

To what source must the plain people look for a fair division of the product of their labor, multiplied, as it has been, in this machine age? How shall it be accomplished that the purchasing power of the masses may be increased and the demand for commodities be correspondingly enhanced? Only by intrusting government to those whose constant concern is for the multitude at the bottom rather than the few at the top, yet eager that justice be accorded to all.

I return to the thought that the work before us should be discharged in full appreciation of the grave responsibility which fate and the delinquencies of our political adversaries have devolved upon us. Fortunately, our party is rich in men fully equipped for the duties of the hour. In days less dark to them, Republican orators were wont boastingly to proclaim that their party had a monopoly of the talent necessary for the conduct of the affairs of this mighty Nation. The administration of President Woodrow Wilson, glorious as it was in peace and in war, did not wholly silence this preposterous pretense.

It is no particular compliment to any individual in the galaxy of statesmen whose names have been prominently mentioned in connection with the nomination you are about to make for President of the United States to say that his public career has shown him to be at least the equal of any one of the last three incumbents of that exalted office. The luster that once was theirs has been dissipated even as the mists of the morning.

Conceding that our party might meet the requirements of other branches of the public service, it was represented as being incompetent in respect to finance and unequal to the task of handling the public funds. Even yet, when the Treasury is billions worse than empty, the pretense of superior excellence in fiscal affairs is kept up.

RECALLS FINANCIAL LEADERS IN DEMOCRATIC RANKS

No; there is no dearth of financial acumen and ability in the Democratic Party. There is that distinguished Democrat who devised the plan—though it took for a time the name of another financier—that offered to Germany the first measure of relief she had from the impossible monetary burdens of the Versailles treaty.

There is that other eminent Democrat who was likewise called in by the statesmen of Europe to head the group that framed the charter of the Bank for International Settlements.

There is that modest but capable New England Democrat, upon whom was devolved by the same perplexed statesmen the task of restoring to a sound basis the finances of mutilated Hungary and who earned the love and who had the plaudits of a grateful people he rescued from national bankruptcy.

Another unassuming Democrat, who led the American delegation to the World Economy Conference at Geneva in 1927, passes all but continuously from one assignment international in its origin to another.

Nor should there be overlooked that patriotic Democrat who, in each recurring financial crises of the past three years, has been summoned to the White House for advice and counsel, nor the war-time Secretary of the Treasury who never got the credit he deserved for his masterly conduct of the fiscal affairs of our Government in those trying times; nor should there be forgotten his successor to whose genius the country owes in large part the Federal reserve system.

A great opportunity as well as a great responsibility is before us, an opportunity for service as rare as the occasion is extraordinary.

Let us proceed to the task to which we are called patriotically, in the accommodating spirit, so far as principles permit, mindful always of the truth that, "He serves his party best who serves his country best."

ADDRESSES OF MR. JOSEPH L. SCOTT AND MR. OGDEN L. MILLS AT REPUBLICAN NATIONAL CONVENTION

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the RECORD the addresses of Joseph L. Scott, of California, and Ogden L. Mills before the Republican National Convention.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

RENOMINATION OF HON. HERBERT HOOVER BY MR. JOSEPH L. SCOTT, OF CALIFORNIA, AT THE REPUBLICAN NATIONAL CONVENTION, CHICAGO, ILL., JUNE 16, 1932

Mr. Chairman, ladies and gentlemen, delegates of the convention, this convention has almost completed its task. The work of the delegates here assembled will soon find reflection in the campaign of 1932. Consecrated by the spirit of service we go forth with courage and confidence to meet the vital issues of this challenge period.

The fathers of the Nation not only pioneered the wilderness in their day with the courage of the backwoodsman; they searched with the hardihood of the frontiersmen for liberty and constitutional authority just as we must search. They cut new paths through the jungles of ill-starred experiments in government to create the heritage which has been handed on to us and which it is our duty to protect.

The destiny of the Nation is largely in our hands as members of the Republican Party. No one can survey the horizon without an overwhelming sense of the responsibilities resting upon us. Millions of anxious and bewildered men, women, and children are watching us, praying that God will strengthen and enlighten us so that out of our work may come the dawn of a new day, full of hope and promise.

It is in that spirit of hope and confidence and with humility that I address you. I am not the one to talk to you of the problems of finance, of agriculture, of industry, of commerce, or trade. There are other and abler men from whom we can learn of those things. They are far more qualified to speak to you than am I. It is my purpose rather to talk to you of a man who is a past master in that greatest of all branches of engineering that I like to think of as "human engineering." A man who has given and is giving his time, his energy, his whole being to service in behalf of his fellow men. Discussion of such service is of more importance than discussion by me of material things, for without that spirit of service and sacrifice this world would be but a drab place to live in. I want you to think of him as I think of him in his study in the White House, in the room where Lincoln signed the Emancipation Proclamation, working through ceaseless hours over the problems that are your problems, seeking solutions that will aid mankind. Thinking of him thus you will more nearly visualize the man than you would if I were to talk to you for hours in terms of barter and trade. You can read of those things in the daily papers, or hear of them in the broadcasts on a radio.

I come from California, the golden fringe of our country—peopled by the natives of every State in the Union. We may be pardoned if we humbly give reverence to God for the blessing He has bestowed upon us and for the protection His providential hands have vouchsafed to us there in the far West, where we look out on the broad waters of the Pacific.

We have seen hardship and suffering and destitution in California. Hardly a quarter of a century ago, a great fire destroyed the metropolitan city of San Francisco. Did those children of the Argonauts line up alongside the ruins to whine and despair? They did not! Worthy of their forbears and developing the courage and faith of the typical American pioneer, they took the hot bricks in their fists, and builded a new San Francisco, better and greater than any their fathers had ever dreamed of.

In southern California, where some of us come from, the tenderfoot easterner, with the grit of an early American, has stripped the foothills of its sagebrush and chapparel and made the desert look even as the Promised Land. They, too, were a fighting race, not brother against brother, not civil war, where the blood of the bravest and youngest was shed to no purpose, but upon the great battlefront of the West where they conquered the savage forces of nature, where they came to grips with adversity, and where they won.

Just 72 years ago in this little prairie town of Chicago, in the old wigwam, the Republican Party gave Abraham Lincoln to the Nation as its candidate. In accepting the nomination, Lincoln implored the assistance of Divine Providence. His selection was greeted with derision by half the States of the Union, but under his wise guidance the Union was saved and the Nation still lives. To-day the skeptic and the cynic are still around and about us. It has always been so—it will perhaps always be so. Years ago across the floor of the House of Commons that gallant Irishman and stalwart friend of America, Edmund Burke, stopped the tirade from the Tory benches by riveting them with the scornful query, "Who can refute a sneer?" The weapons of contemptuous assault and scurrilous innuendo are at work to-day throughout the land in vain effort to besmirch the character of a great American.

We have need of introspection. We have cause to stimulate self-examination. Each in the form of his conscience had better take "time out" to reflect that in this bicentenary of Washington's birthday the man who holds highest aloft the standard, the more attracts the hosts of the opposition. We had to have a Valley Forge to learn the value of

our political heritage. We had to have the Emancipation Proclamation and the Gettysburg speech to understand the Declaration of Independence.

The fathers who gave us this Government were not graduates from soap boxes. They were cultured, thoughtful, educated men, dominant leaders of their day and generation. Unlike many of us to-day, they sacrificed themselves to the detriment of their own personal fortunes in the service of their fellow men and to the end that this Nation might survive.

In this spirit of sacrifice and service the fathers builded better than they knew. Their generation may have derided them—may have stoned them—but they kept the faith and labored doggedly on as simple American citizens, seeking neither rewards nor emoluments, contented to serve as simple soldiers in the ranks—"buck privates" or as captains, colonels, or generals, as fortune may have willed. They were the "doughboys" of their day and generation just as we are the "doughboys" of ours.

Babylon and Nineveh and ancient Rome wallowed in the wealth of material prosperity, stood naked and unashamed in their perdition—and succumbed. But the human lampposts of Nero, the men, women, and children thrown to the lions at the Coliseum for a Roman holiday, gave us the artesian springs of Christianity that rule the world, while the splendors of Rome are almost forgotten memories.

Why, therefore, be affrighted? Why stand frozen with fear and trembling like the slaves of old? Why not remember the inheritance which is ours, and stretch forth strong arms and stout hearts and be worthy of our patrimony? We have an illustrious example of such a spirit, the spirit of one who through the last long gruelling four years has stood at the helm as the captain of our ship of state and has steered the vessel safely through fog and hurricane and passed the terrors of the lee shore. At times upon the ship's bridge he has stood alone with his thoughts, alone with his conscience. He has never lost faith. He has never relinquished his soul for the applause of the moment; he stands to-day serene and confident in the knowledge that he has kept the faith. We of the Republican Party are proud that he has justified the trusteeship that we so confidently committed to his hands. He has remembered the words of the Good Book, that righteousness comes before peace and not to him who inflicteth, but to him who endureth shall come the victory.

This man of whom I speak is the ideal standard bearer of the Republican Party. In this epoch he believes in its principles, nor has he been niggardly in appreciation of those patriotic citizens who in the Halls of Congress or elsewhere have divested themselves of partisan intolerance and have stood shoulder to shoulder with him in helping to solve the problems of taxation, of Budget balancing, or unemployment, and of relief. But having given consideration to these problems, he has not forgotten those more human in character. We deny the right of our political adversaries to arrogate to themselves the credit of placing human rights before property rights. We may recall to their minds that our first Republican President told his contemporaries that he hoped to live "to see the day when the black mammy could cuddle her baby to her bosom as her very own," and that "God never made a man good enough to keep his fellow man in subjection." So in these days of stark communism and ill-starred militarism we had better renew our course by the fixed stars of the eternal principle that fundamentally must live and will live if, with God's help, we do our full duty.

It is in this contemplative spirit of reverence and introspection with hearts grateful to God and the fathers of the Nation that we should approach the coming years.

This is a war on all fronts, not for the young to die while their elders drive them on, but for old and young to live and to understand the mutual responsibility of citizenship. It is a call back to the spiritual life, to the Sermon on the Mount, to remember that we are our brother's keeper. We must remember that the first Christmas baby brought the message of peace only to men of good will.

Because our candidate is the embodiment of this philosophy—because his life typifies the spiritual values, and the vanity of mere earthly things, because he exemplifies the undaunted courage of the real American sprung from the grass roots of the Nation, because he visualizes the hopes of the humblest toiler in this land, because he understands that we must first seek the kingdom of God and His justice—and all other things shall be added to us, because for us, our children and grandchildren has lived through the lonely watches of the night, solicitous for us all and tolerant of us all, irrespective of party affiliations. He has been weighed in the balance and has not been found wanting, because modestly and fervently he has fulfilled his pledges. He has come back to us with his shield untarnished and his head unbowed. He has taught us to strain our individual selves to the limit rather than cowardly to lie down under a paternal government because he knows that rewards come to those who bear the burden of the heat of the day.

With hearts full of gratitude and fidelity, we of his own State of California, the State of our love and devotion, proudly present this homespun American—a man in the best acceptation of that term—to lead us to victory in November as the next President of the United States. I nominate him and I give to you as your candidate our great Californian—Herbert Hoover.

ARGUMENT ON BEHALF OF MAJORITY REPORT OF COMMITTEE ON RESOLUTIONS, BY MR. OGDEN L. MILLS, OF NEW YORK, AT THE REPUBLICAN NATIONAL CONVENTION, CHICAGO, ILL., JUNE 15, 1932

Mr. Chairman, fellow delegates, my good friends in the galleries, who seem to have a voice in this convention, we are confronted, broadly speaking, with two extremes: On the one hand there are those who would retain conditions as they are without resubmission or modification. At the other extreme there are those who would repeal the eighteenth amendment.

As to the first alternative there is, I think, little difference of opinion, for I take it that this convention holds that the American people at any time have the right to express themselves as to their own Constitution.

As to the second, I want to point out to you that the submission to the people of the United States of the mere question, Shall we retain or shall we repeal the eighteenth amendment? places them in a position where they have to make a choice between two hard alternatives. They have to decide whether they will continue to endure the evils that exist to-day or decide to return to the evils of the saloon and the old liquor traffic. In other words, the proposal contemplated in the minority report is to limit the choice of the American people to either the saloon or the speak-easy and give them no other choice.

Not only that, I want to remind you that if the American people are to return to conditions which existed prior to the adoption of the eighteenth amendment they will find the difficulties that existed in the control of the liquor traffic multiplied many times. Remember, that in those days we had our local and State liquor laws dating back over a period of many years. We had definite traditions, customs, and habits affecting our attitude and our practice regarding the liquor traffic. In other words, through legal enactments and, what is even more important, custom and tradition, the liquor traffic was more or less confined within certain definite limits.

Now all of those boundaries have been leveled. All of those old landmarks have been swept away. The laws are no longer there. The traditions are no longer there. We have a new generation wholly unacquainted with those traditions and those laws. And we are asked to return and to encounter all of the old difficulties plus the new difficulties which such a situation creates.

Moreover, my friends, remember that during the course of the last 12 years the physical world has been revolutionized. In the old days, in so far as interstate liquor traffic was concerned, all you had to do was to control shipment by rail, which was easy. To-day we have express highways, fleets of fast trucks traversing several States in the course of 24 hours. We have airplanes. Distances have been annihilated, so that what was formerly a problem that could be then handled with more or less success on a strictly

local basis is now assuming a size and scale which makes it national in character.

The majority report holds that it is unfair to pin the American people to the sole choice between these two alternatives. It holds that American statesmanship is equal to the task of doing away with the evils that exist to-day and preserving the gains achieved, rather than in despair retracing our steps to where we started from 12 or 13 years ago.

Let there be no misconception. It was not the dry organizations that brought about the adoption of the eighteenth amendment. It was the abuses of the liquor traffic that brought it into the Constitution.

Now, I submit, fellow delegates, that difficult as this task appears, the majority report contains a plan constructive enough to meet the test which I have described.

The fundamental difference between the minority and the majority plans is that while the one simply promises—and that is all Doctor Butler can do—promises and hopes that the saloon will not come back, our proposal guarantees that it can under no circumstances, anywhere in the United States, become part of American institutions again.

Let me call to your attention that the two plans have this in common. Both plans propose to submit the problem to the people of the United States through State conventions chosen for that sole purpose. In other words, the majority plan—and I want you to understand this—the majority plan means submission of the problem involved in the eighteenth amendment to the people of the United States for decision. There is nothing indefinite about that, is there?

Secondly. Both plans recognize the two main faults in the existing system. First, its absolute inflexibility, so that the American people find themselves in a strait-jacket, unable to move in any direction, with the Federal Government simply in the position of an enforcing agency, and with no power in either the Congress or the States to change a situation which has become completely frozen.

Third. As I see it, one weakness in our present system is due to the fact that it has departed from one of the fundamental characteristics of the American form of government—that is local initiative, the right of the people of the several States to establish their own practices by law and by custom, which carry with them responsibility for enforcing the law squarely on the local community.

Both plans contemplate restoring to the States the right to decide as their people may determine whether or not liquor will be manufactured, sold, and consumed for beverage purposes within their borders. You will find that in both plans. But there the similarity ends. The minority plan having vested complete power in the States, having created the very conditions which gave birth to the eighteenth amendment, and which will, in my judgment, bring it back if those conditions are again created, stops there, folds up its hands, and utters a pious prayer that nothing like this will come about.

The majority plan affirmatively and directly says that we will see to it that the saloon does not come back. We propose to make good this guaranty by vesting in the Federal Government the necessary power.

My good friend Doctor Butler says that that means that the general Federal police power extends over every State line. This need not be so. If you will read the suggestion of the majority of the committee, you will see that the initiative rests with the States, and that the powers reserved to the Federal Government are limited: One, to protect the States that desire to remain dry—otherwise they can not be protected; and, secondly, the power to prevent the return of the saloon and its attendant evils. These are two direct limitations on the Federal power.

Now, what is the plan which we of the majority propose? First, submission to the people. Second, local initiative, decision, and responsibility as the citizens of the States may determine. Third, reservation of the power in the Federal Government to preserve the gains already achieved, and to protect the United States from a return to the conditions which I think every right-thinking American desires never to see again within our borders.

My friends, statesmanship consists in the ability to reconcile differences without sacrificing principles, in order that progress may be achieved. This is a great step forward.

The minority report will involve us in such conflict that the problem will be with us, I dare say, for 20 years.

But if it can not be fairly claimed that we be statesmen, we are at least Republicans drawn from every section of our broad land. We meet once in four years. For what purpose? To tear each other apart? To create divisions which we can not repair? To create hurts in our ranks that can not be healed in time for the next election, and which might lead to the ultimate destruction of our great party? No. We are here to exchange views, to discuss our problems, and to reconcile our differences, so that when this convention adjourns the Republican National Party will speak to the Nation with a single and undivided voice.

Never since the days of the Civil War has there been greater need for the Republican Party and for solidarity within our ranks.

I had hoped, Mr. Chairman and ladies and gentlemen, when I came here, that more of the talent and the energies of this convention might have been directed to the solution of the great economic problems which we face. And that some—I will not say "some"—but that a very real measure of consideration could be given to the distress that stalks throughout our land.

There are grave problems before our country, ladies and gentlemen. We are in a period of deep economic distress, world-wide in character. There are millions of our people seeking employment. There is hardly a home in our land that has been untouched. The real problem of the Republican Party is to address itself to the relief of those conditions. The real problem of the Republican Party is to be so unified, so linked in thought, purpose, and resolution, that it can place its constructive capacity and ability at the service of the Nation in these days of need.

Anyone who has studied the history of the past six months must have been shocked at the incapacity of the Democratic Party to assume the responsibilities of the majority party. The people of the Nation are looking to the known capacity and character of the Republican Party to steer them through this difficult period and to restore happiness and welfare to American life.

It is with such thoughts and considerations, my fellow delegates, that I plead with you to approach the consideration of this problem. Let there be give and take on both sides, so that we leave these halls with our principles definitely established in a platform upon which all can stand and, with tried and true leaders, can appeal to the Nation confident of success.

EXTENSION OF RIVER AND HARBOR ACT OF MARCH 3, 1899, TO VIRGIN ISLANDS

Mr. JOHNSON. Mr. President, the other day the Senate passed a bill of small consequence relating to the Virgin Islands. After it was sent over to the House the House passed a bill exactly the same as the bill passed by the Senate and has messaged it over here now.

It is a matter of indifference to me whether a House bill or a Senate bill be passed, and I ask unanimous consent to take up the House bill and have it considered.

The VICE PRESIDENT. The Chair lays before the Senate a bill from the House of Representatives and calls the attention of the Senator from California to it.

The bill (H. R. 12202) to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands was read, the first time by its title and the second time at length, as follows:

Be it enacted, etc., That the provisions of sections 9 to 18, inclusive, of the act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1899, are hereby made applicable to the Virgin Islands and the navigable waters thereof.

SEC. 2. That violations of the provisions of this act may be prosecuted in the District Court of the Virgin Islands of the United States, and jurisdiction is hereby vested in said court to try and determine such causes.

Mr. JOHNSON. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

THE MERCHANT MARINE

Mr. JONES. Mr. President, I ask that a resolution from the Tacoma Chamber of Commerce, relating to the merchant marine, may be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

For a long period of time, early in the history of the Republic, the American merchant marine was a predominant factor in world trade. The American flag was carried to all parts of the world and American trade followed it. But in the half century ending about 1915, the prestige of the American merchant marine had been continually declining, and it became a very unimportant factor in world trade. Many causes were responsible for this decline, and there was much discussion as to the remedies, but nothing effective was ever accomplished.

The World War brought this problem home to the American people in most decisive fashion. Only 9 per cent of our foreign trade was carried in American vessels. Except when handling American products was to the particular advantage of the countries which had the merchant ships, foreign vessels were withdrawn from our service to take care of their own national needs. When the United States found it necessary to join in the World War, one of the first necessities was to immediately provide a merchant fleet, regardless of expense, as a matter of national defense, as well as to take care of the commercial demands of our trade. As a result of this necessity, money was spent without much regard to their cost as long as ships could be produced.

Following the closing of the war, the American Government found itself in possession of a great number of merchant vessels either built during the war period or in completion of contracts already let. Because the general sentiment of the country was overwhelmingly clear that we must never again be found lacking in merchant vessels of our own, the Government proceeded on a general program of fitting these vessels to the various trade routes, operating the vessels under various arrangements, but under all of which the Government was in the end the responsible party.

The general sentiment for the permanent creation of a merchant marine was translated into form by the merchant marine act of 1920 and other pieces of national legislation. The policy was adopted of selling these Government-owned vessels into private ownership and at the same time giving necessary Government support so as to be certain that the various trade routes which had been established under Government operation could be continued to be served under private operation against the keen competition of vessels of other flags.

As a means toward this support, in 1928 a bill was passed by Congress establishing a system of mail contracts. Other legislation had arranged for the loaning of money by the Government to steamship owners for the building of newer and faster vessels. The legislation was all to the end that the American merchant marine would once more be a definite and permanent factor in world trade, comparable to the importance of our Nation.

This merchant fleet not only would tend to firmly establish trade routes to principal markets for the benefit of American producers, giving them a service on which they could definitely depend, but it would also serve as a reserve to support our naval and military forces.

It is fitting and proper that in the development of the American merchant marine the aids given thereto by the American Government should be considered as public matters, as they truly are, and not as subventions for private gain. Without these aids, it is most certain that the American merchant marine would again be withdrawn from the high seas, and we would again become subject to the whims and pleasures of other nations in the development of our overseas trade and have no adequate reserve of vessels to serve our armed forces. With these aids 35 per cent of our foreign trade is now carried in American vessels.

RESOLUTION

Be it resolved by the Board of Trustees of the Tacoma Chamber of Commerce, That they consider the foregoing preamble to be a fitting statement regarding the American merchant marine, and that they commend the Congress and the various executive officials of the National Government for their actions in the giving of aid to the American merchant marine, particularly through the mail contracts, and they urgently suggest that these must be continued: Be it further

Resolved, That in view of the fact that through contracts the United States Government has obligated itself to various steamship companies to pay said mail contracts, that we condemn any proposal that the United States Government violate its solemn promises by now refusing to appropriate the necessary moneys to continue the payments which the Government has promised to make.

H. J. WHITACRE, *President*.
T. A. STEVENSON, *Manager*.

TACOMA, WASH., *June 13, 1932*.

ARTICLE BY CLAUDE G. BOWERS ON REPUBLICAN NATIONAL CONVENTION

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Claude G. Bowers on the Republican National Convention. I dare say there will be articles about the Democratic convention.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

G. O. P. CONVENTION TRIUMPH OF HYPOCRISY AND FEAR

By Claude G. Bowers

The most notoriously boss-ridden convention in a generation came to a close without a hitch in the plans of Mr. Hoover and the Cabinet musketeers who wielded the lash. It was a triumph of timidity, of cowardice, of hypocrisy, and pretense.

Had it been possible to have thrown a police line about Chicago, and to have excluded the Cabinet members, postmasters, prohibition officers, and other political dependents of the administration, the results would have been entirely different.

Mr. Hoover would not have been nominated nor would Mr. Curtis.

And the plank on prohibition would have been an honest one.

But the delegates, mostly excellent men and women, were not free agents. Ogden Mills was their master, and he exercised his power with an arrogance not calculated to make men love the rod that struck them.

The climax of bossism of the crudest sort came when a Republican who had polled more than a million and a half Republican votes and had been formally put in nomination for the Presidency was manhandled by dignitaries of the party on the platform and pushed and shoved like a sack of potatoes out of the convention.

Nothing more disgraceful has ever been witnessed in a national convention than the treatment accorded ex-Senator France. He had just been placed in nomination. With the proxy of a delegate in his hand he appeared upon the platform and asked recognition. Instantly he was surrounded by the functionaries of the convention. These began to shove him back. Turning indignantly on SNELL, the chairman, he could be heard in the press section, saying:

"I demand my rights! I will have my rights!"

TURMOIL ON PLATFORM LIKE BARROOM BRAWL

A moment later the scene on the platform resembled a barroom brawl. A fight seemed probable. And then, pushing and shoving him, policemen summoned by the sergeant at arms actually ejected him from the platform as though he were a penniless veteran or a jobless man.

The reason for this mobbing of the rules of orderly procedure in a convention is significant. It was known that France proposed to withdraw his name and place Calvin Coolidge's in nomination. The officeholders dominating the personally conducted convention were afraid there would be a stampede.

That measures the confidence his own friends had in Mr. Hoover's popularity with the delegates.

When roughhouse methods can be utilized to override the rules, and to deny a hearing to a man entitled to one, the absurdity of assuming that this convention reflects the free will of the Republican Party is manifest.

It was Hoover's day.

The Hoover nominating speech of Mr. Scott, of California, was a rhapsody. It seldom made contacts with the realities. The seconding speeches reminded one of Alice in Wonderland. The nominator, with his white hair and heavy black eyebrows, made the most of his opportunity. His voice was clear and strong. Everyone heard. Everyone managed to restrain his emotions.

Then came the "demonstration"—with the aid of two bands and the magnificent organ, the delegates went through the customary duty of bearing the standards around the hall. At intervals balloons were dropped from the ceiling. These releases were timed so as to prolong the noise. As I watched this mechanical exhibition of endurance, I was reminded of Al Smith's suggestion when something of the sort was being planned for him:

"Let's cut out that bunk."

Even so, this was a gallant effort, consciously and conscientiously carried through to the bitter end.

And there were amusing features, too. It was amusing to note the evident satisfaction of many of the delegates as the band blared forth the promise:

"California, here I come;
Right back where I started from."

And with hundreds of thousands of jobless men in Chicago, including ex-service men, walking the streets, and with suffering in their homes, the band blared forth:

"Happy Days are here again."

HYMN OF HATE SUNG AGAINST PROGRESSIVES

Visitors to the hall emerged a little later to be begged for dimes for a cup of coffee.

At length the allotted time for irresponsible enthusiasm was up. Mr. SNELL waved for silence and got it almost before his hand was down. Such perfect control seldom has been exercised over men moved by an inner tumult.

Along with the ejection of Senator France by policemen summoned to the job, there was another incident of significance. For the first time in more than a generation the La Follette Progressives of Wisconsin were not in a convention to fight for socialism.

A reactionary from that State, seconding Hoover's nomination, made the most of it with as bitter a denunciation of the Progressive Republicans of the Badger State as hate could frame. This threw the convention into an ecstasy.

But even so, Senator BLAINE, of Wisconsin, received the votes for the presidential nomination from several States. This was three times more than went to Coolidge, Dawes, and Wadsworth combined. These votes were probably protests against the insolence offered to LA FOLLETTE.

But again—an interesting thing.

The secretary reading the result of the ballot remembered to announce the votes for Coolidge, Dawes, and Wadsworth—forgot to mention those for BLAINE.

Shouts from the press section.

Whereupon the secretary announced 4 votes for BLAINE.

More protests from the press section—and then the secretary came clean.

ADJUSTMENT OF REIMBURSABLE DEBTS TO INDIANS

Mr. FRAZIER. Mr. President, I submit a conference report on House bill 10884, and ask for its immediate consideration.

Mr. SMOOT. What is the nature of the bill?

Mr. FRAZIER. It is a bill providing for the adjustment of reimbursable debts to Indians.

The VICE PRESIDENT. The conference report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, and 5, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: At the end add "unless Congress shall have failed to act favorably or unfavorably thereon by concurrent resolution within 60 legislative days after the filing of said report, in which case they shall become effective at the termination of the said 60 legislative days"; and the Senate agree to the same.

LYNN J. FRAZIER,
THOS. D. SCHALL,
HENRY F. ASHURST,
Managers on the part of the Senate.

EDGAR HOWARD,
JOHN M. EVANS,
SCOTT LEAVITT,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

PURCHASING POWER OF THE DOLLAR

Mr. BORAH. Mr. President, I want to call attention to a bill which is now on the calendar. Of course, I am not going to ask to have it considered at this time, because it will call for some debate. When the bill (H. R. 11499) for restoring and maintaining the purchasing power of the dollar was called on the calendar the other day the Senator from Pennsylvania objected and the bill went over. It is a bill which has for its purpose a limited expansion of the currency. I do not think we ought to adjourn without doing something on that subject, and, while the bill has been objected to in the call of the calendar, I shall undertake, before we close, to get it up for consideration.

The Senator from Virginia [Mr. GLASS] has been away during this week, but I am sure that it is in accordance with his wishes that the matter be disposed of at this session. I shall insist, Mr. President, that at some time before we adjourn the measure be disposed of. I can not think of anything more important than providing for an expansion of the currency. This bill is a step in the right direction. We will have to go much farther, but this is a beginning. I shall urge some action on the subject.

THE WORLD COURT—STATEMENT OF MISS LAURA BERRIEN

Mr. JOHNSON. Mr. President, I ask unanimous consent to have printed in the RECORD a communication sent to me by Mrs. Iris Calderhead Walker, of the National Woman's Party, together with a statement prepared by Miss Laura Berrien, of Georgia, chairman of the committee of international relations of the National Association of Women Lawyers, concerning the World Court. I also request that the reservation proposed (by request) by the Senator from North Dakota [Mr. NYE] to the World Court protocol may likewise be printed in the RECORD.

There being no objection, the letter, statement, and proposed reservation were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *June 29, 1932.*

Hon. HIRAM JOHNSON,
United States Senate.

MY DEAR SENATOR JOHNSON: On May 9, 1932, Senator NYE introduced a reservation to adherence to the World Court. We ask you when the question of the World Court is considered by the Senate to support this reservation, and present for your consideration a statement by Miss Laura Berrien setting forth the reasons for our demand for this equality reservation.

Yours sincerely,

IRIS CALDERHEAD WALKER,
Director of Equality Reservation Campaign for the National Woman's Party.

STATEMENT OF MISS LAURA BERRIEN, OF GEORGIA, CHAIRMAN COMMITTEE OF INTERNATIONAL RELATIONS OF THE NATIONAL ASSOCIATION OF WOMEN LAWYERS

We have asked for a reservation to the World Court. We have been forced to take this step. We had not believed until very lately that if the United States joined the World Court that the status of women would be affected because we hoped and believed that the nationality convention which was adopted at The Hague in 1930, and which has been hailed by the League of Nations as the beginning of international law to be administered by that court—we had believed that that convention would not be forced upon the women of the world by the League of Nations. Struggling to change State laws and Federal laws back in 1924, we were heartened when we read that the League of Nations proposed to codify international law. The league stated that it was its purpose to start a code of world law and that it was hoped that this law would be written with a progressive spirit. Women were led to believe that the old outworn customs and disabilities under which women labor would be disregarded and a new law with a better spirit written. So we began to watch for the subjects that were going to be considered for codification. A great number of subjects were under consideration. One by one they were discarded. Others were substituted. Finally nationality involving more than anything else the relation of women to their government, and therefore one of great concern to us, was agreed upon. It was the only subject that bore vitally upon the rights of women as such. So in 1924 we began a study of the position of women in nationality which embraced all the countries of the world. We have the laws in the originals. We have had them most carefully translated. We have gone to the expense of having our interpretations verified by the representatives of the respective governments here and by the home governments. We have drawn up tables showing what the laws of the world on this subject reveal concerning women's nationality. These tables cover some 83 countries. Some of them show the most primitive laws; while others reveal the most advanced laws. We find that in our Western Hemisphere four countries have granted women complete equality with men as regards nationality—Argentina, Chile, Paraguay, and Uruguay.

This work was done by the joint efforts of the Woman's Research Foundation and the nationality committee of the Inter-American Commission of Women, the Inter-American Commission of Women being an agency formed by the governments of the Western Hemisphere and charged with the duty and responsibility of investigating the laws relating to women of the Western Hemisphere and reporting to the next Pan American Conference on that subject.

American women were secure in their nationality until 1907, when a law was passed that made a married woman lose American nationality, upon marriage to a foreigner. At that time we were very busily engaged in the struggle for suffrage. It is very significant that the first thing women did after they obtained the ballot was to secure the amendment, in fact to secure practically the repeal of the 1907 law in so far as it applied to women and to secure the passage of the Cable Act, in 1922; that was a great step in the direction of equality in nationality for the women of the United States. The Cable Act has been amended twice since, and both amendments give a greater measure of

equality to women. There are now before Congress other bills to perfect that law and there have been expressions from the House of Representatives and from the Senate which lead us to believe that soon we will be one of the countries of the Western Hemisphere with a law which is equal as between men and women.

We drew up a convention on nationality for presentation to the conference on codification of international law and sent it to The Hague by our representatives. It concerned only equality between men and women in nationality. We did not go into any other phase of nationality. Remembering the historic American policy on expatriation going back to before the War of 1812, we felt perfectly sure that American men were able to safeguard the American traditions and secure a nationality law that would take care of those principles which we in common with you cherish.

We felt that it was our duty to safeguard the rights of women, and so we sent our convention to The Hague. Even before that, in 1928, Doris Stevens, chairman of the Inter-American Commission of Women, went to Geneva and secured at the League of Nations the passage of a resolution which asked the governments to appoint women delegates to this conference in view of the very great interest that women had in the question of their nationality.

In response to that resolution our own Government did appoint a woman delegate, Miss Ruth B. Shipley, head of the Passport Division of the Department of State. In all the rest of the world there was just one woman delegate, making two at The Hague conference with over 300 men.

Representatives of the greatest organizations of women in the world went to The Hague conference and placed before the conference their views on nationality.

Women were practically unanimous. All of the great women's organizations of the world have indorsed equality of nationality for women, organizations, international, national, and state, too numerous to name—but practically all organized women have made their desire known on this subject; and their desires are exactly the thing that we have asked for, equality in nationality.

These women, especially American women, sought to enlist the support of the delegates from the 48 countries represented. They hoped the European friends of progress would join the more progressive North and South Americans.

The Western Hemisphere is far more advanced in the matter of women's nationality than are other parts of the world. Representatives of Latin-American countries at this Hague conference were most friendly to equality. There were representatives from other parts of the world who were very friendly toward the desires of women, but the Latin-American representatives were particularly so. When some of the Latin-American delegates considered forming a bloc of votes against the nationality convention drawn up by the League of Nations, league politicians threatened them with loss of the various positions of honor and power which the league is able to bestow.

When it became evident that no agreement would be reached on the other subjects under consideration, on territorial waters, or on the responsibilities of states, Mr. Politis, a league boss, who was chairman of the subcommission on nationality—he was a very able chairman—was determined that some convention should come out of the conference, and he was going to brook no interference from the women. To prevent women from interviewing members of the various delegations who were willing to see them, the Dutch police were ordered to prevent American women further from entering the Peace Palace, where the conference was held—a palace built by American funds given by Andrew Carnegie. Secret Service men trailed American women throughout the remainder of that conference, watching their every movement. The women were not deterred; there was too much at stake. A world code was being launched, and women were determined to do their utmost to see that it would be just to women.

While these women were working at The Hague, the women in our own country were doing all they could to shape events at the conference. There were deputations to the President of the United States asking him to instruct the delegation of the United States to vote for nothing but equality. A group of lawyers, a group of business women, groups from States far and near, went to the President. I remember so well talking it over with him and asking a great many of the Senators their position on the convention being negotiated at The Hague. Many Senators gave out statements saying that the United States would never vote for a convention which discriminated against women, and that a convention discriminating against women would never receive their vote for ratification in the Senate. It cheered us and heartened our colleagues at The Hague.

You can imagine, worrying as much as they were, what it meant to them when they received a cable from this side, for example, saying that Senator BORAH says he will not vote for a convention which discriminates against women, and a like expression from Senator PEPPER, Senator WALSH, Senator GEORGE, in fact, from a large number of Senators.

We were constantly in touch with the situation at The Hague through our women, who kept us informed. I remember the last day of the conference. We had been told by the State Department the day before that no convention on nationality would be signed. We were very anxious about it, because our women at The Hague were cabling us the contrary. They told us there would be a vote and that women would be overwhelmingly defeated. We went to the President of the United States that last day. We went about 9 o'clock in the morning. I think it was around 10 o'clock when we finally saw the President. It was the most anxious moment that I have ever known. We felt we were almost sure of defeat from the rest of the world, but we were also fearful lest our own Government would be trapped into this, even though we had been told that our delegation would not stand for inequality.

We were told by the President that the United States would not vote for the convention and would not sign the convention. When the vote was cast a convention based on inequality had been adopted by a vote of 40 to 1, the United States alone voting against inequality.

This Hague conference is the basis of all our troubles. The nationality convention was adopted at The Hague. The day following its passage the State Department gave out a statement saying that the United States had been unable to vote for it for two reasons, one of which was that the provisions relating to the nationality of women were unsatisfactory, and a number of Senators had indicated their stand so strongly that it was absolutely certain that it could not pass the Senate. The House passed a resolution approving the position taken by the United States delegation.

No sooner was the convention adopted than the women of the world repudiated it. Women from Asia, Australia, Europe, North and South America spent the best part of the next two years preventing ratification and asking reconsideration of the question. At the earnest solicitation of women upon American women's initiative the League of Nations created a women's consultative committee by resolution of the council to report their advice to the League of Nations. The women's consultative committee was composed of able representatives from the eight leading women's international organizations—

International Council of Women, Women's International League for Peace and Freedom, Inter-American Commission of Women, Equal Rights International, World Union of Women for International Concord, All-Asian Conference of Women, International Alliance of Women for Suffrage and Equal Citizenship (with which the League of Women Voters is affiliated), and International Federation of University Women.

Miss Alice Paul, as chairman of the nationality committee of the Inter-American Commission of Women, drafted a convention which was unanimously approved by the commission, representing the 21 American republics. It was also unanimously approved by the governing board of the American Institute of International Law.

The consultative committee met in July, 1931, and drew up this report. They utterly repudiated the convention which had been adopted by The Hague and urged the League of Nations to reopen the subject of nationality and secure a new convention which would be agreeable to women.

The League of Nations gave the committee a room in the League of Nations buildings at Geneva and facilities for meeting, but when they met and repudiated the convention the entire situation changed. There was no room for women to meet a second time when it was found they were not going to rubber stamp the convention adopted by The Hague.

The Hague then tried to abolish the consultative committee of women, which was organized to tell The Hague what women wanted; and the League of Nations is now pressing for ratification of The Hague convention. It takes only 10 votes to make that convention law. Then we are being urged to go into the World Court which is to administer this law as its code and the consultative committee, acting as adviser to the league for women, is apparently to be abolished.

So, you see, we are threatened on three sides. Never believing this could happen we have perhaps waited too long, but this situation has made it necessary for us to ask that if the United States is going into the World Court, the interest of women be protected by seeing to it that we will not go into the court if it means adoption of a code of law that has been entirely repudiated by all the women of the world, and, I may say, by the Government of the United States.

The two Houses of Congress and the executive branch of the Government of the United States have made their stand in the matter well known.

We are asking a very little thing. To go into the World Court without this equality reservation would be a backward step with regard to the rights of women.

The convention provides that it is to go into effect when 10 countries ratify it. It will then form part of the code of law to be administered by the World Court. That was the purpose of calling the first world conference for the progressive codification of international law. And although it would not be imposed on a country that did not agree to its terms, the World Court would be bound to consider this convention as evidence of a rule of law on the nationality of women since this would be the only international agreement on the subject. It is the cornerstone of a new world code unjust to women.

RESERVATION

Mr. NYE (by request) submitted the following reservation intended to be proposed to the resolution of adherence on the part of the United States to the protocol of signature of the statute for the Permanent Court of International Justice:

"Whereas the United States Government refused to be a party to the nationality convention adopted by the First Conference for the Codification of International Law, held under the auspices of the League of Nations at The Hague, 1930, one of the grounds of its refusal being that this convention was not based on equality

between men and women in nationality rights, for which equality this Government stands; and

"Whereas the Department of State has three times officially stated its disapproval of this convention; first, through the chief delegate to The Hague conference; second, through the State Department's press release of April 15, 1930; and third, in the Secretary of State's letter of June 23, 1931, to the secretary-general of the league; and

"Whereas American women have joined with the women of the world in demanding from the league the submission of a new convention based on equality; and

"Whereas the League of Nations has so far opposed all efforts by women to secure submission of a new convention; and is, instead, pressing for ratifications of the projected, unfair nationality convention; and

"Whereas the rights of American women and the American standard of equality will be endangered if the code of law to be established for the court to apply has injustice as its cornerstone: Therefore be it

"*Resolved*, That in the event the United States adheres to the statute of the World Court it shall make the following reservation:

"That the code of law to be administered by the World Court shall not contain inequalities based on sex."

PROPOSED CHANGES IN ENROLLMENT OF LEGISLATIVE APPROPRIATION ACT OF 1933

Mr. BINGHAM. Mr. President, just before we took a recess last evening, and after the conference report on the economy bill was disposed of I introduced Senate Concurrent Resolution 33, which was offered to correct that part of the economy bill in which there was no economy at all but which, if enacted into law, would cause the separation of husband and wife or the discharge of married employees before unmarried employees should be discharged. That resolution was directed to the Clerk of the House of Representatives, and if it is to accomplish anything it ought to go over to that body this morning. Therefore, I ask unanimous consent that the resolution may be taken from the table and considered at this time.

Mr. BRATTON. Mr. President, I object.

The VICE PRESIDENT. Objection is made.

COMMEMORATION OF DEATH OF BRIG. GEN. CASIMIR PULASKI

The VICE PRESIDENT. The Chair lays before the Senate House Joint Resolution 443, to which he calls the attention of the Senator from Indiana [Mr. WATSON]. The joint resolution will be read.

The joint resolution (H. J. Res. 443) requesting the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That the President of the United States is authorized and requested, as part of the George Washington bicentennial celebration, to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1932, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies of the death of Gen. Casimir Pulaski.

Mr. WATSON. Mr. President, the Senate has passed a joint resolution in the same language as that of the joint resolution which has just been read, except it contained the word "directed" instead of the word "requested." I ask unanimous consent for the present consideration of the House joint resolution.

There being no objection, the Senate proceeded to consider the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

SECOND DEFICIENCY APPROPRIATIONS

Mr. JONES. I ask unanimous consent that the unfinished business may be further temporarily laid aside in order that I may ask the Senate to proceed to the consideration of the deficiency appropriation bill.

The VICE PRESIDENT. Is there objection?

Mr. BLAINE. Mr. President, I rise to object. I do not want to take the time of the Senate now to state my reasons, but I have very valid reasons for objecting, and early in the day I desire to outline the situation, which, of course, will amply explain why I object.

The VICE PRESIDENT. Does the Senator from Wisconsin object?

Mr. BLAINE. I object.

Mr. JONES. Then I move that the Senate proceed to the consideration of House bill 12443, being the deficiency appropriation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

Mr. BLAINE. I assume that the motion is debatable.

The VICE PRESIDENT. It is.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator yield to the Senator from Arkansas?

Mr. BLAINE. I yield.

Mr. ROBINSON of Arkansas. I hope the Senator from Wisconsin will not insist upon his objection. The deficiency appropriation bill necessarily must be considered. We have had the Philippine bill the unfinished business now for several days, but no opportunity whatever has been afforded to proceed with the actual consideration of that measure. There is a large majority in the Senate in favor of disposing of the question of Philippine independence during the present session. The bill passed the House some months ago; it has been on the Senate Calendar for several weeks; it has been discussed at length and nearly all the disputed provisions in the bill are pretty well understood by the Senate. They will not be eliminated by deferring action on the measure until another session. Under the circumstances I think this subject is entitled to be disposed of.

I hope that the Senator from Wisconsin will withdraw his objection. I do not see how this session can adjourn under the circumstances without taking action on the Philippine bill. I do not wish to assume the attitude of opposing the consideration of the appropriation bill; it is a necessary measure and must be acted upon, but I think it should be done in the way that we have heretofore considered other appropriation bills.

Mr. BLAINE. Mr. President, without reference to the merits of the Philippine independence bill, every Member of the Senate appreciates that, even though we should pass the bill at this session, Philippine independence will be in the far distance, and will be accomplished by the passage of the bill at the next session of Congress.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. BLAINE. I will yield in a moment. Philippine independence will take place just as soon in that event as though the bill were passed at this session of Congress, if I understand the bill correctly. I now yield to the Senator from Washington.

Mr. JONES. I understand the Senator from Wisconsin is having prepared some amendments which he may desire to offer to the appropriation bill and that he would like to have the bill delayed for a short time on that account. If that is the situation, I am perfectly willing to delay action on the bill for an hour or such matter if that would aid the Senator.

Mr. BLAINE. Mr. President, I will proceed to make my statement so that the Senator from Washington may appreciate the seriousness of the situation to which I desire to call attention.

I do not regard the passage of the Philippine independence bill as essential at this session of Congress for the very reason that Philippine independence is to be deferred for a long time under the pending bill and will come just as quickly if the bill shall be passed at the next session of Congress instead of now.

Mr. PITTMAN. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. BLAINE. I yield.

Mr. PITTMAN. It is true that, while full independence will not come under the bill and it will probably be 15 or 16 years before it is completely achieved, yet a greater degree

of autonomous government, if this bill shall be passed will come quite early and the Filipinos are anxious to obtain it. That feature of the bill would commence to operate immediately.

Mr. BLAINE. I do not know of any provision in the Philippine independence bill that necessitates immediate action. It seems to me that action at the next session of Congress will be in ample time. However, that is not what I wanted to discuss.

Mr. HAWES. Mr. President, will the Senator from Wisconsin yield to me for just a moment?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. BLAINE. I yield.

Mr. HAWES. The Philippine independence bill is being advocated, as the Senator knows, by union labor, by three farm organizations, by the national dairy organizations, and by exclusionists upon the floor. It passed the House almost unanimously and has been here since last April. The necessity for haste is not because of the time when independence is to take place but because of many things which have to be done in the meantime. For instance, the Philippine Legislature meets in July; they have to approve a constitution; a great many things have to be done, and if this measure shall not be passed now, it will put back the whole matter for another year. I wanted to call that to the attention of the Senator from Wisconsin.

Mr. BLAINE. Mr. President, what the Senator says, in my opinion, is wholly beside the question. There are going to be a number of years in which the Philippine legislative body may function; there is not any question that there will be plenty of time. There is not any question about the approval of the bill by the organizations to which the Senator refers; but those facts do not answer the suggestion that the passage of the bill now will not hasten Philippine independence any more than would the passage of the bill in December. There is an immediate proposition which will affect the farmers and people generally of this country a great deal more than will the passage of the Philippine independence bill.

While I am in favor of Philippine independence, and have been in favor of Philippine independence—I have not changed my position on that subject—yet it is going to be 16 years, or within the 16 years, before any substantial benefits are going to flow to the American people.

I heard what the Senator from Idaho [Mr. BORAH] said this morning in reference to Order of Business No. 809, House bill 11499, with reference to the restoration and maintenance of the purchasing power of the dollar. That bill has passed the House. It has been recommended by the Senate Committee on Banking and Currency with an amendment. That bill has reference to an immediate situation, and in the event of its passage the bill would immediately operate to the great benefit of the people of this country, including the farmers, industry, relief for the unemployed, and transportation.

If the Philippine independence bill is permitted to remain the unfinished business, I can readily appreciate that there will be no opportunity to consider House bill 11499. As I said, that bill is of far more consequence to the welfare of this country, and immediately so, than will be the Philippine independence bill when it is passed, because of the fact that whatever the benefits that may come under the Philippine independence bill, they are long to be deferred, while the benefits under the bill to which I refer will be immediate and will operate upon the adjournment of this session of Congress.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. BLAINE. I do.

Mr. PITTMAN. I think the statement of the Senator might be misunderstood. Immediately upon the adoption of their constitution the restriction against labor immigration starts. It is not deferred until the end of the independence period. Also, immediately upon the adoption of their autonomous government, which takes place with the adoption of their constitution, the restriction on importations starts in.

Mr. BLAINE. Only partial restriction.

Mr. PITTMAN. They are not allowed to increase the importation of any of the major products and the others are subject to tariff.

Mr. BLAINE. I understand.

Mr. PITTMAN. I did not want it said that there would be no benefits flowing to the United States until the long period before independence had elapsed.

Mr. BLAINE. The benefits, whatever they may be, will be very meager. The present importations of vegetable oils from the Philippine Islands are of sufficient amount to cause the very injury that is complained about, so that the mere limitation on those importations on the basis of the present importations does not afford any immediate benefit. It is only theoretical. Those importations are so great that the continuance of an equal amount of importations of those products will be just as injurious to agriculture for years to come as it has been in the past.

Mr. SHORTRIDGE. Mr. President——

Mr. BLAINE. The point I am making is that in the case of the bill to which the Senator from Idaho referred and to which I have referred, if the authors of the bill are correct in their contention and if the Committee on Banking and Currency is correct in its contention, or at least as indicated by its report, the benefits will come immediately and will not be deferred for a number of years.

I now come to another matter which in the main, I think, justifies my objection to unanimous consent to laying aside the unfinished business temporarily.

Mr. SHORTRIDGE. Mr. President, will the Senator yield to me for just a moment?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from California?

Mr. BLAINE. I yield.

Mr. SHORTRIDGE. Referring to the remarks of the Senator from Nevada [Mr. PITTMAN], permit me to observe that I regard the provision which stops Filipino migration or immigration into the United States as one of the most important features of this bill, a provision which will bring immediate relief to our people, particularly to the unemployed, and will go far toward allaying friction between our people and resident Filipinos.

California is profoundly interested in that feature of this bill. I have heretofore discussed this matter and hereafter I may elaborate my view; but for the moment I merely beg the Senator to bear in mind that the labor condition in California, particularly, and in Oregon, Washington, and other Western States is such that the incoming of Filipino laborers is looked upon, as it is, as a great economic injury to our people.

Practically every labor union in the State of California has wired to me urging the complete stopping of Filipino immigration, not, I may add, out of hostility to the Filipino people but out of a proper regard for our own people.

Hence, I interrupt the Senator and beg him to bear in mind that feature of this Philippine independence bill as he proceeds with his discussion.

Mr. BLAINE. Mr. President, I was not discussing the merits or demerits of the Philippine independence bill. I know there is some logic in the statement made by the Senator from California. It is true that some benefits will come. They are limited, restricted benefits at the best, while the benefits that will come from the passage of the bill looking toward the restoration and maintenance of the purchasing power of the dollar will come to all sections of the country and to all classes of people in the country. I therefore prefer to occupy that portion of the time that the Senate and the Congress may have in considering a bill that will be beneficial to all of the country and all groups in the country.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. BLAINE. I do not want to yield to further discussion of the Philippine bill or the other bill to which I have re-

ferred. It was not my intention to discuss those two bills. I have mentioned them merely incidental to the proposition that the urge for the passage of the Philippine independence bill is not as great as the necessity for the passage of House bill 11499.

Mr. COPELAND. Mr. President, will the Senator yield for a comment?

The VICE PRESIDENT. Does the Senator from Wisconsin yield for a comment?

Mr. BLAINE. I do not want to engage further in the discussion of the Philippine independence bill.

Mr. COPELAND. Neither do I, Mr. President. I do not want to engage in it, either; but I want to commend the Senator, if he will permit me, for attempting to bring before the Senate something having to do with our domestic distress. We have these troubles at home; and we ought to take care, perhaps, of the bill the Senator speaks of and the home loan bank bill. The bill for independence of the Philippines defers independence for 15 or 20 years. If they have to wait 15 or 20 years and 6 months, that will not matter particularly; but our troubles are pressing now, and they should be given attention.

Mr. HAWES. Mr. President, may I interrupt the Senator?

Mr. BLAINE. I prefer, if I may, to proceed with the other proposition.

The VICE PRESIDENT. The Senator from Wisconsin declines to yield further.

Mr. BLAINE. I am not opposing the Philippine independence bill or its passage, but I do not think that bill should be made the buffer against the consideration of all other legislation. As I have suggested, if the passage of the Philippine independence bill is deferred until next December, we shall be making just as great advances as though the bill were passed now—I refer to the bill generally, and not to some specific item—while consideration and passage of the bill that came over from the House, and has been recommended with an amendment by the Senate Committee on Banking and Currency, will immediately affect the whole country.

Now, Mr. President, I desire to discuss the other proposition.

As I understand, if the deficiency bill is made the unfinished business, it will be disposed of in a very few minutes, or at least within an hour or so. I also assume that that will be the only appropriation bill before the Senate to which amendments may be proposed.

On yesterday there was passed a joint resolution—the author of the joint resolution was the junior Senator from Nebraska [Mr. HOWELL]—respecting transportation to their homes of the veterans who are here temporarily and authorizing an appropriation for that purpose. That transportation, and the amount per diem allowed for subsistence are not to be paid by the Federal Government. They are merely to be advanced to the veterans, and charged up against their adjusted-compensation certificates without interest.

If that joint resolution was designed to accomplish the purposes alleged to be its purposes, of course when we have no appropriation bill before the Senate there will be no opportunity to carry out the joint resolution, even though it passes the House. I doubt very much if it will pass the House. Whatever that fact may be, however, it is quite apparent to me, and ought to be apparent to everyone, that Congress is going to adjourn without taking some action respecting the unusual and heretofore unknown character of emergency that exists within the District of Columbia.

I have been in conference with some of the public authorities in the District of Columbia who are responsible for the peace and good order of this community. I have been in conference with them on yesterday and also this morning. I can scarcely disclose all of the facts that exist and which those who have had experience in connection with matters of this kind reasonably anticipate will happen. I can say, however, that since yesterday there have transpired, among the veterans who are here, events by which they are closing in with their organization, becoming more thoroughly organized under responsible leadership, and it has been demonstrated to me beyond doubt that they are preparing for a long, long sojourn within the District of Columbia.

Mr. President, the funds for their food are running short. In fact, they are practically exhausted. Some wheat is being donated by the American Red Cross in the form of flour, as I understand, and some bakeries within the District are voluntarily baking that flour into bread. Within the next 24 hours, as I view it, about the only provisions left for those men will be bread made out of the American Red Cross wheat. It is true that that bread will not be bread made of white flour, but will be bread made of whole-wheat flour, which is somewhat of an improvement over white bread. But even those Senators without any particular medical knowledge will realize that when those men are reduced to a ration consisting of bread only there will be grave danger of an outbreak of dysentery, out of which may grow one of the most ravishing epidemics this country ever experienced.

Mr. JONES. Mr. President, will the Senator yield to me?

Mr. BLAINE. I yield.

Mr. JONES. I would like to say to the Senator that I wish we could have a quorum present. I think every Senator ought to know the actual conditions as the Senator is pointing them out. It seems to me this is a tremendously important matter and a critical situation. Will the Senator yield, so that I can suggest the absence of a quorum?

Mr. BLAINE. Mr. President, I think this is really a serious matter, and I trust that Members of the Senate will understand that I am not making this plea from any standpoint of emotion or passion——

Mr. JONES. I understand that.

Mr. BLAINE. But rather from the standpoint of the public interest. I think that before I get through I shall be able to outline a situation to which the Senate will be willing to direct its attention, and a plan which may serve the immediate emergency and prevent an untoward result.

I yield for the Senator to call a quorum, if Senators care to listen to what I have to say.

Mr. JONES. I think every Senator ought to know the situation as the Senator is setting it out, so I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	Kendrick	Sheppard
Austin	Dickinson	Keyes	Shipstead
Barbour	Fletcher	La Follette	Shortridge
Bingham	Frazier	Lewis	Smoot
Black	George	McGill	Steiwer
Blaine	Goldsborough	McNary	Thomas, Idaho
Borah	Hale	Metcalf	Thomas, Okla.
Bratton	Hastings	Moses	Townsend
Broussard	Hatfield	Norris	Trammell
Bulow	Hawes	Nye	Vandenberg
Capper	Hayden	Oddie	Walcott
Caraway	Hebert	Pittman	Watson
Carey	Howell	Reed	White
Coolidge	Johnson	Robinson, Ark.	
Copeland	Jones	Robinson, Ind.	
Couzens	Kean	Schall	

The VICE PRESIDENT. Sixty-one Senators have answered to their names. A quorum is present.

Mr. JONES. Mr. President, it may not be necessary for me to make the suggestion, but I can not conceive of any more important proposition to come before this body, under the conditions which confront us, than that being presented by the Senator from Wisconsin, and I hope that Senators will pay very close attention to his explanation of a situation which is so critical.

Mr. BLAINE. Mr. President, I will briefly outline the situation as it has come to me.

In the last 24 hours, as I said a few moments ago, events have been transpiring with great rapidity. The veterans who are here are hastening their organization, closing in with a very compact and effective organization under responsible leadership. The food available for those veterans, I understand, will be reduced by this afternoon to nothing

but bread; bread made out of wheat furnished by the American Red Cross. That bread, of course, will be whole-wheat bread, far better than white-flour bread; but, as I suggested, every medical authority knows that when those men are subjected to such a diet, without any bulk, a dysentery is bound to follow which may be attended with an epidemic the like of which this country has never known.

I speak with some considerable degree of responsibility, because I have conferred with the department of government in the District of Columbia that has responsibility for maintaining peace and order. There is no fear whatever on the part of that department of any outbreak of any violence whatever. The fear is respecting the welfare of these men, and the welfare of the people of the District and of the country generally.

I do not want to make alarming statements, but I think it is really a serious situation, and I feel that the Congress of the United States should not adjourn and throw this responsibility, in the present condition of affairs, upon the District authorities. They would be unable to handle the situation from the financial standpoint and from the viewpoint of public health.

An attempt is being made to work out a plan for proper relief, which, in my opinion, would meet the situation. I can not disclose the details of the plan at this time, because those who are interested in the District and who conferred with me yesterday and this morning, have not obtained the consent of certain organizations to undertake to carry out the plan, but a plan has been agreed upon, tentatively at least, by the superintendent of police, through his representative, and myself, and it has been submitted to responsible persons within the District and responsible heads of certain organizations. The plan, of course, would be subject to such modifications as those authorities might deem necessary.

At any rate the plan as outlined tentatively, even with modifications, would bring about the necessary relief. The plan does not involve any compulsion on the part of the service men. The plan is designed to respect their rights, to respect their feelings. It will not reduce the dignity of Congress. There will be no necessity for any one to attempt to save his face. The plan will involve cooperation on the part of the Federal Government through an agency that will function merely as the head, not the force, to carry out the details, but merely as the agent of the Congress that will be here when the Congress is adjourned. There must be authority lodged in some centralized power. If the plan is carried out or adopted, then the District Commissioners and the police department and the health department in cooperation with organizations throughout the country, organizations to which many of these men belong, will carry out the plan and in my opinion the veterans who are here will also have the opportunity to engage their cooperation without any sacrifice of their honor, their feelings, their sentiments, or their health, and to the great advantage of the people of the District and the country.

Those who have been cooperating have not been able, up to 9.30 o'clock this morning, to obtain the necessary consent and acquiescence of a responsible organization that would stand merely as the agent of Congress rather than the functioning agent. I feel that the deficiency bill could go over until to-morrow or even until late in the afternoon without unnecessarily delaying it. I can not state definitely how soon conferences may be had to bring about the possible acceptance of the proposed plan. It may be that some of the parties who have some responsibility in the matter are absent from the city, but if they are not and the matter can be carried out as was tentatively implied this morning, it may be that the plan can be presented to the Senate late in the afternoon or early to-morrow.

Mr. President, I think we ought to consider the matter very seriously. I think it is much more serious than any one imagines; not serious from the standpoint of any disorder or violence, however. I look for none of that. That is not in contemplation. The men who are here are men of good character, law-abiding, decent, respectable citizens of their home communities and are just as anxious to preserve law and order here in the District of Columbia as is any Member of the Senate. That is not the proposition which is confronting us at all. It is a question of the health and the welfare of these men and the welfare of the people of the District and of the country as I have outlined it.

So I have felt that I should use all legitimate and parliamentary means at my disposal to bring about a plan that will permit the Congress to discharge its full responsibility. It can not discharge that responsibility without action of such a character as will bring about, through the use of cooperation and a full understanding of the situation, an eventual solution of the local problem.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. BLAINE. I yield.

Mr. JONES. Let me suggest to the Senator from Wisconsin that very frequently we pass through the House and the Senate what we term special resolutions dealing with a particular subject, and especially with a particular need that is emergent and that is necessary to be taken care of aside from the general appropriation bills. I do not believe that a situation like this, if it is worthy of being taken care of by a special appropriation or something of that kind, would be neglected by our proceeding to consider and pass a general deficiency appropriation bill. The House would doubtless pass a resolution dealing with the particular matter and making appropriation along those particular lines.

I agree with the Senator that if any possible practical plan can be worked out, it ought to be done. We have to deal with the situation in some way. If a satisfactory solution can be worked out, I have no doubt whatever that the House will send over to the Senate the necessary appropriating resolution, and, of course, the Senate will then act upon it.

Mr. BLAINE. It is the parliamentary situation that is involved, of course, with which I am confronted. I assume that before any appropriation bill would originate in the House an authorization would be a condition precedent to the initiation of such an appropriation measure in order to meet the parliamentary situation.

Mr. JONES. Let me say to the Senator that that is the general rule, of course, and that is the rule we generally enforce. I can not speak for other Members of the Senate, of course, nor for the other body; but if this should develop into a situation where it seems to be imperative that some appropriation should be made, I shall not stand on mere technicalities myself with reference to such an appropriation. I hardly believe that the House would either. I am inclined to think that without a law they would send over to us a resolution making a special appropriation to meet a situation like this. I certainly would interpose no opposition to a proposal like that, and I do not believe they would. Of course, I can not assure the Senator that they would not.

It seems to me that this is a situation which has to be cared for in some way and that we can care for it outside of the general appropriation bill just as well as we can on the bill itself. Any proposal of that sort would probably not be in order under the technical rules of the Senate and could be barred. I feel satisfied that whatever workable plan can be evolved will be carried out and without the necessity of delaying consideration of the deficiency bill, because it is one of the main appropriation bills that should become a law by Friday morning at the latest. Its failure would not create as much disorganization in the Government as the failure of other appropriation bills, but it is necessary that it should be passed. I believe that the Senator will accomplish the same end by allowing the bill to be passed and then working out the situation in the very best way he can and taking care of it by a separate joint resolution which can be passed and, in my judgment, will be passed very promptly.

Mr. BLAINE. Of course, I understand that a rider on the deficiency bill providing for an appropriation would be out of order under the rules, but beyond that, as I suggested in my remarks, the full consent of the essential organiza-

tion to carry out the plan has not been obtained, and, therefore, I am not privileged to offer such a proposal as an amendment to the appropriation bill. I think when anything is done it should be something which is going to be the most effective in accomplishing the necessary desirable results without loss of dignity or honor to anyone.

Mr. JONES. I agree with the Senator in that. I believe that can better be worked out by means of a joint resolution. I am inclined to think that any plan discussed in the hope of getting together should also be discussed with the leading Members of the House. I think it would be well that they should be brought into the discussion and that their aid should be had in working out the plan. I think that would help in securing a proper adjustment of the matter. I believe that the best course to follow would be to allow the deficiency bill to go right on through and take its regular course and then deal with the other situation which everybody must realize is important and necessary to be dealt with. But we should bring into that conference the responsible Members of the House.

Mr. BLAINE. Mr. President, as I stated, I am not prepared to assure the Senate that the tentative plan which has been discussed and to which I have referred can be carried out or will be carried out on account of the possible rejection of the plan by those who may be constituted or proposed to be constituted as the agent of the Congress. In that event the whole matter falls through. We are helpless in the present situation. I have endeavored to bring this to the attention of the Senate from time to time. I attempted to amend the District of Columbia appropriation bill to take care of the matter. I failed in that effort.

I appreciate what has been said by the Senator from Washington. If the tentative plan which has been discussed is accepted the matter of course would then be discussed with Members of the House who are as much interested in this matter as any of us. I also understand that in a matter of this kind or any other kind mere stubbornness is not going to succeed. There must be cooperation. If it were possible for me, through technicalities, to hold up indefinitely the deficiency bill, I assume I would be no nearer my objective than I am now, because I appreciate that men are all constituted about the same, and when opposition is developed through irritations it is utterly impossible to break down that opposition.

I want cooperation. I am perfectly willing to cooperate and to do anything to expedite the passage of the deficiency bill. In case my objection is withdrawn, I want to plead with the Senate to afford like cooperation for the tentative plan to which I have called attention only in a general way in order that it may be accepted. I am not asking pledges that it be adopted. I am simply asking that it may be earnestly considered.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Wisconsin yield for a question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. BLAINE. I yield.

Mr. ROBINSON of Arkansas. I was necessarily called from the Chamber for a few moments in consultation with a Member of the House of Representatives about a matter of important public business and did not hear the Senator outline the plan to which he has referred. I shall not ask him to repeat it, but would appreciate it if he will state a summary of it in a few words. It would be helpful to me.

Mr. BLAINE. I was not privileged to disclose the plan, because those who have tentatively considered it have not yet obtained the necessary consent of the Federal agency that would stand as the agent of Congress. The Senator will appreciate why I can not do that at this time.

Mr. ROBINSON of Arkansas. Very well.

Mr. BLAINE. Mr. President, under the circumstances and with the very cordial and generous pledge of cooperation on the part of the Senator from Washington [Mr. JONES], I believe, if the proposal to which I have referred becomes a possibility, that with his assistance and the cooperation of other Members of the Senate and House who are equally interested in the matter, there may be some probability, and very likely a very great possibility, if not an absolute possibility, that the matter would be taken up and seriously considered when it is in such shape that it can be presented to the Congress. Under these circumstances I withdraw my objection to the request of the Senator from Washington.

The VICE PRESIDENT. The Senator from Wisconsin withdraws his objection.

Mr. JONES. I renew my request that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of House bill 12443.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the deficiency appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. JONES. I ask that the formal reading of the bill may be dispensed with and that it may be read for amendment, the committee amendments to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Legislative establishment," on page 2, after line 2, to insert:

SENATE

To pay to Julia Wheeler Harris, widow of Hon. William J. Harris, late a Senator from the State of Georgia, $10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

To pay William A. Folger for extra and expert services rendered the Committee on Pensions as assistant clerk to said committee by detail from the Bureau of Pensions, fiscal year 1932, $600.

The amendment was agreed to.

The next amendment was, on page 2, after line 10, to insert:

For miscellaneous items, exclusive of labor, fiscal year 1932, $25,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 12, to insert:

The unexpended balance of the appropriation for folding speeches and pamphlets, at a rate not exceeding $1 per thousand, for the fiscal year 1932, is made available for the fiscal year 1933.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 2, after line 19, to insert:

For payment to the widow of Edward E. Eslick, late a Representative from the State of Tennessee, $10,000.

The amendment was agreed to.

The next amendment was, on page 3, line 3, before the word "preceding," to strike out "four" and insert "five," so as to read:

The five preceding appropriations shall be disbursed by the Sergeant at Arms of the House.

The amendment was agreed to.

The next amendment was, on page 3, line 5, after the word "payment," to strike out "of expenses incurred by" and insert "to," and in line 6, before the word "in," to insert "for expenses incurred," so as to read:

For payment to Wesley E. Disney, contestee, for expenses incurred in the contested-election case of O'Connor against Disney, audited and recommended by the Committee on Elections No. 2, $2,000, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 3, line 11, before the word "in," to insert "for expenses incurred," so as to read:

For payment to Charles O'Connor, contestant, for expenses incurred in the contested-election case of O'Connor against Dis-

ney, audited and recommended by the Committee on Elections No. 2, $1,712.71, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 3, after line 14, to insert:

For payment to Everett Kent, contestant, for expenses incurred in the contested-election case of Kent against Coyle, audited and recommended by the Committee on Elections No. 1, $2,000, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 3, after line 19, to insert:

For payment to William R. Coyle, contestee, for expenses incurred in the contested-election case of Kent against Coyle, audited and recommended by the Committee on Elections No. 1, $2,000, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 3, after line 24, to insert:

For payment to J. Earl Major, contestant, for expenses incurred in the contested-election case of Major against Ramey, audited and recommended by the Committee on Elections No. 3, $750, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 4, after line 3, to insert:

For payment to Peter C. Granata, contestee, for expenses incurred in the contested-election case of Kunz against Granata, audited and recommended by the Committee on Elections No. 3, $2,000, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 5, after line 7, to insert:

For expenses of special and select committees authorized by the House, fiscal year 1933, $25,000.

The amendment was agreed to.

The next amendment was, under the subhead "Architect of the Capitol," on page 5, after line 10, to insert:

Fire protection, Senate wing of the Capitol and Senate Office Building: The unexpended balance of the appropriation of $100,000 for fire protection, Senate wing of the Capitol and Senate Office Building, to enable the Architect of the Capitol to remedy fire hazards found by a survey under S. Res. 364, Seventy-first Congress, third session, and for all labor and materials, personal and other services, repairs and alterations, and every item connected therewith, contained in the second deficiency act for the fiscal year 1931, and available for the fiscal years 1931 and 1932, is hereby continued and made available for the same purposes for the fiscal year 1933.

The amendment was agreed to.

The next amendment was, on page 5, after line 22, to insert:

Senate Office Building: To enable the Architect of the Capitol, under the direction and supervision of the Senate Committee on Rules, to have made emergency repairs to the machinery of four elevators in the Senate Office Building, including labor and material, personal and other services, fiscal years 1932 and 1933, $6,000.

The amendment was agreed to.

The next amendment was, on page 6, line 7, after the figures "1933," to insert a semicolon and "and not to exceed $14,000 of the appropriation contained in the first deficiency act, fiscal year 1932, for equipment, and so forth, of the new House Office Building is hereby made available for the same purposes for this building," so as to read:

House Office Building: For maintenance, including the same objects specified under this head in the legislative appropriation act for the fiscal year 1932, $8,400, to continue available until June 30, 1933; and not to exceed $14,000 of the appropriation contained in the first deficiency act, fiscal year 1932, for equipment, and so forth, of the new House Office Building is hereby made available for the same purposes for this building.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office and independent establishments—Executive Office," on page 6, after line 22, to insert:

For payment for an oil portrait of former President Calvin Coolidge for the Executive Mansion procured by the Joint Committee on the Library as authorized by Public Resolution No. 21, Seventy-second Congress, approved May 19, 1932, fiscal year 1932, $2,500.

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce," on page 18, after line 6, to insert:

OFFICE OF THE SECRETARY

Salaries: For an additional amount for salaries, office of the Secretary of Commerce, including the same objects specified under this head in the State, Justice, Commerce, and Labor appropriation act for the fiscal year 1933, $90,000.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses," on page 18, after line 13, to insert:

Contingent expenses: For an additional amount for contingent expenses, Department of Commerce, including the same objects specified under this head in the State, Justice, Commerce, and Labor appropriation act for the fiscal year 1933, $24,000.

The amendment was agreed to.

The next amendment was, on page 18, after line 18, to insert:

Printing and binding: For an additional amount for printing and binding, Department of Commerce, including the same objects specified under this head in the State, Justice, Commerce, and Labor appropriation act for the fiscal year 1933, $6,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior, Bureau of Indian Affairs," on page 21, after line 15, to insert:

Industry among Indians: Not more than $50,000 of the appropriation of $475,000 contained in the Interior Department appropriation act, fiscal year 1933, for encouraging industry and self-support among Indians, is hereby made available for the purchase of sheep for the Jicarilla Indians, New Mexico, to replace losses occasioned by reason of storms during the winter of 1931 and 1932: *Provided*, That expenditures hereunder shall be reimbursed to the United States from future accruals to Jicarilla tribal funds.

Mr. BRATTON. I offer an amendment to the committee amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 21, line 25, after the word "funds" and before the period, it is proposed to insert the following proviso:

Provided further, That purchase of sheep under this authorization may be made without compliance with the requirements of section 3709 of the Revised Statutes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico to the amendment reported by the committee.

Mr. BINGHAM. Mr. President, will the Senator please explain that amendment?

Mr. BRATTON. I will say to the Senator that this is an amendment which was considered by the committee yesterday, and I was given authority to offer it on the floor of the Senate. It merely permits the purchase of sheep without advertising and receiving competitive bids. It is very much in the interest of Indians.

Mr. JONES. The committee authorized it to be offered on the floor.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 22, after line 7, to insert:

Crow Indian Reservation, Mont.: The unexpended balance of the appropriation of $19,840 contained in the Interior Department appropriation act, fiscal year 1932, for payment to or cooperation with an irrigation district formed for the purpose of reclaiming seeped areas under the Two Leggins unit, Crow Indian irrigation project, Montana, embracing approximately 1,240 acres of trust patent Indian land, is hereby continued available for the same purposes until June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 24, after line 6, to insert:

Indian school, Oglala, S. Dak.: For replacement and repair of buildings and equipment destroyed or damaged by cyclone at the Oglala Boarding School, Pine Ridge Reservation, S. Dak., fiscal years 1932 and 1933, $65,000.

The amendment was agreed to.

The next amendment was, on page 26, after line 4, to insert:

Relief of indigent Indians: For relief of indigent Indians, fiscal year 1933, $100,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Reclamation," on page 26, after line 7, to insert:

Yakima project (Kennewick Highlands unit), Washington: The unexpended balance of the appropriation of $640,000 for construction, for the fiscal year 1931, continued available for the fiscal year 1932, shall remain available for the same purpose for the fiscal year 1933: *Provided*, That not to exceed $40,000 from power revenues shall be available during the fiscal year 1933 for operation and maintenance of power system.

The amendment was agreed to.

The next amendment was, on page 27, line 3, before the word "to," to strike out "$2,000,000" and insert "$7,000,000," so as to read:

Boulder Canyon project: For the continuation of construction of the Hoover Dam and incidental works in the main stream of the Colorado River at Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain or otherwise, all lands, rights of way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. V, title 43, ch. 12A), $7,000,000, to remain available until advanced to the Colorado River Dam fund, which amount shall be available for personal services in the District of Columbia and for all other objects of expenditure that are specified for projects included in the Interior Department appropriation act for the fiscal year 1933 under the caption "Bureau of Reclamation" without regard to the limitations of amounts therein set forth.

The amendment was agreed to.

The next amendment was, on page 27, after line 10, to insert:

Palo Verde Valley, Calif., flood protection: For the protection of the Palo Verde Valley, Calif., from overflow and destruction by Colorado River floods, to be expended under the direction of the Secretary of the Interior for the purpose of repairing and reconstructing the levee system on the Colorado River in front of the said Palo Verde Valley, fiscal year 1933, $70,000, or so much thereof as may be necessary.

The amendment was agreed to.

The next amendment was, under the heading "Department of Labor, Bureau of Immigration," on page 29, after line 19, to insert:

Refund to Pasquale Mirabelli: For refund to be paid to Pasquale Mirabelli, of Rochester, N. Y., as authorized by Private Act No. 35, Seventy-second Congress, approved June 6, 1932, $1,000.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department, Secretary's office," on page 30, line 13, after the word "in," to insert "Senate Document No. 117 and"; and in line 15, to strike out "$266.26" and insert "$891.82," so as to read:

Claims for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the act entitled "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels," approved December 28, 1922 (U. S. C., title 34, sec. 599), as fully set forth in Senate Document No. 117 and House Document No. 329, Seventy-second Congress, $891.82.

The amendment was agreed to.

The next amendment was, on page 31, after line 20, to insert:

BUREAU OF YARDS AND DOCKS

The contract by the United States of America represented by the Chief of the Bureau of Yards and Docks acting under the direction of the Secretary of the Navy and M. H. Golden, an individual of the city of San Diego, Calif., for improvement of a motion-picture exchange, involving the erection of a building at the naval operating base, San Diego, Calif., dated January 6, 1932, is hereby legalized from the date of its execution for the purpose of authorizing payments thereunder from the appropriation "Contingent, Bureau of Yards and Docks, 1932," notwithstanding section 12, title 41, United States Code.

The amendment was agreed to.

The next amendment was, under the heading "Department of State—International obligations, commissions, etc.," on page 33, after line 22 ,to insert:

Commission on Construction of Highway, United States and Canada: The unexpended balance of the appropriation of $10,000 for the Commission on Construction of Highway, United States and Canada, for the fiscal years 1931 and 1932, contained in the second deficiency act, fiscal year 1931, is continued available for the same purposes until June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 34, after line 4, to insert:

General and Special Claims Commissions, United States and Mexico: The unexpended balance of the appropriation for the General and Special Claims Commissions, United States and Mexico, for the fiscal year 1932, shall remain available for the same purposes until June 30, 1933: *Provided*, That no portion of the funds herein made available for the fiscal year ending June 30, 1933, shall be available for expenditure during that fiscal year unless the duration of the General and Special Claims Commissions, United States and Mexico, or either of them, is further extended in accordance with Senate Resolution No. 480 of February 28, 1931.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department," on page 35, after line 2, to insert:

COAST GUARD

Coast Guard station at or near Port Orford, Oreg.: The appropriation of $83,500 contained in the Treasury and Post Office Departments appropriation act for the fiscal year ending June 30, 1932, for establishing and equipping a Coast Guard station at or near Port Orford, Oreg., shall remain available during the fiscal year 1933.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Supervising Architect," on page 36, after line 1, to insert:

General expenses of public buildings: The limitation on the amount that may be expended for the packing, draying, and transportation of household goods, incident to change of headquarters of field engineers and inspectors employed in connection with public-building work, contained in the act making appropriations for the Treasury Department for the fiscal year 1932, approved February 23, 1931, is hereby increased from $4,500 to $6,000.

The amendment was agreed to.

The next amendment was, under the heading "War Department—Military activities," on page 38, after line 15, to insert:

CONTINGENT EXPENSES, WAR DEPARTMENT

Printing and binding: For an additional amount for "Printing and binding, War Department, 1931," including the same objects specified under this head in the War Department appropriation act for the fiscal year 1931, $21,949.01.

The amendment was agreed to.

The next amendment was, on page 39, after line 16, to insert:

QUARTERMASTER CORPS

Acquisition of land at Camp Bullis, Tex.: To complete payment of the judgment in the condemnation proceedings for the acquisition of land in the vicinity of Camp Bullis, Tex., and expenses incident thereto, under authority of the act of January 12, 1929, fiscal years 1932 and 1933, $6,400, together with such further sum as may be necessary to pay interest on the award of the court.

The amendment was agreed to.

The next amendment was, under the heading "War Department—Nonmilitary activities—Quartermaster Corps," on page 41, line 7, after the figures "$15,000," to insert a comma and "to remain available until June 30, 1933," so as to read:

Cemeterial expenses: For an additional amount for maintaining and improving national cemeteries, including the same objects specified under this head in the War Department appropriation act for the fiscal year 1932, $15,000, to remain available until June 30, 1933.

The amendment was agreed to.

Mr. JONES. Mr. President, I ask that the succeeding amendments in the bill relating to judgments and authorized claims, which have been settled in the regular way, may be agreed to en bloc.

The VICE PRESIDENT. Without objection, the amendments are agreed to en bloc.

The amendments agreed to en bloc are as follows:

Under the heading "Title II—Judgments and authorized claims—damage claims," on page 43, line 7, before the word "House," to insert "Senate Document No. 113 and";

in line 9, after the name "Department of Agriculture," to strike out "$1,132.15" and insert "$1,171.65"; in line 11, after the name "Department of the Interior," to strike out "$123.40" and insert "$273.40"; after line 11, to insert "Department of Justice, $654.81"; in line 13, after the name "Department of Labor," to strike out "$253.90" and insert "$331.60"; in line 14, after the name "Navy Department," to strike out "$987.62" and insert "$1,121.11"; in line 16, to strike out "$14,352.55" and insert "$16,725.68"; in line 17, after the name "Treasury Department," to strike out "$338.30" and insert "$350.30"; in line 18, after the name "War Department," to strike out "$2,277.19" and insert "$2,880.44"; and in line 18, after the words "in all," to strike out "$19,482.86" and insert "$23,626.74," so as to make the section read:

SECTION 1. For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case," approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in Senate Document No. 113 and House Document No. 332, Seventy-second Congress, as follows:

Department of Agriculture, $1,171.65;
Department of Commerce, $17.75;
Department of the Interior, $273.40;
Department of Justice, $654.81;
Department of Labor, $331.60;
Navy Department, $1,221.11;
Post Office Department (out of the postal revenues), $16,725.68;
Treasury Department, $350.30;
War Department, $2,880.44;
In all, $23,626.74.

Under the subhead "Judgments, United States courts," on page 44, line 23, after the word "in," to insert "Senate Document No. 116 and"; on page 45, line 1, after the name "Department of Commerce," to strike out "$215.74" and insert "$1,215.74"; in line 2, after the name "Navy Department," to strike out "$14,602.60" and insert "$29,664.50"; in line 3, after the name "Treasury Department," to strike out "$2,914.90" and insert "$8,069"; and in line 4, after the words "in all," to strike out "$34,446.31" and insert "$55,662.31," so as to read:

For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States district courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes," approved March 3, 1925 (U. S. C., title 46, secs. 781–789), certified to the Seventy-second Congress in Senate Document No. 116 and House Document No. 331, under the following departments, namely:

Department of Commerce, $1,215.74;
Navy Department, $29,664.50;
Treasury Department, $8,069;
War Department, $16,713.07; in all, $55,662.31, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

On page 45, line 12, after the word "in," to insert "Senate Document No. 116 and"; in line 13, after the word "the," to insert "following departments, namely"; in line 15, after the name "Navy Department," to strike out "$1,945,396.06" and insert "$2,023,056.92"; and after line 15, to insert "War Department, $602,850.84; in all, $2,625,907.76," so as to read:

For the payment of the judgments, including costs of suits, rendered against the Government by United States district courts in special cases and under the provisions of certain special acts and certified to the Seventy-second Congress in Senate Document No. 116 and House Document No. 331, under the following departments, namely:

Navy Department, $2,023,056.92.
War Department, $602,850.84; in all, $2,625,907.76.

Under the subhead "Judgments, Court of Claims," on page 46, line 4, after the word "in," to insert "Senate Document No. 115 and"; after line 10, to insert "Department of Commerce, $780.50"; in line 13, after the name "Navy Department," to strike out "$379,099.81" and insert "$576,306.17"; in line 14, after the name "Treasury Department," to strike out "$480,838.54" and insert "$505,260.54"; and in line 15, after the name "War Department," to strike out "$43,553.89; in all, $1,200,897.97" and insert "$1,014,294.71; in all, $2,196,047.65," so as to read:

SEC. 3. For payment of the judgments rendered by the Court of Claims and reported to the Seventy-second Congress, in Senate Document No. 115 and House Document No. 330, under the following departments and establishments, namely:

Office of Public Buildings and Public Parks of the National Capital, $5,931.32;
United States Shipping Board, $71,680.64;
Department of Agriculture, $7,269.54;
Department of Commerce, $780.50;
Department of the Interior, $14,524.23;
Navy Department, $576,306.17;
Treasury Department, $505,260.54;
War Department, $1,014,294.71; in all, $2,196,047.65, together with such additional sum as may be necessary to pay interest on certain of the judgments at the legal rate per annum as and where specified in such judgments.

Mr. JONES. I offer an amendment as a committee amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 39, after line 24, it is proposed to insert the following:

Authority is hereby granted the Secretary of War to sell or otherwise dispose of, in accordance with law and regulations, the U. S. Army transport *Merritt*.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. The amendments which follow in the bill relate to audited claims. I ask that they may be also agreed to en bloc.

The VICE PRESIDENT. Without objection, the amendments will be agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 55, after line 15, to insert:

"AUDITED CLAIMS

"SEC. 5. That for the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1929 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 119, Seventy-second Congress, there is appropriated as follows:

"INDEPENDENT OFFICES

"For Army pensions, $54.86.
"For Navy pensions, $11.25.
"For military and naval compensation, Veterans' Administration, $45.
"For medical and hospital services, Veterans' Bureau, $4,651.74.
"For salaries and expenses, Veterans' Bureau, $1.
"For Interstate Commerce Commission, $2.

"DISTRICT OF COLUMBIA

"For Freedmen's Hospital, District of Columbia, $26.75.

"DEPARTMENT OF AGRICULTURE

"For salaries and expenses, Extension Service, $12.79.

"DEPARTMENT OF COMMERCE

"For air navigation facilities, $21,094.10.

"DEPARTMENT OF THE INTERIOR

"For support and civilization of Indians, $11.75.
"For conservation of health among Indians, $49.58.

"DEPARTMENT OF JUSTICE

"For salaries, fees, and expenses of marshals, United States courts, $345.46.
"For fees of commissioners, United States courts, $734.40.
"For United States penitentiary, Atlanta, Ga., $1.90.

"NAVY DEPARTMENT

"For transportation, Bureau of Navigation, $236.36.
"For organizing the Naval Reserve, $111.83.
"For engineering, Bureau of Engineering, $6.50.
"For pay, subsistence, and transportation, Navy, $3,457.38.
"For pay of the Navy, $3,438.11.
"For freight, Bureau of Supplies and Accounts, $128.34.
"For pay, Marine Corps, $1,059.39.
"For general expenses, Marine Corps, $107.16.

"POST OFFICE DEPARTMENT—POSTAL SERVICE

"(Out of the postal revenues)

"For balances due foreign countries, $2,456.04.
"For clerks, first and second class post offices, $1.27.
"For clerks, third-class post offices, $251.17.
"For compensation to postmasters, $63.66.

1

"For freight, express, or motor transportation of equipment, etc., $8.63.
"For indemnities, domestic mail, $287.01.
"For indemnities, international mail, $25.70.
"For railroad transportation and mail messenger service, $29.17.
"For unusual conditions at post offices, $150.

"DEPARTMENT OF STATE

"For contingent expenses, United States consulates, $14.81.
"For immigration of aliens, Department of State, $13.14.

"TREASURY DEPARTMENT

"For stationery, Treasury Department, $2.91.
"For collecting the war revenue, $7.55.
"For enforcement of narcotic and national prohibition acts, internal revenue, $250.32.
"For Coast Guard, $266.12.
"For pay and allowances, Coast Guard, $1,536.77.
"For operating supplies for public buildings, $8.40.

"WAR DEPARTMENT

"For pay, etc., of the Army, $11,212.34.
"For pay of the Army, $2,369.10.
"For pay, etc., of the Army, war with Spain, $3.47.
"For increase of compensation, Military Establishment, $273.14.
"For mileage of the Army, $25.50.
"For arrears of pay, bounty, etc., $6.84.
"For Army transportation, $520.58.
"For barracks and quarters, $910.
"For general appropriations, Quartermaster Corps, $1,462.16.
"For incidental expenses of the Army, $50.
"For subsistence of the Army, $20.09.
"For supplies, services, and transportation, Quartermaster Corps, $39.96.
"For Ordnance Service, $1,600.
"For Field Artillery armament, $56.94.
"For ordnance stores: Ammunition, $8.43.
"For arming, equipping, and training the National Guard (act May 22, 1928), $74.90.
"For arming, equipping, and training the National Guard, $294.85.
"For Organized Reserves, $31.12.
"For pay of National Guard for armory drills, $291.14.
"For Reserve Officers' Training Corps, $19.20.
"For headstones for graves of soldiers, $181.10.
"Total, audited claims, section 5, $60,411.17, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office."

On page 60, line 15, before the word "House," to insert "Senate Document No. 118, and"; and in line 16, after the name "Treasury Department," to strike out "$2,972.13" and insert "$7,233.75," so as to read:

For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States district courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-second Congress in Senate Document No. 118 and House Document No. 328, under the Treasury Department, $7,233.75.

On page 60, line 24, after the word "section," to strike out "5, $4,675.01" and insert "6, $8,936.63," so as to read:

Total audited claims, section 6, $8,936.63.

The VICE PRESIDENT. Without objection, the totals will be corrected.

Mr. JONES. I offer the following amendment on behalf of the committee.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 27, after line 10, it is proposed to insert:

Klamath project, Oregon-California: For the purpose of extending, strengthening, and repairing dikes constructed for protection of leased lands from overflow the Secretary of the Interior is authorized to refund to lessees of land surrounding Tule Lake, Klamath project, not to exceed in the aggregate $5,000 of funds heretofore collected under leases with said lessees. Funds so temporarily refunded to lessees shall be repaid by them to the United States in such installments as the Secretary of the Interior may provide.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. That completes the committee amendments.

The VICE PRESIDENT. The bill is open to amendment.

Mr. JONES. Mr. President, the Senator from Nevada desires to offer an amendment. He is not in the Chamber at present, but will be here shortly.

Mr. BRATTON. Mr. President, at the request of the senior Senator from Kentucky [Mr. BARKLEY] I send forward an amendment which I concede is subject to a point of order, because it proposes legislation. I hope, however, that the point will not be made against it, because the amendment is obviously a very desirable one.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert:

Provided, That the act entitled "An act to permit the granting of Federal aid in respect of certain roads and bridges," approved March 3, 1927 (44 Stat. 1398), is hereby amended to read as follows: "That notwithstanding any provision of the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, or of the Federal aid highway act, the Secretary of Agriculture may extend, on the same basis and in the same manner as in the construction of any free bridge, Federal aid under such acts in the construction of any toll bridge and approaches thereto and of any highway leading thereto by any State or States or political subdivision or subdivisions thereof, upon the condition that such bridge is owned and operated by such State or States or political subdivision or subdivisions thereof, and that all tolls received from the operation thereof, less the actual cost of operation and maintenance, are applied to the repayment to the State or States or political subdivision or subdivisions thereof of its or their part of the cost of construction or acquisition of such bridge, and upon the further condition that when the amount contributed by such State or States or political subdivision or subdivisions thereof in the construction or acquisition of such bridge shall have been repaid from the tolls the collection of tolls for the use of such bridge shall thereafter cease and the same shall be maintained and operated as a free bridge."

Mr. JONES. Mr. President, of course I regret very much, indeed, to make a point of order, especially with reference to any matter in which the Senator from New Mexico is interested. The amendment, however, seems to be very complicated. I understand that it was presented to another committee which has to do with agricultural measures. It seems to be rather important, and I feel that I have to make a point of order against it.

Mr. BRATTON. I confess that it is subject to a point of order. I had hoped that it would not be made.

The VICE PRESIDENT. The point of order is sustained.

Mr. JONES. Mr. President, the Senator from Nevada [Mr. ODDIE] had expected to offer an amendment. As he is not present at the moment, I will offer it in his behalf.

The VICE PRESIDENT. The Senator from Washington, on behalf of the Senator from Nevada, offers an amendment, which will be stated.

The CHIEF CLERK. On page 34, after line 16, it is proposed to insert the following:

International economic conference to be held in London during the year 1932: For the expenses of participation by the United States in an economic conference to be held in London during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof [(notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5);] rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards, entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State fiscal year 1932, to remain available until June 30, 1933, $40,000.

Mr. COUZENS. Mr. President, the Senator from Idaho [Mr. BORAH], as I recall, had some objection to the appropriation proposed in the amendment. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Bratton	Coolidge	Fletcher
Austin	Broussard	Copeland	Frazier
Barbour	Bulow	Couzens	George
Bingham	Capper	Dale	Goldsborough
Blaine	Caraway	Davis	Hale
Borah	Carey	Dickinson	Hastings

Hatfield	La Follette	Reed	Thomas, Idaho
Hawes	Lewis	Robinson, Ark.	Thomas, Okla.
Hayden	McGill	Robinson, Ind.	Townsend
Hebert	McNary	Schall	Trammell
Howell	Metcalf	Sheppard	Vandenberg
Johnson	Moses	Shipstead	Walcott
Jones	Nye	Shortridge	Watson
Kean	Oddie	Smoot	White
Keyes	Pittman	Steiwer	

Mr. MCNARY. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. KENDRICK] are detained at a conference.

The VICE PRESIDENT. Fifty-nine Senators have answered to their names. A quorum is present. The clerk will state the pending amendment, proposed by the Senator from Washington [Mr. JONES] for the Senator from Nevada [Mr. ODDIE].

The CHIEF CLERK. On page 34, after line 16, it is proposed to insert:

International economic conference to be held in London during the year 1932: For the expenses of participation by the United States in an economic conference to be held in London during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards, entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State, fiscal year 1932, to remain available until June 30, 1933, $40,000.

Mr. ODDIE obtained the floor.

Mr. WATSON. Mr. President, will the Senator yield for a question?

Mr. ODDIE. I yield.

Mr. WATSON. What does the Senator include in an economic conference?

Mr. ODDIE. Mr. President, I will make a brief statement on the subject which I think will cover pretty fully the point raised by the Senator from Indiana.

On June 27 I made a statement concerning the communication of the President submitting the estimate of the Bureau of the Budget of $40,000 for defraying the expenses of the American representatives to an international economic conference to be held in London during 1932.

At the request of the State Department, I submitted an amendment to H. R. 12443, the second deficiency appropriation bill, for the purpose of supplying these funds.

In the RECORD of June 27, page 14046, will be found a copy of the President's communication of June 24, 1932, including the report of the Bureau of the Budget and a copy of the amendment which I introduced. I ask that this be again placed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

THE WHITE HOUSE,
Washington.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the Department of State for the fiscal year 1932, to remain available until June 30, 1933, amounting to $40,000, for an international economic conference to be held in London during the year 1932.

The details of this estimate, the necessity therefor, and the reason for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

HERBERT HOOVER.

BUREAU OF THE BUDGET,
Washington, June 24, 1932.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the Department of State for the fiscal year 1932, to remain available until June 30, 1933, amounting to $40,000.

International economic conference to be held in London during the year 1932: For the expenses of participation by the United States in an economic conference to be held in London during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards, entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State, fiscal year 1932, to remain available until June 30, 1933..... $40,000

There has been an exchange of views recently between the British and American Governments with regard to the desirability of convening a general economic conference, which would be for the purpose of considering various economic and monetary questions, including methods of improving world-market prices. The British Government later made the suggestion that the conference should be called by the British Government. After due consideration, this Government expressed the opinion that the early convocation of the conference might be of real value in the present depression.

The purpose of this estimate is to provide for the expenses of participation of the United States in the conference.

The foregoing estimate is to meet a contingency which has arisen since the transmission of the Budgets for the fiscal years 1932 and 1933, and its approval is recommended.

Very respectfully,

J. CLAWSON ROOP,
Director of the Bureau of the Budget.

The PRESIDENT.

Mr. ODDIE. When the matter was considered by the committee a slight change was suggested in the amendment, which is now in the proper form for consideration and has just been read from the desk.

My colleague [Mr. PITTMAN], on January 26, 1931, introduced Senate Resolution 442, which was passed by the Senate on February 17, 1931, and among other things contains the following statement:

The Senate further respectfully suggests that the President, if he deem it compatible with the best interests of the Government, call or obtain an international conference or international conferences to the end that agreements or understandings may be obtained with respect to the uses and status of silver as money.

This resolution has been, and is now, lying on the desk of the President with full authority for him to participate in or to call an international conference on the uses and status of silver as money.

Ever since this resolution was passed I have been urging that such a conference be called; but the President has stated that, through negotiations conducted from time to time, the moment was not opportune, and that some of the important countries did not desire to participate. Conditions, however, are more favorable now, as indicated in the President's communication to the Senate of June 24, 1932.

In this connection, and again urging the President of the necessity for an international monetary conference, I wrote to him on June 9, 1932; and I request that this letter be made a part of the record.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 9, 1932.

The PRESIDENT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: You will recall that last summer I made an extended trip in the Orient to obtain information on silver and to determine the attitude of China toward an international conference for the purpose of considering the question of improving and stabilizing silver exchange. Through your good offices, for which I wish again to thank you, I obtained much first-hand data and information from the representatives of our State and Commerce Departments.

Since my return from China in July last I have followed the situation closely and am convinced that if an international conference on silver could have been convened in 1931 under favorable conditions, with the principal countries participating, the discussion of the monetary question and such improvements as might have been suggested would have greatly minimized the

severity of the present economic crisis. Economic conditions have become increasingly more adverse, and it is more necessary now to consider the world-wide aspects of the monetary problem in order to facilitate the return to normal trade and industrial conditions and to establish a solid foundation upon which to build a new and progressive economic order.

The National Monetary Commission, created by Congress in 1908, under the chairmanship of the late Senator Aldrich, through intensive research laid the foundation for the Federal reserve act, which has done much toward the stabilization of currency and credit in the United States and also has operated as a stabilizing and constructive influence in the field of international finance.

When the Senate Commission of Gold and Silver Inquiry, of which I was chairman, was created in 1923, it could not have been anticipated at the beginning that the benefits of research could have such far-reaching ramifications and results. The Commission on Reparations, of which General Dawes was chairman, was supplied with much currency and financial information, which had been obtained in a large number of European countries by the Senate Commission of Gold and Silver Inquiry, and letters received by me from General Dawes and Doctor Kemmerer, the economist to the Commission on Reparations, attested to the value of this material in connection with their work. The Royal Commission on Indian Currency and Finance met in London in 1925 and 1926 to consider the question of adopting the full gold standard in India. American representatives were invited to attend and much information not otherwise available was supplied from the files of the Senate Commission of Gold and Silver Inquiry, demonstrating the undesirability of adopting at that time the full gold standard in India. The official records of the Royal Commission on Indian Currency and Finance include this material. Had this information not been available and had India adopted the full gold standard in 1926, excessive demands on the limited monetary gold reserve of the world would have occurred and the price of silver, under the pressure of heavy sales of silver bullion from the reserves of India, would have probably declined almost immediately in 1926 to the present record low levels.

I cite the advantages which have resulted from the research conducted by the National Monetary Commission and the Senate Commission of Gold and Silver Inquiry for the reason that it would seem obvious that an international monetary conference, considering the monetary question from a world-wide viewpoint, would develop more highly constructive suggestions of greater benefit to the entire world.

In the Seventy-first Congress the Senate authorized the President, by a resolution sponsored by my colleague, Senator PITTMAN, to call an international conference to discuss the silver crisis. Since the enactment of this resolution it has been reported from time to time that some of the principal countries were unwilling to participate.

Monetary conditions in the world have more recently undergone some extraordinary changes which would make the discussion of silver in relation to possible improvements in the world's monetary systems more desirable now. Many nations which were formerly opposed to participating in such a conference would, I believe, express now a willingness to participate.

That public opinion is strongly in favor of an international discussion of the monetary question is evidenced by the recent action of the Chamber of Commerce of the United States of America, which adopted at its twentieth annual meeting in San Francisco, Calif., on May 20, 1932, the following resolution:

"Stability in the monetary systems of the countries of the world is of first importance to freedom in international trade relations, and to the development of prosperous conditions within each country. Stability in the price of silver, and the absence of influences adversely affecting the price of silver, are consequently of great importance to the welfare of silver-using countries and to all countries with which they have trade relations. As governments have been chiefly responsible for declines and fluctuations in the price of silver, and all countries have been affected by the consequences that have followed, it is fitting that they should through international conference endeavor to bring that adjustment among the monetary standards of all countries which will promote the trade and welfare of all."

The House Committee on Coinage, Weights, and Measures has been conducting hearings on the low price of silver during the past year, and Congressman SOMERS, chairman of that committee, based upon the testimony of many well-informed witnesses, on June 3, 1932, introduced House Resolution 247, as follows:

"*Resolved*, That the House of Representatives of the Congress of the United States does hereby approve and encourage the efforts which have been made to hold an international economic conference to be participated in by as many countries as may be willing to send representatives for the purpose of considering methods for the improvement of general economic and monetary conditions."

This resolution was reported favorably to the House of Representatives by the Committee on Foreign Affairs on June 7, 1932, and I hope that action will be taken before the end of this session of Congress.

The monetary question is to be extensively discussed at the imperial economic conference to be convened in Canada in July. The Canadian Parliament, I am informed, recognizing the necessity for a monetary system that will insure stability in inter-Empire exchange, has instructed its delegates to promulgate the question at the conference and to do all possible to achieve this most desirable end. Until this imperial economic conference of the British Empire shall have completed its deliberations and shall have defined the British monetary policy, it would not seem feasible for this country to call or participate in an international monetary conference.

As soon, however, as this conference is concluded and the British monetary policy has been defined, it would seem desirable again to ascertain the views of the principal foreign countries concerning their willingness to participate in an international monetary conference called by this country. Meanwhile it would be of great assistance if the United States were to have an observer at the imperial economic conference particularly conversant with monetary and currency affairs so as to keep the President informed of developments as a basis for later possible action in defining the agenda for an international monetary conference.

I respectfully suggest that you make the necessary inquiries concerning this proposal and will appreciate your advising me of the result.

Very sincerely yours,

TASKER L. ODDIE.

Mr. ODDIE. On June 16, 1932, I again wrote to the President suggesting the desirability, if agreeable to Canada, of having an observer competent in monetary and currency affairs attend the imperial economic conference, which is to convene at Ottawa, Canada, in July. I submit this letter for the RECORD, and wish particularly to point out that if such an observer were to attend this conference it would be of great assistance in the later participation of this country in the international monetary conference to be called by Great Britain. I sincerely hope that the suggestion will meet with approval, and that such an observer will be in attendance.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

JUNE 16, 1932.

The PRESIDENT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: I have received your letter of the 10th instant, and wish to thank you for the confidential information contained therein.

Because of my interest in the subject, I wired to the Hon. James R. Garfield, chairman of the resolutions committee at the Republican convention, on June 14 suggesting a resolution for an international monetary conference to discuss silver and urged its inclusion as a plank in the Republican platform. I am extremely gratified to note that a most satisfactory plank was adopted by the Republican convention on June 15.

At the time I wrote to you on June 9 there was considerable publicity urging the attendance of the United States at the Lausanne conference. Since this conference had so many other subjects under consideration besides the monetary question, it seemed to me inadvisable for this country to attend, and my letter to you was written for the purpose of calling attention to the imperial economic conference, which is to convene at Ottawa, Canada, in July, and which will have before it the discussion of inter-Empire exchange. Until this conference is concluded British monetary and currency policies will naturally be indeterminate, and I emphasized in my letter the desirability of waiting for the conclusion of this conference, when the British policy would be determined, before calling or participating in an international monetary conference to discuss silver exchange and commodity prices.

It would be very helpful in the formulation of the agenda for the London conference, to which you make reference, if the United States should have an observer particularly conversant with monetary and currency affairs attending the imperial economic conference to be convened in Canada. To this end I respectfully suggest that you make the necessary inquiries concerning this proposal, and will appreciate your advising me of the result.

Very sincerely yours,

TASKER L. ODDIE.

Mr. ODDIE. There is no question but what the Senate has fully authorized the President to participate in or to call such an international monetary conference as is contemplated in the communication which he has sent to the Senate, requesting $40,000 for the expenses of delegates of the United States, and in accordance with my amendment to the second deficiency bill which is now before the Senate.

I ask that the resolution of my colleague [Mr. PITTMAN], which passed the Senate, be placed in the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The resolution (S. Res. 442, 71st Cong., 3d sess.) is as follows:

Resolved, That the Senate, having had under investigation and consideration, through its Committee on Foreign Relations and a subcommittee thereof, our commercial relations with China,

the causes of the great and sudden depression in such commerce, and remedies for such depression, and such committee having reported to the Senate, the Senate submits to the President the reports, hearings, and other data in respect thereto, with the respectful suggestion that he shall, if he deem it compatible with the best interests of the Government, enter into discussion or negotiation with governments looking to the suspension of the policy and practice of governments of melting up or debasing silver coins and sales by governments of silver, and that he take such other and further action in the premises as he may deem necessary to eliminate the abnormal fluctuations and depressions in the price of silver.

The Senate further respectfully suggests that the President, if he deem it compatible with the best interests of the Government, call or obtain an international conference, or international conferences, to the end that agreements or understandings may be obtained with respect to the uses and status of silver as money.

Mr. ODDIE. I call attention also to a report submitted by my colleague [Mr. PITTMAN] from the Committee on Foreign Relations, which I find was printed in the CONGRESSIONAL RECORD of February 20, 1931, at page 5494. This report contains a letter written by my colleague to the Senator from Idaho [Mr. BORAH], the chairman of the Committee on Foreign Relations, and contains much valuable data showing the necessity for this international monetary conference.

I hope the amendment will be agreed to.

Mr. WATSON and Mr. PITTMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nevada yield; and if so, to whom?

Mr. ODDIE. I yield to the Senator from Indiana.

Mr. WATSON. If the Senator means a silver conference or an international money conference, why does he not say so? Why say "an international economic conference," which may include everything?

Mr. ODDIE. A monetary conference which will include money, gold and silver.

Mr. WATSON. How about international debts?

Mr. ODDIE. Mr. President, those matters are separate and apart and are not to be included.

Mr. WATSON. Then why does not the Senator say so in his amendment? An international economic conference would cover every phase of all the economic questions that to-day are troubling the world.

Mr. HAYDEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Arizona?

Mr. ODDIE. In just one moment. I should like to read one matter from the report of the Director of the Budget. He says:

> There has been an exchange of views recently between the British and American Governments with regard to the desirability of convening a general economic conference, which would be for the purpose of considering various economic and monetary questions, including methods of improving world-market prices. The British Government later made the suggestion that the conference should be called by the British Government. After due consideration, this Government expressed the opinion that the early convocation of the conference might be of real value in the present depression.
>
> The purpose of this estimate is to provide for the expenses of participation of the United States in the conference.

The question of silver undoubtedly will arise, and we hope it will be discussed.

Mr. HAYDEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Arizona?

Mr. ODDIE. I yield to the Senator.

Mr. HAYDEN. It was my purpose to direct the attention of the Senate to the words that the Senator from Nevada has read from the estimate submitted by the President and the Director of the Budget. I desire to offer an amendment to make it perfectly clear that the subjects therein mentioned, including silver, will be the basis of this proposed international conference. If the Senator will yield to me, I should like to offer the amendment. I am quite sure he will accept it when he hears it read.

Mr. ODDIE. Very well, Mr. President.

The VICE PRESIDENT. The Senator from Arizona proposes an amendment to the amendment, which will be stated.

The CHIEF CLERK. On page 1, line 3, of the amendment, after the figures "1932," it is proposed to insert the words:

> For the purpose of considering various economic and monetary questions, including restoring silver to a proper monetary status, and methods of improving world-market prices.

Mr. HAYDEN. That amendment, Mr. President, makes it perfectly clear that the object of the conference is to do everything indicated in the estimate submitted by the President, and particularly mentions silver. I can not see how any Senator on the other side of the aisle could object to such an amendment, since the Republican national platform recently adopted at Chicago specifically states that the Republican Party favors participation by the United States in an international conference to consider matters relating to monetary questions, including the position of silver.

Mr. ODDIE. I favor that amendment, and I will accept it.

The VICE PRESIDENT. Does the Senator from Nevada modify his amendment?

Mr. ODDIE. I do.

Mr. COPELAND. Mr. President, I want to ask the Senator from Nevada, as well as the Senator from Arizona, where are we now? Is this conference to consider silver? Is silver to be the predominating subject the conference will discuss; or is it to be a general economic conference to consider all problems of international interest?

Mr. HAYDEN. If the Senator will yield, I shall read the words of the estimate: The purpose of the conference is to consider "various economic and monetary questions, including methods of improving world-market prices," to which I have added the reference to silver.

Mr. COPELAND. Does that include the tariff, and international debts, and reparations? Are those items also in the mind of the Senator?

Mr. HAYDEN. Not in my mind, and I doubt if such subjects were in the mind of the President when he approved this estimate.

Mr. COPELAND. Then what is the use of having an international economic conference unless all matters of economic interest and international character are to be considered?

Mr. HAYDEN. I feel sure that the United States can not send representatives to any international conference to consider all matters of economic interest without losing money. I am quite certain that it is the idea of the President that the purpose of this conference shall be limited as indicated by this Budget estimate.

Mr. COPELAND. Mr. President, last year in the city of Washington we had an economic conference. The International Chamber of Commerce met here, and the delegates came expecting to discuss all these matters of economic interest in the world; and they were told on intimation from the White House that they must not consider the tariff, or international debts, or reparations. I do not know whether any word was sent down regarding silver; but there is not any use of having an economic conference, in my opinion, unless that conference is left free to consider every single factor in world depression.

I have long felt, and have said here for years, that it seemed to me that the nations of the world ought to sit down around the table and discuss these matters of common interest. But if this is to be simply a silver conference, limited to one question, I am not enthusiastic for it.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BORAH. I do not know just what this amendment refers to, but we are not in a position, as I understand it, not calling the conference ourselves, to say whether it shall be an economic conference, or whether it shall be confined entirely to monetary questions. As I understand it, the initiative for a conference arose in Great Britain, and it was called an economic conference. We are simply accepting an invitation to attend a conference which Great Britain is calling.

It is not a conference which the United States is calling, I regret to say. Although I do not care anything about an

economic conference under the circumstances. It is a conference which is to be called supposedly by the British Government, and we are to attend that conference, and, as I understand it, this amendment is for the purpose of taking care of the expenses of our delegates. In the invitation to participate in the conference, which was called or initiated by Great Britain, there was no reference to silver whatever, and I venture to say that if Great Britain calls it, there will be no reference to silver. That is a matter which we ought to understand when we are passing upon this amendment. If anyone is led to believe that there is going to be immediately any conference sincerely in behalf of silver, I think he ought to investigate the situation more carefully than he has. I would like to see a conference to deal with silver but the President has not advised of such a conference.

Mr. COPELAND. Mr. President, before the Senator sits down, let me ask him whether he is free to say to the Senate what he thinks is the purpose of the conference which we are invited to attend.

Mr. BORAH. Mr. President, we have not been officially invited, but the idea of the conference originated in England, and, as I understand, we informally notified Great Britain that we would attend the conference. Since the breakdown of the Lausanne conference, to my mind there is nothing to be gained by calling another economic conference. The nations can get nowhere with reference to economic matters until the reparation question is settled, until the relationship between France and Germany is to some extent settled. The Lausanne conference having broken down, according to press dispatches this morning, so far as an economic conference is concerned, I can not see anything to be gained by such a conference.

Furthermore, as I understand, our Government intimated that the question of reparations and debts would not be considered at any conference which we would attend. An economic conference can not hope to succeed in settling economic questions in Europe, in stabilizing prices, without considering the question of reparations and debts, and if those questions are withdrawn, there is nothing to be considered, so far as economic questions are concerned, which can give any assurance whatever of success. I think a conference dealing with monetary questions could be called with some hope of success, if we would earnestly support it.

Mr. COPELAND. Mr. President, I take it from what the Senator from Idaho says that, in his opinion, the American influence would be such that reparations and war debts would not be discussed. On the other hand, from what the Senator says, it is very apparent that Great Britain will not permit silver to be discussed. What are they going to discuss? I can not see for the life of me, if that is the situation, what is to be gained by the gesture of appearing to be friendly and kindly disposed toward a conference which is not to discuss anything that I can think of, by reason of the limitations placed upon it.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. PITTMAN. The question as to whether or not our Government would participate in a conference with other governments is purely a matter within the jurisdiction of the Executive. As to the conditions under which he will take part and when he will cease to take part, that is within his jurisdiction, and there is nothing we can do in the matter except to indicate, if we wish to, as in the pending amendment, that the Senate would like to have the question of silver money considered in connection with economic questions.

The President has asked for $40,000 to pay the expenses of our participation in the conference, if and when we do attend. That is within our jurisdiction. Some of us, at least, are anxious to see a monetary conference, much more anxious than for an economic conference. It is almost futile to debate here as to whether it is going to be a good conference or a bad conference, or what subjects they will take up, or what they will not take up. But if we should refuse to do our part in supplying the Executive with the small sum of $40,000 for the expenses of a commission to participate in that conference, we would greatly hamper the Executive, and be subject, in my opinion, to criticism for lack of action.

Mr. COPELAND. Mr. President, may I ask the Senator, before he sits down, whether he shares the pessimism of the Senator from Idaho regarding the unwillingness of Great Britain to consider the silver question?

Mr. PITTMAN. I can not say that I do. We might say that, as far as the Treasury Department of Great Britain is concerned, it has quite a similar attitude to that of the Treasury Department of the United States, and the treasury departments of most governments. On the other hand, we are aware of the fact, from publications which have been filed here, that the greatest commercial interests of Great Britain have recognized the fact that the great depreciation in the price of silver has affected the exchange value of silver money in China and India and other silver money using countries to such an extent that they can not buy, where they have to exchange the money for gold-standard money in gold-standard countries. England is in a little better position now than we are, because her money has depreciated about 25 or 30 per cent. It will be a contest between the Treasury Department of Great Britain and the business men of Great Britain, that is, those engaged in commerce, as it is here.

I actually believe that in any economic conference, the Treasury Department of Great Britain and the Treasury Department of the United States, and the treasury departments of other countries, which are generally ignorant of world commerce and trade, but are experts in the handling of money, will learn that this exchange problem, the question of the different values of money in different countries, is the greatest obstruction to international trade and commerce that exists.

In some countries the exchange is dependent solely upon a credit basis, as is true in England to-day, not on a gold standard, but on a silver standard. Some countries are on a gold standard, some countries on a gold exchange standard, some countries on a silver standard, like China. But the relation of those standards to each other has a tremendous effect on trade and commerce. We recognized that fact when we adopted unanimously the resolution offered by the senior Senator from Pennsylvania [Mr. REED]. Of course, the disruption of exchange, that is, the disruption of the money systems, the disruption of the value of money as between countries, has affected imports into this country and exports from this country.

Mr. BORAH. Mr. President, may I suggest to the junior Senator from Nevada [Mr. ODDIE] that the amendment follow the language of the Republican platform?

We favor the participation by the United States in an international conference to consider matters relating to monetary questions.

Not to economic questions, but to monetary questions.

Mr. ROBINSON of Arkansas. Mr. President, I should not object to the incorporation of the amendment which the Senator from Idaho proposes, but claim the liberty of saying that it is quite astonishing to have one Republican suggest to another that, in an attempt to carry out a measure, the party platform be conformed to. It is so out of custom for the Republican Party, that I think it would be a refreshing incident.

Mr. BORAH. Mr. President, I agree with the Senator from Arkansas.

I suppose this is the last expression of the Executive will as to the kind of conference desired, that is, a monetary conference. If we say "economic conference" no one knows in view of present conditions what that means. It would include everything that could possibly relate to economic questions. It would exclude nothing I can conceive of. Now, in view of the situation at Lausanne and in view of the suggestion that reparations and debts be excluded, the real problems in the economic world could not be dealt with.

Mr. JOHNSON. Mr. President, in the document that is entitled "The International Economic Conference," from

which the amendment of the Senator from Nevada is taken, the language being the language that is used, apparently, by the Director of the Bureau of the Budget, there is nothing said whatsoever about a monetary conference. The language is:

> For the expenses of participation by the United States in an economic conference to be held in London during the year 1932, and for each and every purpose connected therewith.

It is quite true, it ought to be stated in fairness, that the Director of the Budget says, apart from this particular amendment, that there has been an exchange of views recently between the British and the American Governments with regard to the desirability of convening a general economic conference which would be for the purpose of considering various economic and monetary questions, including methods of improving world market prices. That is stated in the addenda of the Bureau of the Budget to this particular amendment.

Mr. HAYDEN. Mr. President, if the Senator will yield, I have offered an amendment to the Oddie amendment——

Mr. JOHNSON. I realize that.

Mr. HAYDEN. Which has been accepted. It includes the words the Senator from California has just read and, in addition, adds the words "including restoring silver to a proper monetary status."

Mr. JOHNSON. I am familiar with that. But what I want to say is this: That the purpose of the Senator from Arizona, the purpose of the junior Senator from Nevada, the purpose of the senior Senator from Nevada, than whom no man knows more about the subject, is to deal with the question of silver, and if we are to go into a conference of any kind or any character, let us define it so that within its limits of definition we may know exactly what we are going to undertake.

I should be delighted to see a world conference upon the question of silver. All of us from the West, I think, agree upon that. But that is a very different thing from what this particular amendment seeks to do, because it provides for a general economic conference and "for each and every purpose connected therewith."

For one, I would not submit to an economic conference on the debts that are due the United States of America from foreign countries. For one, I would not submit to an economic conference on the domestic policies we have in respect to our own economy.

I would not think of submitting them to any economic conference abroad, which is just what we do if we adopt the amendment, even with the amendment of the Senator from Arizona. That would be to put ourselves in the position of dealing not alone with that concerning which we wish to deal but with every conceivable subject on the face of the earth that any nation wishes to bring into that economic conference, and in which, if we are a member of it in good faith, we must sit and abide by the determinations of that economic conference.

When I say, "abide by the determinations," I do not mean that the conference can enact into law what its various decrees may be, but if we sit there we must participate, and we must accept results there in the conference; and while we may at home disagree, and doubtless would disagree, with any action that might be taken by any European conference in reference either to our tariff, our debts, or our own domestic political economy, nevertheless we would be in the situation of going into one of the conferences abroad and then be charged again with violating that of which we were a part and opposing the determination that was made under those circumstances.

Mr. President, there is another very little thing about it that interests me. We are for economy, Mr. President. By the heavens, under the ægis of economy, an old man shall be taken from the Government Printing Office and cast upon the streets and sent to his grave upon the idea that we will permit nothing but economy in this Government in the days to come.

Under the guise of economy we are adding to the ranks of the unemployed in this Nation and sending out people who have efficiently served in the days gone by and served in a fashion that no man can carp about or criticize. And yet here very cheerfully and freely we start off with only $40,000 for what? For "official cards, entertainment, hire, maintenance, and operation of motor-propelled passenger-carrying vehicles." I recognize, of course, that in a great deliberative body like ours we are not expected to be consistent at all times, yet when we can appropriate $40,000, a part of which shall be for "official cards, entertainment, and motor-propelled vehicles," and then when we stand like lions boasting of our desire for economy and say that men 62, 66, and 68 years of age shall be thrown out after practically a lifetime of efficient service to the Government, I protest even the few dollars for "official cards, entertainment, and motor-propelled vehicles."

Mr. COUZENS. Mr. President, I think the amendment is subject to a point of order; but I do not desire to raise the point of order if it can be amended so as to confine it to a monetary conference. I think no reference need be made to the location of the conference. I propose an amendment to the amendment so as to make it read:

> *Provided*, That for the expenses of participation by the United States in a monetary conference to be held during the year 1932.

If that amendment is agreed to, it does away with objections to an economic conference and confines it to a monetary conference to be held anywhere in the world and does not confine it to London. I offer that as an amendment to the amendment. If that shall be agreed to, I shall not make the point of order against certain provisions of the amendment.

The PRESIDENT pro tempore. Let the amendment be stated for the information of the Senate.

The CHIEF CLERK. The Senator from Michigan proposes the following amendment to the amendment: In lines 1, 2, and 3, page 1, strike out down to and including the numerals "1932," and insert:

> That for the expenses of participation by the United States in a monetary conference to be held during the year 1932.

Mr. ODDIE. Mr. President, I am perfectly satisfied with that amendment. The main purpose of the amendment I introduced is to bring about participation in a monetary conference.

Mr. WATSON. Then why not say "monetary conference including silver"?

Mr. ODDIE. I have followed the wording suggested in the message of the President and of the Director of the Budget; a monetary conference is what I desire.

Mr. COUZENS. How can we have a monetary conference without including silver?

Mr. WATSON. We could not, but we do not know what may be thought on the other side.

Mr. ODDIE. I think that is broad enough because everybody knows the tremendous interest Great Britain has in silver. We know the situation in India and we know the situation in China. The main purpose of my amendment is to have a monetary conference. I am perfectly willing to accept the amendment of the Senator from Michigan, which coincides with my views. I think it will answer the purpose and if we can get the appropriation through we will be taking a long step in the right direction in heading off the severe depression that is over the world.

Mr. JOHNSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from California?

Mr. ODDIE. I yield.

Mr. JOHNSON. What the Senator has read is offered as a substitute?

Mr. COUZENS. No; it is an amendment to the amendment of the Senator from Nevada.

Mr. JOHNSON. Why not strike out the rest of it and leave what the Senator reads as the sole matter of appropriation, striking out beginning with the words "and for each and every purpose connected therewith"?

Mr. COUZENS. The objection to that is that I think, without raising the point of order, it is rather too restrictive in the matter of expenditures.

Mr. JOHNSON. I want to restrict it to a conference on silver.

The PRESIDENT pro tempore. The Senator from Nevada has already accepted the amendment proposed by the Senator from Arizona.

Mr. COUZENS. That amendment having been accepted, I now offer my amendment.

The PRESIDENT pro tempore. The Senator from Michigan proposes an amendment which is equally accepted by the Senator from Nevada and in the understanding of the Chair the amendment proposed by the Senator from Michigan wipes out the amendment proposed by the Senator from Arizona.

Mr. HAYDEN. I think the proceeding will be simplified if the Senator from Michigan will offer his amendment as a substitute.

Mr. COUZENS. It would equally serve the purpose if the Senator from Arizona would withdraw his amendment. Then we could strike out the word "economic" where it appears twice in the amendment.

The PRESIDENT pro tempore. The language of the amendment proposed by the Senator from Arizona and accepted by the Senator from Nevada follows the numerals "1932." The Senator from Michigan proposes an amendment which strikes out everything down to the words "and for each and every purpose connected therewith." The Chair would hold that acceptance of the amendment proposed by the Senator from Michigan wipes out the amendment proposed by the Senator from Arizona.

Mr. HAYDEN. Mr. President, that is immaterial to me. I am interested to have an international monetary conference held. I am not concerned in and do not favor an economic conference. I doubt if the United States can be represented at any kind of an economic conference without the representatives of European nations dragging in the question of debts and reparations because that is the paramount subject with them. If the purpose is confined to monetary problems it would be easier to keep international debts and reparations from discussion at such a conference. I agree with the Senator from Michigan that we could not have a monetary conference without considering the subject of silver. That follows logically.

Mr. BORAH. Mr. President, Senators, I think, will wake up after the conference is over and find out that they do not regard it in that light at all.

Mr. President, let me say here that upon yesterday I received from the Secretary of State a resolution practically in the same terms as the amendment offered by the Senator from Nevada. I introduced the resolution because I felt it was fair to do so. But, in view of conditions now obtaining, I do not believe an economic conference would result in any good.

Mr. SMOOT. Mr. President, our representatives would not bring up the subject of debts and reparations. Of course, there is no man in the United States that does not know the purpose of the conference. If we confine it to a monetary conference, it not only includes everything connected with money and its activities but it certainly includes silver.

Mr. WATSON. If it includes silver, why not say so?

Mr. ROBINSON of Arkansas. Mr. President, may I remind the Senator from Indiana that I told him he would not get Republicans to follow the Republican platform? They never do it! [Laughter.]

Mr. BORAH. Mr. President, I again agree with the Senator from Arkansas. If we have a monetary conference and do not desire to consider reparations and debts, we should bear in mind one of the questions which will arise will be the maldistribution of gold, in which all European countries are interested. We can not deal with the question of the maldistribution of gold, without dealing with the question of reparations and debts. Reparations and debts are largely responsible for such maldistribution. We can not escape that proposition. It seems to me if we are going to take part in conferences we must be prepared to deal with any and every subject which has any relation to this problem of economic distress. If I felt that we would sincerely enter a conference, ready to meet the problems, I would feel that good could be accomplished.

Mr. SMOOT. I believe if we confine it to the monetary question, they could not bring up the question of foreign debts. The only question is the discussion of a monetary plan and system and not the paying of anything. I think that we should confine it to the monetary question. If we could put in the words "including silver" I would be very glad to have it done.

Mr. WATSON. Is not that the object of the conference? Is it not the object of the conference to discuss the silver question?

Mr. SMOOT. Certainly.

Mr. WATSON. Then why not say that?

Mr. SMOOT. I am not objecting, but I am saying that if we can not get that, then let us take the other.

Mr. BORAH. Mr. President, with apologies to the Senator from Arkansas [Mr. ROBINSON] I again call attention to the fact that the Republican platform says "to consider matters relating to monetary questions including the position of silver." The Senator from Utah, if he knows what took place with reference to getting those words in the platform, knows perfectly well that the gentleman who formally consented that they should go in as a matter of political expediency did not regard silver as included in the word "monetary." In the view of these gentlemen it is a commodity and should always remain a commodity.

Mr. SMOOT. The position they took was that it was included, but as far as I was concerned I insisted that they put in the words "including silver" so there would be no question about it at all. I am perfectly willing that they shall be inserted in the amendment.

Mr. COUZENS. Mr. President, I propose to modify my substitute to read:

> That for the expenses of participation by the United States in a monetary conference, including gold and silver—

And so forth.

Mr. HAYDEN. That is satisfactory to me, and, so far as I can do so, I withdraw my amendment.

Mr. JOHNSON. Is it the intention of the Senator from Michigan to have a conference that will discuss the gold standard and that we would participate in the discussion of the gold standard?

Mr. COUZENS. Certainly. That is a part of the monetary system.

Mr. JOHNSON. All right. That is not what I wish to do, and it is what I will not do so far as my one vote is concerned. We are seeking one thing, or those gentlemen who presented the amendment are seeking one thing, and that is that there shall be a conference concerning silver. Let us say so if that is our purpose. We do not need to use the language of diplomacy here in presenting an amendment of this sort. Let us say in forthright fashion just what we want to do. The Senator from Michigan says he wants to discuss both gold and silver. I do not. I say the one thing I want to discuss at all in the monetary conference or a conference with European nations is the question of silver. There is the difference between us. The Senator may be entirely right. *I* am not questioning that. But let us put into the amendment exactly what we want to do and what is sought to be done in the West, which is to discuss the silver question.

Mr. COUZENS. That is not just what I want to do. I do not conceive how it is humanly possible to go into such an idiotic conference without considering gold.

Mr. JOHNSON. Mr. President, I am perfectly well agreed that the whole thing is idiotic; but I think, too, that there should be, if it is desired, a discussion concerning silver. So you can have a discussion relating to gold; but I am not going to put it foremost in any conference that may be held in relation to silver because silver is the preeminent and the paramount thing which we want to discuss.

Mr. COUZENS. Does the Senator think by being technical and pretending not to consider gold that the fact is

obscured that gold and silver will be included in any consideration of a monetary system?

Mr. JOHNSON. "The Senator"—utilizing the words that have just been used by the Senator from Michigan in saying "the Senator"—is not being technical in the slightest degree. My purpose is that if we are going into a conference to say exactly what it is we want to discuss. We are not going into a conference, I take it, for a discussion of the gold we have, nor a discussion of our gold standard, nor a discussion of some one else's gold standard; the sole and only purpose of the conference, from my standpoint, is the discussion of silver.

Mr. COUZENS. That is not so, from my standpoint.

Mr. JOHNSON. That is exactly where we differ. From my standpoint, it is silver.

Mr. ODDIE. Mr. President, this matter is of tremendous importance. The Senate adopted a resolution last year suggesting that the President call an international conference to the end that agreements or understandings might be reached with respect to the uses and status of silver as money. A conference that will discuss monetary questions will naturally include a full discussion of silver.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. ODDIE. I yield.

Mr. ROBINSON of Arkansas. How does the Senator from Nevada account for the fact that the President has apparently ignored the resolution adopted by the Senate and has declined to call any conference for a discussion of the subject of silver?

Mr. ODDIE. I feel very much disappointed personally that the President has not been able to take steps in this matter heretofore; but I am glad that this step has now been taken. It is better than no step at all and I think that it will do decided good.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. ODDIE. Certainly.

Mr. BORAH. Would the Senate vote $40,000 in order to attend an economic conference? I do not think the Senate would. The only conference which has been suggested is an economic conference. The able Senator from Nevada thinks I am in error as to the attitude of Great Britain toward the silver question; I do not think I am. If silver is considered, we must lead. The only conference suggested is an economic conference. We are not calling a conference; we ought to have done so; it ought to have been called in response to the resolution to which reference has been made. A monetary conference, if sincerely undertaken by four or five leading nations, would in my opinion be of great benefit.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BORAH. Yes.

Mr. ROBINSON of Arkansas. Does the Senator from Idaho know why the President failed to take any action following the adoption of that resolution?

Mr. BORAH. I think the President had a different view of it and did not believe in the program; that is all. There is no use, Mr. President, in concealing the fact of what we are going to attend. If we simply attend and do not call it ourselves, it will be an economic conference. Great Britain has suggested no other kind of a conference, and I venture to believe she will not suggest any other kind. I do not believe the Senate wants to vote to attend an economic conference; I am sure I do not. I do not, because after the failure at Lausanne, and with debts and reparations excluded from the new conference, it would be a waste of time and money.

Mr. BINGHAM. Mr. President, may I ask the Senator from Idaho a question?

The PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. ODDIE. I yield.

Mr. BINGHAM. In view of what the Senator has just said, that we are not calling any monetary conference and that the conference which we are proposing to attend is likely to be called on far broader grounds, affecting matters which we do not desire to discuss, what could possibly be the object of making an appropriation of $40,000 to attend a conference that has not been called?

Mr. BORAH. The Senator is assuming that it will be for monetary purposes.

Mr. BINGHAM. Apparently, from the discussion which has been going on, it would be a monetary conference.

Mr. BORAH. The only conference that has been suggested, concerning which we have had any communication, is an economic conference, and that is what this is for; it covers that particular kind of a conference. The Senate ought to understand that we are voting to attend an economic conference and not a monetary conference. The conference is to be called by some one else and not by ourselves, and they are designating it as an economic conference. My own opinion is that an economic conference will not be called since the breakdown at Lausanne; that there is no possible outlook for an economic conference succeeding, and if it is called it will not be called with the hope of doing anything but for certain political exigencies which exist in most countries. These conferences which refuse to meet the different problems, the solution of which are essential to the world's recovery, do more harm than good. If we do not want to deal with these problems, let us remain at home.

Mr. BINGHAM. Mr. President, will the Senator yield for another question?

Mr. BORAH. Yes.

Mr. BINGHAM. If the conference should be called, is it the Senator's opinion that we could use any of this money to send persons to attend it if it were limited as suggested by the Senator from Michigan?

Mr. BORAH. No; we could not attend an economic conference, and, as I understand, the Senator from Michigan does not want to do that.

Mr. COUZENS. That is what I intended to convey by the proposed substitute, because we all agree, I think, that we should not appropriate anything for an economic conference. I do not think there is any difference of opinion about that. Yet the President's message specifically refers to an economic conference to be held in London. My proposal is that we ignore all reference to an economic conference or where it is to be held and simply provide $40,000 for the Executive Department in case, during our absence, there is called a monetary conference. Then the Executive would have the means and the authority to participate in such a conference.

Mr. ODDIE. Mr. President, I feel the matter has been clarified by the Senator from Michigan by his amendment. We do not necessarily have to attend an economic conference; easily a monetary conference can be provided for somewhere which we can attend. I think it is worth making a special effort that we participate in some conference at which the monetary problems will be discussed. At that conference the question of the status of silver will be discussed, and I feel sure will be improved.

The PRESIDENT pro tempore. The Chair understands the Senator from Nevada to have accepted the amendment proposed by the Senator from Michigan. The clerk will state the amendment in its present form.

Mr. COUZENS. Mr. President, so long as there seems to be a dispute about naming the several metals which might be included in a monetary conference, I think we ought to leave out all reference to any metals at all and call it a "monetary conference." Therefore my proposal now is not to mention any specific metal that might be used for money, but confine it to all metals that might be considered for monetary purposes.

Mr. WATSON. Is the amendment of the Senator now formulated in that way?

Mr. COUZENS. The proposal which I will offer as a substitute for the amendment of the Senator from Nevada reads:

That for the expenses of participation by the United States in a monetary conference to be held during the year 1932.

I make no reference to any commodity and I make no reference to the place where the conference may be held.

Mr. HAYDEN. Mr. President, I am compelled to insist that the words "including silver," to which reference is made in the Republican national platform, be incorporated in the amendment offered by the Senator from Michigan. If the Republicans in national convention assembled advocate an international conference of this character, and particularly mentioned silver, the Senate should do as much. We in this country who realize the importance of the silver question and the absolute necessity for an increase in the basic money of the world, if the trade of the world is to improve, must insist that there be no doubt that the monetary use of silver shall be considered at any such conference where the United States is represented.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ROBINSON of Arkansas. I do not admit that the fact the Republican Party have put something in their platform is a reason why the Senate should follow the platform; but I am perfectly willing to admit, as disclosed here this morning, that the fact they have put silver in their platform is a reason why they will not include it in their legislation. [Laughter.]

Mr. HAYDEN. I move that the words "including silver," which, as I recall, are the words of the Republican platform, be incorporated in the amendment now pending.

Mr. ODDIE. I accept that amendment.

Mr. COUZENS. Mr. President, I will not have any objection, if that seems to be the consensus of opinion of the Senate.

The PRESIDENT pro tempore. Then the Chair understands the author of the amendment to have accepted the proposal of the Senator from Michigan and also the proposal of the Senator from Arizona?

Mr. ODDIE. I accept them both, Mr. President.

Mr. BINGHAM. Mr. President, it seems to me that we are asked to do a most extraordinary thing. As the Senator from California [Mr. JOHNSON] said a little earlier, we have been making every effort to economize; we have caused or are going to cause a great deal of hardship to a great many faithful servants of the Government; and yet here, forsooth, we are asked to dangle in the air a bag containing $40,000 to be raffled for by any person or persons who may succeed in calling a monetary conference during 1932. No one knows who is going to call it. It might be called in the heart of China, in which event the money appropriated would not be sufficient to pay the expenses of reaching there; or it might be called in Washington, when we should need but a very small amount of money. We do not know the agenda or what it is proposed to do; we are merely hanging in the air a nice bag containing $40,000, which can be used if and when the President finds that there is going to be, or might be, somewhere a monetary conference, and we should like to attend it.

It seems to me, Mr. President, that this is one of the most extraordinary proposals that has ever been laid before us.

Mr. PITTMAN. Mr. President, there might be some Senators on this side and some on the other side who would consider the President of the United States extravagant in these matters, but I should not think they would expect to hear that from the Senator from Connecticut. The President does not, under this appropriation, have to attend any monetary conference. We know he will not call any, and probably will not attend any, but that will depend entirely on the judgment of the President, and there is no danger, from a Republican viewpoint, of the President of the United States being extravagant in this matter. So it is just a question of whether the Senator from Connecticut will trust the President of the United States to use his judgment as to whether we should attend a conference or not.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Nevada as modified.

Mr. HATFIELD. Mr. President, let the amendment be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

For the expenses of participation by the United States in a monetary conference, including silver, to be held during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards, entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $40,000, to remain available until June 30, 1933.

The PRESIDENT pro tempore. The Chair does not understand that to be the amendment. The amendment as stated is a mere authorization, while the amendment offered provided a direct appropriation.

Mr. ODDIE. I think the wrong amendment was read from the desk. The amendment as offered did provide for a direct appropriation.

The LEGISLATIVE CLERK. On page 34, after line 16, insert:

For the expenses of participation by the United States in a monetary conference, including silver, to be held during the year 1932, and for each and every purpose connected therewith—

The latter part of the amendment reads:

To remain available until June 30, 1933, $40,000.

Mr. JOHNSON. Mr. President, is a substitute in order?

The PRESIDENT pro tempore. Yes.

Mr. JOHNSON. I offer, as a substitute for the whole matter, the following:

For the expenses of participation by the United States in a conference relating to silver during the year 1932.

No more than that.

Mr. BINGHAM. Mr. President, will not the Senator add some place where the conference might be held?

Mr. JOHNSON. No.

Mr. SMOOT. As I understand the Senator's words, the conference would only be for the purpose of considering silver.

Mr. JOHNSON. Exactly. That is the exact purpose of it.

Mr. COUZENS. Let us have a vote on the substitute.

Mr. JOHNSON. Yes; I offer that substitute.

Mr. SMOOT. I hope that will not be agreed to, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from California to the amendment of the Senator from Nevada.

Mr. JOHNSON. I call for a division.

Mr. WATSON. Mr. President, I should like to ask the Senator from Utah [Mr. SMOOT] a question. He says he trusts this proposition will not be adopted. I wonder why. What does the Senator want? How does he want to formulate an amendment?

Mr. SMOOT. The proposed amendment to the bill, I think, requires all the language that is used here after we have decided whether it shall be a monetary conference, including silver, or an economic conference. Every other word here as to expenses, and so forth, as submitted by the Director of the Budget ought to be in the amendment. It follows the form used in all the other appropriations for conferences.

Mr. WATSON. The Senator wants it in, then, because it is a part of the budgetary language.

Mr. JOHNSON. If that were added, would the Senator favor it?

Mr. SMOOT. I favor the amendment as now amended, Mr. President.

Mr. JOHNSON. But the Senator said his objection to the substitute was because it did not add, after the nu-

merals "1932," the remaining lines here about personal services, without reference to classification, official cards, entertainment, hire of automobiles, and so forth.

Mr. SMOOT. We have to have that.

Mr. JOHNSON. That being the Senator's objection, if that were added, obviating his objection, would he accept the substitute?

Mr. SMOOT. I think the amendment as read here, with reference to silver, is preferable.

Mr. JOHNSON. I merely was making the query of the Senator from Utah because he said that was his objection. If there are other objections, I subside.

Mr. SMOOT. Yes; I think it ought to be as proposed by the Senator from Nevada.

Mr. BORAH. Mr. President, I want to repeat to the Senate that there has been no suggestion of any conference except an economic conference. We are not making provision here for a conference which we are going to call, but for a conference which we are going to attend. No conference except an economic conference has been suggested.

We are asked to appropriate $40,000 here, not to attend a monetary conference, because no such conference has been proposed, but to attend an economic conference. Had we not better settle the economic question, and wait until a monetary conference is called?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. COUZENS. The Senator knows, of course, that efforts have been made from time to time to have a so-called silver conference. It is quite probable that between now and next December, when we get back here, such a conference may be called. If such a conference is called, the Executive will have no money or appropriation to participate in it.

Mr. BORAH. Oh, yes; I think the authorities would have sufficient funds. I shall not oppose the proposal; but I simply want to put in the RECORD the fact that we have not been asked to appropriate for a monetary conference, but for an economic conference. I do not wish any misunderstanding that so far as my support is concerned, I am not favoring an economic conference.

Mr. COUZENS. Mr. President, I think it has been made plain in the debate that the Senate does not want to appropriate any money for, or express any approval of, an economic conference, so the substitute is offered to make this purely a monetary conference, including silver.

With respect to the substitute proposed by the Senator from California, it seems to me impossible to include silver alone in a conference, because it must have a relation to something else if we are going to make any sort of an agreement. How can we confine a conference to silver alone? It has a relation to every other metal that may be used in a monetary system; so if we talk only about silver, what would we fix as its value with relation to gold or any other commodity? I mean, I do not see how the Senator's substitute would really get us anywhere, because we could not have a conference on silver without its having relation to some other commodity.

Mr. JOHNSON. Why, of course, we could not have a conference on silver without discussing other matters. That goes without saying. That is not the point, though. The matter that is made preeminent in what has been offered is a monetary conference. One of the things which is included in it is silver. All right. I make the preeminent and predominant question silver by saying, "A conference in reference to silver." Of course, in that conference there will be discussed gold, and the like; but it is simply switching from the particular predominant question that is made by the other amendments that have been offered to making silver the predominant matter to be discussed and that is the sole purpose of the substitute I offer.

The VICE PRESIDENT. The question is on the amendment, in the nature of a substitute, offered by the Senator from California to the amendment offered by the Senator from Nevada [Mr. ODDIE], as modified.

The amendment, in the nature of a substitute, to the amendment of Mr. ODDIE, was rejected.

The VICE PRESIDENT. The question now is on the amendment offered by the Senator from Nevada, as modified. [Putting the question.] By the sound the noes seem to have it.

Mr. ODDIE. I call for a division.

Mr. SMOOT. Let us have the yeas and nays.

Mr. COUZENS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Couzens	Kean	Robinson, Ark.
Barbour	Davis	Kendrick	Robinson, Ind.
Bingham	Dickinson	Keyes	Schall
Black	Fletcher	La Follette	Sheppard
Blaine	Frazier	Lewis	Shipstead
Borah	George	McGill	Shortridge
Bratton	Goldsborough	McNary	Smoot
Brookhart	Hale	Metcalf	Steiwer
Brousard	Hastings	Moses	Thomas, Okla.
Bulow	Hatfield	Norbeck	Townsend
Capper	Hawes	Norris	Trammell
Caraway	Hayden	Nye	Vandenberg
Carey	Hebert	Oddie	Walcott
Coolidge	Johnson	Pittman	Watson
Copeland	Jones	Reed	White

Mr. McNARY. I desire to announce that the Senator from New York [Mr. WAGNER] is attending a conference on the Wagner-Garner bill.

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Nevada [Mr. ODDIE], as modified. On that question the Senator from Utah [Mr. SMOOT] demands the yeas and nays. Is the demand seconded?

Mr. COPELAND. Mr. President, we are in doubt as to the final form of the amendment.

The VICE PRESIDENT. Let the amendment, as modified, be stated.

The LEGISLATIVE CLERK. On page 34, after line 16, it is proposed to insert:

For the expenses of participation by the United States in a monetary conference, including silver, to be held during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof, or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes; rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards, entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State, fiscal year 1932, to remain available until June 30, 1933, $40,000.

The VICE PRESIDENT. The question is on agreeing to the amendment just read, on which the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment. [Putting the question.] By the sound the noes seem to have it.

Mr. ODDIE. I call for a division.

Mr. SMOOT. Let us have the yeas and nays.

The VICE PRESIDENT. The yeas and nays were just refused.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LEWIS. Mr. President, a parliamentary inquiry. May I ask what is the subject matter on which the vote is to be taken?

The VICE PRESIDENT. The amendment was just read and will be read again. The Senate will be in order while the amendment is being read.

The legislative clerk restated the amendment.

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. AUSTIN (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. BYRNES]. Not knowing how he would vote, I withhold my vote.

Mr. CAREY (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. BULKLEY]; but I find that if he were here, he would vote as I desire to vote, and therefore I am free to vote. I vote "yea."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I withhold my vote.

Mr. DICKINSON (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY]. Not knowing how he would vote, I withhold my vote.

Mr. HASTINGS (when his name was called). I have a general pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my vote.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON], which I transfer to the junior Senator from Washington [Mr. DILL], who, I am informed, would vote "yea" if present. I vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I understand that if he were present, he would vote as I intend to vote, and therefore I feel at liberty to vote. I vote "yea."

Mr. MCNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if present he would vote as I am about to vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I would vote "nay."

Mr. NYE (when his name was called). Upon this question I have a pair with the junior Senator from North Carolina [Mr. BAILEY]. Not knowing how he would vote were he present, I must withhold my vote. Were I permitted to vote, I would vote "yea."

Mr. SHORTRIDGE (when his name was called). I have a general pair with the senior Senator from Montana [Mr. WALSH]. I have just been advised that if present, the senior Senator from Montana would vote as I am now privileged to vote. I vote "yea."

Mr. STEIWER (when his name was called). On this question I am paired with the junior Senator from Texas [Mr. CONNALLY], who is detained from the Chamber. I understand that if he were present and permitted to vote, he would vote as I shall vote. I am therefore free to vote, and I vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. Not knowing how he would vote, I withhold my vote.

Mr. WATSON (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Colorado [Mr. WATERMAN] and vote "yea."

The roll call was concluded.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is necessarily absent. If present, he would vote "yea."

Mr. BINGHAM (after having voted in the negative). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, and he being necessarily absent, I withdraw my vote.

Mr. SHIPSTEAD. I have a general pair with the junior Senator from Georgia [Mr. COHEN]. I am informed that if present, he would vote as I shall vote, so I am at liberty to vote. I vote "yea."

Mr. MCNARY. I desire to announce the following general pairs:

The Senator from Ohio [Mr. FESS] with the Senator from Utah [Mr. KING].

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. LONG];

The Senator from Vermont [Mr. DALE] with the Senator from Alabama [Mr. BANKHEAD];

The Senator from Nebraska [Mr. HOWELL] with the Senator from West Virginia [Mr. NEELY];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Oklahoma [Mr. GORE]; and

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER].

The result was announced—yeas 45, nays 8, as follows:

YEAS—45

Barbour	Fletcher	La Follette	Shipstead
Blaine	Frazier	Lewis	Shortridge
Borah	George	McGill	Smoot
Brookhart	Goldsborough	McNary	Steiwer
Broussard	Hatfield	Norbeck	Trammell
Bulow	Hawes	Norris	Vandenberg
Capper	Hayden	Oddie	Walcott
Carey	Hebert	Pittman	Watson
Coolidge	Jones	Robinson, Ark.	White
Copeland	Kean	Robinson, Ind.	
Costigan	Kendrick	Schall	
Couzens	Keyes	Sheppard	

NAYS—8

Black	Caraway	Johnson	Reed
Bratton	Hale	Moses	Thomas, Okla.

NOT VOTING—43

Ashurst	Dale	Hull	Stephens
Austin	Davis	King	Swanson
Bailey	Dickinson	Logan	Thomas, Idaho
Bankhead	Dill	Long	Townsend
Barkley	Fess	McKellar	Tydings
Bingham	Glass	Metcalf	Wagner
Bulkley	Glenn	Morrison	Walsh, Mass.
Byrnes	Gore	Neely	Walsh, Mont.
Cohen	Harrison	Nye	Waterman
Connally	Hastings	Patterson	Wheeler
Cutting	Howell	Smith	

So the amendment proposed by Mr. ODDIE as modified was agreed to.

The VICE PRESIDENT. The bill is open to amendment. If there be no further amendments, the question is on engrossing the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ENFORCEMENT OF PROHIBITION, ETC.

Mr. HAWES. Mr. President, in behalf of the Senator from Maryland [Mr. TYDINGS], I present a statement by Thomas Jefferson, letter from Woodrow Wilson to head of the Anti-Saloon League of New Jersey, letters from Jefferson Davis to Col. F. R. Lubbock, and statement by William H. Taft on the Eighteenth Amendment for insertion in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THOMAS JEFFERSON'S STATEMENT CONCERNING THE PRINCIPLES WHICH SHOULD BE FOLLOWED IN LEVYING CUSTOMS DUTIES

[Excerpts from "Jefferson—Writings," vol. 6, 1792–94. Ford]

But should any nation, contrary to our wishes, suppose it may better find its advantage by continuing its system of prohibitions, duties, and regulations, it behooves us to protect our citizens, their commerce and navigation, by counterprohibitions, duties, and regulations also. Free commerce and navigation are not to be given in exchange for restrictions and vexations, nor are they likely to produce a relaxation of them (p. 480).

Where a nation imposes high duties on our productions, or prohibits them altogether, it may be proper for us to do the same by theirs; first burdening or excluding those productions which they bring here in competition with our own of the same kind, selecting next such manufactures as we take from them in greatest quantity, and which, at the same time, we could the soonest furnish to ourselves or obtain from other countries, imposing on them duties lighter at first but heavier and heavier afterwards as other channels of supply open. Such duties, having the effect of indirect encouragement to domestic manufactures of the same kind, may induce the manufacturer to come himself into these States, where cheaper subsistence, equal laws, and a vent of his wares free of duty may insure him the highest profits from his skill and industry (pp. 481–482).

It is true we must expect some inconvenience in practice from the establishment of discriminating duties, but in this, as in so many other cases, we are left to choose between two evils. These inconveniences are nothing when weighed against the loss of wealth and loss of force which will follow our perseverance in the plan of indiscrimination. When once it shall be perceived that we are either in the system or in the habit of giving equal ad-

vantages to those who extinguish our commerce and navigation by duties and prohibitions, as to those who treat both with liberality and justice, liberality and justice will be converted by all into duties and prohibitions. It is not to the moderation and justice of others we are to trust for fair and equal access to markets with our productions or for our due share in the transportation of them but to our own means of independence and the firm will to use them (p. 483).

COPY OF LETTER WRITTEN BY WOODROW WILSON TO THE HEAD OF THE ANTI-SALOON LEAGUE OF NEW JERSEY

[From "Woodrow Wilson as I knew Him," by Tumulty. P. 411.]

(Copy of letter written by Woodrow Wilson, then Governor of New Jersey, during the winter or spring of 1911. He was inaugurated governor in January, 1911, and this letter was written within the first six months after taking office. Addressed to the head of the Anti-Saloon League of New Jersey (Mr. Shannon).)

EXECUTIVE OFFICE, *Trenton, N. J.*

I am in favor of local option. I am a thorough believer in local self-government and believe that every self-governing community which constitutes a social unit should have the right to control the matter of the regulation or the withholding of licenses.

But the questions involved are social and moral, not political, and are not susceptible of being made parts of a party program. Whenever they have been made the subject matter of party contests, they have cut the lines of party organization and party action athwart, to the utter confusion of political action in every other field. They have thrown every other question, however important, into the background and have made constructive party action impossible for long years together.

So far as I am myself concerned, therefore, I can never consent to have the question of local option made an issue between political parties in this State. My judgment is very clear in this matter. I do not believe that party programs of the highest consequence to the political life of the State and the Nation ought to be thrust to one side and hopelessly embarrassed for long periods together by making a political issue of a great question that is essentially nonpolitical, nonpartisan, moral, and social in its nature.

REPRINT OF LETTERS BY JEFFERSON DAVIS TO COL. F. R. LUBBOCK

[From the Courier-Journal, Louisville, Sunday morning, July 12, 1931]

JEFFERSON DAVIS'S IDEA OF INDIVIDUAL LIBERTY FOUND IN OLD LETTERS

BEAUVOIR, MISS., *June 20, 1887.*

Col. F. R. LUBBOCK,

MY DEAR FRIEND: * * * My reason for not replying was an unwillingness to enter into a controversy in which my friends in Texas stood arrayed against each other.

In departing from the rule heretofore observed, I trust that it will not be an unwarrantable intrusion.

Reared in the creed of Democracy, my faith in its tenets has grown with its growth, and I adhere to the maxim that "the world is governed too much."

When our fathers achieved their independence, the corner stone of the governments they constructed was individual liberty, and the social organizations they established were not for the surrender but for the protection of natural rights. For this governments were established, deriving their just powers from the consent of the governed. This was not to subject themselves to the will of the majority, as appears from the fact that each community inserted in its fundamental law a bill of rights to guard the inalienable privileges of the individual.

There was then a twofold purpose in government: Protection and prevention against trespass by the strong upon the weak, the many on the few.

The world had long suffered from the oppressions of government under the pretext of ruling by divine right and excusing the invasion into private and domestic affairs on the plea of paternal care for the morals and good order of the people.

Our sires rejected all such pretensions, their system being: Government by the people, for the people, and resting on the basis of natural inalienable rights. Upon the basis of these general propositions I will briefly answer the inquiry in regard to the prohibition amendment at issue.

"Be ye temperate in all things" was a wise injunction and would apply to intolerance as well as to drunkenness. That the intemperate use of intoxicating liquors is an evil few, if any, would deny.

That it is the root of many social disorders is conceded, but then the question arises, What is the appropriate remedy and what the present necessity? To destroy individual liberty and moral responsibility would be to eradicate one evil by the substitution of another, which it is submitted would be more fatal than that for which it was offered as a remedy. The abuse, and not the use, of stimulants, it must be confessed, is the evil to be remedied. Then it clearly follows that action should clearly be directed against the abuse rather than the use. If drunkenness be the cause of disorder and crime, why not pronounce drunkenness itself to be a crime, and attach to it proper and adequate penalties? If it be objected that the penalties could not be enforced, that is an admission that popular opinion would be opposed to the law; but if it be true that juries could not be impaneled who would convict so degraded a criminal as a drunkard, it necessarily follows that a statutory prohibition against the sale and use of intoxicants would be a dead letter.

The next branch of the inquiry is as to the present necessity.

I might appeal to men not as old as myself to sustain the assertion that the convivial use of intoxicants, and the occurrence of drunkenness, had become less frequent within the last 20 years than it was before. The refining influences of education and Christianity may be credited with this result. Why not allow these blessed handmaidens of virtue and morality to continue unembarrassed in their civilizing work? The parties to this discussion in your State have no doubt brought forward the statistical facts in regard to the effect produced in other States by this effort to control morals by legislation, and I will not encumber this letter by any reference to those facts.

You have already provision for local prohibition. If it has proven the wooden horse in which a disguised enemy to State sovereignty as the guardian of individual liberty was introduced, then let it be a warning that the progressive march would probably be from village to State, and from State to United States.

A governmental supervision and paternity, instead of the liberty the heroes of 1776 left as a legacy to their posterity. Impelled by the affection and gratitude I feel for the people of Texas, and the belief that a great question of American policy is involved in the issue you have before you, the silence I had hoped to observe has been broken. If the utterance shall avail anything for good, it will compensate me for the objurgations with which I shall doubtless be pursued by the followers of popularism of the day.

I hope the many who have addressed me letters of inquiry on the same subject will accept this as an answer, though somewhat long delayed.

Faithfully yours,

JEFFERSON DAVIS.

DAVIS SPIKES RUMORS

Partisans of prohibition were aroused by this letter, which was credited with their later defeat at the polls. Rumors started, soon after its widespread publication, that Davis favored a prohibition policy because at a camp meeting he had worn a temperance badge and complimented one of the women orators.

This "absurd electioneering trick," as his wife refers to it in her "Jefferson Davis, Ex-President of the Confederate States," was disposed of in the following letter to the Rev. W. M. Leftwich, dated August 24, 1887:

BEAUVOIR, *August 24, 1887.*

Though we may disagree as to the best remedies against intemperance, we can not differ as to the desirability of its suppression, and I would be least of all willing that you should attribute to me such laxity of opinion as would permit a change of position without anything to justify it.

My letter to Governor Lubbock of June 20, I must insist, is too plain to be of different construction. Four days after it was written I went to the seashore camp ground, and after the morning service was invited to dinner, and sat next to Mrs. Chapin at the table. She was to lecture in the afternoon, and very naturally, led our conversation to the subject of which she is a zealous advocate. Agreeing as we did in regard to the evil of intemperance, we differed widely as to the proper and practicable remedies. At the close of the dinner I felt that I had been more positive in my remarks to her than was needful, considering that my antagonist was a lady. A friend who sat very near to us subsequently told me that I was rather hard. I could only say that I did not mean to be discourteous, though anxious to be exactly understood. In the afternoon I listened attentively to the lecture; it was an eloquent description of the sufferings of women and children as a consequence of the drunkenness of husbands and fathers. No specific remedy was proposed, and after she had closed her lecture and left the pulpit, I congratulated her on her address, and expressed my entire concurrence with the sentiments she had uttered. My letter to Governor Lubbock, written four days previously, was fresh in my mind; it conveyed my deliberate opinion, and I did not then, nor do I now, see any conflict between the sentiments of that letter and those which Mrs. Chapin had more forcibly expressed.

Pleased at my congratulations, she asked me to write my name in her book. Not knowing what all this might imply, I declined. She offered me the badge she wore; this I declined also, because I did not know the creed and canons of the order, and could not accept its emblem—declining, however, with a pleasant courtesy and deference which is habitual with me to a lady.

She had learned from Miss Willard the sympathy my wife felt with the efforts of the Woman's Christian Temperance Union, and proposed that I should take the badge to Mrs. Davis. I made no objection, and she transferred the badge she wore to the lapel of my coat. I wore it to my home and delivered it with the message to my wife, who acknowledged it in a personal letter to Mrs. Chapin, which she published.

I saw no evil, and hoped much good, from the measure of local option by which public opinion and law would go hand in hand in a homogeneous group of people; but when it was proposed to extend such narrow sumptuary measures as were proposed in the Texas amendment, and instead of a village, town, or magistrate's beat, to embrace a whole State; and, further, when I heard that petitions were in circulation for prohibiting enactments by the Congress of the United States, there loomed up a gigantic monster before which the liberties our fathers left us could offer but a vain resistance. As it is, the law and the Federal administration are bound to prefer Union soldiers in all selections for Federal office. First we were to have sumptuary legislation, dictated by the majority against us, a permanent minority in the Union; and, to enforce it, domiciliary visits by strangers to our people.

You and all others who remember the events in the closing years of the war and the period of reconstruction will require no words to enforce the horrors of a condition which should expose our people to spies, informers, and arbitrary power. The influence of science and religion have brought the fruit of increased morality, and in its train a temperance far exceeding that of any period historically recorded. Why not trust to these and like means for moral reform?

Respectfully yours,

JEFFERSON DAVIS.

REPLIES TO BISHOP

The attack by the Methodist bishop was made in an address at Brookhaven, Miss., following publication of the opinions of Davis. His reply was an open letter, published in the Memphis Appeal, a copy of which was found in the old scrap book. It reads:

Furious fanaticism sternly rebuked by Mr. Jefferson Davis in a letter written to the Rev. Bishop Galloway—Full of old-time fire and eager for the personal liberty that is the basis of all right—Why not trust to religion and education, to refinement and science to suppress intemperance?

[Special to the Memphis Appeal]

JACKSON, MISS., Sept. 14.—The Clarion of to-day publishes the following highly interesting letter:

BEAUVOIR, MISS., *September 7, 1887.*

The Right Rev. CHARLES B. GALLOWAY,
Bishop of the Methodist Church South.

DEAR SIR: On seeing your address delivered at Brookhaven, Miss., on the 10th ultimo, as published in the Times-Democrat of New Orleans, on the 11th, I wrote to you calling your attention to passages cited from your address and sent you a printed copy of my letter to Governor Lubbock of the 20th of June last. I entertained the reasonable supposition that you had somehow been misled as to the purport of that letter and that upon an examination of the text you would acknowledge the injustice you had done me, or if this expectation was not well founded that you would mark the passages on which your strictures were founded and return the letter to me, and this I requested you to do.

You replied to my letter, but did not meet the issue I presented, did not return the printed copy of my letter, or specify the passages of it which caused your attack. In your letter, both kind and courteous, you referred to what Judge Reagan had written and what the saloon men of Texas had said. I replied on the 20th of August that I was not responsible for what Mr. Reagan had written or what the saloon men had said and called your attention to the failure to return the printed copy of my letter, as requested, and in conclusion I wrote that my first letter was from "a desire to avoid public discussion with you; that desire remains. It depends upon you whether I shall be driven to the alternative of presenting my case before the public," that being the tribunal before which you had arraigned me. To this you replied, sending back the printed copy as it had been sent to you with an apology for having accidentally omitted to inclose it in your previous letter. This forces upon me the alternative of replying to your address by an open letter.

You have expressed sorrow because I answered the inquiry of a friend for my opinion on a political question and employed many kind and complimentary expressions in regard to me, but in view of your persistence in unjustified assailment your compliments seem like the garlands with which in the olden time a sacrificial offering was decorated. Now, it is my turn to grieve, not for you personally but that a dignitary of the Methodist Church South should have left the pulpit and the Bible to mount the political rostrum and plead the higher law of prohibitionism—the substitution of force for the will, moral responsibility, the admonition to do unto others as we would be done by, and the brotherly love taught by the meek and lowly Jesus, whom we adore. In this I see the forbidden union of church and state; my grief is real, and relates to both.

Disfranchised though I be, the love of my life for the Constitution and the liberties it was formed to secure remains as ardent in age as it was in youth. The "Methodist Church, South," has been to me the object of admiration and grateful affection, because of its fidelity to principle, despite the pressure of wealth and power, by the zeal of its underpaid ministers who have gone along byways to penetrate unfrequented regions and there "preach the gospel to the poor." Often has my memory recalled the prophetic vision of Bishop Marvin. Will it be fulfilled by introducing politics into the organization of the church he nobly illustrated?

This reply, it may be proper here to remark, is not made to you in your character of a dignitary of that church, but in that which for that occasion you have assumed—as a political partisan. It is untenable to deny that the movement in which you have engaged is political, for its aim is to elect representatives pledged to enact, to govern the body politic. It is true that you designate the movement "a moral reform," but it seems like irony thus to term penal statutes hedged about by extraordinary measures of prevention.

There are two noticeable omissions in your published criticism of my letter to ex-Governor Lubbock. First, no mention of anything to be found in that letter; second, no statement of the amendment, pending in Texas, on which my opinion was asked, and therefore, which was the subject of my answer. In my first note to you the passages of your address were cited which appeared to me to be unwarranted by the letter on which your attack was made. It was quite irrelevant to inform me what somebody else had said or done. You had assailed me for a certain letter which I had written. The closing sentence of your published address was: "How sad the last words of a soldier, sage or Christian should become the shibboleth of the saloons." One who shall attentively read the letter against which your attack was directed must readily perceive why you did not comply with my request that you would mark the passages on which your strictures were founded. There was no reference in my letter to saloons.

Your intelligence does not permit the supposition that you did not perceive the distinction between personal inalienable rights, which I asserted government was bound to protect, and privileges, which government might refuse or grant, as the public welfare should require. The most credulous and ignorant of our partisans, if they have followed Mr. Primrose's advice and have kept "their eyes about them," can not have failed to see that to keep a saloon is not a personal right, but a privilege to be obtained by getting a license for that purpose, subject to such restrictions and conditions as the law has imposed. To you it would be needless to say that under our policy of local option it may not be possible everywhere to obtain that license upon any terms whatever.

After a more diligent search of my letter than you have seemed to have given before attacking it in your public address, you have found the hypothetical reference to the "wooden horse," and that is all of mine to which you have referred. To that I reply, if confined to narrow limits and with a sufficient majority to assure that the measure rests on the conscience of the governed, I am in favor of "local option," but if insidiously employed to gain a vantage ground for wider operations, then it should be a warning against lurking evil. My remarks had only that extent.

According to the reported proceedings of the Prohibition Convention of our State, you were of the minority who opposed making it a State question, and so far we would appear to agree.

Though the constitutional amendment pending in Texas was the subject on which my opinion was asked and given, you have spoken only of "whisky traffic" and "saloons," together with the incidents and accidents of the canvass in Texas. Of the last it may be said that when you have more experience in such matters you will probably realize that the defeated party in an election is generally dissatisfied with the result and prone to complain of the manner in which it was effected.

As necessary to a full understanding of the matters in issue, I will quote the terms of the amendment referred to as follows:

The manufacture, sale, and exchange of intoxicating liquor, except for "medical, mechanical, sacramental, and scientific purposes, is hereby prohibited in the State of Texas."

The legislature was to enact necessary laws at its first session after the adoption of the amendment. If it had been adopted, a farmer who had a vineyard was not to be permitted to make wine of his grapes or if he had an orchard he was not to be allowed to manufacture cider of his apples, or brandy of his peaches, or whisky of his grain, or beer of his barley or hops. He could not exchange such articles, though the product of his farm, for comforts grown in a different latitude and to be produced at his home.

Fanaticism looks through a reversed telescope, minimizing everything save its special object. What though one should point a prohibitionist to the civilizing, harmonizing, peace-securing, comfort-giving effects of commerce upon the nations, if he thought it interfered with his particular "ism," would he not probably answer by irrelevant catchwords? The time was when sumptuary laws embraced what should be worn and eaten. If we begin the march of retrogression, where will it stop? If, as already proposed, there should be Federal laws to enforce the prohibition policy, your recollection of war and reconstruction days should enable you to anticipate the doings of an army of spies, informers, and deputy marshals making domiciliary visits to insure the observance of the law. The moral decay which would inevitably result from such a condition needs no portrayal. To me it seems the plain duty of every citizen who loves the liberty our sires bequeathed to us to check the scheme before it acquires dangerous proportions. I hold it to be one of the national rights of man to do as he pleases with his own, provided he inflicts no injury on another. To protect the use and prevent the abuse of that right, government is the necessity of social existence; to give adequate power and yet efficiency to guard against the perversions of the grant is the problem which the wisdom of ages but partially solved; hence the maxim, "Eternal vigilance is the price of liberty."

There are surely better remedies for offenses against the peace and good order of society than such a departure from our principles of constitutional government and community independence as would be Federal legislation to enforce a sumptuary policy. Father Mathew found reason and moral suasion such potent factors that his good work was not of a day but lives after him, in some who took the pledge and others who have joined the temperance societies. These and other causes have so acted upon public opinion and social habits as to give to the prohibition movement the possibilities it now has and could not have enjoyed in the not remote past. Why not trust to religion and education, to refinement and science, aided by the laws which have the sanction of experience to prevent the formation of habits of intemperance, rather than at the sacrifice of personal liberty and moral responsibility to undertake, by coercive means, the reformation of the drunkards? The former may be practicable; the latter, by such methods, is hopeless.

In the letter to Governor Lubbock I admitted intemperance to be a great evil, but is it the only one which afflicts society and calls for more active remedies? The opium habit is reported by statistics to be increasing, and, sad to relate, that its greatest ravages are among the gentler and purer sex. Laws exist but fail to prevent the abuse. In this prohibition does not prohibit. Are there not other means? Is there no Peter to preach a crusade for the redemption of woman, the mother of Jesus? Of woman, the last at the cross and first at the sepulchre? Of woman, the consoling friend in the hospitals, the leader in all our charities? Is there no St. George to slay the Hydra that is poisoning the salt of the earth? I do not depreciate the effort to abate the evil of intemperance, but here is an evil more deleterious to mind and body, and why, it is asked, is the field unoccupied to which humanity and manhood are both calling for laborers?

Atheism reviles and free thought, namely, want of thought, denies the truth of revelation, and in the broad day scoffs at the plan of salvation. The month in which you made your address is reported to have had an exceptionally great number of assassinations. The newspapers have many notices of burglaries, robberies, rapes, and infanticides. Divorces are shamefully frequent. The war between labor and capital gives cause for gravest apprehensions. The colossal wealth of the few grows in geometrical proportions while the toiling millions plod on their weary way. Are all these and other evils, crimes, and misfortunes not enumerated due to one cause? Or is the one idea a universal absorbent?

A certain Knight of Malta is said to have held all the wrongs in the world as resulting from the suppression of his order. In a council to devise ways and means to protect their city the tanner insisted that there was nothing like leather. I leave you to make the application.

I regret that you did not see proper to acknowledge that your strictures were appropriate to what others had said or done, and were not justified by the text of my letter for which you arraign me. That would have saved me from this reply and would have been more just to you as well as to myself.

I remain, very respectfully,

JEFFERSON DAVIS.

STATEMENT BY WILLIAM HOWARD TAFT IN THE NEW YORK TIMES OF FEBRUARY 2, 1919, ON THE EIGHTEENTH AMENDMENT

Ex-President Taft expressed himself as follows on this point in discussing the prohibition amendment:

"The reaching out of the great central powers to brush the doorsteps of local communities, far removed geographically from Washington, will be irritating in such States and communities and will be a strain upon the bond of the National Union. It will produce variation in the enforcement of the law. There will be loose administration in spots all over the United States, and a politically inclined national administration will be strongly tempted to acquiesce in such condition. Elections will continuously turn on the rigid or languid execution of the liquor law, as they now do in the prohibition States. The ever-present issue will confuse and prevent clear and clean-cut popular decisions on the most important national questions and the politics of the Nation will be demoralized as the politics of States have been through this cause.

"The theory that the National Government can enforce any law will yield to stubborn circumstances, and a Federal law will become as much a subject of contempt and ridicule in some parts of the Nation as laws of this kind have been in some States * * *."

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNS, Mr. ARNOLD, Mr. LUDLOW, Mr. WOOD, and Mr. THATCHER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it request the concurrence of the Senate:

S. 904. An act for the relief of Elizabeth B. Dayton;

S. 2570. An act authorizing adjustment of the claim of Joseph E. Bourrie Co.; and

S. 3447. An act for the relief of John Stratis.

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1030. An act for the relief of John A. Pearce; and

S. 2242. An act granting six months' pay to Louis Soluri.

The message also announced that the House had passed without amendment the following bills of the Senate:

S. 83. An act for the relief of Margaret Crotty;

S. 84. An act for the relief of Abraham Green;

S. 218. An act authorizing adjustment of the claim of the Westinghouse Electric & Manufacturing Co.;

S. 800. An act for the relief of Ellingson & Groskopf (Inc.);

S. 816. An act for the relief of E. H. Flagg;

S. 2236. An act to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid;

S. 2335. An act for the relief of O. R. York;

S. 2569. An act authorizing adjustment of the claim of Lewis O. Wick;

S. 3058. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; and

S. 4898. An act amending an act entitled "An act authorizing the State of West Virginia, by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1778. An act for the relief of John S. Shaw;

H. R. 1834. An act for the relief of Claude E. Dove;

H. R. 2757. An act for the relief of Jack Schneider;

H. R. 2928. An act for the relief of W. B. Fountain;

H. R. 3629. An act for the relief of John B. Russell;

H. R. 3720. An act for the relief of Anna Caporaso;

H. R. 3961. An act for the relief of Catherine Bell;

H. R. 4396. An act for the relief of James Johnson;

H. R. 5154. An act for the relief of Stephen Sowinski;

H. R. 5211. An act for the relief of the heirs of Samuel B. Inman;

H. R. 5276. An act for the relief of Hilda Barnard;

H. R. 5513. An act to permit the United States to be made a party defendant in certain cases;

H. R. 5920. An act for the relief of Rosa E. Browning;

H. R. 5980. An act for the relief of Lottie W. McCaskill;

H. R. 6270. An act for the relief of Alexander F. Sawhill;

H. R. 6382. An act for the relief of Royce Wells;

H. R. 6623. An act for the relief of Minnie D. Hines;

H. R. 7071. An act to remove the charge of desertion from the military record of William A. Tozer;

H. R. 7199. An act for the relief of Frank Martin;

H. R. 7215. An act for the relief of May Weaver;

H. R. 7278. An act for the relief of Joseph Vigliotti;

H. R. 7301. An act for the relief of William J. Fleming;

H. R. 7309. An act for the relief of Frank R. Scott;

H. R. 7734. An act for the relief of Annie Moran;

H. R. 8255. An act for the relief of Homer C. Chapin;

H. R. 8353. An act for the relief of Mrs. Asa Caswell Hawkins;

H. R. 8398. An act for the relief of John H. Day;

H. R. 10294. An act to authorize the Secretary of War to pay to R. B. Baugh, M. D., certain money due him for services rendered as a member of the local board of Smith County, Miss., operating during the World War; and

H. R. 10405. An act for the relief of H. Forsell.

AMENDMENT TO PHILIPPINE INDEPENDENCE BILL

Mr. REED submitted an amendment intended to be proposed by him to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which was ordered to lie on the table and to be printed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President approved and signed the following acts and joint resolution:

On June 24, 1932:

S. 4367. An act to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail.

On June 25, 1932:

S. 4778. An act to extend the time for the construction of a bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.

On June 27, 1932:

S. 224. An act authorizing adjustment of the claim of Lewis Semler;

S. 258. An act authorizing adjustment of the claim of H. E. Hurley;

S. 2983. An act for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash.;

S. 3864. An act authorizing expenditures from Colorado River tribal funds for reimbursable loans; and

S. J. Res. 182. Joint resolution amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

On June 28, 1932:

S. 111. An act for the relief of Rosa E. Plummer;

S. 157. An act for the relief of Sarah Ann Coe;

S. 217. An act authorizing adjustment of the claim of J. G. Shelton;

S. 229. An act for the relief of Don C. Fees;

S. 250. An act authorizing adjustment of the claim of the Sun Shipbuilding & Dry Dock Co.;

S. 478. An act for the relief of Cicero A. Hilliard;

S. 860. An act for the relief of William Girard Joseph Bennett;

S. 943. An act for the relief of John Herink;

S. 1028. An act for the relief of W. Stanley Gorsuch;

S. 1216. An act for the relief of the owner of the barge *Mary M;*

S. 1280. An act for the relief of National Ben Franklin Fire Insurance Co.;

S. 1436. An act for the relief of the Copper Ridge Mining Co.;

S. 2159. An act for the relief of the Columbia Casualty Co.;

S. 2364. An act to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555);

S. 2909. An act for the relief of Ross E. Adams;

S. 3119. An act for the relief of J. D. Stewart;

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands; and

S. 4511. An act to amend sections 328 and 329 of the United States Criminal Code of 1910 and sections 548 and 549 of the United States Code of 1926.

LAWS AND RESOLUTIONS, TWELFTH LEGISLATURE OF PUERTO RICO

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying document, referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico and for other purposes," I transmit herewith copies of the laws and resolutions enacted by the Twelfth Legislature of Puerto Rico during its second special session and fourth regular session, from November 25 to December 9, 1931, and from February 8 to April 15, 1932, respectively.

HERBERT HOOVER.

THE WHITE HOUSE, *June 29, 1932.*

MORTON NURSERY SITE, CHERRY COUNTY, NEBR.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 772) to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska, which were, on page 1, line 4, after the word "sale," to insert "after an appraisal has been first made," and in the same line, after the word "sell," to insert "for not less than the appraised price."

Mr. McNARY. I move that the Senate concur in the House amendments.

The motion was agreed to.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 2928. An act for the relief of W. B. Fountain; to the Committee on Naval Affairs.

H. R. 4396. An act for the relief of James Johnson;

H. R. 5154. An act for the relief of Stephen Sowinski;

H. R. 6270. An act for the relief of Alexander F. Sawhill;

H. R. 7071. An act to remove the charge of desertion from the military record of William A. Tozer; to the Committee on Military Affairs.

H. R. 1778. An act for the relief of John S. Shaw;

H. R. 1834. An act for the relief of Claude E. Dove;

H. R. 2757. An act for the relief of Jack Schneider;

H. R. 3629. An act for the relief of John B. Russell;

H. R. 3720. An act for the relief of Anna Caporaso;

H. R. 3961. An act for the relief of Catherine Bell;

H. R. 5211. An act for the relief of the heirs of Samuel B. Inman;

H. R. 5276. An act for the relief of Hilda Barnard;

H. R. 5513. An act to permit the United States to be made a party defendant in certain cases;

H. R. 5920. An act for the relief of Rosa E. Browning;

H. R. 5980. An act for the relief of Lottie W. McCaskill;

H. R. 6382. An act for the relief of Royce Wells;

H. R. 6623. An act for the relief of Minnie D. Hines;

H. R. 7199. An act for the relief of Frank Martin;

H. R. 7215. An act for the relief of May Weaver;

H. R. 7278. An act for the relief of Joseph Vigliotti;

H. R. 7301. An act for the relief of William J. Fleming;

H. R. 7309. An act for the relief of Frank R. Scott;

H. R. 7734. An act for the relief of Annie Moran;

H. R. 8255. An act for the relief of Homer C. Chapin;

H. R. 8353. An act for the relief of Mrs. Asa Caswell Hawkins;

H. R. 8398. An act for the relief of John H. Day;

H. R. 10294. An act to authorize the Secretary of War to pay to R. B. Baugh, M. D., certain money due him for services rendered as a member of the local board of Smith County, Miss., operating during the World War; and

H. R. 10405. An act for the relief of H. Forsell; to the Committee on Claims.

REPORTS OF COMMITTEES

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 9331) for the relief of Octavia Gulick Stone, reported it without amendment and submitted a report (No. 953) thereon.

Mr. BINGHAM, from the Committee on Territories and Insular Affairs, to which was referred the bill (H. R. 308) to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the secretary, reported it without amendment and submitted a report (No. 954) thereon.

Mr. HOWELL, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4909. An act for the relief of A. Y. Martin (Rept. No. 957);

S. 4937. An act conferring jurisdiction upon the Court of Claims to return its findings of fact in the claim of George B. Gates (Rept. No. 963);

H. R. 3845. An act for the relief of Charles L. Barber (Rept. No. 958);

H. R. 3961. An act for the relief of Catherine Bell (Rept. No. 959);

H. R. 3992. An act for the relief of Anna A. Hall (Rept. No. 962); and

H. R. 4056. An act for the relief of Emma Shelly (Rept. No. 960).

Mr. HOWELL also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

H. R. 5820. An act for the relief of J. H. Wallace (Rept. No. 955);

H. R. 6855. An act for the relief of Sam Echols (Rept. No. 961); and

H. R. 7656. An act for the relief of William R. Nolan (Rept. No. 956).

WAR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. REED. Mr. President, I feel that it is due to the Senate that I should make a statement of the present condition of the conference on the Army appropriation bill.

The bill passed the Senate on June 9, but the House did not request a conference until June 18. Immediately upon the request for a conference the Senate agreed to the request and appointed its conferees, and the conferees have been meeting quite regularly since that time.

There are 87 amendments in disagreement between the two Houses. I think I am not betraying the confidence which belongs to a conference committee when I say that in all of our meetings we have been able to consider only eight amendments. The first seven amendments were quite readily agreed to—I need not say how—but on the eighth amendment, which relates to the action of the House in cutting down the number of officers in the Army from 12,000 to 10,000, the conference is stuck.

The action of the House in reducing the number of officers was legislation, pure and simple, and in various forms it occupies many pages of the appropriation bill. The proposal was rejected by the Senate on June 9 on a roll call by a vote of 51 to 16, making very plain the will of the Senate as to that legislation offered by the House.

The custom in conferences from time immemorial has been that the House which inserted new legislation in an appropriation bill would yield its point if the new legislation were disagreed to by the other House. A majority of the conferees on the part of the House have been unwilling to follow that practice, and the majority of the House conferees refused to yield on that amendment relating to the officers.

A majority of the conferees on the part of the House further have refused to pass over that amendment temporarily and consider any of the other 79 amendments which follow amendment numbered 8.

A majority of the conferees on the part of the House further have refused to sign a report to the two Houses reporting our disagreement and asking the action of the House. We are thus unable to bring back to the Senate either an agreement about the amendments in dispute or a report of a disagreement.

A majority of the conferees of the House flatly refuse to agree or to report a disagreement or to consider any other amendment after amendment numbered 8. That is the present situation with reference to the Army appropriation bill.

Mr. ROBINSON of Arkansas. Mr. President, it is to be hoped that an agreement may be worked out in conference so that the Army appropriation bill may be passed and the necessity for a continuing resolution avoided.

Touching the amendment which, it appears, is the principal subject matter in controversy, I wish to say that while I supported the provision which the Senate incorporated in the bill relating to the dismissal of 2,000 officers, I do not believe that the Senate would be justified, on account of that amendment, in permitting a failure of the bill. It is an inopportune time to discuss the amendment at length, and I shall do so only to the extent that is made necessary to reinforce the statement I have just made.

It appears that there are now in the Army 117 lieutenant colonels, 360 majors, 1,161 captains, 1,088 first lieutenants, and 478 second lieutenants who are what is termed "over age." There has arisen and there exists what is called a "hump" in the matter of promotions. One of the primary purposes of the amendment in controversy is to enable the junior officers in the Army to have a chance for promotion. If the present condition continues, it is entirely clear that deserving young officers, active in the service, capable of performing efficient service, will be unduly retarded because of the existence on the rolls of officers whose efficiency, on account of age, may very well be questioned.

I have gone into this matter at some length, as the Senator from Pennsylvania is informed, with a view to assisting in any way in my power in a reconcilement of the differences involved in the bill. Always differences arise in appropriation bills, and frequently the attitude taken by the conferees of one house or the other is calculated to prevent agreements being reached. I do not know the nature of the differences involved in other amendments. It is apparent from the statement of the Senator from Pennsylvania that the differences concerning this amendment are blocking the possibility of an agreement. I am also informed that a compromise on the amendment might be reached. In that view of the issue, I express the hope that the conferees may yet be able to conclude an arrangement in the nature of a fair compromise and prevent the failure of the bill.

Mr. REED. Mr. President, I know this is not the appropriate time to debate the merits or demerits of the amendment, but I want to assure the Senator from Arkansas that we would welcome any opportunity to take the opinion of the House and Senate on the merits of the amendment. It was put in by the House by a very narrow majority. It was stricken out in the Senate by a very large majority. The conferees could resolve the whole difference if we might report disagreement and take counsel of our respective Houses. I hope the Senator, with his great power in the party which he adorns, will use his influence toward some such solution as that so that the matter may be settled by a vote of the House and a vote of the Senate. I am perfectly certain of the result if that is done.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. HAWES. Mr. President, I ask that the formal reading of the bill be dispensed with and that the bill be read for action on the amendment of the committee and amendments to it.

The VICE PRESIDENT. Is there objection?

Mr. COPELAND. I object.

The VICE PRESIDENT. Objection is made. Does the Senator from Missouri desire to discuss the bill before it is read?

Mr. HAWES. No.

The VICE PRESIDENT. The clerk will read the bill.

The legislative clerk read the bill, which had been reported from the Committee on Territories and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto, contain provisions to the effect that, pending the final and complete withdrawal of the sovereignty of the United States over the Philippine Islands—

(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

(b) Every officer of the government of the Commonwealth of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring,

among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

(c) Absolute toleration of religious sentiment shall be secured and no inhabitant or religious organization shall be molested in person or property on account of religious belief or mode of worship.

(d) Property owned by the United States, cemeteries, churches, and parsonages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

(e) Trade relations between the Philippine Islands and the United States shall be upon the basis prescribed in section 6.

(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

(g) The debts, liabilities, and obligations of the present Philippine government, its provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

(h) Provision shall be made for the establishment and maintenance of an adequate system of public schools, primarily conducted in the English language.

(i) Acts affecting currency, coinage, imports, exports, and immigration shall not become law until approved by the President of the United States.

(j) Foreign affairs shall be under the direct supervision and control of the United States.

(k) All acts passed by the Legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

(l) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

(m) Appeals to the Supreme Court of the United States shall be as now provided by existing law and shall also include all cases involving the constitution of the Commonwealth of the Philippine Islands.

(n) The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of their constitution.

(o) The authority of the United States high commissioner to the Government of the Commonwealth of the Philippine Islands, as provided in this act, shall be recognized.

(p) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations, respectively, thereof.

SUBMISSION OF CONSTITUTION TO THE PRESIDENT OF THE UNITED STATES

SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands, the constitution shall be submitted to the President of the United States, who shall determine whether or not it conforms with the provisions of this act. If the President finds that the proposed constitution conforms substantially with the provisions of this act he shall so certify to the Governor General of the Philippine Islands, who shall so advise the constitutional convention. If the President finds that the constitution does not conform with the provisions of this act he shall so advise the Governor General of the Philippine Islands, stating wherein in his judgment the constitution does not so conform and submitting provisions which will in his judgment make the constitution so conform. The Governor General shall in turn submit such message to the constitutional convention for further action by them pursuant to the same procedure hereinbefore defined, until the President and the constitutional convention are in agreement.

SUBMISSION OF CONSTITUTION TO FILIPINO PEOPLE

SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act, it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and, if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast thereon, and a copy of said constitution and ordinances. The Governor General shall, in that event, within 30 days after receipt of the certification from the Philippine Legislature, issue a proclamation for the election of officers of the government of the Commonwealth of the Philippine Islands provided for in the constitution. The election shall take place not earlier than three months nor later than six months after the proclamation by the Governor General ordering such election. When the election of the officers provided for under the constitution has been held and the results determined, the Governor General of the Philippine Islands shall certify the results of the election to the President of the United States, who shall thereupon issue a proclamation announcing the results of the election, and upon the issuance of such proclamation by the President the existing Philippine government shall terminate and the new government shall enter upon its rights, privileges, powers, and duties, as provided under the constitution. The present government of the Philippine Islands shall provide for the orderly transfer of the functions of government.

If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue without regard to the provisions of this act.

TRANSFER OF PROPERTY AND RIGHTS TO PHILIPPINE COMMONWEALTH

SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the government of the Commonwealth of the Philippine Islands when constituted.

RELATIONS WITH THE UNITED STATES PENDING COMPLETE INDEPENDENCE

SEC. 6. After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the new government shall be as now provided by law, subject to the following exceptions:

(a) There shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons, and on unrefined sugars in excess of 800,000 long tons, coming into the United States from the Philippine Islands in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(b) There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(c) There shall be levied, collected, and paid on all yarn, twine, cord, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fibers, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 3,000,000 pounds of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(d) In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced or manufactured in the Philippine Islands thereafter that may be so exported to the United States free of duty shall be allocated, under export permits issued by the government of the Commonwealth of the Philippine Islands, to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year; except that in the case of unrefined sugar the amount thereof to be exported annually to the United States free of duty shall be allocated to the sugar-producing mills of the islands proportionately on the basis of their production in the preceding year, and the amount of sugar which may be exported from each mill shall be allocated between the mill and the planters on the basis of the proportion of sugar received by the planters and the mill from the planters' cane, as provided in their milling contract. The government of the Philippine Islands is authorized to adopt the necessary laws and regulations for putting into effect the allocation hereinbefore provided.

(e) The Government of the Commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivisions (a), (b), and (c), within the limitations therein specified, as follows:

(1) During the eleventh year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(2) During the twelfth year after the inauguration of the new government the export tax shall be 10 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(3) During the thirteenth year after the inauguration of the new government the export tax shall be 15 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(4) During the fourteenth year after the inauguration of the new government the export tax shall be 20 per cent of the rates

of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(5) After the expiration of the fourteenth year after the inauguration of the new government the export tax shall be 25 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

The Government of the Commonwealth of the Philippine Islands shall place all funds received from such export taxes in a sinking fund, and such fund shall, in addition to other moneys available for that purpose, be applied solely to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged.

When used in this section in a geographical sense, the term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

SEC. 7. Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

(1) Every duly adopted amendment to the constitution of the Government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the Government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the Government of the Commonwealth of the Philippine Islands to fulfill its contracts, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

(3) The chief executive of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the Government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the Government of the Commonwealth of the Philippine Islands who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the Government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the Commonwealth of the Philippine Islands with such information as he shall request.

If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States High Commissioner shall immediately report the facts to the President, who may thereupon direct the High Commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States High Commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be lawfully delegated to him from time to time by the President.

The United States High Commissioner shall receive the same compensation as is now received by the Governor General of the Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress. He may occupy the official residence and offices now occupied by the Governor General. The salaries and expenses of the High Commissioner and his staff and assistants shall be paid by the United States.

The first United States High Commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

(5) The government of the Commonwealth of the Philippine Islands shall provide for the selection of a Resident Commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said government. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a Resident Commissioner is selected and qualified under this section, existing law governing the appointment of Resident Commissioners from the Philippine Islands shall continue in effect.

SEC. 8. (a) After the date of the inauguration of the government of the Commonwealth of the Philippine Islands—

(1) For the purposes of the immigration act of 1917, the immigration act of 1924 (except sec. 13 (c)), this section, and all other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, citizens of the Philippine Islands who are not citizens of the United States shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as a separate country and shall have for each fiscal year a quota of 100. This paragraph shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa.

(2) Citizens of the Philippine Islands who are not citizens of the United States shall not be admitted to the continental United States from the Territory of Hawaii (whether entering such Territory before or after the effective date of this section) unless they belong to a class declared to be nonimmigrants by section 3 of the immigration act of 1924 or to a class declared to be nonquota immigrants under the provisions of section 4 of such act other than subdivision (c) thereof, or unless they were admitted to such Territory under an immigration visa. The Secretary of Labor shall by regulations provide a method for such exclusion and for the admission of such excepted classes.

(3) Any Foreign Service officer may be assigned to duty in the Philippine Islands, under a commission as a consular officer, for such period as may be necessary and under such regulations as the Secretary of State may prescribe, during which assignment such officer shall be considered as stationed in a foreign country; but his powers and duties shall be confined to the performance of such of the official acts and notarial and other services, which such officer might properly perform in respect of the administration of the immigration laws if assigned to a foreign country as a consular officer, as may be authorized by the Secretary of State.

(4) For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered to be a foreign country.

(b) The provisions of this section are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this section. An alien, although admissible under the provisions of this section, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this section, and an alien, although admissible under the provisions of the immigration laws other than this section, shall not be admitted to the United States if he is excluded by any provision of this section.

(c) Terms defined in the immigration act of 1924 shall, when used in this section, have the meaning assigned to such terms in that act.

PLEBISCITE ON THE QUESTION OF PHILIPPINE INDEPENDENCE

SEC. 9. (a) At any time after the expiration of the fifteenth year and before the expiration of the seventeenth year after the inauguration of the government provided for in this act the people of the Philippine Islands shall vote on the question of Philippine independence. The Legislature of the Commonwealth of the Philippine Islands shall provide for the time and manner of an election for such purpose, at which the qualified voters of the Philippine Islands shall be entitled to vote.

(b) If a majority of the votes cast are in favor of Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the President of the United States, who shall, within 60 days after the receipt of such report, issue a proclamation announcing the results of such election, and within a period of two years after such report the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

(1) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(2) That the government of the Philippine Islands will sell or lease to the United State lands necessary for coaling or naval stations at certain specified points, to be agreed upon with the President of the United States not later than two years after his proclamation recognizing the independence of the Philippine Islands.

(3) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respects as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

(4) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the final and complete

withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

(5) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

(6) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (3)) in a treaty with the United States.

(c) If a majority of the votes cast are against Philippine independence, the chief executive of the commonwealth of the Philippine Islands shall so report to the Congress of the United States for their action regarding the future political status of the Philippine Islands: *Provided*, That until Congress otherwise provides the Philippine Islands shall revert to the status established by this act for the first 10 years after the inauguration of the government of the commonwealth of the Philippine Islands.

NOTIFICATION TO FOREIGN GOVERNMENTS

SEC. 10. Upon the proclamation and recognition of the independence of the Philippine Islands under their constitution, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

TARIFF DUTIES AFTER INDEPENDENCE

SEC. 11. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That within six months after the people of the Philippine Islands have voted on the question of Philippine independence, if a majority of the votes cast are in favor of independence, there shall be held a conference of representatives of the Government of the United States and the government of the commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence, or the date upon which the Philippine Islands shall become independent.

CERTAIN STATUTES CONTINUED IN FORCE

SEC. 12. Except as in this act otherwise provided, the laws now or hereafter in force in the Philippine Islands shall continue in force in the Commonwealth of the Philippine Islands until altered, amended, or repealed by the legislature of the Commonwealth of the Philippine Islands or by the Congress of the United States, and all references in such laws to the Philippines or Philippine Islands shall be construed to mean the government of the Commonwealth of the Philippine Islands. The government of the Commonwealth of the Philippine Islands shall be deemed successor to the present government of the Philippine Islands and of all the rights and obligations thereof. Except as otherwise provided in this act, all laws or parts of laws relating to the present government of the Philippine Islands and its administration are hereby repealed as of the date of the inauguration of the government of the Commonwealth of the Philippine Islands.

EFFECTIVE DATE

SEC. 13. The foregoing provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question as may be provided by the Philippine Legislature.

During the reading of the amendment of the committee,

Mr. BROUSSARD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BROUSSARD. I have an amendment to offer to subsection (a) of section 6 which is about to be reached.

The VICE PRESIDENT. The amendment will not be in order until after the reading of the amendment of the committee shall have been completed.

Mr. BROUSSARD. It will be in order later?

The VICE PRESIDENT. It will be.

After the reading of the amendment had been concluded,

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. The Senator from Missouri [Mr. HAWES] was recognized.

Mr. HAWES. I yield to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, I regret very much that the Senator from New York should be taking devious means of preventing a vote on this bill. Of course, I recognize his right, as well as that of any other Senator, to oppose this legislation, which has been pending for a long time.

We have made various efforts to get this bill up. It will be recalled that some time ago, when we had a morning hour, with the possibility of debate for an hour and a half or two hours on this bill, and I made the motion to take up the bill, and that motion was carried by a very large majority, the Senator from New York [Mr. COPELAND] took the floor, and instead of discussing the Philippine legislation made a very interesting speech, which I think had to do with water, hot springs or something of that sort.

At any rate, I hope very much that my good friend from New York will not prolong the debate. We are in the closing hours of the session. This matter has been very carefully considered over a long period of time by the committee of which I have the honor to be chairman. Hundreds of pages of testimony have been taken. Various members of the committee have visited the Philippine Islands. We have arrived at a compromise between those like myself, who formerly opposed Philippine independence, and those who wished for immediate action on Philippine independence. I believe that this bill contains clauses which protect the United States in the Far East and our interest in the naval and military stations in the Philippines.

I know that the Senator from New York has profound convictions regarding the constitutionality of our action in freeing from under the flag any part of the territory over which the flag now flies; and I wish he would devote himself to a discussion of those points and, taking such time as he may desire in discussing the bill, permit us to get down to a discussion of the bill.

We have been here three hours and a half to-day. To be sure, a part of it was consumed in discussing amendments to appropriation bills, so one could not object to that; but we have not many more hours of the session. It will be necessary that this bill should go into conference, for we have stricken out the entire House bill and substituted for it a Senate bill. It may take quite a little while to work out that matter in conference. I hope that the Senator from New York and others who are opposed to the bill will devote themselves to a discussion of it in order that we may be given an opportunity to vote on it in time to have a conference report on it before the end of the session.

Mr. HAWES obtained the floor.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New York?

Mr. HAWES. I yield to the Senator.

Mr. COPELAND. If the Senator will yield, since the Senator from Connecticut mentioned me, I do not want to take the time of the Senator, but I should like to make a statement.

The VICE PRESIDENT. Does the Senator from Missouri yield to enable the Senator from New York to make a statement?

Mr. HAWES. I will yield if the Senator wants to ask a question or make a brief statement.

The VICE PRESIDENT. The Senator from Missouri has the floor.

Mr. HAWES. Mr. President, I have had occasion to go back and examine the records of the Senate and House when this matter was presented on prior occasions. It is true that we have before us matters of pressing importance; but I want the historian of the future and whoever examines these pages to find at this point in the discussion a statement of the legislative situation as to this particular bill.

A bill for Philippine independence was reported by the Senate committee in 1930. In this session 15 Senators gave their time to the subject, and witnesses were brought in from all portions of the country. At the conclusion of

the deliberations of that committee of 15, as I understand, there is but one Senator who does not agree to the general philosophy of this bill. The House committee held hearings, and witnesses were brought from all over the United States to testify; and again that committee of 21, with, I believe, two exceptions, reported the bill to the House, and it passed by a vote of 306 to 47; and I am informed that of the absentees, 42 would have voted for the bill.

The House bill has been before the Senate since last April. It has been upon the special preference calendar of the Republican steering committee for months. The proponents of the bill have stepped out of the way for all the appropriation bills and for conference reports. We did not press the bill when the Glass bill was before us, nor did we seek to put it ahead of the measure dealing with Muscle Shoals. Every Senator here understands and must know that over two-thirds of the Senate favor the passage of this bill.

If we are going into an endurance test where a few Senators who oppose the bill are going to deny the right of the Senate to pass upon this bill—to put aside, if you please, all the work of the House committee and of the House, and the committee work of the Senate—I want the RECORD to contain this statement now, so that if we are denied the right to decide upon this bill, the responsibility will be placed exactly where it belongs.

Unfortunately, there are 22 Democratic Senators who are not in the Chamber; but I am authorized to state that if the following Democratic Senators were here they would vote for the immediate consideration of this bill and for its passage:

Senators BAILEY, BARKLEY, BULKLEY, BYRNES, COHEN, CONNALLY, DILL, GLASS, GORE, HARRISON, HULL, LOGAN, LONG, MCKELLAR, MORRISON, NEELY, SMITH, SWANSON, TYDINGS, WALSH of Massachusetts, WALSH of Montana, and WHEELER.

The Senator from New York [Mr. COPELAND] has intimated to the Senate several times that he desires to discuss a constitutional question. I hope the learned Senator will discuss that question; but I submit that a discussion of a constitutional question which has been passed upon so frequently can not possibly, if the discussion is confined to a constitutional question, occupy more than one hour of the time of the Senate. We have lost 30 minutes now in reading the bill. I want all of this to be a part of the RECORD, because it may be necessary later on to have the bill presented in another way if we are denied a vote.

I should like to state now, also, that there may be Senators who will be influenced by the argument of economy of time in discussing this bill. I want to assure Senators that they will save no time whatever by trying to displace this bill, or trying to block its consideration.

It has been intimated this morning that this was a matter that could be delayed. I assert that putting aside the nobler, the higher aspects of the question of Philippine independence, the repeated promises of our Presidents, the repeated declarations in party platforms, the repeated missions that came to the United States, there are material interests that want this bill passed for their own immediate benefit—17 States that raise beet sugar; 5 States that raise cane sugar; you have on your desks communications from the great national labor organizations, from each of the great national farm organizations, from the national dairy organizations, and a resolution passed by the American Legion. All that is before the Senate; so that when Senators assume the responsibility of trying to defeat a bill that came from the House, and do it by a mere occupation of the time of the Senate, I should like the RECORD at least to show for the future where the opposition came from.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. HAWES. I yield.

Mr. VANDENBERG. I am sure the Senator is not intending to indicate that there are not two legitimate sides to the argument over certain phases of this issue; nor, I am sure, is he intending to attempt to indicate that his side monopolizes entirely the virtue and integrity of the argument.

Mr. HAWES. No; as the Senator will find out when he presents his substitute. I repeat, as I have said before, that the Senator from Michigan has an intellectual conviction on this subject. The Senator has studied this bill. The Senator made a brilliant speech, occupying an hour and a half, on his amendment. I am not discussing that, nor any time that the Senator might occupy in discussing his substitute; but I am just wondering why we have lost a half hour in reading this bill when there were not five Senators in the Chamber who listened to its reading.

Mr. President, a distinguished former ambassador, Mr. Forbes, who spent some years in the Philippine Islands, and spent years in Japan, in going over one of these bills suggested three amendments to which I find there is apparently no objection. I send the first to the desk and ask that it be read.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 32, line 4, after the period, it is proposed to insert:

> The President shall also have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act.

Mr. COPELAND. Mr. President, is this debatable?

The VICE PRESIDENT. It is debatable. The question is on the amendment to the amendment. Does the Senator from Missouri desire to debate it further? If not, the Senator from New York desires to discuss it.

Mr. HAWES. Mr. President, so that this amendment may be understood, I desire to send two other amendments to the amendment to the desk.

The VICE PRESIDENT. The amendments to the amendment will be read, printed, and laid on the table until the first amendment is disposed of.

Mr. HAWES. Mr. President, I have an amendment suggested by the two Senators from California to the amendment.

The VICE PRESIDENT. Does the Senator desire these two amendments he has just sent up read at this time?

Mr. HAWES. Yes.

The CHIEF CLERK. The second amendment offered by the Senator is on page 33, line 17, where he proposes to strike out the word "lawfully."

The third amendment is, on page 33, line 23, after the word "Congress," to change the period to a comma and to insert the following: "Including a financial expert or comptroller, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor, and to whom appeals from decisions of the insular auditor may be taken."

The VICE PRESIDENT. The amendments to the amendment will be printed and lie on the table.

Mr. COPELAND. Mr. President, we started the consideration of this bill at 1.15 p. m. Immediately after the announcement by the Presiding Officer that the unfinished business was to be placed before the Senate all but 11 Senators left the Chamber. At this time, 1.48 o'clock p. m., there are nine Senators in the Chamber.

Mr. President, I was chided a few moments ago by the Senator from Connecticut [Mr. BINGHAM] because I would not consent to speak a few moments on the bill and then let it be placed upon its passage, or words to that effect. I am the sole custodian of my conscience. In this matter, as in all others coming before the Senate for consideration, I shall attempt to protect my conscience. Without any feeling at all toward any Senator who may wish to control my action, I want to have it distinctly understood that I shall be the sole judge, within the rules of the Senate, of what I may do in this matter, or in any other.

Mr. President, I said to my good friend, the able Senator from Missouri [Mr. HAWES], a few days ago that if he would postpone the consideration of this bill to the first week of the coming session and have it made the unfinished busi-

ness, or have an understanding that it was to be taken up the first week in December, it seemed to me that all of the proprieties would be served, and a matter so important to the people of the United States would be talked over, and a decision made, without the pressure of the closing hours of this session, at a time when we might in all calmness deal wisely and conclusively with this great problem.

I am not impressed by what the Senator from Missouri says to the effect that 25 Democrats who are now in Chicago to nominate the next President of the United States are pledged to this bill. I am not impressed by a poll which I have been shown indicating that 78 Members of the Senate are ready to vote for this bill. It is a reflection upon my colleagues to think that they have already closed their minds to a matter of such significance and importance to the people of the United States.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to my friend from Missouri.

Mr. HAWES. Does not the Senator assume that, with the report of the House committee, the report of the Senate committee, and three hearings before them, Senators have had ample time to make up their minds on this subject, and that it is no reflection upon them that they have made this study and have expressed an opinion?

Mr. COPELAND. Mr. President, if I had never known a Senator in my life, and if I had not been a Senator myself for 10 years, I might be impressed by what the Senator from Missouri has just said. It is no reflection upon the busy men of the Senate for me to say that I do not believe five of them ever read the reports referred to by the Senator from Missouri. Anyhow, there are certain legal questions involved which have not been considered in the reports and, so far as I know, were not very much considered by the committee.

Mr. President, there was an editorial this morning in the New York Herald Tribune which I ask to have read at the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read.

The Chief Clerk read as follows:

[From the New York Herald Tribune, June 29, 1932]

EVIL BUSINESS AT A BAD TIME

With a persistence worthy of an honest cause, Senator HAWES, of Missouri, is trying to bring his thoroughly iniquitous Philippine independence bill to a vote before this Congress adjourns. His latest argument against further delay is that he has found, by actual canvass, that only 5 Members of the Senate are definitely opposed to the measure and 13 doubtful. If this is an accurate survey of opinion in the upper House on one of the heaviest responsibilities abroad that has ever devolved upon this country, it can reflect nothing but indifference, traceable to a lack of appreciation of what is at stake. The Senator's own figures, therefore, constitute the best possible reason why this bill should not be shunted through the fag end of a particularly exacting session, with the convention in Chicago as one powerful diversion from serious contemplation of it and its consequences and the progress of the relief and economy bills in conference as another.

Senator HAWES and his allies are feverishly anxious to take advantage of these conditions to pass a measure, fundamentally unconstitutional, which would denounce America's responsibilities in the Philippines and renounce America's commercial future in the Orient. Nothing but a lack of knowledge of the motives behind this bill and of the tragic consequences to which it would lead could reconcile 73 Senators to its adoption. It is inconceivable that more than a trifling minority would be dishonest enough to sacrifice one of the Nation's great assets and the welfare of the islands to the interests of a few lobbyists or the ambitions of a few Filipino politicians, or cowardly enough to cut the Philippines adrift because their potential value makes them a property that we might conceivably have to defend.

The vote on the bonus bill is recent clear evidence that no great element in the Senate is either irresponsible or cowardly. If 80 per cent of the membership is prepared to vote for a bill that is inspired by none but selfish, cowardly, or dishonest motives, it therefore means that a majority remains unaware of the disgrace to this country and the outrage against both the American and Philippine peoples to which the Hawes-Cutting measure would commit its supporters. Senator HAWES says that it will pass unless its opponents want to talk about it. It is to be hoped most fervently that they do; for the careless indorsement at such a time as this of what is in essence nothing but a sordid swindle would be an unforgivable betrayal of public confidence.

Mr. COPELAND. Mr. President, I would not go so far as the writer of that editorial, but it seems to me a strange thing that a matter so important as this should be crowded through the Senate under these circumstances. In the Senate Chamber at this time are 3 Democrats and 2 Republicans, 5 Senators in all.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. HAWES. The RECORD ought to show that the reason why there are no more Senators here is that the Senator's object is to consume time, and Senators do not want to waste their time by being here.

Mr. COPELAND. Mr. President, I resent the statement of the Senator from Missouri. It is not my purpose to consume time. All I shall say to-day will relate to the Philippines, and I shall attempt to present my views regarding the question before the Senate. When the Senator says that I seek to consume time alone, he is entirely aside from the mark and stating a thing which is not a fact.

Mr. HAWES. Mr. President, the matter before the Senate is an amendment, and the Senator from New York is not discussing the amendment.

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. Am I within my parliamentary rights in the discussion I have given so far to the matter pending here?

The VICE PRESIDENT. Under the rules, the Senator may discuss any feature of the bill he desires to discuss.

Mr. COPELAND. Mr. President, a little while ago the Senator from Missouri spoke about an "endurance test," to use his language, and he said, further, "The Senate will save no time by attempting to block the bill."

The Senator has gone from the Chamber, but I will say what I intended to say. He infers that I am filibustering. But he himself has given a clear intimation, from his own lips, that he intends to filibuster if the bill is not passed, because the language he used was, "The Senate will save no time by attempting to block the bill."

Mr. President, I have no desire to give an exhibition of the pot calling the kettle black, but I repeat that I am the custodian of my conscience, and in this particular instance I am representing 120,000,000 citizens of the United States who have ownership in the Philippines, an ownership which is threatened by the bill sponsored by the Senator from Missouri. I do not wish to accuse him of a lack of patriotism; but if I took the position he takes, I would feel that I was lacking in patriotism.

Mr. President, I would like to have the amendment stated.

The VICE PRESIDENT. The clerk will report the first amendment proposed by the Senator from Missouri.

The CHIEF CLERK. The first amendment offered and now pending is, on page 32, line 4, after the period, to insert the following:

The President shall also have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act.

Mr. COPELAND. Mr. President, the amendment is to subsection 2, beginning in line 19, page 31, reading as follows:

(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the Government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the Government of the Commonwealth of the Philippine Islands to fulfill its contracts, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

The amendment proposed is to add to the language I have just recited the following:

The President shall have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act.

Of course, if we are to pass the bill and illegally and unconstitutionally alienate our sovereignty over the Philippines, it is right that we should provide such protection as may be necessary to guard our continued interest in the Philippines. I have no doubt that the amendment is in

order. But, Mr. President, the Congress is not sovereign. Under our form of government the people of the United States are the sovereigns. We are the agents of the people. Sovereignty does not reside in us. We are not more sovereign and we have no more sovereign control over the Philippine Islands than have the charming young women now in the galleries. The people of the United States, the sovereign people, have these powers, and they never have delegated to the Congress of the United States the right to alienate territory. At a later time I am going to discuss that question at considerable length, even to the extent of boring and annoying my friend from Missouri.

My purpose in rising to discuss the amendment was to point out that the people of our country have an interest in the 114,000 square miles representing the archipelago of the Philippines. There are 7,000 islands over there, 500 of them inhabited. The island of Luzon contains 40,000 square miles. Mindinao has 36,000 square miles. All told, the people of the United States own 114,000 square miles in the Philippines. There are in those islands upward of 12,000,000 persons who look to us for their care and protection. Those islands belong to the people of the United States. They were purchased by the blood and treasure of the people of the United States. Yet those who favor the bill would calmly alienate sovereignty and take away ownership, the legitimate and legal ownership of those islands and this territory belonging to the people of the United States.

Mr. President, I take second place to no Member of the Senate in my love of liberty and of freedom and of self-determination. I am myself willing to help the Filipinos to independence, provided it can be done lawfully and constitutionally. In the Seventieth Congress I introduced an amendment to the Constitution submitting to the sovereign people of the United States the question of whether or not we should alienate sovereignty over the Philippines and permit the Filipinos to set a government of their own and to work out their own salvation as a people. I did that in the Seventieth Congress. I am glad to do it again or to vote for such a measure presented by anybody else.

But this Congress has no more right to give a deed of the Philippines to the Filipino people than I have to deed the property upon which this Capitol rests to the Filipinos or to somebody else, individual or nation.

Mr. President, the Philippines do not belong to the Congress of the United States. The Philippines belong to the people of the United States. When did the people of the United States ever say, expressly or by implication, that the Congress had the right to alienate sovereignty over any section of our country? Before the debate concludes I shall hope to quote freely from those who have passed upon the question in former times, from the Supreme Court of the United States, from the men who sat in the constitutional convention. I defy anybody to bring here an authority seeking to give the Congress of the United States the power to alienate property.

Mr. President, I am talking to an empty seat—no, here comes the Senator from Missouri [Mr. HAWES] now. I say to the Senator from Missouri that if he will defer this matter until December, when he knows there could be no effective prolongation of discussion, when there could be no filibuster, real or threatened or imaginary, we can have a discussion of the merits of the matter when all Senators are here if they choose to be in the Chamber, and the matter can then be disposed of. If the Congress of the United States decides that it is greater than the people of the United States and is willing to assume the responsibility of alienation of sovereignty, is willing to give away the Territory that belongs to the people of the United States, then by vote they can take that action.

I assume it to be a fact that if we were to take the action, it is quite probable that the Supreme Court would not deal with it on the theory that it is a political question. But that is no argument in justification of any Senator doing an unconstitutional act if he believes it to be such. By the same token, the Congress of the United States might seek to alienate any sovereignty over Long Island or Colorado or California, and, being a political question, perhaps the Supreme Court would hold that it had no authority to act in the matter. But certainly no Senator would do that. I say to Senators that it is just as wrong for us to attempt by our votes to alienate sovereignty over the Philippines as it would be to alienate sovereignty over Long Island or Colorado or California. We might deed New York to Canada; we might deed California to Mexico, and the court might say, "We have no authority to deal with the question," but that does not release us from the moral obligation, the obligation which we carry by reason of the oath we have taken to do what is the constitutional thing to do.

Mr. President, I think I have pointed out the reasons why I would like to have the matter deferred until December. I do not want to have the Senate put in the position of disregarding its constitutional duty, and yet we will be in the position of disregarding our constitutional duty if we pass this bill. I shall have something to say about the bill itself when the time comes, but I have no heart in discussing the terms of a bill which to my mind is as unconstitutional as anything that could be imagined. Sovereignty rests with the people, and not here.

Mr. President, I am not impressed at all by the sordid reasons which are back of this bill and which were stated a little while ago by the Senator from Missouri. I am not impressed by the fact that three farm organizations, the American Federation of Labor, the beet-sugar interests, the cottonseed-oil interests, and other interests are advocating its passage. We are not dealing here with a question which we may calmly pass over because by settling it the way the Senator from Missouri wants to settle it we can get a better price for sugar or for oil, or shall be able to exclude the Filipinos from our borders. Even though those things may be desirable, who would think of doing a wrong thing, of prostituting the rights of the people of our country by seeking to alienate sovereignty and to give a deed which we have no right to sign?

Mr. President, that is all I am going to say on that subject now, but a little later I am going to present some authorities as I have found them, and attempt to have the RECORD show, whether any Senator hears it or not, that there was at least one Senator who tried on this occasion to represent the sovereign people. That is what I am doing to-day. I do not doubt that in my long life there have been many times when I was not representing the sovereign people, but there is not any question—as anybody can determine who studies it—but what I am saying to-day is something which is representative of the rights of the people of the United States. I have told friends of mine who are remonstrating with me because of my position, "Your own peace and comfort do not settle the question." I say that no unbiased mind can study the question of the alienation of sovereignty by act of Congress without reaching the conclusion which I have reached. I do not want to make Senators unhappy. I see one or two Senators who appear to be listening, and my advice to them is to go and play golf this afternoon, because they are going to be made unhappy if I am successful in presenting to them what the great authorities have said upon this subject from the time of Thomas Jefferson down to now.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER (Mr. HATFIELD in the chair). Does the Senator from New York yield to the Senator from California?

Mr. COPELAND. I yield.

Mr. SHORTRIDGE. May I ask the Senator about how long he intends to discuss the question?

Mr. COPELAND. I think the Senator from California would have time at least to play 9 holes, and perhaps 18.

Mr. SHORTRIDGE. I have some committee work to do, and I also would like to remain and listen to the Senator. My question is about how long will the Senator discuss the matter?

Mr. COPELAND. I have finished discussing this particular amendment, but I have not yet touched upon the author-

itative statements regarding the constitutionality of the measure. I yield the floor, Mr. President.

Mr. VANDENBERG. Mr. President, may the pending amendment be restated?

The PRESIDING OFFICER. The clerk will restate the pending amendment to the committee amendment.

The CHIEF CLERK. In the committee amendment on page 29, after line 24, it is proposed to insert:

> The President shall also have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act.

Mr. VANDENBERG. Mr. President, I want to submit a brief observation respecting this particular amendment because it typifies, so far as I am concerned, the major vice of the pending bill. The pending bill undertakes to create a veritable no man's land of sovereignty; and the fact that an amendment is now offered precisely confessing to that fact is ample vindication for whatever few moments I may take in the course of this discussion in an effort to perfect the bill, and substitute a more tenable prospectus.

Here is an amendment, Mr. President, which undertakes to preserve to the United States the right to intervene, under its own flag, in behalf of law and order and constitutional obligations.

If ever there was a nature fake in this world, it is the proposal in this bill to create 17 years of alleged preindependence preparation and, to all intents and purposes, to begin the 17 years with the new independent government and constitution, which ought instead to be the climax at the end of 17 years. What will be the result? Under that precise method of procedure, under the organization of a new and quasi-independent government the first year of this 17-year process, the net result will be that during the remaining 17 years the United States will hold all the solemn responsibility for what happens in the Philippines, because the American flag will still be up, but the United States will hold only a shell and a paraphrase of the authority necessary to preserve, to protect, and to administer that responsibility.

One of the coauthors of the bill now offers an amendment which certainly ought to be in the bill as it is drawn, because it is a frank effort to retain for the United States some further warrant of right to validate its own obligations under its own flag. It is perfectly amazing to me, Mr. President, that it should be necessary to grant to ourselves these powers as provided in subsection (n) of section 2 of the pending bill that—

> The United States may exercise the right to intervene for the preservation of the Government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of their constitution.

I say it is amazing, that it is an utter anomaly, Mr. President, for us to presume to create a quasi-independent commonwealth and yet leave over it the Stars and Stripes, which shall continue to wave for 17 years, during which we are the residuary agents of responsibility in the final analysis, and yet in that situation it is necessary to write into the law a provision which gives us the power to attend to our own business. It simply means that it is impossible to proceed successfully under the theory upon which this particular bill is written. It is impossible for the United States to maintain 17 years of responsibility in the Philippine Islands without the warrant and the machinery and the structure of authority to justify and administer that responsibility.

I venture the assertion that no such interlude was ever attempted before in history. It absolutely has the cart before the horse. It proposes a preindependence period for the Philippine Islands leading to their subsequent and ultimate independence under their own constitution, and yet it creates this new government and this new constitution at the very threshold of the preparation, before the preparation has proceeded in any degree, before the preparation has demonstrated that it is to succeed, and before it has succeeded in any degree. As a result, I repeat, there is brought about an absolute interlude, an anomaly, in which there is a quasi-independent Philippine government, upon the one hand, and the American flag over it, upon the other hand, and neither one of the them is sure where the authority of one begins or where the authority of the other leaves off.

Mr. President, it is a very serious thing even in departmental procedure in the city of Washington to have twilight zones of authority. It is poor lawmaking; it is poor administration to have zones of doubt as to where authority resides and exists. How much more dangerous it is to have such zones of twilight authority 10,000 miles from home, in the midst of the turbulent Far East, where anything can happen overnight and where it is proposed, I repeat, to leave the American flag up for 17 years and yet clothed only with the shell and the shadow of authority to keep itself up or to justify the responsibility which it represents at its masthead.

This criticism is not destructive; this criticism is not in opposition to the objective of a free Philippine Islands. Surely I have amply demonstrated that in connection with my own record in relation to this bill. I am one of those who believe that we have promised the Philippine Islands their ultimate independence; I am one of those who believe that the preamble to the Jones Act of 1916 is a binding responsibility and obligation upon the American people; I am one of those who want to implement now the preamble to the Jones Act so that we can make definite and specific progress toward an ultimate and successful independent Philippine republic; but, Mr. President, I am unwilling to do it upon a basis which for nearly two decades leaves American responsibility in the Orient without American authority comparable to the delicate and far-reaching responsibility which thus rests upon us.

So it is that I have submitted a substitute, to which I shall subsequently address myself at the proper parliamentary time, a substitute which achieves everything that the pending so-called Hawes-Cutting bill attains; yes, and, so far as some of the domestic interests which are chiefly concerned in freeing America from the Philippines instead of freeing the Philippines from America are affected, it serves them even better than the pending bill, because it starts the process of export limitations in 5 years instead of 10 as provided in the pending bill.

I say I have submitted a substitute which carries within it every legitimate objective that is measured by the pending Hawes-Cutting bill, but it lacks this one fundamental vice and infirmity which it seems to me runs all through the pending bill, namely, the vice and infirmity of leaving America in the Orient, in the Far East, so far as all hazards and all responsibilities are concerned, and yet takes from America at that exposed and hazardous outpost practically all authority under which it can hope to survive. I am addressing these observations to the pending amendment, offered by one of the coauthors of the bill, because it so superbly personifies and emphasizes the fundamental fact which I have been laying before the Senate; because this amendment is one more effort to recapture and reclaim just a little of the authority that we ought to have and must have in order to meet the responsibility which stays with us until the end of this independence-preparation period.

Mr. PITTMAN. Mr. President, of course the difference between the committee bill and the bill of the Senator from Michigan is clear. The committee bill does provide autonomous government at an early date. The bill of the Senator from Michigan does not. There seems to be no objection to this amendment, however, either by the Senator from New York or by the Senator from Michigan; so I ask for a vote upon it.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Missouri to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. PITTMAN. I ask that the next amendment be stated.

The CHIEF CLERK. The second amendment offered by the Senator from Missouri is as follows:

On page 33, line 17, in the committee amendment, strike out the word "lawfully," so that it will read:

May be delegated to him.

Mr. COPELAND. Mr. President, I do not see why we should be very much distressed over whether it should be lawfully delegated or not. Everything we are proposing here is unlawful. This is really a matter of no great moment. However, perhaps it ought to be considered somewhat.

A few moments ago I spoke about the joint resolution I had prepared regarding the amendment to the Constitution. I find that it was in the Seventy-first Congress; and I ask that that short resolution be included in my remarks at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The joint resolution (S. J. Res. 174, 71st Cong., 2d sess.) is as follows:

Joint resolution proposing an amendment to the Constitution of the United States relating to Philippine independence

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment of the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"After 10 years from the ratification of this article, and with the consent of the citizens of the Philippines, the Congress shall have power to relinquish sovereignty over the Philippine Islands and to transfer to the Filipino people all the territory in the Philippine Archipelago acquired by treaty with Spain."

Mr. COPELAND. Mr. President, I desire now to speak in connection with this amendment striking out the word "lawfully" on line 17 of page 33. I want to make that the text of how unlawful the whole performance is that we are going through to-day.

Mr. HAWES. Mr. President, will the Senator yield for just a moment?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. HAWES. I sent to the desk three amendments. They are companion amendments. They were written and prepared by Mr. Ambassador Forbes, and they are approved by every member of our committee. The amendment under discussion is one of them.

Mr. COPELAND. Whenever this Philippine question is before us, as it has been many times during the past 10 years, I have heard statements made regarding the whole question. One that is frequently repeated is this: If we could relinquish sovereignty over Cuba, why could we not relinquish sovereignty over the Philippine Islands or Puerto Rico?

I am not intimating, of course, that the Senate had had that doubt in mind; but the question has been asked, and I desire to speak regarding it for a moment.

On the 4th of January, 1899, the Senate received a message from the President of the United States transmitting a treaty of peace between the United States and Spain. This treaty had been signed at the city of Paris on December 10, 1898. It came to the Senate on January 4, 1899, and, together with the message and the accompanying papers, was ordered printed in confidence for use of the Senate. That admonition, that it was confidential, has since been removed.

I want the RECORD to show the exact language used in the treaty with reference to Cuba, to Puerto Rico, and to the Philippines.

Article I of the treaty says:

Spain relinquishes all claim of sovereignty over and title to Cuba.

Please note the language:

Spain relinquishes all claim of sovereignty over and title to Cuba.

We turn now to Article II of the treaty; and I want the RECORD to be clear as to the language used here with reference to Puerto Rico. I quote:

Spain cedes to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies, and the island of Guam—

And so forth. Please note the distinction in language. As regards Cuba, Spain relinquished all claim of sovereignty. As regards Puerto Rico, Spain ceded to the United States the island of Puerto Rico and other islands under Spanish sovereignty in the West Indies.

Now we come to the Philippines.

Article III of the treaty is as follows. I quote in part:

Spain cedes to the United States the archipelago known as the Philippine Islands, and comprehending the islands lying within the following lines.

And following that is a geographical description of the islands.

Mr. President, you will see the distinction in language used with reference to Cuba, on the one hand, and to Puerto Rico and the Philippines, on the other. In one instance, in the case of Cuba, it was a relinquishment of sovereignty, while in the case of Puerto Rico and the Philippines it was the cession of territory.

This treaty, on motion of Mr. DAVIS, was referred to the Committee on Foreign Relations of the Senate.

I want the RECORD to show what efforts were made in the Committee on Foreign Relations to change the language of the treaty. I do this, because it is very significant and has an important bearing upon our ownership of the Philippines.

Mr. President, the radio is in the Marble Room, and very entertaining reports are coming from the Democratic National Convention. I am sure that those who wish to converse will find there noise enough to cover the confusion, and it will be easier for me in speaking if they will go out there.

Mr. HAWES. Mr. President, if the Senator will yield, I will inform him that the Democratic convention has adjourned until 7 o'clock, and the report of the convention is not coming over the radio at this time.

Mr. COPELAND. What the Senator from Missouri says is of interest to me. It does not mean, however, that the convention has finally adjourned, of course.

Mr. President, on January 11 the Committee on Foreign Relations reported favorably, without amendment, the treaty of peace, and it came before the Senate. It was ordered that the injunction of secrecy be removed, and that the matter of the ratification of the treaty be considered in open session.

On January 12 the Senate proceeded to consider the treaty, but adjourned almost immediately. On the 25th of January the Senate resumed the consideration of the treaty of peace; it was read the second time, and was considered as in committee of the whole. After some discussion it was agreed that the vote on the treaty and all amendments should be taken on Monday, February 6, at 3 o'clock p. m., and that until that time the Senate should go into executive session every day at 2 o'clock p. m., and the RECORD shows that there were discussions of the treaty.

Mr. Vest and Mr. Hawley presented certain amendments intended to be proposed to the treaty, and Mr. Sullivan submitted a resolution in connection with the subject. The Senate, as in Committee of the Whole, resumed consideration of the treaty and adjourned. On the 26th, 27th, and 28th of January there were brief discussions of the treaty, and the President was asked for certain material relating to the discussion in the peace conference. In response to the request, on January 31 President McKinley communicated to the Senate all instructions given by him to the commissioners and all correspondence relating to the treaty. On February 1 the Senate resumed consideration of the treaty of peace, and continued the discussions on the 2d and 3d of that month.

On February 6 (p. 1282 of the Executive Journal) the Senate as in Committee of the Whole resumed consideration of the treaty. These records were subsequently opened for public perusal, and are no longer confidential. This is the record I find under date of February 6, 1899:

The Senate, as in Committee of the Whole, resumed the consideration of the treaty of peace (Executive B) between the United States and Spain, signed at the city of Paris on December 10, 1898; and,

After debate thereon,

Mr. Gorman (for Mr. Vest) proposed the following amendments to the treaty:

Article III, strike out the words "cedes to the United States," and insert in lieu thereof the words *relinquishes all claim of sovereignty over and title to.*

It was the purpose of Mr. Gorman, speaking for Mr. Vest, to change the language of the treaty in this respect as relating to Puerto Rico, to have it conform to the treaty as it related to Cuba.

NOTIFICATION TO THE PRESIDENT OF NAVAL NOMINATIONS

Mr. HALE. Mr. President, last night some 60 nominations in the Navy were confirmed by the Senate. Under our rules the President may not be notified of the confirmations until two executive sessions have been held. If these nominations are not sent in to-day, under the terms of the economy bill these men will not get the benefit of promotion during the next year. I, therefore, ask unanimous consent that, as in open executive session, the President be notified of the confirmations. I have spoken to the senior Senator from Arkansas [Mr. ROBINSON], and he has approved this action.

Mr. PITTMAN. Mr. President, did I understand the Senator to say that the Senator from Arkansas understands this request, and has no objection?

Mr. HALE. That is correct.

The PRESIDING OFFICER (Mr. CAREY in the chair). Is there objection? The Chair hears none, and the President will be notified.

HOUR OF MEETING AND CONSIDERATION OF THE CALENDAR

Mr. McNARY. Mr. President, I ask unanimous consent that when we shall have concluded the session to-day we adjourn until 10 o'clock to-morrow, at which time we shall take up the calendar for the consideration of unobjected bills under Rule VIII, under the 5-minute rule.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McNARY. Mr. President, I ask also, as a part of that agreement, that we start the consideration of the calendar with Order of Business 962, where we left off day before yesterday.

Mr. ROBINSON of Arkansas. May I hear the request?

Mr. McNARY. The request is that on to-morrow at 10 o'clock we take up the calendar for two hours, commencing with Order of Business 962, where we left off at the last call.

Mr. ROBINSON of Arkansas. Under what rule?

Mr. McNARY. For the consideration of unobjected bills on the calendar.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. SMOOT submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 60, 107, and 109.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 18, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 53, 55, 56, 57, 58, 61, 62, 63, 64, 65, 68, 69, 70, 71, 72, 73, 74, 75, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 95, 96, 97, 98, 99, 100, 101, 102, 103, 106, 112, 113, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, and 125; and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$159,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$154,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$159,500"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$450,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,312,370"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "all unexpended balances of appropriations for the Federal Farm Board, not exceeding $800,000, are hereby made available for the purposes enumerated in this paragraph"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,436,500"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,170,500"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,466,500"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$400,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$683,560"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$75,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,148,560"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$100,000"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert "$920,000"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$875,000"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$350,000"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$320,000"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$125,000"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"None of the money herein appropriated or authorized shall be used to make loans to any corporation with which the Postmaster General has made a contract for the carrying of mail under the provisions of the merchant marine act of 1928, which contract has not been approved by the Comptroller General."

And the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$360,000"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$982,446,041"; and the Senate agree to the same.

The committee of conference have not agreed on amendment numbered 114.

REED SMOOT,
W. L. JONES,
FREDERICK HALE,
E. S. BROUSSARD,
Managers on the part of the Senate.

CLIFTON A. WOODRUM,
WILLIAM C. WRIGHT,
EDWARD H. WASON,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report? The Chair hears none, and the report is before the Senate.

Mr. ROBINSON of Arkansas. May I ask the Senator from Utah to analyze the conference report? In this connection, I ask whether the agreement has been reached touching the amendment relating to the appropriation for the Federal Trade Commission?

Mr. NORRIS. While the Senator from Utah is looking for that I can tell the Senator from Arkansas.

Mr. SMOOT. I have it right here. The conferees agreed to $1,466,500.

Mr. NORRIS. Mr. President, I may say to the Senator from Arkansas that that means that the committee have compromised on the $300,000 amendment by agreeing to $200,000. In place of the $300,000 that was put in by the amendment of the Senator from Arkansas, the committee have agreed on $200,000.

Mr. GEORGE. So that the total appropriation is only $100,000 less than the amendment as proposed by the Senate?

Mr. SMOOT. That is all. I move the adoption of the conference report.

Mr. GEORGE. May I ask the Senator what the conferees did with reference to the $2,000,000 for the revaluation work of the Interstate Commerce Commission?

Mr. LA FOLLETTE. Mr. President, may I say to the Senator that that was not in conference, because the Senate rejected the committee amendment, and the amount stands as passed by the House, at $2,750,000.

Mr. GEORGE. So that was not in conference?

Mr. LA FOLLETTE. It was not in conference.

Mr. GEORGE. What is the total appropriation for the Federal Farm Board, as agreed upon?

Mr. SMOOT. It is $800,000. We increased it from $600,000 to $800,000.

Mr. GEORGE. Is the $800,000, the amount now agreed upon by the conference, in the opinion of the conferees sufficient to permit the division of cooperating marketing adequately to carry on its duties?

Mr. SMOOT. We had no doubt of it, from the testimony that was given us.

Mr. ROBINSON of Arkansas. Mr. President, what are the amendments outstanding and not yet disposed of?

Mr. SMOOT. There is only one, amendment numbered 114. Just as soon as we agree to the conference report I will make a motion in regard to that.

Mr. MOSES. Mr. President, will the Senator state what he intends to do about amendment numbered 114?

Mr. SMOOT. I intend to move to agree to the amendment of the House to the amendment of the Senate.

Mr. MOSES. I hope the Senator will move quite the contrary with reference to that amendment, because the Senator himself knows, from his experience as chairman of the Joint Committee on Printing, that this amendment tends to break down the printing act of 1895, and the Joint Committee on Printing, from the days when the Senator himself was its chairman right down to now, has been contesting the attempt upon the part of these independent offices to set up their own printing establishments, and to have their general printing done outside of the Government Printing Office. If this thing stands now, it would mean that the Chillicothe farm people, for example, could do all the printing for the Veterans' Administration everywhere.

Mr, SMOOT. I am in full accord with what the Senator says.

Mr. MOSES. Then why does not the Senator move to recede from the amendment and that would wind it up?

Mr. SMOOT. This is the position that was taken by the conferees, that it shall not apply anywhere except to the Veterans' Bureau.

Mr. MOSES. That may be what the conferees think; but when this language goes into the statute, neither the conferees nor anybody else can deal with it. They will then be at liberty to go on and do the things which the Joint Committee on Printing has been resisting for years, and it would increase the cost of public printing infinitely, and probably result in poorer work, at much greater expense.

Mr. SMOOT. I did the best I could.

Mr. MOSES. If the Senate now disagrees to this amendment, the thing is over.

Mr. SMOOT. No; it would have to go back to the House, and I do not know just what the House would do.

Mr. MOSES. I have just been talking with the vice chairman of the Joint Committee on Printing over in the House; and if we take that action here, the thing will be wound up. I think the Senator should make that motion, instead of moving to agree.

Mr. SMOOT. If we disagree to this and it does not take the bill back to conference, I am willing to do so; but if we disagree to the amendment, then in my opinion it has to go back to conference. The question would be opened again and we would have to have another conference on the bill.

Mr. MOSES. That is not my understanding. My understanding is that the House conferees have proposed agreeing to the amendment with an amendment. If we refuse to ac-

cede to that the incident then is closed, as I understand the parliamentary situation. At any rate I beg the Senator to make that motion so as to let us see. If we begin to break down the policy which was established when the Senator himself was chairman of the Joint Committee on Printing, it would lead to endless difficulty and expense.

Mr. SMOOT. I was the author of the legislation and I know why it was done. The situation which existed at that time will never arise again.

Mr. MOSES. I beg the Senator not to abandon his own child.

Mr. SMOOT. I do not want to do so, but this is the best I could do. I think we had better let it go.

Mr. MOSES. I do not think so; and I shall have to make the motion if the Senator himself will not do it.

Mr. SMOOT. I hope the Senator will not do so.

Mr. MOSES. Looking forward to future personnel of the Joint Committee on Printing, I do not want my successor as chairman of that committee to find himself in any different situation with reference to these offices and these independent printing plants than I found myself when the Senator from Utah turned the chairmanship over to me.

Mr. SMOOT. Mr. President, let me submit a parliamentary inquiry. If I move to disagree to the amendment of the House to amendment numbered 114 and that motion is agreed to, will the conference report have to go back to the House?

The VICE PRESIDENT. The conference having expired, there would have to be new conferees appointed.

Mr. SMOOT. That is what I was afraid of.

Mr. MOSES. We have time enough. It can be settled in 15 minutes.

The VICE PRESIDENT. The conference report is before the Senate on the motion of the Senator from Utah to adopt the same.

Mr. LA FOLLETTE. Mr. President, I wish to be recognized before the report is adopted.

The VICE PRESIDENT. The Senator from Wisconsin is recognized.

Mr. LA FOLLETTE. There is one item in the conference report which concerns me very greatly. It has to do with the appropriation for the Bureau of Accounts in the Interstate Commerce Commission. In 1932 the Bureau of Accounts had an appropriation of $1,504,420. The Budget submitted an estimate for 1933 of $1,383,560. The House reduced that to $383,560, a cut of $1,120,860 over the appropriation for the previous year. The Senate committee, after hearing the testimony of Commissioner Eastman, added $500,000 to the item, raising it to $883,560. In the conference report my information is that the conferees have agreed on the sum of $683,560.

Mr. SMOOT. That is true.

Mr. LA FOLLETTE. That is a cut of $820,860 over the 1932 appropriation.

Mr. SMOOT. Looking at it from the other viewpoint, it is an increase of $300,000 over the House allowance.

Mr. LA FOLLETTE. That may be true, but the action of the House was on the assumption that the recapture clause of the interstate commerce act would be repealed and that this bureau, therefore, would be very drastically reduced in its force. However, Commissioner Eastman in his appearance before the Committee on Appropriations of the Senate convinced a majority of the members of that committee that it would be unwise to slaughter this bureau.

In that connection I wish to invite attention again to the letter which Commissioner Eastman wrote me under date of June 13, in which he had this to say concerning the Bureau of Accounts:

> But we did object to the proposed slaughter of our Bureau of Accounts. At the hearing before the Senate subcommittee we concentrated upon the proposed cut of $1,000,000 in the appropriation for that bureau, showing that it was based upon a complete misapprehension of the effect of recapture repeal upon the need for that bureau and its work. Apparently that argument had some effect, as is shown by the restoration of $500,000. But the Senate committee now proposes to slaughter the Bureau of Valuation instead. In the meantime it has become apparent that recapture will not be repealed at this session.
>
> The memorandum which I am sending you is confined to the Bureau of Valuation. As for the other cuts, they will hamper us in our work, but under present emergency conditions we are not disposed to press an objection.

Here is the point which I wish to emphasize:

> The cut is very severe in the case of the Bureau of Accounts, and we are of the opinion that even in the present emergency the reduction should stop at $1,000,000 instead of going to $883,560. However, we shall hope to recover some of this lost ground in future years, and in the meantime we may be able to avoid wholesale discharge in that bureau by some scheme of voluntary furloughs without pay or possibly by reducing materially per diem for traveling expenses.

Mr. SMOOT. That has already been reduced.

Mr. LA FOLLETTE. Mr. President, the statement made by Commissioner Eastman was upon the basis of the appropriation of $883,560. The conference report proposes a reduction to $683,560, which I am informed will result in a reorganization of the bureau to the detriment of its efficiency and will result in the commission, through this bureau, being unable to carry out statutory requirements of existing law.

I ask the Senator from Utah whether he does not think it would be possible, if there were a further conference with the House, to prevent this emergency situation with regard to the Bureau of Accounts and perhaps secure a further increase of the item in view of the situation that exists?

Mr. SMOOT. Mr. President, if it should develop that they can not get along with this amount, we could provide a deficiency appropriation early in December. We did everything we could. We had all of the correspondence before us. We took it up and got every dollar out of the conference that we could. So far as I am personally concerned, if it develops by December that they require a certain further amount of money, I shall do all I can to have it appropriated.

Mr. LA FOLLETTE. I appreciate very much the Senator's attitude, and with that assurance I shall not further resist the adoption of the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The conference report was adopted.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on the amendment of the Senate numbered 114, which was read, as follows:

> IN THE HOUSE OF REPRESENTATIVES,
> *June 29, 1932.*
>
> *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 114 to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes, and concur therein with an amendment, as follows:
>
> In lieu of the matter inserted by said amendment, insert: " : *Provided*, That the Administrator of Veterans' Affairs is authorized to utilize the printing and binding equipment which the various hospitals and homes of the Veterans' Administration use for occupational therapy purposes for the purpose of doing such printing and binding as may, in his judgment, be found advisable for the use of the Veterans' Administration, notwithstanding the provisions of section 87 of the act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, and section 11 of the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1920, and for other purposes, approved March 1, 1919 (U. S. C., title 44, sec. 111)."

Mr. SMOOT. I move that the Senate concur in the amendment of the House to the amendment of the Senate.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT—APPROVAL OF A BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that to-day, June 29, 1932, the President approved and signed the act (S. 248) authorizing adjustment of the claim of the David Gordon Building & Construction Co.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of

the Senate to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate No. 114 to the said bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 83. An act for the relief of Margaret Crotty;

S. 84. An act for the relief of Abraham Green;

S. 218. An act authorizing adjustment of the claim of the Westinghouse Electric & Manufacturing Co.;

S. 800. An act for the relief of Ellingson & Groskopf (Inc.);

S. 816. An act for the relief of E. H. Flagg;

S. 2236. An act to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid;

S. 2335. An act for the relief of O. R. York;

S. 2569. An act authorizing adjustment of the claim of Lewis O. Wick;

S. 3058. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.;

S. 4898. An act amending an act entitled "An act authorizing the State of West Virginia by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931;

H. R. 1133. An act to provide for the relinquishment by the United States of certain lands to the city of Coeur d'Alene, in the county of Kootenai, in the State of Idaho;

H. R. 2606. An act for the relief of Edward Christianson;

H. R. 2633. An act for the relief of William R. Cox;

H. R. 4233. An act for the relief of Enza A. Zeller;

H. R. 5007. An act for the relief of Marie E. McGrath;

H. R. 5062. An act to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners;

H. R. 5595. An act for the relief of Harry Manning Lee;

H. R. 7308. An act for the relief of Amy Turner;

H. R. 10829. An act relating to the naturalization of certain women born in Hawaii; and

H. R. 11267. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

INTERNATIONAL INSTITUTE OF AGRICULTURE AT ROME (S. DOC. NO. 130)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State, to the end that legislation may be enacted authorizing an annual appropriation of $48,500 for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy.

HERBERT HOOVER.

THE WHITE HOUSE, *June 29, 1932.*

ADDITIONAL ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 29, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 83. An act for the relief of Margaret Crotty;

S. 84. An act for the relief of Abraham Green;

S. 218. An act authorizing adjustment of the claim of the Westinghouse Electric & Manufacturing Co.;

S. 800. An act for the relief of Ellingson & Groskopf (Inc.);

S. 816. An act for the relief of E. H. Flagg;

S. 2236. An act to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid;

S. 2335. An act for the relief of O. R. York;

S. 2569. An act authorizing adjustment of the claim of Lewis O. Wick;

S. 3058. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; and

S. 4898. An act amending an act entitled "An act authorizing the State of West Virginia, by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The VICE PRESIDENT. The pending amendment to the amendment will be stated.

The CHIEF CLERK. The pending amendment, offered by the Senator from Missouri [Mr. HAWES] to the amendment of the committee, is, on page 33, line 17, to strike out the word "lawfully."

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The next amendment offered by the Senator from Missouri to the committee amendment will be stated.

The CHIEF CLERK. On page 33, line 23, after the word "Congress," change the period to a comma and insert the following: "including a financial expert or comptroller, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor, and to whom appeals from decisions of the insular auditor may be taken."

The amendment to the amendment was agreed to.

Mr. HAWES. Mr. President, I send to the desk another amendment which I offer.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 41, after line 15, insert the following:

IMMIGRATION RESTRICTIONS AFTER INDEPENDENCE

SEC. —. Upon the final and complete withdrawal of American sovereignty over the Philippine Islands the immigration laws of the United States shall apply to persons who were born in the Philippine Islands to the same extent as in the case of other foreign countries; except that in the case of the Philippine Islands the quota for each fiscal year in the case of persons eligible to citizenship shall be 100.

The amendment to the amendment was agreed to.

Mr. HAWES. I send to the desk another amendment which I offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 41, line 17, in the section number, strike out the numerals "12" and insert the numerals "13."

The VICE PRESIDENT. Without objection the amendment to the amendment is agreed to.

The CHIEF CLERK. On page 41, line 10, in the section number, strike out the numerals "13" and insert the numerals "14."

The VICE PRESIDENT. Without objection the amendment to the amendment is agreed to.

Mr. HAWES. I send to the desk the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 21, strike out lines 18 to 21, inclusive, and insert in lieu thereof the following:

(m) The decisions of the courts of the Commonwealth of the Philippine Islands shall be subject to review by the Supreme Court of the United States as provided in paragraph (6) of section 7.

On page 32, after line 18, insert the following:

(6) Review by the Supreme Court of the United States of cases from the Philippine Islands shall be as now provided by law; and such review shall also extend to all cases involving the constitution of the Commonwealth of the Philippine Islands.

The VICE PRESIDENT. There are two amendments, but they are similar. Is there objection to considering them together? The Chair hears none. The question is on agreeing to the amendments.

Mr. COPELAND. Mr. President——

Mr. HAWES. Mr. President, I hope the Senator from New York will allow me to get through with these few amendments.

Mr. COPELAND. I would not want to refrain from discussing the pending amendment for a moment.

Mr. HAWES. I will say that the amendment, which was prepared for the committee by the legislative drafting service, merely gives the United States Supreme Court jurisdiction of certain cases from the Philippine Islands.

Mr. COPELAND. Mr. President, may I ask the Senator would the adoption of this language mean that after the Filipinos have independence, our courts are to review cases arising in the Philippine Islands? [A pause.] Well, Mr. President, it does not matter. I can not for the life of me see if they have independence why we should be interfering with their full freedom. When I get ready to give them independence—and I am ready now if it can be done lawfully—I want them to be really independent, free from all the restrictions and restraints of the overlords in Washington. However, before we can do that, we have to take into consideration the conditions under which we received the Philippines in order that we may determine whether we have the right to alienate our sovereignty over them, and when we have determined that we can do that, let us give them genuine freedom and liberty and let them work out their salvation as one of the family of nations.

Mr. HAWES. Mr. President, will the Senator from New York yield to me?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. HAWES. Mr. President, this amendment has nothing to do with the question of freedom of the Philippines. The amendment applies to the jurisdiction of United States courts prior to the Filipinos securing their independence.

Mr. COPELAND. I am glad to have the answer, because I asked the Senator a few moments ago and he did not do me the honor of answering the question. So, this has to do with our overlordship in the meantime? Well, I dare say that if it is worked out properly as to its language it might be a desirable amendment to the bill.

A little while ago I spoke about the effort made in the United States Senate to change the wording of the treaty. I recited the language of Article I of the treaty, where "Spain relinquishes all claim of sovereignty over and title to Cuba," and Article II where "Spain cedes to the United States the Island of Puerto Rico and other islands now under Spanish sovereignty in the West Indies." Also, I described the effort of Mr. Gorman for Mr. Vest to change the language of Article III by having it identical with the language used with reference to Cuba.

The proposal was that in Article III the words "cedes to the United States" should be stricken out and in lieu thereof be inserted the words "relinquishes all claim of sovereignty over and title to the archipelago." It was proposed further by the same Senator that at the end of Article III there should be inserted certain language which I will read. If it had been inserted, Mr. President, we would not be having this discussion. Mr. Gorman (for Mr. Vest) proposed that at the end of the article, after the clause of cession and the geographical description of the archipelago, the following language should be added:

The United States, desiring that the people of the archipelago shall be enabled to establish a form of free government suitable to their condition, and securing the rights of life, liberty, and property, and the preservation of order and equal rights therein, assumes for the time being and to the end aforesaid, the control of the archipelago so far as such control shall be needful for the purposes above stated, and will provide that the privileges accorded to Spain by Articles IV and V of this treaty shall be enjoyed.

Then there were proposed various other technical amendments which have no bearing upon the question at issue.

The point I want to make clear in the RECORD is this: When the treaty of peace with Spain was before the Senate, when all the events of the Spanish-American War were fresh in mind, an effort was made to change the language of the treaty so that instead of there being a cession of territory there should be simply a relinquishment of sovereignty, and that in due time the people of the archipelago were to be permitted to establish a form of free government.

What was the fate of those amendments?

On motion of Mr. Lindsay and by unanimous consent—

I am quoting now from the Executive Journal of February 6—

the said proposed amendments were considered together; and, on the question to agree to the proposed amendments, it was determined in the negative—yeas 30, nays 53.

For a purpose which will be disclosed as I proceed with my argument, Mr. President, I should like to have included in the RECORD at this point the yea and nay vote referred to, found on page 1283 of the Executive Journal.

The VICE PRESIDENT. Without objection, it is so ordered.

The vote referred to is as follows:

Messrs. Bacon, Bate, Berry, Caffery, Chilton, Clay, Cockrell, Daniel, Gorman, Hale, Heitfeld, Hoar, Jones of Arkansas, Jones of Nevada, Kenney, McLaurin, Martin, Mills, Mitchell, Money, Murphy, Pasco, Pettigrew, Rawlins, Roach, Smith, Tillman, Turley, Turner, and Vest.

Those who voted in the negative are—

Messrs. Aldrich, Allen, Allison, Baker, Burrows, Butler, Carter, Chandler, Clark, Cullom, Davis, Deboe, Elkins, Fairbanks, Faulkner, Foraker, Frye, Gallinger, Gear, Gray, Hanna, Hansbrough, Harris, Hawley, Kyle, Lindsay, Lodge, McBride, McEnery, McMillan, Mantle, Mason, Morgan, Nelson, Penrose, Perkins, Pettus, Platt of Connecticut, Platt of New York, Pritchard, Quay, Ross, Sewell, Shoup, Simon, Spooner, Stewart, Sullivan, Teller, Thurston, Warren, Wellington, and Wolcott.

Mr. COPELAND. Mr. President, please observe what the decision was. Immediately following the Spanish war and after a month's study by the Senate the decision was that there should be no change in the language of the treaty as presented to the Senate, all of which means that the Senate accepted the treaty which relinquished sovereignty over Cuba but refused to use the same language with reference to Puerto Rico and the Philippines. That is a very significant action taken by the Senate.

Senators who are old enough to remember—and I am one of them—will recall the agitation which followed the Spanish War and the acquisition of these islands by the United States. There was raised a hue and cry in America. At the head of those who cried out against imperialism was the peerless leader of the Democratic Party, William Jennings Bryan. He tried to make the people believe that the United States was about to venture upon a great experiment of imperialism, that we were to build up a world-wide empire, that our legions would be found throughout the world, and that at the head of this great establishment would be the overlords in Washington. In spite of that cry, however, the Senate of the United States by a decisive vote of 30 to 53 decided that we would not be placed in the position of merely accepting the Philippines by a relinquishment of sovereignty but that we would accept them—and in this connection I should like to use the exact language, because it is much better than any language which I could possibly employ, used by the Supreme Court of the United States in the Diamond Rings case, in 183 United States, where Mr. Chief Justice Fuller delivered the opinion of the court, as follows:

By the third article of the treaty Spain ceded to the United States "the archipelago known as the Philippine Islands," and the United States agreed to pay to Spain the sum of $20,000,000

within three months. The treaty was ratified; Congress appropriated the money; the ratification was proclaimed. The treaty-making power, the executive power, the legislative power, concurred in the completion of the transaction.

Further:

The Philippines thereby * * * came under the complete and absolute sovereignty and dominion of the United States, and so became territory of the United States over which civil government could be established.

And at another point he continues:

The Philippines were not simply occupied but acquired, and having been granted and delivered to the United States by their former master were no longer under the sovereignty of any foreign nation.

And then, later:

Spain * * * granted the islands to the United States, and the grantee in accepting them took nothing less than the whole grant.

Mr. President, that is pretty conclusive language. We took "nothing less than the whole grant." They came to us, so far as territory is concerned, body and soul. The Senate deliberately refused to modify the treaty so as to have us accept merely sovereignty. On the contrary, instead of yielding to that idea, the Senate demanded that there be no change in the language, and so the Philippines were ceded to the United States, and in accepting them we took "nothing less than the whole grant."

A few days ago, in his very able address, the Senator from Missouri [Mr. HAWES] made reference to a discussion which took place in the Senate regarding the purpose of the United States as to the future of the Philippines. I am not fully advised, because of lack of time to search the records, as to what moved the Senate to give consideration to the resolution referred to by the able Senator from Missouri; but it is a fact, as stated by the Senator, that in the Senate there was a discussion as to our intention as a country and our attitude toward the future of the Philippines. I have no doubt personally, without having been able to verify it, that it was largely the work of Mr. Bryan in raising the cry about imperialism; but, anyhow, there was introduced in the Senate, a month after the ratification of the treaty, a resolution which read as follows. I read from page 1846 of the CONGRESSIONAL RECORD for February 14, 1899:

Resolved, etc., That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands.

When I get time, I intend to read everything that happened in the Congress between the confirmation of the treaty of peace on the 6th of February and action on the resolution which I have just read, a few days later. I confess to the Senator from Missouri that to me it is an enigma.

Mr. HAWES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. Yes.

Mr. HAWES. The last statement made on this subject was by President Hoover, in which he stated:

Independence of the Philippines at some time has been directly or indirectly promised by every President and by the Congress.

So I assume that the Senator is not disputing that statement of the President; but I should like to ask the Senator a question.

If it were not for his constitutional objection, would the Senator favor the independence of the Philippines?

Mr. COPELAND. I would.

Mr. HAWES. And that is the sole ground of the Senator's objection—the constitutional objection?

Mr. COPELAND. Wholly so.

Mr. HAWES. May I call the Senator's attention to the fact that in 1924, when the so-called Weeks bill or Fairchild bill was before the Senate and the House, the Attorney General of the United States was asked for an opinion, and he gave it. Since that time statements from two judges of the Supreme Court have taken the same view; and recently our committee referred the matter to the Legislative Counsel of the Senate to pass on the same subject, and they did so. May I say to the Senator that, so far as I know, there is not a lawyer in the House nor a lawyer in the Senate who agrees with the contention of the Senator from New York.

Mr. COPELAND. Mr. President, I have no doubt that what the Senator says is entirely true. I know it is true that the Attorney General gave an opinion, and that the Legislative Counsel gave one; but I would not want the Senate to think that I am so utterly alone in my position. I have in my possession many letters, included in this great portfolio, from eminent constitutional lawyers who have studied the question and who take exactly the view which I am reflecting to-day. Further, I could not as a layman admit for a moment that there is anything so mysterious, so occult, so hidden that a man of ordinary intelligence, even though he had merely an honorary doctor-of-laws degree, could not read and decide for himself what the facts really are. So, with all due respect to my friend from Missouri—who himself is an eminent lawyer—I must say that I still hold the right to form an opinion for myself, although I am greatly comforted when men of eminent legal training take the same view.

Mr. HAWES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York further yield to the Senator from Missouri?

Mr. COPELAND. I yield to the Senator.

Mr. HAWES. I should like to know how the Senator proposes that a constitutional question shall be settled until it comes before our Supreme Court. How can this question be settled until Congress acts and the court passes upon the action of Congress?

Mr. COPELAND. The Senator was away from the Senate a few moments ago when I referred to that matter. I said then, and I repeat now, that if the Senate should do the unthinkable thing of violating its constitutional duty, as I see it, by passing the Hawes-Cutting bill, I have no doubt that when it got to the Supreme Court the court would say, "This is a political question, and we can not deal with it." That, however, does not lessen my responsibility nor the responsibility of the Senator from Missouri nor that of any other Senator.

I can conceive that the Senate might decide, for instance, to cede to Canada the northern and eastern part of Maine, the subject of the Webster-Ashburton treaty. It will be remembered that many years ago the question of the exact boundary between Canada and the United States was in question, and Lord Ashburton and Daniel Webster were chosen as treaty makers, and they gave consideration to the question of where the boundary really was. By treaty, the boundary was fixed. By the way, I always joked my father about this Webster-Ashburton treaty, because he was born in Maine, and it so happened that where he was born was just about two miles north of the boundary claimed by Canada. I always told him that he was really a Canadian and not an American; that he was born in Canada, but he insisted that Daniel Webster had outwitted Lord Ashburton, and that, after all, the decision was the just one, and that that territory really belonged to the United States.

Suppose the Senate, in an amiable mood, as it is on rare occasions, should decide to cede to Canada the section of Maine running in a line due east and west through the village of Dexter, Me.

Mr. President, where is the Senator from Missouri? He is elusive. I wanted him here while I was answering his argument.

Suppose that were done. Of course, the State of Maine would resist that, and the matter would go to the Supreme Court. The court would say, "That is a political question, and we can not deal with it." But because that is the

custom and practice of our court is no excuse to justify a Member of this body in voting to do an unconstitutional act, merely because the court would not pass upon it. It would be cowardice to hide behind the robes of the court.

That is the answer I make to my friend from Missouri. But now I want to advert to this matter which was considered by the Senate on the 14th of February, 1899, the resolution in which practically the same language was employed, in effect, that is found in the Jones Act and every other move to help the Philippines to speedy freedom.

Mr. President, I want to go to the Supreme Court decision now. In this case of Fourteen Diamond Rings against The United States, a soldier who had been in the North Dakota Infantry when he left the Philippines, where he had rendered military service, came back to the United States, and was discharged at San Francisco. He brought with him 14 diamond rings. I do not quite know how a soldier ever got that many diamond rings. There are a lot of our poor ex-service men now who have not 14 diamond rings or 14 plain gold rings. Anyhow, this boy had 14 diamond rings.

The customs officer in Chicago heard about that in some way, and contended that that soldier had brought those rings in contrary to the law, without entry or declaration or payment of duty, and an information was filed to enforce the forfeiture of those rings. The case finally reached the Supreme Court of the United States, and was decided on the 2d of December, 1901, Mr. Justice Fuller delivering the opinion.

A little while ago I read a quotation from that decision. I want to quote further from it, because reference is made to the action of the Senate on the 14th of February, 1899, to which I have referred. I referred to it as a mystery or an enigma. I confess I do not understand the action that was taken by the Senate at that time. But this is what the court said about it:

> The treaty was ratified; Congress appropriated the money; the ratification was proclaimed. The treaty-making power, the executive power, the legislative power concurred in the completion of the transaction.
>
> The Philippines thereby ceased, in the language of the treaty, "to be Spanish." Ceasing to be Spanish, they ceased to be foreign country. They came under the complete and absolute sovereignty and dominion of the United States and so became territory of the United States over which civil government could be established.

This next paragraph I think is very interesting, because it raises a question which is sometimes talked about in connection with this problem. I continue reading from the decision:

> The result was the same, although there was no stipulation that the native inhabitants should be incorporated into the body politic and none securing to them the right to choose their nationality. Their allegiance became due to the United States, and they became entitled to its protection.
>
> But it is said that the case of the Philippines is to be distinguished from that of Puerto Rico because on February 14, 1899, after the ratification of the treaty, the Senate resolved, as given in the margin, that it was not intended to incorporate the inhabitants of the Philippines into citizenship of the United States nor to permanently annex those islands.

The reference is made to the resolution which I read to the Senate a few moments ago, as found in the CONGRESSIONAL RECORD. This is what the court said about it:

> We need not consider the force and effect of a resolution of this sort, if adopted by Congress, not like that of April 20, 1898, in respect of Cuba, preliminary to the declaration of war, but after title had passed by ratified cession.

It will be recalled that on the date in question, April 20, 1898, when we entered into war against Spain, we made a solemn declaration that in our efforts to release Cuba from her political bondage to Spain we would not do so with a view to acquiring any territory, that we would do so merely that we might give her freedom, and that we would relinquish sovereignty to her. That is the reason why that different language was used in the treaty, the language to which I referred as being found in Article I, where Spain relinquishes all claim of sovereignty over and title to Cuba. It was intended by the makers of the treaty, because they understood the act of the Congress and the intention of the American people, that under no circumstances should they retain title to Cuba in case of success in the war against Spain. So the court refers to that and speaks of the proposed action of February 14, 1899, as being entirely different from the act of Congress of April 20, 1898.

I want to go on further, to show what was the attitude of the Supreme Court of the United States regarding this resolution which was presented and voted on February 14, 1899. This is what the court said:

> It is enough that this was a joint resolution; that was adopted by the Senate by a vote of 26 to 22.

And there was no Democratic convention at that time to explain the absence of a quorum. They were not able to count a quorum, so the court said:

> It is enough that this was a joint resolution, that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum, and that it is absolutely without legal significance on the question before us.

For the sake of the record, let me finish the paragraph:

> The meaning of the treaty can not be controlled by subsequent explanations of some of those who may have voted to ratify it. What view the House might have taken as to the intention of the Senate in ratifying the treaty we are not informed, nor is it material; and if any implication from the action referred to could properly be indulged, it would seem to be that two-thirds of a quorum of the Senate did not consent to the ratification on the grounds indicated.

So, Mr. President, I point out the fact that while only a few days after the ratification of the treaty there was introduced in the Senate of the United States a resolution holding out the promise to the Filipinos of independence and self-determination, it failed in the Senate. It failed for lack of a quorum, and of course, being a joint resolution, it failed because no action was taken in the House.

Mr. BROUSSARD. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. BROUSSARD. I have an amendment, which was proposed to be offered to the Senate bill, and I wish to send the same amendment, referring to the proper page and line in the substitute. I want to have it printed.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The amendment will be received and printed.

Mr. VANDENBERG. Mr. President, may the amendment be reported for the information of the Senate?

The PRESIDING OFFICER. The clerk will report the amendment to the amendment.

The CHIEF CLERK. On page 27, line 22, after the words "in excess of," the Senator from Louisiana proposes to strike out "50,000" and to insert in lieu thereof "30,000."

On page 27, line 23, after the words "in excess of" and before the words "long tons," the Senator from Louisiana proposes to strike out "800,000" and to insert in lieu thereof "600,000."

Mr. HAWES. May I point out to the Senator from Louisiana and the Senator from New York that there are two or three amendments more? One is a perfecting amendment relating to the Supreme Court, which is now before us, and there are two amendments which have been submitted by the Senator from California [Mr. JOHNSON]. If those may be passed upon, that will leave open the question of limitation and time. Will not the Senator from New York yield to have those two amendments agreed to? The Senator has discussed the amendment for almost an hour.

Mr. COPELAND. But it is such an important amendment. The Senator from Louisiana has submitted an amendment, and I want to say something about that.

Mr. HAWES. But these are merely perfecting amendments. There will be plenty of opportunity for the Senator to discuss the bill.

Mr. COPELAND. Would not the Senator be happier if he could interrupt the discussion from time to time?

Mr. HAWES. I do not want to consume the valuable time of the Senator from New York.

Mr. COPELAND. Very well; I have no objection.

Mr. HAWES. I ask that the amendments to the amendment be stated.

The PRESIDING OFFICER. The amendment to the amendment will be read.

The CHIEF CLERK. On page 23, strike out lines 20 to 23, inclusive, and insert:

(m) The decisions of the courts of the Commonwealth of the Philippine Islands shall be subject to review by the Supreme Court of the United States as provided in paragraph (6) of section 7.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to. The second amendment submitted by the Senator from Missouri will be read.

The CHIEF CLERK. On page 34, after line 22, insert:

(6) Review by the Supreme Court of the United States of cases from the Philippine Islands shall be as now provided by law; and such review shall also extend to all cases involving the constitution of the Commonwealth of the Philippine Islands.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, has the Senator further committee amendments to offer?

Mr. HAWES. I desire to submit the following amendment in behalf of the Senator from California [Mr. JOHNSON].

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. The Senator from Missouri in behalf of the Senator from California [Mr. JOHNSON] offers the following amendment to the amendment:

On page 34, lines 23 and 24, strike out "after the date of the inauguration of the government of the Commonwealth of the Philippine Islands" and insert in lieu thereof "effective upon the expiration of 60 days after the date of enactment of this act."

The PRESIDING OFFICER (Mr. DICKINSON in the chair). The question is on agreeing to the amendment to the amendment.

Mr. BINGHAM. Mr. President, just what does the amendment purport to accomplish?

Mr. HAWES. Under the Senate substitute the restriction of immigration becomes effective upon the adoption of a constitution by the Philippine government. Under the amendment of the Senator from California it conforms to the House text by making this exclusion effective 60 days after the passage of this bill and during the autonomy of the commonwealth.

Mr. BINGHAM. Would not the limitation on immigration go into effect 60 days after the passage of this act even though the government of the Philippine Islands took no step at all?

Mr. HAWES. No; that is not my understanding.

Mr. BINGHAM. That is the way I understood it from the reading of the amendment. It seemed to me we place in effect the limitation on immigration within 60 days after the passage of this bill, even though the Filipinos have taken no action toward inaugurating a new government. I will ask the Senator from Idaho if he does not put that interpretation upon the amendment.

Mr. BORAH. What is the Senator's question?

Mr. BINGHAM. Would not the Senator from Idaho interpret the amendment to be a change of policy? In other words, it would place a restriction on the movement of citizens of the Philippine Islands desiring to come to California within 60 days after the passage of this bill even though the Philippine government itself had taken no step looking forward to the setting up of an independent government. As the bill came from the Senate committee the restriction on immigration was to take place after the inauguration of a new government in the Philippine Islands. Under the amendment offered by the Senator from California and just submitted by the Senator from Missouri in behalf of the Senator from California, it would seem to me as though our colonial policy would be changed in 60 days even though the Philippine Islands had not made any change in their own arrangements.

Mr. BORAH. I think that would be true.

Mr. BINGHAM. I shall have to oppose the amendment, because I have been fighting to keep arrangements according to our original policy and not introduce anything more of this kind than is absolutely necessary.

Mr. SHORTRIDGE. Mr. President, if there is to be any discussion or any controversy over this amendment proposed by my colleague, who is necessarily absent, I would ask that the matter be temporarily passed over. Expressing my own opinion, I think the proposed amendment is essential or necessary, particularly if there be any question or any doubt concerning the matter, and doubt has been expressed perhaps by the Senator from Connecticut and, as I gather, acquiesced in by the Senator from Idaho.

Mr. BORAH. Is not that the view of the Senator from California?

Mr. SHORTRIDGE. No; it is not, though I am not for the moment prepared to speak with entire confidence.

Mr. BORAH. I had supposed that was the very intent of the amendment.

Mr. SHORTRIDGE. The intention of the amendment is, as expressed, that stopping Filipino immigration shall be effective as stated. The amendment reads:

On page 34, lines 23 and 24, strike out "after the date of the inauguration of the government of the Commonwealth of the Philippine Islands," and insert in lieu thereof "effective upon the expiration of 60 days after the date of enactment of this act."

Mr. BORAH. I am not discussing the merits or demerits of the amendment, but as to the effect of it I do not think there can be any question.

Mr. SHORTRIDGE. This amendment removes all question of doubt and fixes the date for the stopping of this immigration.

Mr. BINGHAM. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Connecticut?

Mr. SHORTRIDGE. I yield.

Mr. BINGHAM. I should like to invite the attention of the Senator to the fact that on page 36 of the bill one of the provisions, that under the Senate bill was not to go into effect until after the date of the inauguration of the new government in the Commonwealth of the Philippine Islands, was this:

For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered to be a foreign country.

What the Senator from California proposes and what his colleagues just explained to be his desire is that we should not wait until the Philippine Islands have started a new government, but that 60 days after the passage of this bill the Philippine Islands shall be considered to be a foreign country. I must oppose that with all the force at my command.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. SHORTRIDGE. Certainly.

Mr. REED. Would he mean to treat them as a foreign country only as regards continental United States or would he apply it also to Hawaii?

Mr. SHORTRIDGE. Personally I would limit, entirely shut off, this immigration into the United States.

Mr. REED. But Hawaii is a part of the United States just as much as the District of Columbia.

Mr. SHORTRIDGE. Certainly it is.

Mr. REED. Several propositions have been made to permit continued immigration of Filipinos into Hawaii and prohibit it into the United States. What would the Senator say about that?

Mr. SHORTRIDGE. Years ago I introduced a bill to stop completely the immigration of Filipino laborers to the United States. My attention was immediately called to the fact that such a bill, if enacted into law, would apply to the Hawaiian Islands, as indeed it would have applied. I thereupon and without any hesitation amended my proposed bill to restrict Filipino immigration to continental United States. At the time, as I recall, there was quite a controversy over this matter, in which my friend from Connecticut joined with other Senators. I was then thinking, as I am now thinking, of continental United States.

The significance and the importance of the amendment proposed by my colleague is to be appreciated when we consider section 8. That section reads:

SEC. 8. (a) After the date of the inauguration of the government of the Commonwealth of the Philippine Islands—

(1) For the purposes of the immigration act of 1917, the immigration act of 1924 (except section 13(c)), this section, and all other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, citizens of the Philippine Islands who are not citizens of the United States shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as a separate country and shall have for each fiscal year a quota of 100. This paragraph shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa.

Mr. JOHNSON entered the Chamber.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Michigan?

Mr. SHORTRIDGE. I yield.

Mr. VANDENBERG. If the Senator will look at page 42, section 13, he will read that the "provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature," and so forth.

How does he harmonize the proposal in section 8 to give effect to this section 60 days after the date of the enactment of this act with the particular provision in the covering clause when section 13 prohibits any effective date until after subsequent action by the Philippine Legislature? How does the Senator harmonize those two propositions?

Mr. SHORTRIDGE. It is very easy to answer that question.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. BROUSSARD. I should like to suggest something that may be considered in connection with the answer the Senator from California is about to give. I am handed a copy of an amendment which the Senator from Missouri is to offer to this bill to correct something which I think the Senator from Michigan just referred to. The proposed amendment is on page 42, line 10, after the word "act," insert the following:

except section 8, which shall take effect on the date provided therein.

I do not know what relevancy that has.

Mr. VANDENBERG. The Senator in answering my question has demonstrated the validity of my inquiry, because he is now proposing a further amendment in order to justify the difference.

Mr. BROUSSARD. That is why I rose and interrupted the Senator from California.

Mr. SHORTRIDGE. Mr. President, not to prolong the discussion unduly, the purpose of this amendment is to restrict Filipino immigration into continental United States, and we want the coming of Filipinos to stop 60 days after the enactment of this bill.

Mr. VANDENBERG. And, if the Senator will permit me, regardless of anything else that may happen in respect to independence under the act.

Mr. SHORTRIDGE. Yes, sir; entirely regardless of the delay or the speed with which the Filipino people shall proceed under and in accordance with the provisions of this act.

Mr. REED. Mr. President, if the Senator will yield, I invite his attention to the fact that his amendment would be effective only during the transition period between the passage of this measure and the accomplishment of complete independence. Once the Philippines become independent, their people can not come even to Hawaii, because they are not of the white race or the African race, and therefore they are ineligible to citizenship, and under the act of 1924 they can not be admitted for permanent residence. So the effect of the Senator's amendment would be to take care only of the transition period between the enactment of this measure and the accomplishment of Filipino independence.

Mr. SHORTRIDGE. Precisely, and when independence shall come to these people—as I trust it will come, and speedily—then they will be under the laws applicable to peoples of other races or citizens of other countries.

Mr. DAVIS. Mr. President, the Senator knows, I assume, that the Filipino at the present time is ineligible for citizenship because of his race.

Mr. SHORTRIDGE. I do. Our century and more of naturalization policy has limited naturalization to members of the white race, and manifestly the Filipino does not belong to the white race, and, therefore, is not eligible to citizenship under the Constitution and the law.

Mr. BINGHAM. Mr. President, if the Senator will yield, let me say that he has not made an entirely correct statement. It is not limited to the white race; it is limited to the white and the black race.

Mr. DAVIS. To the African race.

Mr. BINGHAM. In other words, inhabitants of the Solomon Islands, who are black, can become citizens.

Mr. SHORTRIDGE. Precisely. I thank the Senator for the suggestion and the correction of my inadvertent statement; but a Filipino child born in the United States is a citizen under the Constitution.

Mr. DAVIS. Yes; and that is true of the children of oriental parents born in the United States; there is no restriction in the cases of those who are born in the United States.

Mr. SHORTRIDGE. In the case of any race, the parents being ineligible to citizenship, their children born here are, under the Constitution, citizens. That is one reason why I and many others have opposed the coming to this country of races not eligible to citizenship.

Mr. DAVIS. Mr. President——

Mr. SHORTRIDGE. I yield to the Senator.

Mr. DAVIS. As I understand the amendment of the senior Senator from California [Mr. JOHNSON], it proposes completely to bar immigration from the Philippines from the time this proposed law takes effect until the Philippines shall become an independent Commonwealth.

Mr. SHORTRIDGE. It would, of course, have that effect.

Mr. DAVIS. But during such time the Filipino would be permitted to go to Hawaii and to live there for a time and then come to continental United States, would he not, under the amendment submitted by the senior Senator from California?

Mr. SHORTRIDGE. I think not.

Mr. BINGHAM. No; that is taken care of in paragraph (2), which prohibits Filipinos living in Hawaii coming to the mainland.

Mr. SHORTRIDGE. To restate, and perhaps weary everybody, the purpose of this proposed amendment is to stop Filipino immigration into continental United States, and to make such prohibition effective upon the expiration of 60 days after the date of the enactment of this act.

Years ago I introduced a bill to stop this type of immigration into the United States. It so happens that I hold in my hand a copy of the CONGRESSIONAL RECORD of May 26, 1930, which contains an elaborate discussion of this immigration question, which was participated in by myself and other Senators. I do not care to repeat what I then said except to this extent: We are not asking that such immigration be prohibited because of any hostility toward the Philippine people. I think we have been an unmixed blessing to them. We wish them independence; I would give them independence more speedily, if possible, than is contemplated in this bill. We wish them peace; we wish them happiness and prosperity; but I have thought—I think, indeed, it is my political religion—that our first duty is to our own people, to the people of the United States of America. I apply that thought to all the nations of Europe, to all the peoples of the earth, of whom there are about 2,000,000,000, all told. Our first duty is to the people of the United States. Without elaborating my views, I know that the unanimous sentiment of the people of California, and I am justified in adding the unanimous opinion of the people

of all the Pacific Coast States, is that it is not for the economic or the social welfare of our people to permit the further coming of Asiatic races to the United States.

If there was any one particular reason why California loved James G. Blaine, of Maine, it was because that plumed knight early saw the danger of Chinese immigration and championed the cause of California, and that immigration was checked and stopped entirely.

If it had not been checked, millions of Chinese would be in California and other Western States to-day. We opposed the coming of Chinese—I repeat my thought—not because we hated China, that ancient people, but because we had first regard for the welfare, economic and social, of our own people, and because we knew they could never become citizens, that they would owe allegiance to their native land, that their children born here would be citizens, and that that would bring about the embarrassment of the father and mother owing allegiance to a foreign country and their children owing allegiance to the United States. For the same reasons——

Mr. DAVIS. Mr. President——

Mr. SHORTRIDGE. If the Senator will pardon me for a moment—for the same reasons we of the West opposed Japanese immigration, not that we hated the Japanese people as such, but for the reasons which prompted us to oppose Chinese immigration. I now yield to the Senator from Pennsylvania.

Mr. DAVIS. If a quota shall be granted to the Philippines, would not China, Japan, India, and other countries in what is now termed the "barred zone" expect this country to give them a quota of 100 as well as giving it to the Philippines?

Mr. SHORTRIDGE. I fear they would, Mr. President.

Mr. BINGHAM. They have a quota of 100 now, but it only applies to persons eligible to citizenship.

Mr. SHORTRIDGE. Of course there are people living in China of such races as that they are eligible to citizenship, and there are people living in Sumatra and Siam and Japan and the Philippines who are similarly eligible to citizenship.

Mr. DAVIS. I presume the quota of the Philippines would have to be limited to those who are eligible to citizenship, just as it is limited now in the case of China and Japan and other countries which are in the barred zone.

Mr. HAWES. Mr. President, will the Senator from California yield to me for a moment?

Mr. SHORTRIDGE. I yield.

Mr. HAWES. The House bill provides for exclusion 60 days after this measure shall become a law; under the Senate amendment the provision becomes effective upon approval by the Commonwealth of the Philippines.

Mr. SHORTRIDGE. Certainly.

Mr. HAWES. Now, will not the Senator permit, in order to stop this discussion, the withdrawal of those amendments and let the matter go to conference? I think it can be quickly adjusted there.

Mr. SHORTRIDGE. I do not feel warranted in withdrawing the amendment introduced by my colleague.

Mr. BINGHAM. Will the Senator allow me to suggest the absence of a quorum? This is a very important matter.

Mr. SHORTRIDGE. I ask the Senator to withhold that request for a moment.

Mr. HAWES. I think it can be adjusted in the way I have suggested. I know there are two points of view; and with the permission of the Senate, I am going to withdraw those amendments.

The PRESIDING OFFICER. Without objection, the amendments will be withdrawn. The Chair understands the Senator to refer to both amendments?

Mr. HAWES. Yes.

Mr. SHORTRIDGE. The Senator is not referring to the amendment proposed by my colleague, is he?

Mr. HAWES. Yes; that is the one which was presented by me. If the Senator did not understand the request and desires to object, I will leave it where it was, but I am sure that the matter can be worked out in conference.

Mr. SHORTRIDGE. I recall that the Senator from Missouri was good enough to offer this amendment on behalf of my colleague, but I would not want to have it withdrawn without his presence and consent. If there are other matters to consider, may we not defer the further consideration of this amendment?

Mr. HAWES. Very well.

Mr. BINGHAM. Mr. President, the amendment was offered by the Senator from Missouri, and I think the Senator from Missouri ought to have the right of withdrawing it.

Mr. HAWES. It was not my amendment; it was presented by me for the Senator from California.

Mr. SHORTRIDGE. The Senator from Missouri expressly stated that he presented it as an accommodation to the Senator from California [Mr. JOHNSON].

Mr. HAWES. I have been consulting with several Members of the House, and I think we can handle the matter in conference.

Mr. SHORTRIDGE. May I ask the Senator from Missouri if he renews his request to withdraw that amendment? If so, as I am now advised, I have personally no objection.

Mr. HAWES. I thank the Senator. Both of them have been withdrawn, as I understand.

The PRESIDING OFFICER. Both amendments are withdrawn.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator if he will accept this suggestion, in the nature of a proposed amendment, to strike out the words "one hundred," on line 9, page 35, and insert the word "fifty"?

Mr. BINGHAM. Mr. President, when I have an opportunity I desire to be recognized in my own right.

Mr. SHORTRIDGE. Will there be objection to that?

Mr. BINGHAM. Yes, Mr. President; I should have to object to that. I see no reason why the Philippine Islands should be given, even when independent, less of a quota than any other country.

Mr. SHORTRIDGE. Very well. I shall not press the amendment now, but I will offer it at the proper time. If it is proper to do so, I now propose to amend the committee amendment by striking out the words "one hundred" on line 9, page 35, and inserting in lieu thereof the word "fifty," so that the quota shall be 50 instead of 100.

The PRESIDING OFFICER. The Senator from California offers an amendment to the amendment of the committee, which will be stated.

The LEGISLATIVE CLERK. On page 35, line 9, strike out the words "one hundred" and insert in lieu thereof the word "fifty."

Mr. SHORTRIDGE. Mr. President, I will not discuss the matter now and am perfectly willing that the proposed amendment go over for further consideration.

Mr. BINGHAM. Mr. President, when this bill came out of the committee with a report that was almost unanimous, being opposed by very few members of the committee, it maintained our original colonial policy, which is to treat those countries, islands, or possessions on the same basis in regard to tariff and other matters as we treat our own people.

It is quite true, as the Senator from California says, that some years ago he introduced a proposal to change the immigration laws so as to shut out from the continental United States Philippine immigration. That matter has never succeeded in getting by the two Houses of Congress and becoming law. Now, what is proposed in the amendment which has been debated here for about an hour, but which has been temporarily withdrawn in the absence of the senior Senator from California [Mr. JOHNSON], is the adoption of this immigration restriction in a bill which is intended to give independence to the Philippines, but which will go into effect even though the Philippines do not get their independence.

We control them. Their flag is our flag. We can ship into their country anything that we desire to ship. Any number of thousands of Americans can go to the Philippines that desire to go there, and the people of the Philippines can not

prevent their coming; and yet it is proposed, whether they secure their independence or not, whether they indicate their desire to form a commonwealth or not, that within 30 days after the passage of this bill they shall virtually become a foreign country, so far as their citizens are concerned.

The bill which the Senators from California have been unable to get past the Congress in its direct form is now to be slipped in as a part of this measure. I wanted Senators to be aware of that fact, because the amendment has been withdrawn, but will undoubtedly be offered again. It is in the House bill.

If the Senate bill is passed, it will be in conference, and the conferees must decide whether we are to continue our policy of treating those under our flag fairly and as wards, or whether we are to establish a new policy of saying to them, "We can go to your country, but you can not come to ours, because, forsooth, you can not become citizens of the United States."

I merely wanted to make that statement clear, so that Senators who are interested in the subject, and who heretofore have repeatedly voted against making any differences in tariff or immigration matters as long as the Philippine Islands are a part of the United States, are under our flag, and have not set up a commonwealth, may continue to vote as they have heretofore voted without any doubt as to whether this matter is a matter suggested or approved by the Committee on Territories and Insular Affairs. That committee did not approve of this suggestion; and when the matter is before the Senate, it will be debated at length.

Mr. VANDENBERG. Mr. President, is there any pending amendment?

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from California requests that his amendment be passed over temporarily at the present time. For this reason the question now recurs on the substitute of the Senator from Michigan.

Mr. VANDENBERG. Mr. President, pending action on the substitute, I assume that it is appropriate to perfect the text of the so-called Hawes-Cutting bill, and that it is the appropriate procedure to perfect the text before the substitute for the completed and perfected text is submitted to the Senate.

The PRESIDING OFFICER. That is correct.

Mr. VANDENBERG. Mr. President, if I may have the attention of the able Senator from Missouri, the first amendment I want to suggest to him is in section 1, on page 21, at lines 9 and 10, where the date of the treaty of peace concluded between the United States and Spain is identified as the 10th day of December, 1898. I suggest to the Senator from Missouri that the treaty was concluded between the United States and Spain—meaning, the ratifications were exchanged—on April 11, 1899, instead of December 10, 1898, and that the date which I now indicate is the date which is identified in the organic act of 1916, and is probably the date which should be used here. So I am offering an amendment on page 21, lines 9 and 10, to strike out "the 10th day of December, 1898," and insert "the 11th day of April, 1899," which I believe is the authentic and historical fact.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New York?

Mr. VANDENBERG. I do.

Mr. COPELAND. There will be another way to do that—if we omit the word "concluded" on line 8 and insert, after the word "Spain," on line 9, the word "signed," so that it will read, "the treaty of peace between the United States and Spain signed" on such and such a date.

Mr. VANDENBERG. That is true, Mr. President; but I think the statutory continuity is better preserved if we use the same identification that was used in the Jones Act of 1916.

I offer the amendment which I send to the desk.

Mr. HAWES. Mr. President, I will say to the Senator that the history of this bill was that the groundwork was written in the War Department in 1924. It was submitted to the Senate and House committees by Secretary Weeks, and those dates were in it, and the committee simply followed those original dates; but I have no doubt that the Senator is entirely right about it.

Mr. BINGHAM. What is the amendment?

Mr. VANDENBERG. If it develops that I am in error in any degree, the matter can be rectified in conference.

Mr. ROBINSON of Arkansas. What is the amendment, Mr. President?

The PRESIDING OFFICER. The Senator from Michigan offers an amendment to the amendment of the committee, which will be stated.

The LEGISLATIVE CLERK. On page 21, lines 9 and 10, strike out "10th day of December, 1898," and insert in lieu thereof "11th day of April, 1899," so that it will read:

By the treaty of peace concluded between the United States and Spain on the 11th day of April, 1899.

Mr. ROBINSON of Arkansas. The Senator's amendment has relation to the exchange of ratifications?

Mr. VANDENBERG. That is right.

Mr. ROBINSON of Arkansas. The time of which always marks the date of the conclusion of a treaty. It is fair to say that the description in the text, if the date of the signing of the treaty is accurately described, means the same thing.

Mr. VANDENBERG. The Senator will understand there is nothing critical in my attitude upon this occasion. I am simply endeavoring to make the text consistent as I see it.

Mr. BINGHAM. I see no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, I now turn to page 29, and offer an amendment in the nature of a new section to be inserted after line 21.

The theory of this new section is to bring forward from the tenth year to the fifth year the initiation of the process of limited imports, by way of economic preparation for the safe climax of Philippine independence.

The entire theory of this measure, a theory in which I heartily concur, so far as the theory is concerned, is one of progressive economic preparation for ultimate economic self-sufficiency. Under the terms of the bill, however, there is no reduction in the Philippine export privilege into our free markets until the eleventh year. True, there is an immediate limitation of increased exports beyond the status quo, but there is no progressive effort to start the process of delimitation until after the tenth year. After the tenth year, however, the pending bill proposes precipitously year by year to inflict an increasing graduated tariff.

I maintain that this economic preparation which is contemplated is too long postponed in its initiation when it is postponed for 10 years, and that then it is too precipitously concluded within 5 subsequent years.

In the first instance, I do not think it is a fair initiation of the theory to wait a decade before taking a single step in the direction of limitation. I am equally persuaded that after the tenth year to require a change every 12 months in the export structure and practice of the commonwealth is almost suicidal.

I think I have said before in the Senate that our own economic structure finds it difficult to survive a general tariff revision once in 7 or 8 or 10 years. I do not see how any people can hope to cope successfully with the tariff chaos and therefore the export chaos which would be involved in a yearly change in the tariff structure to which they must submit. Certainly no new republic could stand such disrupting economic flux.

Ultimately, as a complement to the amendment which I now submit, I am going to suggest to the Senator from Missouri that he change his 5 annual tariff increases to an increase for 3 years, and then for 2 more, so that there will be only 2 changes instead of 5 in the 5-year span. At the immediate moment I am discussing the equa-

tion at the other end, to wit, that a portion of the limited export should commence its application in 5 years instead of 10.

The Senator from Missouri has repeatedly reminded the Senate, in the course of his very earnest and able presentation of this problem, that there are great economic forces and interests in the United States which have a peculiar and particular interest in the early culmination of this legislation. The Senator from Missouri has put almost paramount emphasis upon that phase of the argument as being a phase which should appeal to the senatorial attention. I submit to the Senator that if the limitations upon exports shall start to graduate in 5 years instead of 10, this particular argument which he uses in respect of this phase of the problem is doubly answered by my amendment, and my amendment therefore should be doubly persuasive.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. HAWES. It is true I have not emphasized the great fundamental back of this subject, the appeal for liberty and the promises made, because I did not want to occupy the time of the Senate, and I have tried to say that these phases, these selfish factors, were not the factors that appealed to me.

May I ask the Senator a question, so that I can get this understood? The Senator has a substitute for this entire bill?

Mr. VANDENBERG. That is correct.

Mr. HAWES. Is the Senator going to present that, or is he proposing to amend the Senate committee substitute now?

Mr. VANDENBERG. I am undertaking to perfect the text of the pending bill, which the Senator has in hand. After that process is concluded—and, so far as I am concerned, it will be a very brief process—I shall offer my substitute for the entire bill, because there is no way through which by amendment to this particular text I can reach the fundamental infirmity which involves the establishment of a Philippine constitution at the wrong end of the adventure.

Mr. HAWES. That is all covered in the Senator's substitute?

Mr. VANDENBERG. That is correct.

Mr. HAWES. The Senator proposes to amend this bill. This entire matter was discussed in our committee, and the proposal of the Senator from Michigan was presented to the committee. There were a number of reasons why it did not meet the approval of the committee. But the serious reason was this: That in 1909 the Congress put trade between the Philippine Islands and the United States upon a free-trade basis. The people of the Philippine Islands opposed that. Their legislature passed a resolution opposing it. They sent their protests to the United States.

Under that policy has grown up a greatly increased production, and both the House committee and the Senate committee have tried to present a bill which we thought would be fair to the Filipino people and fair to the American investors, and a period of five years would be too short for them. They could not adjust their conditions in that time. So the House placed their limitation period at 8 years, and the Senate committee placed its limitation period at 10 years. The House provision and the Senate committee provision are the same up to that point, with two years' difference.

Then the Senate committee, at the end of the 10 years, would place a 5-year period of tariff, believing that that time was necessary for both the Filipino and the American investor to adjust their business affairs and their crop outputs. So the 5-year period suggested by the Senator from Michigan would not work, in the judgment of both the House committee and the Senate committee.

Mr. BROUSSARD. Mr. President, will the Senator from Michigan permit me to say a word at this point?

Mr. VANDENBERG. I yield.

Mr. BROUSSARD. Following the statement made by the Senator from Missouri, who referred to the fact that trade between the United States and the Philippines was put on a free-trade basis in 1909, by not referring to the limitations insisted upon by Congress at the time he avoids absolutely the very crux of this question.

The Senator from Michigan and the Senator from Missouri know that I have opposed all these proposals except in the first bill we acted upon. In 1909, when the law was passed admitting Philippine products free of duty, there was a limitation on the importation of sugar of 300,000 tons; there was a limitation on importations of rice; and there was a limitation on importations of tobacco.

In 1913, in the Underwood bill, there was included a provision that sugar should go on the free list in three years. It was thought necessary to repeal that limitation in order not to have to return to that subject, and the limitation of 300,000 tons was repealed.

One year after the Underwood bill went into effect, the free-sugar provision was repealed, and the sugar people never thought about restoring the limitation. They were glad they were getting a 1 cent tariff duty.

No one sought to restore that until I first offered a proposal and Congressman TIMBERLAKE offered a similar proposal in the House to limit their productions not to 300,000 tons but to 500,000 tons. I have renewed that limitation proposal several times, the last time to the tariff bill. The debate on that proposal precipitated the consideration and resulted in the reporting of this very bill that is now before us.

When we are confronted with these facts, those who have not kept up with the facts I have just stated think that it is a violation of faith with the Philippine people to impose a limitation. The fact is, as stated by the Senator from Missouri, that when we proposed to put them on a free-trade basis they protested. When they protested it was not difficult to put on limitations which they accepted and against which they have never protested at all. The Congress never would have been appealed to for a removal of the restrictions except that it was found necessary in passing the Underwood bill to take a step to repeal that provision because otherwise we would find ourselves in the anomalous position of permitting all foreign countries to bring their sugar into this country after a 3-year period without a duty and we would still have a limitation against the Philippines.

I have an amendment which I shall offer, proposing some limitation. That amendment I shall discuss at a later time, but I will say now that on the tariff bill I proposed a 500,000-ton limitation. Congressman TIMBERLAKE in the House offered a similar limitation. During the debate on that question, in order to meet some of the objections of those who do not know conditions over there, I increased it to 600,000 tons.

My amendment has been reoffered to the substitute now limiting it to 600,000 tons instead of 800,000 tons. I was on the committee. The committee did not take the figures of the Customs Service. They got a few Filipinos, residents of the Philippines, and one from California to estimate what the crop next year would be. Those people can very well stretch it, and they said 800,000 tons, so the committee provided a limitation of 800,000 tons. When I come to that amendment I shall show by the figures of the Customs Service that they have never up to this time imported into this country 600,000 tons of sugar, and I shall insist upon that amendment.

Another thing: They have an exemption of 50,000 tons of refined sugar under the bill. They have never manufactured more than 50,000 tons of sugar and most of that is consumed at home. There is no reason to subject our refiners here, with whom I have never been very friendly because our people are antagonistic to them, to any such provision. Our refiners employ American labor, and have invested American capital which is paying taxes to the American Government. We should not permit the Filipinos to come in here and interfere with them.

Mr. VANDENBERG. Mr. President, let me make plain the purpose of the amendment which I am submitting. It is

to start the process of limitations upon Philippine exports to the United States in five years instead of 10 years as proposed in the pending bill. This is for the sake of their own economic preparation even more than for our own protection.

Mr. BROUSSARD. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield further to the Senator from Louisiana?

Mr. VANDENBERG. I yield.

Mr. BROUSSARD. The Senator may recall that the first bill reported last year and the first bill reported in the House last year provided for a 5-year period. The first year 25 per cent of the duty was to be applied, the second year 50 per cent, the third year 75 per cent, and the fourth year 100 per cent. I subscribed to the provisions of that bill, but suddenly there was a reversal of attitude and now it is desired to begin to impose the 5 per cent duty 10 years from now. What protection does that afford our people here who are now selling sugar cheaper than it has ever sold in the history of the United States?

Mr. VANDENBERG. I think the Senator is quite correct, but entirely aside from the question of what protection it may afford or may not afford our own American people in these related commodities, I am primarily interested in the problem of creating the basis for an adequate economic period of self-preparation in the Philippine Islands themselves. I am undertaking to say that if the process of progressive limitation is not started for 10 years and then is precipitously massed into the subsequent 5 years, it is not a logical method of procedure in order to accomplish the desired result. Precaution is preferable to remorse.

Mr. BROUSSARD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. May the Chair suggest to the Senator from Michigan that the Senate would have a better understanding of his amendment if it were reported.

Mr. VANDENBERG. The Chair is quite justified in that observation. I am retaining the amendment in my hand because I have but one copy and I am endeavoring to explain it. Before I yield further I want to complete the explanation.

Mr. BROUSSARD. I just want to deal with the last statement of the Senator.

Mr. VANDENBERG. Very well.

Mr. BROUSSARD. The Senator understands there is no step-up in the House provision.

Mr. VANDENBERG. That is correct.

Mr. BROUSSARD. My objection mainly to the Senate proposal is that there is no way for the conferees to reach some method that would meet the proposal of the Senator from Michigan. Of course the Senator knows what the conferees may do. I think the Senator should begin with a shorter period, say, five years or less; because between the time he sets and the limit time adopted there will be room for the conferees to fix what the Senator is proposing. If he starts at 10 years under the bill, the conferees can not begin at 5 years, while if he starts at 5 years we will be able to concede something.

Mr. HAWES. Mr. President, will the Senator from Michigan yield for an inquiry?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. I yield.

Mr. HAWES. May I ask the Senator how many amendments he has to the committee amendment?

Mr. VANDENBERG. I believe there are six.

Mr. HAWES. May I suggest to the Senator that this was all discussed in our committee?

Mr. VANDENBERG. The Senator would not presume to say that that forecloses taking the judgment of the Senate upon it, would he?

Mr. HAWES. Not at all; but all other amendments have been printed. It is very difficult to follow the Senator. No member of the committee or of the Senate knew about the proposals. I have not read them.

Mr. VANDENBERG. I think that is a justified complaint.

Mr. HAWES. I do not know anything about them. The Senator has a complete substitute, which I assume covers every point in all the amendments, but he is going to make it very difficult to understand.

Mr. BINGHAM. Mr. President, will not the Senator from Michigan have his amendments printed and let them lie over until to-morrow?

Mr. VANDENBERG. I shall be very glad to have printed and lie over until to-morrow the amendments which are not disposed of to-night. I do not propose to have an amendment lie over to be considered after the bill is out of the Senate.

Mr. BINGHAM. There will be no opportunity to pass the bill to-night.

Mr. ROBINSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Indiana?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Indiana. Some of us are members of the committee, and we would like to know what is in the Senator's amendment, which we have had no opportunity to study at all. A number of amendments are proposed here, and the Senator suggests that he has only one copy, which he holds in his hand. How can the Senate take intelligent action of any kind under a situation of that kind?

Mr. VANDENBERG. Mr. President, that is one of the things that worry me about this legislation in its broader aspects. Using the language of the Senator from Indiana, how can the Senate take intelligent and deliberative action upon a problem involving the destinies of 13,000,000 people and the responsibilities of the United States and its honor in the Far East, when all through six hours of debate to-day there has not been an average of over six Senators on the floor of the Senate at any one time? How can we have judicial determinations under such auspices? That is the significant thing that bothers me in connection with this matter. We are entirely too complacent. We are taking too much for granted.

Mr. ROBINSON of Indiana. Mr. President——

Mr. VANDENBERG. I have the floor and I am continuing my statement for the moment.

It strikes me that the Senate is in no mood under the stress of these closing moments of the session to give to a problem of this fundamental importance the consideration which it ought to receive if we are to make worthy decisions. I concede to the Senator from Indiana that these amendments ought to be printed, and I assure him that any of them that remain undisposed of to-night will be printed, because I want him to have the fullest opportunity to consider them in every detail that they may deserve. But fundamentally, I repeat, the contemplation this afternoon has been nothing less than tragic when the birthright of 13,000,000 people on the one hand and the honorable obligations of 120,000,000 people on the other hand have been in the balances to be weighed.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Indiana?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Indiana. There are some of us, Members of this body, who are concerned to some extent about the 120,000,000 people in the United States and any benefits that may come to them through legislation of this kind. Some of us do not agree with the Senator from Michigan even in his major premise. It is perfectly proper, as I see it, to be concerned about 13,000,000 people who are some 9,000 miles away from this country and in 7,000 islands extending a thousand miles north and south and 600 miles east and west, over in the Orient, where it will always be more or less dangerous for us to continue to exercise sovereignty.

Mr. President, some of us feel that America has an interest in this matter and that the people here should be protected as well as the people over there. I do not mind saying publicly that that is my principal reason for favoring

early independence. Because of that I expect to oppose the substitute suggested by the Senator from Michigan making our stay there practically interminable. I want to get out of the Philippines. I am sorry that we ever got in. During our 33 years of empire we have had nothing but trouble as a result of the policies we have pursued in the Philippines. We have constantly said we would get out, and I am anxious to get out at an early moment, but I do not want the bill loaded up by amendments with which members of the committee are not even familiar. Therefore I suggest that they go over until to-morrow in order that we may have an opportunity to study them.

Mr. VANDENBERG. The Senator has put his emphasis upon the interests of 120,000,000 people in the United States. I do not think he has any monopoly nor would claim any monopoly in that particular interest.

Mr. ROBINSON of Indiana. Let me answer the Senator.

Mr. VANDENBERG. No; let me conclude my statement. I have the floor. If the Senator from Indiana had been in the Chamber and heard the explanation of the pending amendment, he would have heard me say specifically—because it is the fact—that the pending amendment is just twice as advantageous to those domestic interests to which he refers and which have a perfectly legitimate right to consider their own welfare—just twice as advantageous as is the pending measure upon this particular point. I want the Senator to understand that phase of the particular amendment which is before the Senate.

Mr. ROBINSON of Indiana. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield further to the Senator from Indiana?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Indiana. The Senator from Michigan lays particular emphasis on our moral obligations to the Philippine Islands and the inhabitants thereof. I am laying my principal emphasis on the welfare of the American people. I make bold to say that the inhabitants of the Philippine Islands have exhibited more ingratitude than any other people in the history of the world for all the benefits we have conferred upon them. I do not want the impression to go out to the country that all of us here have the same views as the Senator from Michigan, that we are proposing to do something only in the interest of the Philippine Islands and their 13,000,000 people. I want to protect the interests of the American people as well, and there are 120,000,000 American people.

I will go further and say that there has been too much emphasis laid during the last few years on conferring benefits upon foreign nations. I think it is high time we talk of American interests, that we do something for the American people, that we keep out of all sorts of alliances we are not already in, and that we try to get out of those we have gotten into and have found thoroughly disadvantageous to our own people.

Mr. VANDENBERG. Has the Senator from Indiana concluded?

Mr. ROBINSON of Indiana. The Senator from Michigan has no objection to my interrupting him, has he?

Mr. VANDENBERG. No; but I have very serious objection to being paraphrased inaccurately.

Mr. ROBINSON of Indiana. If there is anything inaccurate in what I said I shall be glad to have the Senator from Michigan state it.

Mr. VANDENBERG. I am about to do so. There is nothing that I have submitted to the Senate which justifies any interpretation that it lacks a legitimate consideration for the domestic welfare of the United States, though I certainly do put moral obligations ahead of commercial considerations.

But, while I do insist that we have an obligation to the Philippine Islands and to our stewardship, which rises far above a mere contemplation of beet sugar or immigration or cane sugar or cordage or coconut oil or any other kindred domestic commodity, I have said time and time again that with the balance of trade against us in a ratio of 4 to 1 as between the Philippine Islands and the United States, we most emphatically are entitled to consult that equation for the purpose, at least, of obtaining an equality of right and consideration for ourselves. I am proposing to deal effectually with this consideration in my substitute.

Furthermore, I am very sure that if there is one Senator in this Chamber who more than another would have agreed with what I had to say earlier in the day respecting the paramount problem of American authority in the Philippine Islands, it would have been my able friend from Indiana.

Mr. ROBINSON of Indiana. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Indiana?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Indiana. I do not want it to be understood by silence that I am agreeing with the Senator's position, either as to his premise or his substitute for remedying the situation in the Philippine Islands. I take an entirely different view from that of the Senator from Michigan on the question involved, and hope to express that view when I have the floor in my own right.

Mr. VANDENBERG. I understand the Senator and I disagree upon the formula, but I am saying that the Senator and I do not disagree in that we are entitled correctly to consult the welfare of the people of the United States, first, last, and all the time, in respect to any problem involving the United States.

Mr. ROBINSON of Indiana. Exactly; and that comes first with me.

Mr. VANDENBERG. Very well. Now let me proceed.

It is precisely on that premise which I base my fundamental quarrel with the pending bill, because I think it is utterly and everlastingly unfair, first, to the American Government and, second, to the American people to leave American sovereignty in the Philippine Islands for 17 years without adequate American authority to administer that responsibility. It is precisely because I believe that this new Philippine government must come into being at the end instead of the beginning of the independence adventure that I take fundamentally my position in opposition to this proposed legislation.

I do not believe the American flag should be left in the Philippine Islands for 17 years at the mercy of all the Oriental vicissitudes in a zone of everlasting hazard and menace unless during every moment of those 17 years American sovereignty shall be absolute, unmistakable, and undiluted throughout the period. I do not see how that possibly can be the situation under the so-called Hawes-Cutting bill. Neither do I see how this economic preparation which must precede a successful Philippine Republic can be adequate or effectual if it is delayed as long as the Hawes-Cutting bill requires and if then it is precipitated within five short years.

It is for that additional reason that I am submitting an amendment to start the process of export limitation earlier, in 5 years instead of 10, with a view to a more successful period of economic preparation and a period of economic preparation which will be less cruel in its precipitous exactions. It is on that theory, returning to the subject matter before the Senate, that I submit the amendment which I send to the desk.

Mr. President, since it appears to be amazingly easy to misunderstand the attitude of Senators in these restless and impatient hours which conclude this perplexing session, let me summarize succinctly in respect to my long sustained Philippine view. I favor Philippine independence as soon as it stands a reasonable chance to succeed permanently. I favor progressive economic preparation of the Philippines for this triumphant climax. Meanwhile, so long as the United States has responsibilities in Manila and the Far East I insist that the United States shall have authority commensurate with these responsibilities. The American flag must be all the way up or all the way down in the Philippines. It can not be half up and half down. That would simply be at half-mast with all the half-mast implications.

I am opposed to the pending bill because its economic preparation for the Filipinos is inadequate. Their export curtailments to our free markets do not begin soon enough and then progress too swiftly to be practical; yet never reach an adequate climax. I am opposed to the pending bill because it attempts to reverse the natural process in human events. It provides the constitution of a virtual new republic at the beginning of the period of preparation instead of at the end; and yet it holds America responsible for the fate of this virtual new republic for 17 years during which we are shorn of the authority essential to an administration of these responsibilities.

I have submitted a substitute which is free of these infirmities. It stops immigration. It limits Filipino imports far more adequately than the pending bill. It provides economic preparation calculated to succeed. It contemplates an ultimate Philippine Republic that shall stand. It runs to climax in a free plebescite in which the Filipinos are masters of their own destiny. But it puts the new Philippine constitution and government at the end instead of the beginning of the period of preparation; and it leaves the Government of the United States with constant authority commensurate with its responsibilities.

Mr. President, we have the right to consult our own domestic necessities, and my substitute rationally consults them. But unenlightened selfishness in this respect would do neither honor nor advantage to any American interest. We have much to lose as well as gain in the liquidation of this great adventure. Let no hysteria blind us to this fact. I favor action. But I decline to consent that unwise action can spell progress either for us or for our island wards.

The VICE PRESIDENT. Let the amendment be read.

The LEGISLATIVE CLERK. It is proposed on page 29, after line 21, to insert a new paragraph with a proper number reading as follows:

During the sixth, seventh, eighth, ninth, and tenth year after the inauguration of the new government, the commodity exemptions defined in sub-sections a, b, c, d, and e, of this section shall be reduced 25 per cent and the rates of duty shall be administered on this basis.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 35), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House is hereby authorized and directed in the enrollment of the bill (H. R. 9349) making appropriations for the Department of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, to leave the word "Persia" in line 23, page 5, of the bill instead of changing such word to "Muscat" as directed by the reports of the conference committee and the action of both Houses in agreeing to such reports.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes; that the House receded from its disagreement to the amendment of the Senate No. 21 to the said bill and concurred therein, with an amendment, in which it requested the concurrence of the Senate; that the House had receded from its disagreement to the amendment of the Senate No. 39 to the bill and concurred therein, with amendments, in which it requested the concurrence of the Senate, and further that the House insisted upon its disagreement to the amendment of the Senate No. 122.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 11452) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes, and it was signed by the Vice President.

ORDER OF BUSINESS

Mr. BORAH. Mr. President, I do not want to address myself to this amendment, but I want to ask the Senator from Missouri [Mr. HAWES], who is in charge of the pending bill, if he would be willing temporarily to lay aside the pending measure for an hour to-morrow morning, so that in the meantime we may have a little time in which to consider the amendments and also to dispose of Calendar No. 809, being House bill 11499?

Mr. HAWES. What is the nature of the bill?

Mr. BORAH. It is the bill reported by the Senator from Virginia [Mr. GLASS] for restoring and maintaining the purchasing power of the dollar. The bill has the unanimous report of the committee.

Mr. MOSES. Mr. President, a unanimous-consent agreement has already been entered into with reference to the consideration of the calendar to-morrow.

Mr. BORAH. I did not catch the remark of the Senator from New Hampshire.

Mr. MOSES. We already have a unanimous-consent agreement with reference to considering the calendar to-morrow.

Mr. BORAH. What is the unanimous-consent agreement?

Mr. McNARY. I asked unanimous consent that at the conclusion of the business of the Senate to-day it adjourn until 10 o'clock to-morrow morning, at which time we should proceed with unobjected bills on the calendar under Rule VIII until 12 o'clock noon.

Mr. BORAH. Has that agreement been entered into?

Mr. McNARY. That has been entered into.

Mr. ROBINSON of Arkansas. My understanding was that the Senator proposed to begin with the number which was reached when the Senate last considered the calendar?

Mr. McNARY. That is true.

Mr. ROBINSON of Arkansas. And we have passed over the bill to which the Senator from Idaho refers. He will recall that I endeavored to secure consideration of that measure a few days ago when it was reached on the calendar. The arrangement which the Senator from Oregon has suggested and to which the Senate has consented would not contemplate a call of that portion of the calendar in which the bill mentioned by the Senator from Idaho is found.

Mr. McNARY. If I recall correctly, the consideration of the calendar under the agreement is to begin at No. 961.

Mr. BORAH. House bill 11499 was passed over. The Senator from Arkansas sought to have it disposed of, but it was objected to, and I assume it will be objected to again.

Mr. President, of course, if the unanimous-consent agreement has been entered into, I have not anything to say except that at the first opportunity I will try to get the bill to which I have referred before the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNS, Mr. TAYLOR of Colorado, and Mr. WOOD of Indiana were appointed managers on the part of the House at the conference.

JOHN A. PEARCE

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1030)

for the relief of John A. Pearce which were on page 1, line 5, to strike out all after "appropriated," down to and including "months" in line 6, and to insert "the sum of $2,000"; and on page 1, line 10, after "Maryland," to insert: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. ROBINSON of Arkansas. I move that the Senate concur in the House amendments. I make this motion on behalf of the Senator from Maryland [Mr. TYDINGS], who is necessarily absent.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

LOUIS SOLURI

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2242) granting six months' pay to Louis Soluri, which were, on page 1, line 4, to strike out "and directed"; and on page 1, line 8, after "death," to insert: ": *Provided*, That said Louis Soluri can show to the satisfaction of the Secretary of the Navy that he was totally dependent upon his son at the time of his son's death."

Mr. BINGHAM. I move that the Senate concur in the House amendments.

The motion was agreed to.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. McNARY. Does the Senator from Missouri desire further to discuss the bill this evening?

Mr. HAWES. I wanted to make a request of the Senator from Michigan.

The whole matter he has been discussing to-day was gone over in the committee. The able Senator presented a substitute and naturally the committee relied upon the fact that he would offer his substitute on the floor and the Senate would vote upon it. It is impossible to follow the amendments the Senator is now offering which we have not read and which must all be either adopted or all be defeated. I hope the Senator will have them printed.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HAWES. I yield.

Mr. VANDENBERG. I ask that the amendments to be offered by me to the bill and which I send to the desk may be printed and lie on the table.

The VICE PRESIDENT. Without objection, the amendments will be received, printed, and lie on the table.

DISMISSAL AND APPOINTMENT OF MARRIED PERSONS

Mr. BINGHAM. Mr. President, yesterday I offered a concurrent resolution in an effort to correct what I regard as one of the most serious defects in the so-called economy bill, which we were obliged to pass yesterday under pressure because of the necessity of its enactment before the end of the fiscal year. The concurrent resolution would have directed the Clerk of the House to make a change in the bill. Since it is too late and since there was objection to the concurrent resolution, I ask unanimous consent to introduce a joint resolution and request that it may lie on the table.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution (S. J. Res. 189) repealing section 213 of the legislative appropriation act for the fiscal year ending June 30, 1933, relating to the dismissal and appointment of married persons was read twice by its title and ordered to lie on the table.

PREVENTION OF POOLS AND SHORT SELLING

Mr. COUZENS. Mr. President, out of order I ask unanimous consent to introduce a bill providing ways and means for preventing the establishment of pools and short selling on stock exchanges, and ask that it may be referred to the Committee on Finance.

There being no objection, the bill (S. 4939) to amend section 148 of the revenue act of 1932, as amended, was read twice by its title and referred to the Committee on Finance.

BILL TO BE INTRODUCED

Mr. NORBECK. Mr. President, I ask unanimous consent for permission to introduce a bill which I have not with me but which I will send to the clerk in a short time.

The VICE PRESIDENT. Without objection, it is so ordered.

MEETING OF FOREIGN RELATIONS COMMITTEE

Mr. BORAH. Mr. President, I gave notice to-day of a meeting of the Committee on Foreign Relations at 10.30 o'clock to-morrow morning. In view of the unanimous-consent agreement, that notice will be recalled.

SECOND DEFICIENCY APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JONES, Mr. SMOOT, Mr. HALE, Mr. KENDRICK, and Mr. HAYDEN conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States, submitting a nomination in the Diplomatic and Foreign Service, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

Mr. REED. Mr. President, from the Committee on Military Affairs, I report back favorably certain routine nominations, all the ordinary promotions, and ask unanimous consent that they may be considered at once.

The VICE PRESIDENT. Let them be read.

The legislative clerk read the nominations of sundry officers in the Regular Army of the United States.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and without objection, the nominations are confirmed.

Mr. REED. Mr. President, in order that these may take effect before July 1, I ask unanimous consent that the President may be notified.

Mr. ROBINSON of Arkansas. I have no objection to that request.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. REED. Mr. President, the Senator from Connecticut [Mr. BINGHAM] has very kindly called my attention to the fact that certain routine nominations in the Army were

made yesterday and that the action we have just taken might invert the relative rank of those officers and these. In order to avoid any question of that kind, I ask that the Army nominations confirmed yesterday may be notified to the President without further delay.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

HARLAN BESSON

Mr. KEAN. Mr. President, yesterday the Senate confirmed the nomination of Mr. Harlan Besson as United States attorney for the district of New Jersey. I ask unanimous consent that the President may be notified.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

TREATIES

The VICE PRESIDENT. The Calendar is in order.

The legislative clerk proceeded to read Executive A (71st Cong., 3d sess.), protocols concerning adherence of the United States to the Court of International Justice, transmitted by the President of the United States on December 10, 1930.

Mr. BORAH. I do not suppose we can dispose of those protocols this afternoon, and I ask that they go over.

The VICE PRESIDENT. The protocols will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of B. B. Montgomery to be United States marshal, northern district of Mississippi.

Mr. SHORTRIDGE. Let that go over, Mr. President.

Mr. NORRIS. Mr. President, I am informed that the Senator from Mississippi is not present. The Senator from California says it is agreeable to the Senator from Mississippi to let that nomination go over, and I have no objection.

The VICE PRESIDENT. The nomination will be passed over.

UNITED STATES TARIFF COMMISSION

The legislative clerk read the nomination of Edgar Bernard Brossard to be a member of the United States Tariff Commission for the term expiring June 16, 1938.

Mr. McNARY. Mr. President, in the absence of the Senator from Colorado [Mr. COSTIGAN] I ask that that nomination go over.

Mr. SMOOT. Mr. President, this nomination has been carried over now since June 8. I ask that it be considered at this time. The Senator from Colorado has asked me at least eight or ten times to let it go over, and I have done so.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Colorado is ill now, and he desires to make a statement about this nomination.

Mr. SMOOT. He told me he wanted to make a statement of about 15 minutes.

Mr. ROBINSON of Arkansas. Yes; but manifestly he can not discuss the matter when he is confined to his home on account of illness.

Mr. SMOOT. He was in the Chamber to-day, Mr. President.

Mr. ROBINSON of Arkansas. He was here for only a few minutes.

Mr. NORRIS. I understand that the Senator from Colorado is not able to speak above a whisper.

The VICE PRESIDENT. The Chair will announce that the Senator from Colorado advised the Chair that he had to leave on account of illness.

Mr. SMOOT. Mr. President, I will let the nomination go over to-day, but I do not want to have it carried over to the next session.

Mr. ROBINSON of Arkansas. I know that the Senator from Colorado has no disposition to prevent consideration of the nomination, and that he desired to discuss the nomination, and is unable to do so to-day on account of serious illness.

Mr. SMOOT. He told me that he wanted to speak about 15 minutes.

Mr. ROBINSON of Arkansas. Yes. That is greatly to the convenience of the Senate, if he indicates that he desires to make only a brief address; and he ought not to be penalized for being willing to limit his remarks.

Mr. SMOOT. No.

Mr. ROBINSON of Arkansas. I am not in position to consent that this nomination shall be taken up at any particular time, but I will say to the Senator from Utah that there is no disposition on this side of the Chamber to deny the opportunity to consider the nomination during this session.

Mr. SMOOT. That is all I want.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

POSTMASTERS

The legislative clerk read the nomination of Charles J. Moos to be postmaster at St. Paul, Minn.

The VICE PRESIDENT. That went over yesterday.

Mr. BLAINE. I ask that that nomination go over.

The VICE PRESIDENT. The nomination will be passed over.

The legislative clerk read the nomination of Doyle M. England to be postmaster at New Tazewell, Tenn.

Mr. ROBINSON of Arkansas. Let that go over.

The VICE PRESIDENT. The nomination will be passed over.

The legislative clerk read the nomination of Walter C. Price to be postmaster at Huntington, W. Va.

Mr. ROBINSON of Arkansas. Let that go over.

The VICE PRESIDENT. The nomination will be passed over.

CUSTOMS SERVICE

The legislative clerk read the nomination of Fred A. Bradley to be collector of customs, customs collection district No. 9, with headquarters at Buffalo, N. Y.

Mr. COPELAND. Let that go over.

The VICE PRESIDENT. The nomination will be passed over.

LEGISLATIVE SESSION

Mr. McNARY. I move that the Senate resume consideration of legislative business.

The motion was agreed to.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, ETC.

The VICE PRESIDENT. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The legislative clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 29, 1932.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 21 to the bill (H. R. 9349) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

"Effective July 1, 1932, the International Water Commission, United States and Mexico, American section, is hereby abolished, and the powers, duties, and functions of such section of such commission shall be exercised by the International Boundary Commission, United States and Mexico, American section. All records, files, and property of any nature whatsoever (including office equipment) of the American section of the International Water Commission, United States and Mexico, are transferred to the American section, International Boundary Commission, United States and Mexico. All appropriations and unexpended balances of appropriations made to either of such sections of such commissions in this or prior appropriation acts shall be available for expenditure by the American section, International Boundary Commission, United States and Mexico, in the same manner as though such latter commission had been named in the laws providing for such appropriations, and the appropriations herein made available for the fiscal year 1933 shall be merged and constitute one fund: *Provided*, That the amount reappropriated under the preceding paragraph shall not exceed $70,000. The commissioner of the American section, International Boundary Commission, United States and Mexico, is authorized to appoint to positions in such section such employees of the American section, International Water Commission, United States and Mexico, or other persons as he may deem necessary in carrying out the provisions of this paragraph, and such commissioner is further authorized to designate and redesignate, as he may determine to be necessary,

the duties and headquarters' station of all employees under his supervision."

That the House recede from its disagreement to the amendment of the Senate numbered 39, and concur therein with amendments as follows:

In line 3 of the matter inserted by said amendment, strike out "The unexpended balance of $3,173.75" and insert:

"Not to exceed $2,500 of the unexpended balance."

And in line 11 of the matter inserted by said amendment, after "1926," insert ", as amended,"

That the House insist upon its disagreement to the amendment of the Senate numbered 132.

Mr. JONES. I move that the Senate concur in the action of the House as to amendments numbered 21 and 39.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

The motion was agreed to.

Mr. JONES. I move that the Senate insist upon its amendment numbered 132 and ask for a further conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

The motion was agreed to.

The VICE PRESIDENT. The Chair appoints the same conferees as at the previous conference.

PHILIPPINE INDEPENDENCE

Mr. ROBINSON of Arkansas. I ask that the Philippine independence bill be reprinted so as to show the amendments that have been agreed to.

The VICE PRESIDENT. Without objection, that order will be made.

ADJOURNMENT

Mr. McNARY. I move that the Senate carry out its order previously entered and adjourn until 10 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate, under the order previously entered, adjourned until to-morrow, Thursday, June 30, 1932, at 10 o'clock a. m.

NOMINATION

Executive nomination received by the Senate June 29 (legislative day of June 28), 1932

SECRETARY IN THE DIPLOMATIC SERVICE

Paul W. Meyer, of Colorado, now a Foreign Service officer of class 7 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 29 (legislative day of June 28), 1932

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO COAST ARTILLERY CORPS

First Lieut. Willard Lamborn Wright.

PROMOTIONS IN THE REGULAR ARMY

Edward Raymond Coppeck, to be colonel, Field Artillery.
Harry Bowers Crea, to be lieutenant colonel, Infantry.
John Matthew Devine, to be major, Field Artillery.
Handy Vernon Brown, to be captain, Infantry.
John Albert Dabney, to be first lieutenant, Infantry.

MEDICAL CORPS

To be colonels

Albert Gallatin Love.
Harold Wellington Jones.
Mathew Aaron Reasoner.
Lucius Locke Hopwood.
Charles Ernest Freeman.

To be captains

Robert Edwin Peyton.
Robert Edward Lee.
John Horace Fountain.
Clement Franklin St. John.
Harold Hanson Twitchell

VETERINARY CORPS

To be majors

Raymond Thomas Seymour.
Oscar Charles Schwalm.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 29, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou Ever-Blessed Father in Heaven, bestow Thy gracious influence upon us to-day and make us more susceptible to it. O flash it upon our best selves until there shall be no room left for selfish or false imaginations. May we be prompted by noble generosities, by disinterested benevolence, by love for man, and the deepest reverence for our God. Take unto Thyself our whole lives and bless them with rare visions, with sublime moments, and with those experiences which are not discerned by the mortal senses; herein is the might that conquers the things of time. Spare us from blighted loves that can not be revived, from losses that can not be retrieved, from injuries that can not be repaired, and from wounds that can not be healed. O Thou Christ, our Savior, Thou who art man's best friend and love's best love, hear our humble prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 24, 1932:

H. R. 8173. An act to provide for the renewal of 5-year level premium term Government insurance policies for an additional 5-year period without medical examination.

On June 28, 1932:

H. R. 4594. An act to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes; and

H. R. 10683. An act to provide for the conveyance by the United States of a certain tract of land to the Borough of Stonington, in the county of New London, in the State of Connecticut.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 443. Joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," and agrees to the amendment of the House to the amendment of the Senate numbered 46 to said bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10884) entitled "An act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 9699) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes," requests a conference with the House

thereon, and appoints Mr. ODDIE, Mr. SMOOT, Mr. MOSES, Mr. BROUSSARD, and Mr. TRAMMELL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 186. Joint resolution to provide transportation and travel subsistence to World War veterans temporarily quartered in the District of Columbia.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11452) entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes," and agrees to the amendments of the House to the amendments of the Senate Nos. 10, 14, 15, 16, 17, 19, 24, 36, 37, and 38 to said bill.

The message also announced that the Vice President had appointed Mr. FRAZIER and Mr. ASHURST members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Interior Department.

SENATE BILLS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 931. An act to amend a part of section 1 of the act of May 27, 1908, chapter 200, as amended (U. S. C., title 28, sec. 592); to the Committee on the Judiciary.

S. 1308. An act to amend the Code of Law for the District of Columbia, approved March 3, 1901, as amended, by adding a new chapter relating to guardians for incompetent veterans, and for other purposes; to the Committee on the District of Columbia.

S. 1492. An act to add certain lands to the Columbia National Forest in the State of Washington; to the Committee on the Public Lands.

S. 2620. An act for the relief of Thomas W. H. Ball; to the Committee on Military Affairs.

S. 2859. An act validating application for entry upon public lands; to the Committee on the Public Lands.

S. 3375. An act for the relief of Wiener Bank Verein; to the Committee on Claims.

S. 3531. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof; to the Committee on the Judiciary.

S. 4034. An act to provide that transferors for collection of negotiable instruments shall be preferred creditors of national banks in certain cases; to the Committee on Banking and Currency.

S. 4095. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," by extending its provisions to provide for the punishment of stealing from passenger or Pullman cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the stolen articles; to the Committee on the Judiciary.

S. 4509. An act to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain"; to the Committee on the Public Lands.

S. 4522. An act to authorize the conveyance to the State of Tennessee of certain land deeded to the United States for the Great Smoky Mountains National Park and not needed therefor; to the Committee on the Public Lands.

S. 4616. An act imposing upon consignors of liquid fuels the duty of making monthly reports in certain cases to the Bureau of Mines of the Department of Commerce, and imposing penalties; to the Committee on Interstate and Foreign Commerce.

S. 4661. An act to repeal an act entitled "An act to legalize the incorporation of national trade-unions," approved June 29, 1836; to the Committee on Labor.

S. 4673. An act to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown, and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874; to the Committee on the District of Columbia.

S. 4710. An act to amend the act approved February 25, 1920, as amended, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain"; to the Committee on the Public Lands.

S. 4712. An act authorizing the sale of certain lands no longer required for public purposes in the District of Columbia; to the Committee on Public Buildings and Grounds.

S. 4756. An act to authorize the Veterans' administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians; to the Committee on Indian Affairs.

S. 4806. An act for the relief of Earl A. Ross; to the Committee on the Public Lands.

S. 4807. An act for the relief of Frank P. Ross; to the Committee on the Public Lands.

S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.; to the Committee on World War Veterans' Legislation.

S. 4835. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes; to the Committee on Interstate and Foreign Commerce.

S. 4851. An act to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 32), and for other purposes; to the Committee on Banking and Currency.

S. J. Res. 157. Joint resolution to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes; to the Committee on Foreign affairs.

S. J. Res. 178. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica; to the Committee on Military Affairs.

S. J. Res. 186. Joint resolution to provide transportation and travel subsistence to World War veterans temporarily quartered in the District of Columbia; to the Committee on Ways and Means.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNS, ARNOLD, LUDLOW, WOOD of Indiana, and THATCHER.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year

ending June 30, 1933, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 60, 107, and 109.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 18, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 53, 55, 56, 57, 58, 61, 62, 63, 64, 65, 68, 69, 70, 71, 72, 73, 74, 75, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 95, 96, 97, 98, 99, 100, 101, 102, 103, 106, 112, 113, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, and 125, and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$159,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$154,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$159,500"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$450,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,312,370"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "all unexpended balances of appropriations for the Federal Farm Board, not exceeding $800,000, are hereby made available for the purposes enumerated in this paragraph"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,436,500"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,170,500"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,466,500"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$400,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$683,560"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$75,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,148,560"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$100,000"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$920,000"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$875,000"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$350,000"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$320,000"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$125,000"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"None of the money herein appropriated or authorized shall be used to make loans to any corporation with which the Postmaster General has made a contract for the carrying of mail under the provisions of the merchant marine act of 1928, which contract has not been approved by the Comptroller General."

And the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$360,000"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered

126, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$982,446,041"; and the Senate agree to the same.

The committee of conference have not agreed on amendment numbered 114.

CLIFTON A. WOODRUM,
WILLIAM C. WRIGHT,
EDWARD H. WASON,
Managers on the part of the House.

REED SMOOT,
W. L. JONES,
FREDERICK HALE,
E. S. BROUSSARD,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

AMENDMENTS ADJUSTING TOTALS, ALLOTMENTS, DISTRICT OF COLUMBIA SALARY LIMITATIONS, AND CORRECTING SECTION NUMBERS

Recommendations in the accompanying report as to the following amendments are in adjustment of totals, allotments, District of Columbia salary limitations, to conform to the recommendations with respect to the amendments involving appropriations, and in correction of section numbers, 6, 12, 14, 16, 17, 23, 25, 26, 29, 31, 33, 43, 45, 47, 49, 52, 54, 58, 65, 67, 69, 71, 73, 76, 78, 80, 84, 93, 94, 97, 98, 100, 103, 105, 111, 115, 116, 119, 125, and 126.

Recommendations as to other amendments are as follows:

EXECUTIVE OFFICE

On No. 1: Reduces by $6,180, as proposed by the Senate, the appropriation for salaries under the office of the President.

On No. 2: Appropriates $35,000, as proposed by the Senate, instead of $43,500, as proposed by the House, for contingent expenses of the office of the President.

On No. 3: Appropriates $2,000, as proposed by the Senate, instead of $2,700, as proposed by the House, for printing and binding under the office of the President.

On No. 4: Appropriates $20,000, as proposed by the Senate, instead of $25,000, as proposed by the House, for traveling expenses of the President.

On No. 5: Appropriates $125,000, as proposed by the Senate, instead of $142,000, as proposed by the House, for care and maintenance of the Executive Mansion and grounds.

AMERICAN BATTLE MONUMENTS COMMISSION

On Nos. 7 and 8: Authorizes reimbursement to employees while traveling of $7 per day for actual expenses for subsistence or per diem in lieu thereof not exceeding $6 per day, as provided by the Senate, instead of $8 per day and $7 per day, respectively, as provided by the House.

On No. 9: Appropriates $275,000, as proposed by the Senate, instead of $400,000, as proposed by the House, for the work of the American Battle Monuments Commission.

ARLINGTON MEMORIAL BRIDGE

On No. 10: Restores the House language stricken out by the Senate, limiting the amount of the appropriation for the Arlington Memorial Bridge which may be expended on the improvement of Constitution Avenue east of Virginia Avenue to 40 per cent of the cost of reconstructing and paving of that portion of Constitution Avenue upon which Government-owned property abuts.

BOARD OF TAX APPEALS

On No. 11: Appropriates $530,000, as proposed by the Senate, instead of $590,000, as proposed by the House, for the general expenses of the Board of Tax Appeals.

On No. 13: Appropriates $30,000, as proposed by the Senate, instead of $35,000, as proposed by the House, for printing and binding.

BUREAU OF EFFICIENCY

On No. 15: Appropriates $159,000 instead of $199,440, as proposed by the House, and instead of $150,000, as proposed by the Senate, for the general expenses of the Bureau of Efficiency.

CIVIL SERVICE COMMISSION

On No. 18: Appropriates $716,000, as proposed by the Senate, instead of $772,080, as proposed by the House, for salaries in the District of Columbia.

On No. 19: Appropriates $450,000, instead of $483,270, as proposed by the House, and $200,000, as proposed by the Senate, for salaries of the field force.

On No. 20: Appropriates $41,000, as proposed by the Senate, instead of $76,000, as proposed by the House, for traveling expenses.

On No. 21: Appropriates $25,000, as proposed by the Senate, instead of $35,000, as proposed by the House, for contingent and miscellaneous expenses.

On No. 22: Appropriates $40,000, as proposed by the Senate, instead of $54,000, as proposed by the House, for printing and binding.

COMMISSION OF FINE ARTS

On No. 24: Appropriates $7,500, as proposed by the Senate, instead of $9,475, as proposed by the House, for the general expenses of the commission.

EMPLOYEES' COMPENSATION COMMISSION

On No. 27: Appropriates $425,000, as proposed by the Senate, instead of $466,026, as proposed by the House, for general expenses.

On No. 28: Appropriates $5,000, as proposed by the Senate, instead of $8,000, as proposed by the House, for printing and binding.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

On No. 30: Appropriates $85,000, as proposed by the Senate, instead of $93,805, as proposed by the House, for salaries and expenses in connection with vocational education.

On No. 32: Appropriates $65,000, as proposed by the Senate, instead of $77,860, as proposed by the House, for vocational rehabilitation studies.

On No. 34: Appropriates $12,000, as proposed by the Senate, instead of $14,740, as proposed by the House, for cooperative vocational rehabilitation of disabled residents of the District of Columbia.

On No. 35: Appropriates $75,000, as proposed by the Senate, instead of $105,000, as proposed by the House, for vocational education in Puerto Rico.

On No. 36: Strikes out the House provision for payment of expenses of attendance at meetings of educational associations and other organizations.

FEDERAL FARM BOARD

On No. 37: Strikes out the House language which authorizes the purchase of newspaper clippings.

On No. 38: Strikes out the direct appropriation, made by the House, of $1,000,000 for expenses of the Farm Board, and provides in lieu thereof a reappropriation of not to exceed $800,000 of unexpended balances.

On No. 39: Fixes a salary limit of $10,000, as proposed by the Senate, instead of $12,000, as proposed by the House.

FEDERAL OIL CONSERVATION BOARD

On No. 40: Appropriates $10,000, as proposed by the Senate, instead of $12,500, as proposed by the House, for the expenses of the board.

FEDERAL POWER COMMISSION

On No. 41: Strikes out the House authorization of $1,500 for press-clipping service, and places a limit of $1,000, as proposed by the Senate, on expenditures for law books.

On No. 42: Appropriates $250,000, as proposed by the Senate, instead of $283,770, as proposed by the House, for general expenses.

On No. 44: Appropriates $4,000, as proposed by the Senate, instead of $5,500, as proposed by the House, for printing and binding.

FEDERAL RADIO COMMISSION

On No. 46: Appropriates $366,000, as proposed by the Senate, instead of $399,360, as proposed by the House, for salaries and general expenses.

On No. 48: Appropriates $16,000, as proposed by the Senate, instead of $32,000, as proposed by the House, for printing and binding.

FEDERAL TRADE COMMISSION

On No. 50: Strikes out the House authorization of $200 for newspaper clippings.

On No. 51: Appropriates $1,436,500, instead of $1,236,500, as proposed by the House, and $1,536,000, as proposed by the Senate, for salaries and general expenses.

On No. 53: Retains the Senate language making $60,000 of the amount appropriated immediately available for the payment of salaries and expenses in the fiscal year 1932.

GENERAL ACCOUNTING OFFICE

On No. 55: Provides one motor-propelled passenger-carrying vehicle for the use of the Comptroller General, as proposed by the Senate.

On No. 56: Appropriates $125,000, as proposed by the Senate, instead of $145,200, as proposed by the House, for contingent expenses.

On No. 57: Appropriates $75,000, as proposed by the Senate, instead of $83,000, as proposed by the House, for printing and binding.

GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

On No. 59: Appropriates $400,000, instead of $500,000, as proposed by the House, and $250,000, as proposed by the Senate.

GEORGE WASHINGTON BICENTENNIAL COMMISSION

On No. 60: Strikes out the words "To complete," as proposed by the Senate, and restores the word "For," as proposed by the House, in connection with the appropriation for carrying out the provisions of the act authorizing an appropriation for the participation of the United States in the celebration of the bicentennial of the birth of George Washington.

On Nos. 61 and 62: Appropriates $200,000 and all remaining unexpended balances, as proposed by the Senate, instead of $300,000, as proposed by the House, for the expenses of the commission.

On No. 63: Retains the Senate language exempting the appropriation from the limits of cost previously fixed for the activities of the commission.

INTERSTATE COMMERCE COMMISSION

On No. 64: Appropriates $2,600,000, as proposed by the Senate, instead of $2,875,354, as proposed by the House, for the appropriation for general purposes.

On No. 66: Appropriates $683,560, instead of $383,560, as proposed by the House, and $883,560, as proposed by the Senate, for regulating commerce.

On No. 68: Appropriates $500,000, as proposed by the Senate, instead of $511,732, as proposed by the House, for safety of employees.

On No. 70: Appropriates $40,000, as proposed by the Senate, instead of $47,174, as proposed by the House, for signal safety systems.

On No. 72: Appropriates $400,000, as proposed by the Senate, instead of $485,359, as proposed by the House, for locomotive inspection.

On No. 74: Under the appropriation for valuation of property of carriers, provides that the appropriation shall be to "complete carrying" out the work, as proposed by the Senate, instead of to "carry" out the work, as proposed by the House.

On No. 75: Makes $2,500, as proposed by the Senate, available for expenses of attending meetings instead of $5,000, as proposed by the House.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

On No. 77: Appropriates $900,000 instead of $958,310, as proposed by the House, and $850,000, as proposed by the Senate, for salaries and general expenses.

On No. 79: Appropriates $20,000, as provided by the Senate, instead of $24,000, as proposed by the House, for printing and binding.

PUBLIC BUILDINGS AND PUBLIC PARKS OF THE NATIONAL CAPITAL

On No. 81: Appropriates $2,500,000, as provided by the Senate, instead of $2,831,065, as provided by the House, for salaries.

On No. 82: Corrects an error by inserting the fiscal year 1933, as proposed by the Senate, in lieu of the fiscal year 1932, as erroneously proposed by the House.

On No. 83: Appropriates $3,000, as proposed by the Senate, instead of $4,500, as proposed by the House, for printing and binding.

PUBLIC BUILDINGS COMMISSION

On No. 85: Appropriates $100,000, as proposed by the Senate, instead of $125,000, as proposed by the House, for the expenses of the commission.

SMITHSONIAN INSTITUTION

On No. 86: Appropriates $52,810, as proposed by the Senate, instead of $47,529, as proposed by the House, for international exchanges.

On No. 87: Appropriates $66,640, as proposed by the Senate, instead of $72,640, as proposed by the House, for American ethnology.

On No. 88: Appropriates $32,094, as proposed by the Senate, instead of $35,660, as proposed by the House, for the Astrophysical Observatory.

On No. 89: Appropriates $148,370, as proposed by the Senate, instead of $188,370, as proposed by the House, for cases, furniture, fixtures, etc.

On No. 90: Appropriates $617,760, as proposed by the Senate, instead of $637,760, as proposed by the House, for preservation of exhibits.

On No. 91: Appropriates $38,220, as proposed by the Senate, instead of $45,220, as proposed by the House, for the National Gallery of Art.

On No. 92: Appropriates $62,422, as proposed by the Senate, instead of $100,000, as proposed by the House, for printing and binding.

SUPREME COURT BUILDING COMMISSION

On No. 95: Appropriates $1,000,000, as provided by the Senate, instead of $1,500,000, as proposed by the House, for continuing construction of the Supreme Court Building.

TARIFF COMMISSION

On No. 96: Appropriates $1,000,000, as proposed by the Senate, instead of $1,122,000, as proposed by the House, for salaries and expenses.

On No. 99: Appropriates $20,000, as proposed by the Senate, instead of $28,500, as proposed by the House, for printing and binding.

UNITED STATES GEOGRAPHIC BOARD

On No. 101: Appropriates $8,178, as proposed by the Senate, instead of $9,178, as proposed by the House, for salaries and expenses.

On No. 102: Appropriates $1,500, as proposed by the Senate, instead of $2,500, as proposed by the House, for printing and binding.

UNITED STATES SHIPPING BOARD

On No. 104: Appropriates $350,000, instead of $409,270, as proposed by the House, and $250,000, as proposed by the Senate, for salaries and expenses of the Shipping Board.

On No. 106: Appropriates $10,000, as proposed by the Senate, instead of $14,000, as proposed by the House, for printing and binding.

On No. 107: Strikes out the language proposed by the Senate abolishing the sea service bureau.

On Nos. 108 and 109: Provides an allotment of $125,000 for compensation of attorneys, including their clerical and legal assistants, in lieu of the House provision of an allotment of $150,000 for compensation of attorneys, including their clerical and legal assistants, and in lieu of the Senate provision of an allotment of $75,000 for compensation of attorneys, exclusive of their clerical and legal assistants.

On No. 110: Eliminates the House provision, stricken out by the Senate amendment, increasing the contractual authority of the Shipping Board to make loans from the con-

struction loan fund from $185,000,000 to $250,000,000, but retains the House provision, stricken out by the Senate amendment, that "none of the money herein appropriated or authorized shall be used to make loans to any corporation with which the Postmaster General has made a contract for the carrying of mail under the provisions of the merchant marine act of 1928, which contract has not been approved by the Comptroller General."

VETERANS' ADMINISTRATION

On No. 112: Appropriates $115,000,000, as proposed by the Senate, instead of $115,528,795, as proposed by the House, for administration, medical, hospital, and domiciliary services.

On No. 113: Appropriates $150,000, as proposed by the Senate, instead of $160,000, as proposed by the House, for printing and binding.

GENERAL PROVISIONS

On No. 117: Eliminates the House provision forbidding salary increases.

On No. 118: Eliminates the House provision forbidding the filling of vacancies.

On No. 120: Provides that the limit of cost of $750 for the purchase of a passenger-carrying automobile shall be for such vehicle "completely equipped for operation," as proposed by the Senate, instead of "delivered and completely equipped for operation," as proposed by the House.

On No. 121: Provides, as proposed by the Senate, that the limit of cost of $750 for the purchase of a passenger-carrying automobile shall not apply where, "in the judgment of the heads of the sundry executive boards, commissions, and offices, provided for herein, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year."

On No. 122: Exempts the Administrator of Veteran's Affairs from the limitations imposed on the purchase of passenger-carrying automobiles.

On Nos. 123 and 124: Strikes out the concluding sentence of section 3 of the bill and reinserts it, without change in language, as a separate section, No. 4, for the purpose of improving the form.

IN DISAGREEMENT

The committee of conference have not agreed with respect to the following amendment:

On No. 114: Authorizing the Administrator of Veterans' Affairs to utilize the printing and binding equipment used at the various hospitals and homes for occupational therapy purposes for doing such printing and binding for the use of the Veterans' Administration as may, in his judgment, be found advisable.

CLIFTON A. WOODRUM,
WILLIAM C. WRIGHT,
EDWARD H. WASON,
Managers on the part of the House.

Mr. WOODRUM. Mr. Speaker, I desire to make a short statement with reference to the conference report, and then answer any questions, if I can, that Members of the House desire to ask.

First, I will say for the information of the House this bill, providing as it does for some thirty-odd independent establishments of the Government, including the Veterans' Administration, carried in its 1932 appropriation, including all deficiencies, $1,306,196,777. The bill as it comes to the House to-day is $323,750,736 less than the appropriations for the same activities in 1932. [Applause.]

It should be of interest to our constituents that in one appropriation bill nearly one-third of a billion dollars is reduced from the expenses of the same activities in the present fiscal year. Of course, complete honesty and frankness compel me to state that of this $323,750,736, $200,000,000 represents the fund that was appropriated in 1932 for the purpose of allowing the veterans to borrow 50 per cent of their adjusted-service certificates, but the fact remains that the appropriations from the Treasury for these activities for the next year will be approximately one-third of a billion dollars less than they were last year.

The bill as it comes to us to-day is $58,949,000 less than the Budget estimates for the fiscal year. The bill to-day is $3,485,390 less than it was when it left the House. So the process of trimming has touched these activities all the way down the line.

It will be found by adverting to the conference report that a great many of the amendments of the Senate, which consisted of arbitrary cuts in appropriations, have been accepted by the House. It is proper that the record should be kept clear, that it should be shown that the conferees representing the House, desiring to cooperate in all matters of economy, have accepted those amendments, but have done so with knowledge of the fact that in many instances those arbitrary cuts made by the Senate were based upon the hypothesis that the pay-reduction plan or the furlough plan, whichever might ultimately be adopted, would allow the several departments to get along on a less sum than had originally been appropriated.

So the Appropriations Committee of the Senate anticipated that action and took the amount out of the appropriation. Now comes the economy bill which puts into effect the furlough plan and impounds the money. So, we might as well face the facts as they exist. The departments will be confronted with the proposition of either dismissing employees or of giving them furloughs beyond the 30-day period, in order to impound the fund that has been provided by the economy bill. Either that or come to us in December with deficiency bills; but I think that can not be said in condemnation of the action of Congress, but in commendation, that we are doing everything we can do and we are putting every incentive and every pressure upon governmental departments to require them to reduce their expenditures to the absolute minimum, consistent with reasonable and efficient public service.

I say *I* think that can be said in commendation of the action of Congress.

I would like to comment briefly on one or two items in the conference report, about which there was some interest when the bill passed the House. The first is the item affecting the Farm Board. The budgetary estimate for the Farm Board was $1,880,000 as the bill came to the Appropriations Committee in the House. The Appropriations Committee of the House reported the bill to you for $1,000,000, and it will be recalled the somewhat colorful and spirited controversy that was had on the floor of the House, and the action of the committee was ultimately sustained, and the bill went to the Senate with $1,000,000 for the Farm Board.

May I say it has never been the intention of the Committee on Appropriations, and I do not believe the intention of Congress, to get rid of the Farm Board by a process of strangulation or starvation; but the committee felt, and I believe Congress backed the committee in that thought, that the $1,000,000 for its activities would be ample to take care of them if they confined their activities to the process of looking after the $500,000,000 revolving fund and their assistance to cooperative associations. I believe it was the thought of Congress, even the most ardent partisans of the Farm Board, that their activities should be confined to the revolving-fund operation, the loan operation, and their assistance to cooperatives.

Now, the Farm Board are liberal spenders, as I said to the House when I brought the bill to you, and they have never manifested any great desire to cooperate with the Congress or the committee in an effort to curtail public expenditures. No doubt there are many activities at the present time in the Farm Board that are direct duplications of the work of the Department of Agriculture, especially their large corps of technical agricultural economists, and things of that kind.

The Senate struck out the $1,000,000 provision of the House and reported the bill to the Senate providing that they should have all of their unexpended balances, limited to $600,000. In conference we raised it to $800,000, believing that that was a sufficient fund to enable the Farm Board to care for this revolving fund and to render assistance to cooperative associations, if they are of a mind to do that.

In the last 24 hours doubtless there has come to many Members of Congress hundreds of telegrams on behalf of this appropriation for the Farm Board, to the effect that if this appropriation is cut it would be necessary for them to discontinue all activity and cooperation with cooperative associations. Of course, Members of Congress who have had experience know this is an old departmental custom. Whenever you undertake to make a curtailment of any of their activities they immediately say they are going to discontinue that particular part of their activity they know the Congress is particularly interested in having them not discontinue. But I can say to you, I think with absolute confidence, that with the $800,000 which is provided the Farm Board will be enabled to take care of their revolving fund, their loans, and be able to render assistance to cooperative associations, if they want to do so. I say this because I know there are many Members of Congress who are going to have inquiries from their constituents on this matter.

The Interstate Commerce Commission was another item the House expressed interest in. The item comes back to the House $79,619 less than what it was when it left the House. I will not take the time to go into any explanation of that unless it is particularly desired.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. LAGUARDIA. What activities of the Interstate Commerce Commission will this curtail? Is this on the valuation of railroads?

Mr. WOODRUM. The result is reached in this fashion, I will say to the gentleman from New York. The gentleman will recall that in the House we took a million dollars from the Bureau of Accounts on the theory that ultimately the recapture provisions of the Interstate Commerce Commission act would be repealed and that certainly there could be no harm done to discontinue further work on the recapture clause of the act until it was definitely determined. We also took something like $300,000 from the Bureau of Valuation.

When the bill was reported to the Senate, the Senate committee added $500,000 of the $1,000,000 that we had taken from the Bureau of Accounts, but struck $2,000,000 from the Bureau of Valuation. When the bill came to consideration on the floor of the Senate, they reinserted the $2,000,000 and left the $500,000 standing as an addition to the Bureau of Accounts, which was half of what the House had taken from them.

Mr. LAGUARDIA. Will that stop the work of valuation?

Mr. WOODRUM. No; not at all. The work on valuation has not been disturbed.

Mr. STAFFORD. Will the gentleman from Virginia yield right there?

Mr. WOODRUM. I yield.

Mr. STAFFORD. The House receded from its disagreement to Senate amendment No. 74, which provides appropriations to complete the carrying out of valuation work, whereas as the bill left the House it merely provided that the work should be continued.

Mr. WOODRUM. The gentleman is correct. The Senate conferees, I will say to the gentleman, insisted that the provision go in the bill, and the House conferees felt it was a wholesome provision.

Mr. STAFFORD. The purpose of the amendment was to have the valuation completed with this appropriation.

Mr. WOODRUM. But the gentleman must remember there is no such thing as completing the valuation work under the Interstate Commerce Commission act.

Mr. STAFFORD. Will the gentleman yield further?

Mr. WOODRUM. Certainly.

Mr. STAFFORD. The late Congressman, James R. Mann, when the act was originally under consideration, forecasted that there could be no end to the valuation, that by the time it came to a constant position the work that was done previously was no longer of value.

Mr. WOODRUM. That is correct. It is true the valuation work of the Interstate Commerce Commission is necessary regardless of the recapture provision, because of the purpose of using it in our rate making and in protection of securities.

Mr. LAGUARDIA. Exactly; but along that line, surely, there is nothing in this appropriation bill which indicates the sense of Congress on the legislative proposition of the repeal of the recapture law.

Mr. WOODRUM. Yes; as the bill stands now, the appropriation for work under the recapture section of the act has been reduced about $700,000.

Mr. LAGUARDIA. True; but what I say is that we do not indicate the views of Congress as to what it will do on legislation, as to whether or not we are going to repeal the recapture clause.

Mr. WOODRUM. No; unless it follows by inference that if we are gradually withdrawing appropriations for it, that is what we expect to do when we have the opportunity.

Mr. LAGUARDIA. I doubt very much whether the recapture clause will ever pass.

Mr. WOODRUM. It is a matter of individual opinion. I do not agree with the gentleman on this.

Mr. LAGUARDIA. I believe the RECORD will show that this is a matter of appropriation to carry or continue work and nothing more than that.

Mr. WOODRUM. Exactly; but to my mind it is absolutely paradoxical that Congress with one hand, through the Reconstruction Finance Corporation, is lending money to the railroads, and with the other hand, through the Interstate Commerce Commission, is undertaking to take away from the railroads the dollar or two that by good management and conservative judgment they have been able to lay by for a rainy day.

It is perfectly inconsistent and indefensible, and I think the Congress whenever it comes to consider the question will decide to repeal it.

Mr. LAGUARDIA. I say it is just a question of not foreclosing judgment of the matter.

Mr. JONES. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. JONES. I wonder what merit the valuation activities can have when they cover a period of so many years?

Mr. WOODRUM. The interstate commerce act provides for two valuations, a primary valuation, which has been practically completed by the Interstate Commerce Commission, and, then, those primary valuations have to be kept current, checked, or policed, I believe they call it.

That requires a very large field force. I see the gentleman from Kansas [Mr. HOCH] is very attentive to what I am saying. I hope he will correct me if I am wrong, and I probably am wrong. As I understand, when these preliminary examinations are made, it is then necessary to go on and keep those current, so that the Government, through the Interstate Commerce Commission, can always tell just exactly what the value of a railroad is.

Mr. JONES. It has always occurred to me that this valuation work is not of much value, because already it has covered a period of 13, 14, or maybe more years, and it is going to be a continuing expense to keep these valuations up to date. Then after all that is done, I do not see that it is worth a great deal to the Government, to the country, or to the railroads. Therefore, it seems to me the sooner we abandon the practice of trying to keep these valuations going the better off we will be.

Mr. WOODRUM. The gentleman understands, of course, that the entire basis of rate making is the valuation of the railroads.

Mr. JONES. Not entirely, because we were making rates before we ever had valuations.

Mr. WOODRUM. Under the present law the valuation of railroads is used as a basis for rate making.

Mr. JONES. But these valuations are of so little use when finally completed that I do not see how they can be worth much.

Mr. MAPES. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. MAPES. The gentleman from Virginia called attention to the difference in the wording of the bill as it passed the House and as it was amended in the Senate, changing the word "carry" to "complete carrying." The gentleman said that was a wholesome amendment on the part of the Senate. Will the gentleman, for the purpose of the record, tell us what the conferees think is the difference between those two amendments, or between the House provision as it passed the House and as amended by the Senate amendment?

Mr. WOODRUM. I will be very frank and say to the gentleman that I think the Senate amendment is entirely surplusage, and I do not see that it means anything at all, except that it pacified the Senate conferees who were insisting on having it. If you are going to keep the commerce act, which requires valuations, you have got to appropriate for it. The fact that you provide for completing it does not mean anything, because it does not foreclose Congress appropriating for it if it wants to do it.

Mr. MAPES. That is the way it seemed to me, and I did not quite understand the gentleman when he said that he thought it was a wholesome amendment.

Mr. WOODRUM. It served a useful purpose at the time.

Mr. MAPES. It is wholesome in that it got the Senate conferees to agree to the conference agreement.

Mr. WOODRUM. Yes.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. EATON of Colorado. I wonder if we misunderstood the gentleman in saying that this bill comes back from the Senate with a saving of a half million dollars on this appropriation for the Interstate Commerce Commission, for I see that the figures at the end show that the bill went from here carrying $7,228,179, and it comes back with an appropriation of $7,348,560, or $120,381 more than when the bill left the House. In other words, there is not any saving of $500,000, because the Senate amendment authorizes an appropriation of $120,381 over that provided by the House.

Mr. WOODRUM. That bill as now reported to the House by the conferees is $79,619 less than when it passed the House.

Mr. EATON of Colorado. My statement is correct according to the available figures, although it may be that in the different agreements of the conference committee on items from 64 to 75 the total has been changed from $7,348,560 to some other total. If that has been done, then there may be a saving of $500,000, but that $7,348,560 represents an increase in appropriation of $120,381.

Mr. WOODRUM. If the gentleman will deduct from the amount he has just stated the sum of $200,000, which is the amount the conferees struck out of the bill, he will get the net amount of $79,619 which I have stated.

Mr. EATON of Colorado. I am looking at the bill as it was amended in the Senate. Now, the gentleman from Virginia reminds us of the deduction of $200,000, which is the deduction made by the conferees from the addition of $500,000 made by the Senate in the item entitled "Regulating commerce," commencing at line 6 on page 26 of the printed bill. In other words, the net addition to that item is now $300,000, instead of the half a million dollars which the Senate added. The conferees clipped off $200,000, and when this amount is deducted from the total in the bill before me, it will show a net decrease of $79,619 from the total. That is different from a saving of $500,000, which several of us understood the gentleman to state had been made in the Interstate Commerce Commission appropriation. Thank you for straightening out this total and giving us the actual decrease in that appropriation.

Mr. WOODRUM. I do not know what that bill is. I am speaking of the bill as it left the House and as it comes back now.

Mr. PARKER of New York. If the gentleman will permit, I would like to answer the gentleman from Texas as far as valuation is concerned. Does the gentleman realize that the Interstate Commerce Commission has to pass on every single bond issue and every single stock issue of every railroad in the United States? So it is essential that they should know the value of the railroads up to date.

Mr. JONES. I was raising the question for the purpose of securing information, but it occurred to me that the long period over which this information was being gathered makes so much of it archaic as to render it largely useless.

Mr. PARKER of New York. Does the gentleman realize that the valuation of the railroads varies probably $1,000,000,000 a year? I mean in the aggregate.

Mr. STAFFORD. Then are we to understand that the gentleman is in favor of continuing the performance of the valuation of the railroads?

Mr. PARKER of New York. Absolutely. I think it is highly essential to enable the Interstate Commerce Commission to authorize the issuance of bonds or stock.

Mr. STAFFORD. But when conditions get back to normal—as we hope they soon will—and the railroads will not be called upon to get these loans from the Reconstruction Finance Corporation, does the gentleman then believe that the valuation of railroads should continue ad infinitum?

Mr. PARKER of New York. Yes; and for this reason: That in normal times you can not charge betterments to operating expenses; you have got to charge them to capital account. They have got to go to the Interstate Commerce Commission and get permission to borrow money or to issue stock in normal times, and these are not normal times, and to-day it is highly essential that the Interstate Commerce Commission should know the value of the property.

Mr. BRIGGS. Will the gentleman yield?

Mr. PARKER of New York. I have not the floor.

Mr. BRIGGS. Is it not true that this situation has been brought about by the adoption of the transportation act?

Mr. PARKER of New York. That is perfectly true.

Mr. LAGUARDIA. Will the gentleman from Virginia yield?

Mr. WOODRUM. I yield.

Mr. LAGUARDIA. I want to point out and add to what the gentleman from New York has said that if the railroads are applying for loans for electrification or improvement of roadbed or rolling stock, they are immediately referred to the Interstate Commerce Commission, and it will involve expense to ascertain whether it is a decent, sound investment and whether it is sound policy to lend the money.

Mr. PARKER of New York. The gentleman is now speaking of the emergency. I was not speaking of the emergency, but was speaking of conditions in normal times.

Mr. LAGUARDIA. But in addition to that, we have this emergency situation now.

Mr. PARKER of New York. Certainly.

Mr. BOWMAN. Will the gentleman yield?

Mr. WOODRUM. Very briefly, because I want to conclude.

Mr. BOWMAN. Under the caption of Federal Trade Commission——

Mr. WOODRUM. I am going to comment on that right now.

Mr. Speaker, I would like to make one or two very short references to the report and then move the previous question, if I may.

Mr. WHITTINGTON. Will the gentleman yield before taking up the Federal Trade Commission provision?

Mr. WOODRUM. I yield.

Mr. WHITTINGTON. I notice the appropriation for the support of the Federal Farm Board is $800,000. What does the gentleman say as to this amount being sufficient to enable the board to properly function during this year, and what additional information has the gentleman to submit to the House that he did not have at the time this matter was under consideration in the House?

Mr. WOODRUM. I commented on that at length. Perhaps the gentleman was not here at the time. The gentleman will find that in my remarks.

Mr. WHITTINGTON. I was here when the gentleman began his statement.

Mr. WOODRUM. My opinion is that this amount is amply sufficient to take care of all matters affecting the revolving fund and their work in connection with the cooperatives.

Mr. WHITTINGTON. All the unexpended balances not to exceed $800,000 is to be used for the support of the board for the next fiscal year. What is the total amount of these unexpended balances?

Mr. WOODRUM. Something under $2,000,000.

Mr. WHITTINGTON. In other words, they are to use $800,000 out of an amount somewhat under $2,000,000 for their support.

Mr. WOODRUM. Yes.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SNELL. I notice there is an appropriation here of $400,000 for the American Battle Monuments Commission. Will this expense stop or is it a continuing expense?

Mr. WOODRUM. It is a fixed amount, I may say to the gentleman. The House committee appropriated $400,000, and that was cut by the Senate committee, but was reinstated on the statement of General Pershing that they had contracts and commitments for this amount of money.

Mr. SNELL. Does that mean it will continue to cost this amount each year?

Mr. WOODRUM. Not at all. They are building memorials and beautifying the grounds and they are nearly through with the work. I do not believe there is any more money to be appropriated for this particular purpose.

Mr. SNELL. Is this for maintenance of the cemeteries in France?

Mr. WOODRUM. Yes.

Mr. STAFFORD. Is it not more for the completion of the memorial buildings at the respective cemeteries?

Mr. SNELL. How much more money are we going to spend for that purpose?

Mr. STAFFORD. I can not recall the testimony given a year ago, but it is now forecast that this will about complete all the projects with respect to the memorial buildings at the respective cemeteries in France and in England. I believe those in England have already been completed.

Mr. WOODRUM. The $400,000 is to complete the project.

Mr. SNELL. Can the gentleman tell me how much we have put into this project already?

Mr. WOODRUM. Four and a half million dollars was the original authorization.

Mr. SNELL. It does seem to me it is a matter that should come to an end some time.

Mr. LAGUARDIA. The gentleman knows we have in the Army appropriation bill an item for the maintenance of these cemeteries.

Mr. SNELL. That is what I thought. This appropriation is in addition to that.

Mr. LAGUARDIA. Yes.

Mr. SNELL. I think this is a matter that should receive a little attention and is something that should come to an end some time.

Mr. STAFFORD. It is going to come to an end with this appropriation. This is for the completion of the memorial buildings at each of the cemeteries.

Mr. LAGUARDIA. I think there will, perhaps, be more money needed.

Mr. WOODRUM. Mr. Speaker, with respect to the Federal Trade Commission, the Senate added $300,000 to the appropriation for that commission, to enable them to complete the chain-stores and utilities investigations and in conference an amount of $200,000 was agreed upon, which the conferees believe will be amply sufficient to enable this activity to be carried on.

Mr. Speaker, the Senate deducted over $500,000 from the Veterans' Administration in the item of their administrative expenses. The House will recall that the House deducted $115,000 from this item and the Senate took off another $500,000. I have a letter here which I ask unanimous consent to insert with my remarks from the Administrator of Veterans' Affairs, which says that he expects to try to bring this activity within the appropriation without curtailing, possibly, the service to the veterans in the hospitals. I want to file this letter, because if there should be a material change in price levels we would have to meet a deficiency on this in December.

Mr. BYRNS. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BYRNS. I do not like reference to deficiencies. I know the gentleman is as far from inviting these departments to come forward with a deficiency as any Member of the House.

I am satisfied that there is going to be a greater demand for economy at the next session than we have had here. I think these departments ought to understand that we are not making these appropriations now with the idea of providing deficiencies. Of course, if they come up and make out a case and ask for additional appropriations, they will get it. But I think it ought to be stressed now to every department that they must exercise the most rigid economy before they can expect any deficiency here.

Mr. WOODRUM. I will say that the veterans' department is the only department in this appropriation bill that has got the slightest encouragement, if they have got any. Of course, in the matter of hospitals and hospital supplies, no Member of this House would want the disabled veterans to suffer.

Mr. BYRNS. I was not referring particularly to this appropriation, for, as a matter of fact, I did not know what appropriation the gentleman was talking about. I was making remarks generally with reference to every appropriation made in every appropriation bill. I want to serve notice that if they do not exercise the most rigid economy they should not come here for additional appropriations.

Mr. LAGUARDIA. The departments can not perform miracles.

Mr. BYRNS. I said if they showed actual need they would possibly get a deficiency if it appeared that every effort had been made to avoid it.

Mr. STAFFORD. Is it not about time that some of these departments showed some miracles in regard to economy?

Mr. SUMMERS of Washington. With reference to the appropriation for investigating the chain stores, has precaution been taken to require them to complete the investigation?

Mr. WOODRUM. We keep the House language in the bill.

Mr. CHRISTGAU. Will the appropriation for the Farm Board provide sufficient funds for cooperative marketing?

Mr. WOODRUM. In my judgment, it will.

Mr. STAFFORD. Will the gentleman from Virginia elaborate briefly on the concession by the House to the provision relating to the Shipping Board, increasing the construction fund from $185,000,000 to $250,000,000, amendment 110; also advert briefly to the effect of the LaGuardia amendment with reference to contracts by the Postmaster General for carrying the mail?

Mr. WOODRUM. I will yield to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. This simply provides that this money shall not be used or loaned to any corporation with which the Postmaster General has made a contract for carrying the mail under the provisions of the merchant marine act, unless it has been approved by the Comptroller General.

Mr. STAFFORD. The provision is virtually an amendment to the subvention act, which requires the supervision by the comptroller.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter from the Veterans' Administration, and also a letter from the Arlington Bridge Commission, with a brief tabulation.

The SPEAKER. Without objection, it is so ordered.

The letters and tabulation referred to are as follows:

VETERANS' ADMINISTRATION,
Washington, June 16, 1932.

Hon. CLIFTON A. WOODRUM,
House of Representatives, Washington, D. C.

MY DEAR MR. WOODRUM: Reference is made to H. R. 10022, "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes," and especially to that section of the bill having to do with appropriations for the Veterans' Administration, which have been amended by the Senate, resulting in a reduction in the appropriation "Administration, medical, hospital, and domiciliary services," from $115,528,795 to an even $115,000,000, and in the appropriation "Printing and binding" being reduced from $160,000 to $150,000.

So far as the appropriation "Administration, medical, hospital, and domiciliary services" is concerned, you are advised that the Veterans' Administration will endeavor to maintain this service within the reduced amount, and I feel, unless certain unforeseen conditions develop, the total of $115,000,000 will be adequate. In the event, however, that our services may not be maintained on the same standard as has obtained in the past, it will, of course, be necessary for me to request a supplemental appropriation at the next session of Congress. Be assured, however, every effort will be made to make such a step unnecessary.

Concerning the "printing and binding" appropriation, you are advised that already this appropriation was reduced to a minimum under the conditions as we viewed them for next year. There would be no question in my mind, however, that the $150,000 would be adequate were the Veterans' Administration permitted to utilize for the production of certain of its printed material—and you I am sure appreciate the vast volume of printed material which is necessary for our operations—the print-shop facilities established for occupational-therapy purposes in certain of our hospitals and homes throughout the country, in a manner somewhat similar to their utilization by the soldiers' homes organization prior to their consolidation into the Veterans' Administration. The matter of permission has been before the Joint Committee on Printing, but to date the Veterans' Administration has not been advised of the decision of this joint committee. It was suggested to Senator BYRNES of South Carolina that he might desire to consider amending this bill to permit the use of our occupational therapy print-shop facilities for certain printing work of the Veterans' Administration.

Very sincerely yours,

FRANK T. HINES, *Administrator.*

ARLINGTON MEMORIAL BRIDGE COMMISSION,
Washington, June 15, 1932.

The Hon. CLIFTON A. WOODRUM,
United States House of Representatives, Washington, D. C.

Subject: Appropriation, fiscal year 1933.

MY DEAR MR. WOODRUM: Confirming our conversation of yesterday, I inclose a statement of the use now contemplated for the funds available after July 1, 1932, for the Arlington Memorial Bridge project. I believe this use of the funds contained in the appropriation act as passed by the House of Representatives is in general accord with what was intended.

In view of the fact that it may be possible to delay some contract payments until the fiscal year 1934 to the extent of $54,000 and that other minor economies may be possible, it appears to me unnecessary at this time to ask for an additional appropriation to cover the share of the Federal Government in the extension of Constitution Avenue as provided for in the District of Columbia appropriation bill. This opinion is expressed with the understanding that whatever shortage there may be will be submitted in the first deficiency bill next session of Congress. By that time we will know exactly how much is needed and only what is needed will be asked for.

Respectfully yours,

U. S. GRANT, 3D,
Executive and Disbursing Officer.

Arlington Memorial Bridge

Contracts	$127,000.00
Memorial entrance	125,000.00
Design and technical services (includes administration, $6,000)	68,200.00
Protection work, grading, lights, etc	22,000.00
Memorial Avenue	65,000.00
	407,200.00
Balance on hand	63,026.08
New appropriation	340,000.00
	403,026.08
Possible postponement on sculpture contract	54,000.00
Possible savings by reduction of salaries	6,000.00
	60,000.00

JUNE 14, 1932.

Statement of the independent offices appropriation bill for the fiscal year 1933, showing the amount of the 1932 appropriations, including deficiencies, as of June 29, 1932, the Budget estimates for 1933, the amounts appropriated by the House, the amounts appropriated by the Senate, and the amounts as agreed to in conference

Office or establishment	1932 appropriations	1933 Budget estimates	Appropriated by House	Appropriated by Senate	Agreed to in conference
Executive Office	$542,380	$429,380	$429,380	$392,000	$392,000
American Battle Monuments Commission	304,250	400,000	400,000	275,000	275,000
Arlington Memorial Bridge Commission	1,000,000	1,000,000	340,000	340,000	340,000
Board of Mediation	188,185	169,865	152,135	152,135	152,135
Board of Tax Appeals	653,640	635,000	625,000	560,000	560,000
Bureau of Efficiency	200,270	199,940	199,940	150,500	150,500
Civil Service Commission	1,658,342	1,542,720	1,460,720	1,062,370	1,312,370
Commission of Fine Arts	9,775	9,775	9,775	7,800	7,800
Employees' Compensation Commission	4,730,980	4,956,926	4,924,026	4,880,000	4,880,000
Federal Board for Vocational Education	2,846,980	2,918,405	2,918,405	2,864,000	2,864,000
Federal Farm Board	101,900,000	1,880,000	1,000,000	(1)	(1)
Federal Oil Conservation Board	20,000	17,500	12,500	10,000	10,000
Federal Power Commission	260,195	289,270	289,270	254,000	254,000
Federal Radio Commission	465,380	431,360	431,360	382,000	382,000
Federal Trade Commission	1,781,756	1,266,500	1,266,500	1,566,500	1,466,500
General Accounting Office	4,297,620	4,290,820	4,290,820	4,262,620	4,262,620
George Rogers Clark Sesquicentennial Commission	800,000	500,000	500,000	250,000	400,000
George Washington Bicentennial Commission	563,195	452,230	300,000	200,000	200,000
Interstate Commerce Commission	9,412,473	8,761,410	7,225,179	7,348,560	7,148,560
Mount Rushmore National Memorial Commission		25,000	25,000	25,000	25,000
National Advisory Committee for Aeronautics	1,051,070	1,012,310	982,310	870,000	920,000
National Capital Park and Planning Commission	4,000,000				
Personnel Classification Board	218,850	195,116	145,116	145,116	145,116
Puerto Rican Hurricane Relief Commission	1,000,000				
Public Buildings and Public Parks	5,793,617	4,701,575	4,358,498	4,025,933	4,025,933
Public Buildings Commission	125,000	125,000	125,000	100,000	100,000
Smithsonian Institution	1,155,424	(2)1,199,964	1,194,254	1,074,829	1,074,829
Supreme Court Building Commission	3,750,000	2,000,000	1,500,000	1,000,000	1,000,000
Tariff Commission	1,240,000	1,150,500	1,150,500	1,020,000	1,020,000
U. S. Geographic Board	10,678	11,678	11,678	9,678	9,678
U. S. Shipping Board	37,406,000	423,270	423,270	360,000	360,000
Veterans' Administration	1,118,810,707	1,000,390,827	949,237,795	948,699,000	948,699,000
Total	1,306,196,777	1,041,395,041	955,931,431	982,187,041	982,446,041

[1] Reappropriation of $800,000 of unexpended balances.

[2] Reappropriation of $800,000 of unexpended balances.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Amendment No. 114: Page 50, line 7, insert a colon and the following: "*Provided*, That the Administrator of Veterans' Affairs is authorized to utilize the printing and binding equipment which the various hospitals and homes of the Veterans' Administration use for occupational therapy purposes for the purpose of doing such printing and binding as may, in his judgment, be found advisable for the use of the Veterans' Administration, the provisions of section 111, title 44, United States Code, to the contrary notwithstanding.

Mr. WOODRUM. Mr. Speaker, I offer the following, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. WOODRUM moves: That the House recede from its disagreement to the amendment of the Senate No. 114, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following ": *Provided*, That the Administrator of Veterans' Affairs is authorized to utilize the printing and binding equipment which the various hospitals and homes of the Veterans' Administration use for occupational therapy purposes for the purpose of doing such printing and binding as may, in his judgment, be found advisable for the use of the Veterans' Administration, notwithstanding the provisions of section 87 of the act entitled 'An act providing for the public printing and binding and the distribution of public documents,' approved January 12, 1895, and section 11 of the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1920, and for other purposes, approved March 1, 1919 (U. S. C., title 44, sec. 111)."

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. STAFFORD. Will the gentleman explain as to the operation of this proposal of the Veterans' Administration, where they have a printing establishment in connection with their occupational therapy? I did not know that printing was a necessary function in connection with occupational therapy.

Mr. STEVENSON. Mr. Speaker, I reserve a point of order on that amendment before the gentleman discusses it.

Mr. WOODRUM. I make the point of order that the gentleman's point of order comes too late, as there has been debate on the motion. The purpose of the amendment is to permit the Veterans' Administration, in places where they have homes and printing plants, to do their own printing. They say that they can save money by doing that, but under the general law they are not permitted to do it.

Mr. STAFFORD. Where is there any connection between printing and occupational therapy?

Mr. WOODRUM. That is the occupational therapy. In some of these homes they have printing plants, with which they train the men in the art and science of printing. They have their own printing establishments. This is to give the Veterans' Bureau or the home the authority to print the paper and stationery for the institution instead of going to the Public Printer and buying it.

Mr. STAFFORD. And also the binding as well?

Mr. WOODRUM. Yes.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. STEVENSON. Mr. Speaker, I still want to know what this establishment of printing plants all over the country means? I did not get the full purport of the amendment. If it is to establish printing plants in every little Government establishment for the veterans all over this country, I might say that we have had to abolish some 250 of such things since the war, and they are a constant source of expense. Does this mean the establishment of some more of them?

Mr. WOODRUM. The purpose of this amendment is to permit the Veterans' Administration to utilize the plants that they have already got in soldiers' homes and hospitals to print such stationery as the plant is equipped to print. They say that they can effect a saving. This does not mean the erection of any additional plant.

Mr. STEVENSON. In reply to what the gentleman says, I just wanted to see that they were not establishing new printing plants. We had about 500 of them when the war closed and we have had to cut them down to about 240 at the present time. I have no objection to permission here in this bill for them to do the little printing that they need to do where they have those plants, but when it comes to dismantling the Government Printing Office and distributing the stuff all over this country, I know, whether the gentleman does or not, that that has been a very expensive proposition and they have had to curtail and cut it down and abolish it.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Virginia to recede and concur with an amendment.

The motion was agreed to.

LAWS OF PUERTO RICO LEGISLATURE

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith copies of the laws and resolutions enacted by the Twelfth Legislature of Puerto Rico during its second special session and fourth regular session, from November 25 to December 9, 1931, and from February 8 to April 15, 1932, respectively.

HERBERT HOOVER.

THE WHITE HOUSE, *June 29, 1932.*

STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL

Mr. OLIVER of Alabama. Mr. Speaker, I call up the conference report upon the bill H. R. 9349, making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Alabama calls up the conference report upon the bill H. R. 9349 and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement of the conferees.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 29, 58, 113, 120, 129, 232, 240, 243, 275, 290, and 291.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 40, 41, 42, 43, 44, 45, 46, 47, 49, 50, 51, 53, 54, 55, 56, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 114, 115, 116, 117, 118, 119, 121, 122, 123, 124, 125, 126, 127, 128, 130, 131, 133, 134, 135, 136, 137, 140, 142, 144, 145, 146, 147, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 233, 234, 235, 236, 237, 238, 239, 241, 242, 244, 245, 246, 247, 250, 251, 252, 254, 255, 256, 257, 258, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 276, 277, 278, 279, 282, 284, 285, and 286, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: On page 5 of the bill, line 23, strike out the word "Persia," and insert in lieu thereof the word "Muscat"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: Restore the matter stricken out by such amendment and at the end of the matter so restored insert before the period the following: ", except that at any post at which the expenditures for such purposes for the fiscal year 1932 were in excess of the limitation of $3,000 in this last pro-

visio in the case of an ambassador or minister there may be expended during the fiscal year 1933 an amount equal to the sum expended during the fiscal year 1932, but in no event to exceed $5,000; and during the incumbency of a chargé d'affaire the limitation on such expenditures shall be the same as for the occupancy of the principal officer"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"BUREAU OF INTERPARLIAMENTARY UNION FOR PROMOTION OF INTERNATIONAL ARBITRATION

"For the contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration, $5,031.77; and in addition $2,468.23 of the unobligated balance of the appropriation 'Expenses, American Group of the Interparliamentary Union, 1932,' is hereby reappropriated and made available for the fiscal year 1933 for such contribution."

And the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: After the word "bureaus," in the matter inserted by such amendment, insert the following: "When approved in writing by the Attorney General"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,775,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,050,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$360,000"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$510,000"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Except in cases where space is available in Federal buildings or in Federal buildings for the construction of which contracts have been let"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$765,000"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$270,000"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,988,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,670,000"; and the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$886,730"; and the Senate agree to the same.

Amendment numbered 248: That the House recede from its disagreement to the amendment of the Senate numbered 248, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$135,000"; and the Senate agree to the same.

Amendment numbered 249: That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$180,000"; and the Senate agree to the same.

Amendment numbered 253: That the House recede from its disagreement to the amendment of the Senate numbered 253, and agree to the same with an amendment as follows: Insert before the word "motor-propelled," in the matter proposed by such amendment, the word "two"; and the Senate agree to the same.

Amendment numbered 259: That the House recede from its disagreement to the amendment of the Senate numbered 259, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,860,325"; and the Senate agree to the same.

Amendment numbered 280: That the House recede from its disagreement to the amendment of the Senate numbered 280, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$765,000"; and the Senate agree to the same.

Amendment numbered 281: That the House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$51,000"; and the Senate agree to the same.

Amendment numbered 283: That the House recede from its disagreement to the amendment of the Senate numbered 283, and agree to the same with an amendment as follows: Restore the matter stricken out amended as follows: In lieu of the sum "$3,000" named in such matter insert the sum "$3,500"; and the Senate agree to the same.

Amendment numbered 287: That the House recede from its disagreement to the amendment of the Senate numbered 287, and agree to the same with an amendment as follows: Omit the matter stricken out and the matter inserted by such Senate amendment; and the Senate agree to the same.

Amendment numbered 288: That the House recede from its disagreement to the amendment of the Senate numbered 288, and agree to the same with an amendment as follows: In line 1 of the matter inserted by such amendment strike out the figure "3" and insert in lieu thereof the figure "2"; and the Senate agree to the same.

Amendment numbered 289: That the House recede from its disagreement to the amendment of the Senate numbered 289, and agree to the same with an amendment as follows: In lieu of the figure proposed insert "3"; and the Senate agree to the same.

The committee of conference have been unable to agree upon amendments numbered 21, 39, and 132.

W. B. OLIVER,
ANTHONY J. GRIFFIN,
CLARENCE CANNON,
THOMAS L. BLANTON,
MILTON W. SHREVE,
GEORGE HOLDEN TINKHAM,
Managers on the part of the House.

W. L. JONES,
FREDERICK HALE,
GEO. H. MOSES,
KENNETH MCKELLAR,
E. S. BROUSSARD,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 9349 submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF STATE

On No. 1: Appropriates $1,900,540, as proposed by the Senate, instead of $1,940,540, as proposed by the House, for salaries, office of the Secretary of State.

On No. 2: Appropriates $80,000, as proposed by the Senate, instead of $101,000, as proposed by the House, for contingent expenses, Department of State.

On No. 3: Appropriates $220,000, as proposed by the Senate, instead of $258,275, as proposed by the House, for printing and binding.

On No. 4: Appropriates $65,000, as proposed by the Senate, instead of $77,000, as proposed by the House, for passport agencies.

On No. 5: Provides, as proposed by the Senate, for a minister to Yugoslavia instead of to the Serbs, Croats, and Slovenes, as proposed by the House, and changes the name of "Persia" to "Muscat" to correspond to a change in the name of the country.

On No. 6: Appropriates $20,000, as proposed by the Senate, instead of $25,000, as proposed by the House, for salaries of Foreign Service officers while acting as chargés d'affaires ad interim.

On No. 7: Appropriates $2,365,438, as proposed by the Senate, instead of $2,640,438, as proposed by the House, for salaries of clerks in the Foreign Service.

On No. 8: Appropriates $750,000, as proposed by the Senate, instead of $847,740, as proposed by the House, for contingent expenses, foreign missions.

On No. 9: Appropriates $10,000, as proposed by the Senate, instead of $15,000, as proposed by the House, for expenses of Foreign Service inspectors.

On No. 10: Appropriates $700,000, as proposed by the Senate, instead of $815,931, as proposed by the House, for contingent expenses, United States consulates.

On No. 11: Appropriates $15,000, as proposed by the Senate, instead of $25,000, as proposed by the House, for relief and protection of American seamen.

On No. 12: Appropriates $3,075,000, as proposed by the Senate, instead of $3,373,500, as proposed by the House, for salaries of Foreign Service officers.

On No. 13. Appropriates $15,000, as proposed by the Senate, instead of $23,000, as proposed by the House, for salaries of Foreign Service officers while receiving instructions and in transit.

On No. 14: Appropriates $450,000, as proposed by the Senate, instead of $518,000, as proposed by the House, for transportation of Foreign Service officers.

On No. 15: Appropriates $130,000, as proposed by the Senate, instead of $200,000, as proposed by the House for emergencies arising in the Diplomatic and Consular Services.

On No. 16: Strikes out, as proposed by the Senate, the appropriation of $50,000 allowed by the House for post allowances to Foreign Service officers.

On No. 17: Strikes out, as proposed by the Senate, the appropriation of $25,000 allowed by the House for representation allowances.

On No. 18: Appropriates $1,800,000, as proposed by the Senate, instead of $2,017,709, as proposed by the House, for rent, heat, fuel, and light, Foreign Service.

On No. 19: Restores the limitations in the House bill on allowances for living quarters, including heat, fuel, and light, and on expenditures at Government-owned buildings used for residence or residence and office purposes for custodial service, heat, fuel, and light, modified so that at any post at which the expenditures for custodial service, heat, fuel, and light at any Government-owned building used for residence or residence and office purposes for a minister or ambassador were in excess of $3,000 during the fiscal year 1932 there may be expended during the fiscal year 1933 an amount equal to the sum expended during the fiscal year 1932, but not to exceed $5,000, and during the incumbency of a chargé d'affaires a limitation on such expenditures is allowed to be the same as for the occupancy of the principal officer.

On No. 20: Appropriates $70,000, as proposed by the Senate, instead of $84,960, as proposed by the House, for the Water Boundary Commission, United States and Mexico.

On No. 22: Appropriates $30,000, as proposed by the Senate, instead of $42,990, as proposed by the House, for the International Boundary Commission, United States and Canada and Alaska and Canada.

On No. 23: Strikes out, as proposed by the Senate, the appropriation of $4,088 contained in the House bill for subscription to the International Prison Commission.

On No. 24: Strikes out, as proposed by the Senate, the appropriation of $80,000 contained in the House bill for participation by the United States in the Seventh International Conference of American States to be held in the city of Montevideo, Uruguay.

On No. 25: Restores the appropriation, stricken out by the Senate, for contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the Promotion of International Arbitration, modified so as to make a direct appropriation of $5,031.77 instead of $7,289.21, as proposed by the House bill, and to reappropriate $2,468.23 of the unobligated balance of the appropriation, "Expenses, American Group of the Interparliamentary Union, 1932," for contribution to the bureau instead of the reappropriation of all unobligated balances in the 1932 appropriations.

On No. 26: Strikes out, as proposed by the Senate, the appropriation of $500 contained in the House bill for contribution by the United States to the International Commission on Annual Tables of Constants, etc.

On No. 27: Strikes out, as proposed by the Senate, the appropriation of $5,400 for payment of the quota of the United States to the International Institute of Agriculture at Rome, Italy.

On No. 28: Appropriates $80,000, as proposed by the Senate, instead of $90,000, as proposed by the House, for participation by the United States in the International Radiotelegraph Convention to be held at Madrid, Spain.

On Nos. 29, 30, and 31, relating to the International Joint Commission: Restores the House limitation of $7,500 each on the salaries of the commissioners and appropriates a total of $117,855, as proposed by the Senate, instead of $107,855, as proposed by the House, for expenses of the commission.

On No. 32: Appropriates $50,000, as proposed by the Senate, instead of $63,500, as proposed by the House, for the expenses of the General Claims Commission, United States and Panama.

On No. 33: Appropriates $40,000, as proposed by the Senate, instead of $50,000, as proposed by the House, for the Gorgas Memorial Laboratory.

On No. 34: Appropriates $25,000, as proposed by the Senate, instead of $31,500, as proposed by the House, for the share of the United States of the expenses of the International Fisheries Commission.

On No. 35: Strikes out, as proposed by the Senate, the appropriation of $3,000 contained in the House bill for the quota of the United States in the Permanent Association of International Road Congresses.

On No. 36: Strikes out, as proposed by the Senate, the appropriation of $300 contained in the House bill to pay the contribution of the United States in the International Society for the Exploration of the Arctic Regions by means of the airship.

On No. 37: Strikes out, as proposed by the Senate, the appropriation of $55 contained in the House bill for the share of the United States in the convention relating to the liquor traffic in Africa.

On No. 38: Appropriates $40,000, as proposed by the Senate, instead of $50,000, as proposed by the House, for the contribution of the United States for the expenses of the Fourteenth Annual Convention of the French Veterans of the World War, to be held in the District of Columbia.

On No. 40: Appropriates $35,000, as proposed by the Senate, instead of $41,650, as proposed by the House, for salaries, United States Court for China.

On Nos. 41 and 42, relating to prisons for American convicts: Changes the name "Persia" to "Muscat," as proposed by the Senate.

On No. 43: Appropriates $2,000 as proposed by the Senate, instead of $3,000, as proposed by the House, for bringing home persons charged with crime.

TITLE II—DEPARTMENT OF JUSTICE

On No. 44: Appropriates $1,134,000, as proposed by the Senate, instead of $1,287,780, as proposed by the House, for salaries, office of the Attorney General.

On No. 45: Appropriates $7,500, as proposed by the Senate, instead of $9,000, as proposed by the House, for the purchase of law books, etc.

On Nos. 46, 47, and 48, relating to contingent expenses, Department of Justice: Appropriates $80,000, as proposed by the Senate, instead of $93,000, as proposed by the House; makes provision for maintenance of 5 passenger automobiles, as proposed by the Senate, instead of 4, as proposed by the House, and assigns 2 of such automobiles to the Bureau of Investigation, as proposed by the Senate, instead of 1, as proposed by the House; and provides, as proposed by the Senate, that this appropriation may be reimbursed from funds of the Bureau of Investigation and the Bureau of Prohibition for expenditures connected with the maintenance of passenger automobiles under this appropriation and assigned to those bureaus, modified so that such transfers of appropriations must be approved in writing by the Attorney General.

On No. 49: Appropriates $300,000, as proposed by the Senate, instead of $350,000, as proposed by the House, for printing and binding, Department of Justice.

On No. 50: Appropriates $10,000, as proposed by the Senate, instead of $20,000, as proposed by the House, for traveling and other miscellaneous and emergency expenses.

On No. 51: Appropriates $110,000, as proposed by the Senate, instead of $124,540, as proposed by the House, for the conduct of customs cases.

On No. 52: Appropriates $2,775,000, instead of $2,826,210, as proposed by the House, and $2,700,000, as proposed by the Senate, for the Bureau of Investigation.

On No. 53: Appropriates $200,000, as proposed by the Senate, instead of $250,000, as proposed by the House, for examination of judicial offices.

On Nos. 54 and 55: Appropriates $150,000, as proposed by the Senate, instead of $193,860, as proposed by the House, for enforcement of antitrust laws, and changes the amount which may be expended for personal services in the District of Columbia from $55,560, as proposed by the House, to $42,560, as proposed by the Senate.

On Nos. 56 and 57: Appropriates $215,000, as proposed by the Senate, instead of $239,650, as proposed by the House, for salaries and expenses, Bureau of Pensions, and changes the amount which may be expended for personal services in the District of Columbia and elsewhere from $199,240, as proposed by the House, to $180,240, as proposed by the Senate.

On Nos. 58, 59, and 60, relating to the Bureau of Prohibition: Appropriates $10,250,000, as proposed by the Senate, instead of $11,369,500, as proposed by the House, for salaries and expenses; confines the use of passenger automobiles to "field work," as proposed by the House, instead of permitting their use in both field and departmental service in Washington, as proposed by the Senate, and makes $335,120 available for personal services in the District of Columbia, as proposed by the Senate, instead of $370,120 allowed by the House.

On No. 61: Appropriates $280,500 for salaries, United States Supreme Court, as proposed by the Senate, instead of $293,776, as proposed by the House.

On No. 62: Appropriates $21,000, as proposed by the Senate, instead of $22,500, as proposed by the House, for printing and binding for the Supreme Court of the United States.

On No. 63: Appropriates $15,000, as proposed by the Senate, instead of $16,644, as proposed by the House, for miscellaneous expenses of the Supreme Court of the United States.

On Nos. 64, 65, and 66, relating to the Court of Customs and Patent Appeals: Appropriates $100,000, as proposed by the Senate, instead of $106,820, as proposed by the House, for salaries; appropriates $5,000, as proposed by the Senate, instead of $6,600, as proposed by the House, for printing and binding; and appropriates $4,500, as proposed by the Senate, instead of $5,500, as proposed by the House, for miscellaneous expenses.

On Nos. 67, 68, and 69, relating to the Customs Court: Appropriates $230,000, as proposed by the Senate, instead of $246,260, as proposed by the House, for salaries; appropriates $15,000, as proposed by the Senate, instead of $19,350, as proposed by the House, for miscellaneous expenses; and appropriates $3,000, as proposed by the Senate, instead of $3,300, as proposed by the House, for printing and binding.

On Nos. 70, 71, 72, 73, and 74, relating to the Court of Claims: Appropriates $117,500, as proposed by the Senate, instead of $130,123, as proposed by the House, for salaries; appropriates $35,000, as proposed by the Senate, instead of $38,000, as proposed by the House, for printing and binding; appropriates $6,000, as proposed by the Senate, instead of $7,500, as proposed by the House, for stationery, court library, repairs, etc.; appropriates $75,000, as proposed by the Senate, instead of $84,870, as proposed by the House, for salaries and expenses of commissioners; and appropriates $4,000, as proposed by the Senate, instead of $5,000, as proposed by the House, for necessary repairs and improvements to the Court of Claims buildings.

On No. 75: Appropriates $4,100,000, as proposed by the Senate, instead of $4,350,460, as proposed by the House, for salaries, fees, and expenses of United States marshals and their deputies.

On No. 76: Appropriates $3,050,000 instead of $3,000,000, as proposed by the Senate, and $3,325,020, as proposed by the House, for United States district attorneys, their assistants, etc.

On No. 77: Appropriates $360,000 instead of $447,000, as proposed by the House, and $278,000, as proposed by the Senate, for salaries and expenses of special attorneys.

On No. 78: Appropriates $1,925,000, as proposed by the Senate, instead of $2,195,500, as proposed by the House, for salaries of clerks of United States courts.

On No. 79: Appropriates $550,000, as proposed by the Senate, instead of $600,000, as proposed by the House, for fees of United States commissioners, etc.

On No. 80: Appropriates $3,750,000, as proposed by the Senate, instead of $4,150,000, as proposed by the House, for fees of jurors and witnesses.

On No. 81: Appropriates $90,000, as proposed by the Senate, instead of $100,000, as proposed by the House, for rent of rooms for the United States courts and judicial officers.

On No. 82: Appropriates $400,000, as proposed by the Senate, instead of $470,000, as proposed by the House, for baliffs, etc.

On No. 83: Appropriates $900,000, as proposed by the Senate, instead of $1,160,000, as proposed by the House, for miscellaneous expenses of United States courts.

On No. 84: Appropriates $75,000, as proposed by the Senate, instead of $100,000, as proposed by the House, for supplies for United States courts and judicial officers.

On No. 85: Appropriates $75,000, as proposed by the Senate, instead of $90,000, as proposed by the House, for the purchase of law books, etc., for United States judges, district attorneys, and other judicial officers.

On Nos. 86 and 87, relating to medical and hospital service in penal and correctional institutions: Appropriates $312,000, as proposed by the Senate, instead of $330,471, as proposed by the House, and changes the limitation as to the amount which may be expended for personal services from $200,000, as proposed by the House, to $191,000, as proposed by the Senate.

On Nos. 88, 89, and 90, relating to the United States penitentiary, Leavenworth, Kans.: Appropriates $1,645,000 for

maintenance, as proposed by the Senate, instead of $1,777,960, as proposed by the House, and changes the amount which may be expended for salaries and wages of all officers and employees from $707,608, as proposed by the House, to $657,608, as proposed by the Senate; and appropriates $8,000, as proposed by the Senate, instead of $9,520, as proposed by the House, for construction and repair of buildings, etc.

On Nos. 91, 92, and 93, relating to the United States Penitentiary at Atlanta, Ga.: Appropriates $1,045,000 for maintenance, as proposed by the Senate, instead of $1,126,040, as proposed by the House, and reduces the amount which may be expended for salaries and wages from $419,612, as proposed by the House, to $390,000, as proposed by the Senate; and appropriates $8,500, as proposed by the Senate, instead of $13,000, as proposed by the House, for construction and repair of buildings, etc.

On Nos. 94, 95, and 96, relating to the United States penitentiary, McNeil Island, Wash.: Appropriates $428,500 for maintenance, as proposed by the Senate, instead of $447,520, as proposed by the House; reduces the amount which may be expended for salaries and wages from $209,672, as proposed by the House, to $200,000, as proposed by the Senate; and appropriates $32,000, as proposed by the Senate, instead of $40,000, as proposed by the House, for construction and repair of buildings, etc.

On Nos. 97 and 98, relating to the United States Northeastern Penitentiary: Appropriates $440,000 for maintenance, as proposed by the Senate, instead of $469,000, as proposed by the House, and reduces the amount which may be expended for salaries and wages from $259,500, as proposed by the House, to $244,000, as proposed by the Senate.

On Nos. 99 and 100, relating to the Federal Industrial Institution for Women: Appropriates $300,000, as proposed by the Senate, instead of $320,860, as proposed by the House, and reduces the amount which may be expended for salaries and wages from $146,326, as proposed by the House, to $137,000, as proposed by the Senate.

On Nos. 101, 102, and 103, relating to the United States Industrial Reformatory, Chillicothe, Ohio: Appropriates $634,000 for maintenance, as proposed by the Senate, instead of $683,900, as proposed by the House, and reduces the amount which may be expended for salaries and wages from $279,900, as proposed by the House, to $260,000, as proposed by the Senate, and appropriates $521,000, as proposed by the Senate, instead of $700,000, as proposed by the House, for construction, etc.

On Nos. 104, 105, and 106, relating to the United States Southwestern Reformatory: Appropriates $284,000 for maintenance, as proposed by the Senate, instead of $305,000, as proposed by the House, and reduces the amount which may be expended for salaries and wages from $139,857, as proposed by the House, to $130,000, as proposed by the Senate, and appropriates $520,000, as proposed by the Senate, instead of $727,000, as proposed by the House, for construction, etc.

On Nos. 107, 108, 109, and 110, relating to the United States Hospital for Defective Delinquents: Appropriates $270,000 for maintenance, as proposed by the Senate, instead of $299,000, as proposed by the House, and reduces the amount which may be expended for salaries and wages from $34,767, as proposed by the House, to $31,000, as proposed by the Senate; strikes out the word "completion," as proposed by the Senate; and appropriates $468,000, as proposed by the Senate, instead of $775,000, as proposed by the House, for construction, etc.

On Nos. 111, 112, and 113, relating to Federal jails: Appropriates $815,000, as proposed by the Senate, instead of $877,200, as proposed by the House, for maintenance and operation, and reduces the amount which may be expended for salaries and wages from $488,810, as proposed by the House, to $453,000, as proposed by the Senate; and appropriates $500, as proposed by the House, instead of $10,000, as proposed by the Senate, for the purchase of sites, construction, etc.

On No. 114: Appropriates $800,000, as proposed by the Senate, for prison camps, instead of $878,000, as proposed by the House.

On Nos. 115, 116, and 117, relating to the National Training School for Boys: Appropriates $248,000, as proposed by the Senate, instead of $265,260, as proposed by the House, and reduces the amount which may be expended for salaries and wages from $128,080, as proposed by the House, to $120,000, as proposed by the Senate; and appropriates $76,000, as proposed by the Senate, instead of $124,000, as proposed by the House, for construction, repairs, etc.

On Nos. 118, 119, and 120, relating to the probation system, United States courts: Appropriates $415,000, as proposed by the Senate, instead of $440,000, as proposed by the House; provides that not to exceed $70,000 of this appropriation, as proposed by the Senate, instead of $80,000, as proposed by the House, may be expended for travel and subsistence; and restores the limitation in the House bill of $2,600 as a maximum salary for probation officers.

On No. 121: Appropriates $2,855,000, as proposed by the Senate, instead of $2,942,281, as proposed by the House, for the support of United States prisoners.

TITLE III. DEPARTMENT OF COMMERCE

On No. 122: Appropriates $315,000, as proposed by the Senate, instead of $346,142, as proposed by the House, for salaries, office of the Secretary.

On No. 123: Appropriates $238,200, as proposed by the Senate, instead of $303,200, as proposed by the House, for contingent expenses, Department of Commerce.

On No. 124: Appropriates $600,000, as proposed by the Senate, instead of $708,750, as proposed by the House, for printing and binding for the Department of Commerce.

On Nos. 125 and 126, relating to the Federal Employment Stabilization Board: Appropriates $75,000, as proposed by the Senate, instead of $90,000, as proposed by the House, and reduces the amount which may be expended for personal services in the District of Columbia from $70,000, as proposed by the House, to $58,000, as proposed by the Senate.

On Nos. 127 and 128, relating to the Radio Division: Appropriates $490,000, as proposed by the Senate, instead of $590,000, as proposed by the House; and reduces the amount which may be expended for personal services in the District of Columbia from $78,315, as proposed by the House, to $65,315, as proposed by the Senate.

On Nos. 129, 130, and 131, relating to aircraft in commerce: Appropriates $1,000,000, as proposed by the Senate, instead of $1,301,160, as proposed by the House, for administrative expenses and restores the limitation in the House bill for personal services in the District of Columbia; and makes available $155,310, as proposed by the Senate, instead of $160,310, as proposed by the House, for personal services in the District of Columbia under the fund for air-navigation facilities.

On Nos. 133 to 149, inclusive, relating to the Bureau of Foreign and Domestic Commerce: Appropriates $250,000, as proposed by the Senate, instead of $273,000, as proposed by the House, for salaries; appropriates $670,000, as proposed by the Senate, instead of $828,000, as proposed by the House, for promoting commerce in Europe; appropriates $431,000, as proposed by the Senate, instead of $476,000, as proposed by the House, for promoting commerce in Latin America; appropriates $360,000, as proposed by the Senate, instead of $408,000, as proposed by the House, for promoting commerce in the Far East; appropriates $85,000, as proposed by the Senate, instead of $95,000, as proposed by the House, for promoting commerce in Africa; appropriates $510,000, instead of $462,000, as proposed by the Senate, and $664,000, as proposed by the House, for district and cooperative offices; and exempts from the requirement of the House bill that commercial organizations provide suitable quarters for such offices without cost to the Government on and after September 1, 1932, those places where space is available in Federal buildings, or will be available in Federal buildings for the construction of which contracts have been let; appropriates $17,000, as proposed by the Senate, instead of $22,000, as proposed by the House, for the enforcement of the China trade act; appropriates $765,000, instead of $750,000, as proposed by the Senate, and $915,000, as proposed by the House, for export industries; appropriates $300,000, as proposed by

the Senate, instead of $446,531, as proposed by the House, for domestic commerce and raw-materials investigations; appropriates $270,000, instead of $250,000, as proposed by the Senate, and $360,000, as proposed by the House, for customs statistics; appropriates $60,000, as proposed by the Senate, instead of $70,000, as proposed by the House, for lists of foreign buyers; appropriates $50,000, as proposed by the Senate, instead of $62,000, as proposed by the House, for investigation of foreign-trade restrictions; appropriates $45,000, as proposed by the Senate, instead of $50,000, as proposed by the House, for transportation of families and effects of officers and employees; appropriates $175,000, as proposed by the Senate, instead of $200,000, as proposed by the House, for payment of allowances for living quarters, heat, and light for officers in foreign countries; and corrects the total of the appropriations for the bureau.

On Nos. 150, 151, and 152, relating to the Bureau of the Census: Appropriates $862,125, as proposed by the Senate, instead of $1,041,250, as proposed by the House; limits the amount which may be expended for personal services in the District of Columbia to $672,330, as proposed by the Senate, instead of $782,330, as proposed by the House; and provides that not more than $130,000 of such amount, as proposed by the Senate, instead of $150,000, as proposed by the House, may be expended for temporary employees.

On Nos. 153, 154, 155, and 156, relating to the Steamboat Inspection Service: Appropriates $35,000, as proposed by the Senate, instead of $39,900, as proposed by the House, for salaries for the Supervising Inspector General and other personal services in the District of Columbia; appropriates $833,625, as proposed by the Senate, instead of $926,250, as proposed by the House, for salaries of steamboat inspectors; appropriates $150,000, as proposed by the Senate, instead of $176,890, as proposed by the House, for clerk hire; and appropriates $110,000, as proposed by the Senate, instead of $137,756, as proposed by the House, for contingent expenses.

On Nos. 157 to 166, inclusive, relating to the Bureau of Navigation: Appropriates $65,000, as proposed by the Senate, instead of $73,313, as proposed by the House, for salaries of the commissioner and other personal services in the District of Columbia; appropriates $4,000, as proposed by the Senate, instead of $5,600, as proposed by the House, for the admeasurement of vessels; appropriates $100,000, as proposed by the Senate, instead of $119,000, as proposed by the House, for the enforcement of navigation laws; appropriates $15,000, as proposed by the Senate, instead of $18,840, as proposed by the House, to enforce the laws to prevent overcrowding of passenger and excursion vessels; appropriates $38,100, as proposed by the Senate, instead of $48,000, as proposed by the House, for shipping commissioners and makes a verbal correction in the text of the bill; appropriates $95,000, as proposed by the Senate, instead of $106,505, as proposed by the House, for clerk hire; appropriates $11,000, as proposed by the Senate, instead of $12,000, as proposed by the House, for contingent expenses; appropriates $19,440, as proposed by the Senate, instead of $23,440, as proposed by the House, for establishing load lines on American vessels; and reduces the amount which may be expended for personal services in the District of Columbia from $17,500, as proposed by the House, to $14,000, as proposed by the Senate.

On Nos. 167 to 198, inclusive, relating to the Bureau of Standards: Appropriates $645,000, as proposed by the Senate, instead of $710,000, as proposed by the House, for the director and other personal services in the District of Columbia; appropriates $80,000, as proposed by the Senate, instead of $88,000, as proposed by the House, for equipment, etc., and provides that of such amount $17,000 may be used for repairs and necessary alterations to buildings as proposed by the Senate, instead of $19,000, as proposed by the House; appropriates $60,000, as proposed by the Senate, instead of $68,000, as proposed by the House, for general expenses; appropriates $12,000, as proposed by the Senate, instead of $17,400, as proposed by the House, for improvement and care of grounds; appropriates $270,000, as proposed by the Senate, instead of $318,200, as proposed by the House, for testing structural materials; appropriates $45,000, as proposed by the Senate, instead of $51,700, as proposed by the House, for maintenance and operation of testing machines; appropriates $25,000, as proposed by the Senate, instead of $32,320, as proposed by the House, for investigation of fire-resisting properties of building materials; appropriates $90,000, as proposed by the Senate, instead of $101,570, as proposed by the House, for investigation of public-utility standards; appropriates $40,000, as proposed by the Senate, instead of $46,160, as proposed by the House, for testing miscellaneous materials; appropriates $74,280, as proposed by the Senate, instead of $82,280, as proposed by the House, for radio research; appropriates $12,000, as proposed by the Senate, instead of $15,180, as proposed by the House, for color standardization; appropriates $40,000, as proposed by the Senate, instead of $45,160, as proposed by the House, for investigation of clay products; appropriates $40,000, as proposed by the Senate, instead of $48,020, as proposed by the House, for standardizing mechanical appliances; appropriates $22,000, as proposed by the Senate, instead of $25,180, as proposed by the House, for investigation of optical and other types of glass; appropriates $50,000, as proposed by the Senate, instead of $57,100, as proposed by the House, for investigation of textiles; appropriates $75,000, as proposed by the Senate, instead of $82,520, as proposed by the House, for sugar standardization; appropriates $40,000, as proposed by the Senate, instead of $46,700, as proposed by the House, for gauge standardization; appropriates $50,000, as proposed by the Senate, instead of $58,060, as proposed by the House, for testing railroad-track, mine, and other scales; appropriates $6,000, as proposed by the Senate, instead of $10,080, as proposed by the House, for high-temperature investigations; appropriates $50,000, as proposed by the Senate, instead of $56,640, as proposed by the House, for metallurgical research; appropriates $8,000, as proposed by the Senate, instead of $11,140, as proposed by the House, for sound investigation; appropriates $100,000, as proposed by the Senate, instead of $232,860, as proposed by the House, for industrial research; appropriates $150,000, as proposed by the Senate, instead of $229,525, as proposed by the House, for standardization of equipment; appropriates $8,000, as proposed by the Senate, instead of $10,540, as proposed by the House, for standard materials; appropriates $20,000, as proposed by the Senate, instead of $29,320, as proposed by the House, for investigation of radioactive substances and X rays; appropriates $40,000, as proposed by the Senate, instead of $47,900, as proposed by the House, for utilization of waste products from the land; appropriates $40,000, as proposed by the Senate, instead of $47,760, as proposed by the House, for investigation of automotive engines; appropriates $5,000, as proposed by the Senate, instead of $9,940, as proposed by the House, for investigation of dental materials; appropriates $40,000, as proposed by the Senate, instead of $51,000, as proposed by the House, for hydraulic laboratory research; and changes the totals of the appropriations for the bureau, and of the amount which may be expended for personal services in the District of Columbia, to conform to action on other amendments.

On Nos. 199 to 203, inclusive, relating to the Bureau of Lighthouses: Appropriates $110,000, as proposed by the Senate, instead of $121,790, as proposed by the House, for salaries of the commissioner and other personal services in the District of Columbia; appropriates $4,200,000, as proposed by the Senate, instead of $4,350,000, as proposed by the House, for general expenses; appropriates $2,370,000, as proposed by the Senate, instead of $2,490,000, as proposed by the House, for salaries and wages of officers and crews of light vessels, etc.; appropriates $600,000, as proposed by the Senate, instead of $653,080, as proposed by the House, for salaries of superintendents, clerks, etc.; and appropriates $50,000, as proposed by the Senate, instead of $449,708, as proposed by the House, for establishing and improving aids to navigation, etc.

On Nos. 204 to 216, inclusive, relating to the Coast and Geodetic Survey: Appropriates $150,000, as proposed by the Senate, instead of $200,000, as proposed by the House, for field expenses, Atlantic coast, and provides that not more

than $35,000 of this amount, as proposed by the Senate, instead of $45,000, as proposed by the House, shall be expended on the coasts of said outlying islands and the Atlantic entrance to the Panama Canal; appropriates $20,000, as proposed by the Senate, instead of $22,000, as proposed by the House, for tides, currents, etc.; appropriates $5,500, as proposed by the Senate, instead of $6,500, as proposed by the House, for the compilation of the Coast Pilot; appropriates $40,000, as proposed by the Senate, instead of $58,000, as proposed by the House, for magnetic work; appropriates $150,000, as proposed by the Senate, instead of $271,000, as proposed by the House, for Federal boundary and State surveys, and limits the amount to be expended for personal services in the District of Columbia to $25,000, as proposed by the Senate, instead of $43,000, as proposed by the House; corrects the total for field expenses; appropriates $60,000, as proposed by the Senate, instead of $78,000, as proposed by the House, for repair of vessels, etc.; appropriates $555,000, as proposed by the Senate, instead of $675,000, as proposed by the House, for all necessary employees to man and equip the vessels, etc.; appropriates $500,000, as proposed by the Senate, instead of $549,620, as proposed by the House, for personal services, office force; and appropriates $50,000, as proposed by the Senate, instead of $60,000, as proposed by the House, for office expenses.

On Nos. 217 to 234, inclusive, relating to the Bureau of Fisheries: Appropriates $175,000, as proposed by the Senate, instead of $198,480, as proposed by the House, for the commissioner and other personal services in the District of Columbia; appropriates $3,500, as proposed by the Senate, instead of $4,180, as proposed by the House, for expenses of administration; appropriates $886,730, as proposed by the Senate, instead of $986,730, as proposed by the House, for the propagation of food fishes, and strikes out the language, inserted by the Senate, to direct that $1,000 of this amount shall be expended for opening outlets to the Pacific Ocean of the Siltcoos and Takenitch Lakes in Oregon, and provides, as proposed by the Senate, that not to exceed $412,550 of this appropriation may be expended for the pay of permanent employees, instead of $457,550, as proposed by the House; appropriates $200,000, as proposed by the Senate, instead of $316,920, as proposed by the House, for maintenance and operation of vessels, and limits the amounts which may be expended for pay of officers and employees of vessels of the Atlantic coast and the Alaska Fisheries Service, as proposed by the Senate, instead of in the amounts proposed by the House; appropriates $200,000, as proposed by the Senate, instead of $281,340, as proposed by the House, for inquiry respecting food fishes, and limits the amount which may be paid for permanent employees to $125,000, as proposed by the Senate, instead of $155,140, as proposed by the House; appropriates $95,790, as proposed by the Senate, instead of $106,790, as proposed by the House, for fishery industries, and limits the amount which may be expended for pay of permanent employees to $36,200, as proposed by the Senate, instead of $40,200, as proposed by the House; appropriates $390,000, as proposed by the Senate, instead of $412,300, as proposed by the House, for the Alaska general service, provides that of this amount $54,000, as proposed by the Senate, instead of $57,000, as proposed by the House, may be expended for construction, improvement, repair, and alteration of buildings and roads, etc., and limits the amount for the pay of permanent employees to $87,940, as proposed by the Senate, instead of $92,940, as proposed by the House; appropriates $7,000, as proposed by the Senate, instead of $7,900, as proposed by the House, for the Mississippi Wild Life and Fish Refuge; strikes out the authority, inserted by the Senate, providing that not to exceed $12,000 of the appropriation for construction of stations shall be available for the purchase of additional land and for improvements at the Cape Vincent, N. Y., station; and appropriates $15,000, as proposed by the Senate, instead of $20,000, as proposed by the House, for enforcement of the black bass law, and provides that of this amount not to exceed $2,600, as proposed by the Senate, instead of $3,500, as proposed by the House, may be expended for personal services in the District of Columbia.

On Nos. 235 to 239, inclusive, relating to the Patent Office: Appropriates $30,000, as proposed by the Senate, instead of $36,000, as proposed by the House, for the purchase of law, professional, and other reference books, etc.; appropriates $275,000, as proposed by the Senate, instead of $279,000, as proposed by the House, for producing copies of weekly issue of drawings of patents and designs, etc.; appropriates $20,000, as proposed by the Senate, instead of $27,000, as proposed by the House, for furniture and filing cases; appropriates $1,050,000, as proposed by the Senate, instead of $1,110,000, as proposed by the House, for printing the weekly issue of patents, designs, trade-marks, etc.; and appropriates $50,000, as proposed by the Senate, instead of $54,000, as proposed by the House, for miscellaneous printing and binding.

On Nos. 240 to 259, inclusive, relating to the Bureau of Mines: Strikes out the authority for "maintenance, repair, and operation of a motor-propelled passenger-carrying vehicle for general bureau use" inserted by the Senate; appropriates $70,000, as proposed by the Senate, instead of $80,350, as proposed by the House, for salaries and general expenses, and provides that of this amount not to exceed $63,954, as proposed by the Senate, instead of $72,945, as proposed by the House, may be expended for personal services in the District of Columbia; appropriates $435,325, as proposed by the House, instead of $440,325, as proposed by the Senate, for investigating mine accidents; appropriates $9,000, as proposed by the Senate, instead of $10,885, as proposed by the House, for mining investigations in Alaska; appropriates $306,000, as proposed by the Senate, instead of $340,355, as proposed by the House, for operating mine-rescue cars and stations, and limits the amount which may be expended for personal services in the District of Columbia to $15,640, as proposed by the Senate, instead of $17,440, as proposed by the House; appropriates $155,000, as proposed by the Senate, instead of $136,000, as proposed by the House, for testing fuel; appropriates $135,000 for mineral-mining investigations instead of $145,000, as proposed by the Senate, and $125,000, as proposed by the House; appropriates $180,000 for oil and gas investigations instead of $200,000, as proposed by the Senate, and $146,215, as proposed by the House; appropriates $200,000, as proposed by the Senate, instead of $220,000, as proposed by the House, for mining experiment stations, and provides that $14,200, as proposed by the Senate, instead of $15,700, as proposed by the House, may be expended for personal services in the District of Columbia; appropriates $70,000, as proposed by the Senate, instead of $78,185, as proposed by the House, for maintenance of buildings and grounds, Pittsburgh, Pa.; provides for maintenance of two motor-propelled passenger-carrying vehicles for inspectors, Government fuel yards, instead of one, as proposed by the House, and an unlimited number, as proposed by the Senate; appropriates $50,000, as proposed by the Senate, instead of $61,020, as proposed by the House, for investigations of resources of helium-bearing gas, etc., and provides that of this amount not to exceed $17,000, as proposed by the Senate, instead of $20,000, as proposed by the House, may be expended for personal services in the District of Columbia; appropriates $250,000, as proposed by the Senate, instead of $225,000, as proposed by the House, for economics of mineral industries; makes available $2,500, as proposed by the Senate, instead of $3,500, as proposed by the House, for the purchase or exchange of professional and scientific books, law books, etc.; makes available $1,000, as proposed by the Senate, instead of $3,000, as proposed by the House, for necessary traveling expenses of the director and employees of the bureau in attending meetings of technical, etc., societies; and adjusts the total of the appropriations for the bureau.

TITLE IV—DEPARTMENT OF LABOR

On No. 260: Appropriates $200,000, as proposed by the Senate, instead of $216,060, as proposed by the House, for salaries, Office of the Secretary of Labor.

On No. 261: Appropriates $55,500, as proposed by the Senate, instead of $61,800, as proposed by the House, for contingent expenses, Department of Labor.

On No. 262: Appropriates $240,000, as proposed by the Senate, instead of $275,000, as proposed by the House, for printing and binding for the department.

On Nos. 263 and 264, relating to the Bureau of Labor statistics: Appropriates $450,000, as proposed by the Senate, instead of $533,337, as proposed by the House, for salaries and expenses of the bureau, and limits the amount which may be expended for the salary of the commissioner, and other personal services in the District of Columbia, to $370,830, as proposed by the Senate, instead of $434,830, as proposed by the House.

On Nos. 265 to 273, inclusive, relating to the Bureau of Immigration: Appropriates $9,450,000, as proposed by the Senate, instead of $10,519,460, as proposed by the House, for salaries and expenses of the bureau; limits the amount which may be expended for the salary of the commissioner general and other personal services in the District of Columbia to $300,000, as proposed by the Senate, instead of $385,530, as proposed by the House; makes a limitation of the amount to be available for the coast and land border patrol, as proposed by the Senate, instead of a specific allocation of that amount, as proposed by the House; provides that $80,000, as proposed by the Senate, shall be available for the purchase, etc., of motor-propelled passenger-carrying vehicles, instead of $92,250, as proposed by the House, and that of this sum not more than $70,000, as proposed by the Senate, instead of $75,000, as proposed by the House, shall be available for the motor vehicles for the coast and land border patrol; provides that not to exceed $65,000, as proposed by the Senate, instead of $70,000, as proposed by the House, of the total amount appropriated shall be available for allowances to personnel in foreign countries for living quarters, including heat, fuel, and light, and appropriates $30,000, as proposed by the Senate, instead of $50,000, as proposed by the House, for remodeling, repairing, etc., of immigration stations.

On Nos. 274 and 275, relating to the Bureau of Naturalization: Appropriates $975,770, as proposed by the Senate, instead of $1,075,770, as proposed by the House, for salaries and expenses of the bureau, and provides that not to exceed $239,260, as proposed by the House, instead of $215,000, as proposed by the Senate, may be expended for the salary of the commissioner and other personal services in the bureau in the District of Columbia.

On Nos. 276 and 277, relating to the Children's Bureau: Appropriates $375,000, as proposed by the Senate, instead of $395,500, as proposed by the House, for salaries and expenses of the bureau, and permits not to exceed $305,000, as proposed by the Senate, instead of $320,760, as proposed by the House, to be expended for personal services in the District of Columbia.

On Nos. 278 and 279, relating to the Women's Bureau: Appropriates $160,000, as proposed by the Senate, instead of $179,900, as proposed by the House, and limits the amount which may be paid for personal services in the District of Columbia to $136,000, as proposed by the Senate, instead of $149,680, as proposed by the House.

On Nos. 280 to 283, inclusive, relating to the Employment Service: Appropriates $765,000, instead of $720,000, as proposed by the Senate, and $820,000 as proposed by the House, for salaries and expenses, and adjusts the amount for personal services in the District of Columbia to correspond; inserts the limitation proposed by the Senate prohibiting the expenditure of the appropriation for the establishment or maintenance of an employment office unless suitable space can be found in a Federal building or is furnished rent free by State, county, or local authority, or by individuals or by organizations, and restores the House limitation on salaries, stricken out by the Senate, modified so as to fix the limit of pay for a State director at $3,500, instead of at $3,000, as provided in the House bill.

On Nos. 284 and 285, relating to the United States Housing Corporation: Appropriates $14,000, as proposed by the Senate, instead of $15,000, as proposed by the House, and fixes the maximum salary at $4,000, as proposed by the Senate, instead of $4,900, as proposed in the House bill.

On No. 286: Strikes out the limitation in the House bill prohibiting increases in compensation.

On No. 287: Strikes out the limitation in the House bill and the substitute proposed by the Senate relative to the filling of vacancies.

On No. 288: Inserts the general limitation upon the purchase and use of motor-propelled passenger-carrying vehicles proposed by the Senate in lieu of the language in the House bill, the language of the Senate amendment having been previously agreed upon as a standard for all general appropriation bills.

On No. 289: Corrects the section number.

On No. 290: Strikes out the authority inserted by the Senate exempting from the limitation upon expenses of subsistence the appropriation for emergencies arising in the Diplomatic and Consular Service and certain other appropriations.

On No. 291: Strikes out the authority proposed by the Senate for a transfer of appropriations under the several departments provided for in the bill.

The managers on the part of the House report back in disagreement amendments as follows:

On No. 21: Providing for a consolidation of the American section, International Water Commission, United States and Mexico, with the American section, International Boundary Commission, United States and Mexico.

On No. 39: Proposing the use of an unexpended balance for expenses of representation of the United States in making the formal presentation of a statue of Leif Ericsson to the Government of Iceland.

On No. 132: Reducing the appropriation for air-navigation facilities and making $50,000 available for the establishment of a line between Puget Sound and the Twin Cities.

W. B. OLIVER,
ANTHONY J. GRIFFIN,
CLARENCE CANNON,
THOMAS L. BLANTON,
MILTON W. SHREVE,
GEORGE HOLDEN TINKHAM,
Managers on the part of the House.

Mr. OLIVER of Alabama. Mr. Speaker, there were 291 amendments to be considered by the conferees. The House conferees yielded on 253 of the amendments, and yielded with an amendment on 24. The Senate yielded on 11, and 3 are in disagreement. The bill as agreed on between the conferees carries an appropriation of $17,645,666 less than the Budget estimate. It carries an appropriation of $28,083,336.46 under the 1932 appropriations.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. LaGUARDIA. I understand there is a reduction of slightly over a million dollars for the Bureau of Immigration in the Department of Labor. I was speaking with the Commissioner General of Immigration, and I want to say that as far as the enforcement of the immigration law is concerned and deportations, which I know the Congress is set on, the bureau, being a small bureau, with a total appropriation of about $10,000,000, is going to be crippled in its work if this reduction is made.

Mr. OLIVER of Alabama. I am very glad the gentleman asked the question, because this statement should be made. Members of Congress, almost without exception, for a number of years have manifested very keen interest in an adequate appropriation for this important service to which the gentleman from New York refers. It is after all a mere estimate as to what amount may be required, because it is impossible to tell in advance just the number that should be deported and be ready for deportation. This should be said, however, that no Congress, since I have been a Member, has refused or even hesitated to grant to the Department of Labor every dollar shown to be necessary for deportation purposes. Only a few weeks since Congress approved an

additional sum for this purpose, and it was not known until then with any accuracy the approximate numbers that could and should be deported during the months of May and June, 1932. I can give assurance to the gentleman from New York that this service will not suffer from any lack of appropriation for the purposes indicated. If when we meet in December the report indicates that further funds are required for the deportation of aliens unlawfully here, or for any reason subject to deportation, Congress will be willing, as it has been always in the past, to grant adequate appropriations for that purpose.

Mr. LaGUARDIA. But may I say in connection with that I could never understand why the fines that are imposed on steamship companies for violation of the immigration law are usually remitted as a matter of course. I am speaking now from observation over the last 20 years. Fines are provided for in the law for bringing in nonmanifest aliens, or for desertions, or for bringing in aliens who are excludable when knowledge could have been obtained beforehand that they were excludable; and invariably those fines are remitted. If we could enforce the law as to fines, and then perhaps amend the law, compelling the steamship companies to take back deported aliens, regardless of the time they have been in the United States, as long as they are deportable, we could effect quite a material saving, I think, in our appropriations. But the Commissioner General tells me—and I do not think it was confidence, because I always treat all of my contacts with the bureaus as a part of my official duties—that he thought this decrease would impair the work, because he would have to dismiss employees at the various stations.

Mr. OLIVER of Alabama. I do not think there is any probability of this service being hurt by the appropriation carried in this bill, since this is a lump-sum appropriation, and the department well knows that it is the desire of Congress to provide sufficient funds for the enforcement of our immigration laws. Personally I would like to see all aliens registered.

Mr. LaGUARDIA. I want to point out, if I may, that while, of course, I do not want to see any person harassed; yet by reason of unlawful entries there has been developed in this country a regular system of exploitation. It would seem that certain employers will specialize in aliens who are here unlawfully in order to have something over their heads and exploit them by longer hours and cheaper wages. It is a cruel situation. I am doing all I can to make that known, and to seek to protect those unfortunates. It has cost them four or five times as much to get into this country as it otherwise would because of surreptitious entries.

Mr. OLIVER of Alabama. Referring to the other matter to which the gentleman alluded, relative to the remission of fines, the committee feels that something should be done to correct it, and you will find an interesting discussion in the hearings on that subject. I am in full agreement with the gentleman from New York that no justifiable reason can be assigned why heavy fines should be imposed and thereafter remitted. They should be imposed and collected.

Mr. JOHNSON of Washington. Will the gentleman yield for a brief statement?

Mr. OLIVER of Alabama. I yield.

Mr. JOHNSON of Washington. I indorse the remarks made by the gentleman from Alabama to the effect that the Appropriation Committee has kept up well with appropriations necessary for the deporting of aliens unlawfully here. Much progress has been made along that line, thanks to the law, the Department of Labor, and the committee. But there is need for additional law to take care of desertions of alien seamen from ships coming to our ports. I doubt if we have a proper system of fines to cover those cases. We do not desire to amend the La Follette Seaman's Act of 1915, which has accomplished so much in behalf of sailors generally. Efforts are being made by the House Committee on Immigration, with the help of the chairman of the committee [Mr. DICKSTEIN], to perfect a bill that will be effective as to the desertion of seamen. The trouble is that the bill that has come over from the Senate has another provision, which undertakes to regulate the racial type of seamen on ships of various nationalities. Many members of the Committee on Immigration have been inclined to think that phase to be the province of the Committee on Merchant Marine, Radio, and Fisheries. It is hoped that during the summer we can split the bill now before the Immigration Committee and perfect a bill that will deal with the illegal entry of seamen and stop a great hole there. In this work I feel sure we will have the help of Andrew Furuseth, president of the seaman's union, who is well known to most members and who knows the subject as an expert.

Mr. OLIVER of Alabama. I have had a number of conferences with the distinguished gentleman with reference to legislation that is needed, and I know the gentleman is in sympathy with amending the law to correct those abuses. I am hopeful we can get through the next session of Congress some measure which will correct those abuses.

Mr. LaGUARDIA. I am in favor of the passage of the alien seaman's act, but England will not do it.

Mr. JOHNSON of Washington. Oh, that is not the point. The question, I think, is whether it is the province of the Committee on Immigration to undertake to say that a ship from a foreign country shall only have its nationals and not its colonials, as sailors, coming to this port.

Mr. LaGUARDIA. They do.

Mr. OLIVER of Alabama. I think this discussion suggests the very keen interest now felt in further legislation that will prove effective.

Mr. JOHNSON of Washington. I appreciate the efforts of the gentleman from Alabama. He has been very keen in effecting appropriations to take care of immigration restriction. I also appreciate the efforts of the gentleman from New York [Mr. LaGUARDIA], who knows the situation with regard to desertions very well.

I thank the gentleman for extending me this time.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. COCHRAN of Missouri. Was this appropriation subject to the resolution passed by the Senate instructing the Appropriations Committee of the Senate to reduce the House figures 10 per cent?

Mr. OLIVER of Alabama. Yes. This was the first or second bill to which that rule applied.

Mr. COCHRAN of Missouri. In reducing the appropriations 10 per cent to comply with the Senate resolution, did the Appropriations Committee of the Senate strike out the money they expected would be saved by reason of the adoption of the furlough plan, or the pay-cut plan?

Mr. OLIVER of Alabama. Unquestionably they gave some consideration to it, and I may say that a member of the Senate Appropriations Committee stated to the House conferees that before undertaking to comply with the 10 per cent recommittal requirement the heads of the four departments were interviewed, and they submitted a tentative schedule of what, in their judgment, were the items that could be reduced with least hurt to the departments. Just how far those recommendations were followed I am not advised, though I am sure the Senate undertook to follow, as far as they felt it prudent to do so, the suggestions made by the heads of the four departments.

Mr. COCHRAN of Missouri. Is it not a fact that at the time those suggestions were made and at the time the Senate committee considered this bill it did not understand the economy bill would carry the provision impounding in the Treasury the savings under the furlough plan?

Mr. OLIVER of Alabama. This matter was not discussed in conference. It was agreed between the conferees, after we reached a definite understanding, that we would withhold the conference report until action was taken by the two Houses on the economy bill, since there were provisions in the economy bill that we had taken into account in reaching our agreement.

Mr. KETCHAM. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. KETCHAM. This bill carries the appropriation for the year 1933 for the State, Justice, Commerce, and Labor Departments. Will the gentleman be kind enough to set

out at this point the percentage of deduction, or reduction, in the appropriations for these four departments?

Mr. OLIVER of Alabama. Will the gentleman be satisfied if I insert the matter in the RECORD at this point?

Mr. KETCHAM. At this particular point.

Mr. OLIVER of Alabama. I shall be pleased to do so.

Mr. KETCHAM. The gentleman understands exactly what I desire, which is to have the percentage reductions inserted at this point.

Mr. OLIVER of Alabama. I think so, and I shall be pleased to insert the information at this point.

The matter is as follows:

Department	Appropriations, 1932	Estimates, 1933	Passed House	Passed Senate	As agreed to in conference	Decrease under 1932 appropriations	Decrease under 1933 estimates
State	$18,730,573.34	$16,683,071.89	$15,192,148.33	$13,658,761.12	$13,663,792.89	$5,066,780.45	$3,019,279.00
Justice	51,489,201.00	53,900,364.00	50,741,775.00	45,798,500.00	45,996,000.00	5,493,201.00	7,904,364.00
Commerce	54,436,582.95	44,716,304.00	43,935,242.00	39,459,908.00	39,557,908.00	14,878,674.95	5,158,396.00
Labor	15,565,450.00	14,484,397.00	14,346,827.00	12,875,770.00	12,920,770.00	2,644,680.00	1,563,627.00
Total	140,221,807.29	129,784,136.89	124,215,992.33	111,792,939.12	112,138,470.89	28,083,336.40	17,645,666.00

Mr. LINTHICUM. I note the conference committee has reduced the appropriation for salaries of clerks in the Foreign Service more than $300,000 under what the House appropriation was and that it has also reduced the appropriation for salaries of Foreign Service officers some $300,000. What effect will this have upon the Foreign Service? Will it require the dismissal of any of these men?

Mr. OLIVER of Alabama. I think it will require the furloughing of some without pay.

Mr. LINTHICUM. Will they be furloughed in addition to their reduction in salary?

Mr. OLIVER of Alabama. I think some will be. A letter written by the Secretary of State to the Senate on that subject, a copy of which was sent to me, indicated this course would be necessary. That was the Secretary's view at the time he wrote the letter.

Mr. LINTHICUM. The conferees have also reduced the rent, heat, and light allowance, I notice.

Mr. OLIVER of Alabama. We think the amount with the limitations carried in the bill will prove sufficient. This is an allowance, as the gentleman knows, that was granted by Congress in the last few years, and is granted to few others in the Government service.

Mr. LINTHICUM. I suggested to the gentleman some time ago in a speech here that he not impound the salaries of clerks in the Foreign Service and Foreign Service officers who had resigned and that this money might go toward evening up the salaries of the other clerks and Foreign Service officers. Did the gentleman agree upon such salaries not being impounded?

Mr. OLIVER of Alabama. It so happens that the gentleman and I are only two Members of Congress, and that by an overwhelming vote—and doubtless the gentleman voted with the majority, as I did—we adopted the economy bill, which carried a provision that would have repealed any action we might have taken along the lines of the gentleman's suggestions.

Mr. LINTHICUM. The reductions in this bill seem to amount to something like 15 per cent.

Mr. OLIVER of Alabama. The reductions in this bill are approximately 15 per cent under the Budget estimates, which the President submitted and recommended.

Mr. LINTHICUM. And there yet may be the furloughing of the clerks and Foreign Service officers under the economy bill.

Mr. OLIVER of Alabama. Yes; I think there are indeterminate items of savings provided for in the economy bill, and the country will be very much interested to watch the results of the administration of that act by the executive branch of the Government.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. EATON of Colorado. I notice in the appropriations for the Bureau of Mines some of the inconsistencies that were brought into the House have been ironed out in the Senate, particularly in connection with oil and gas investigations. You have increased the amount from $146,000 to $180,000. This is $20,000 less than the Senate appropriated.

I am particularly interested on behalf of the University of Colorado and the State of Colorado which entered into an agreement with the United States in 1921 whereby the State of Colorado appropriates from $6,000 to $12,000 a year, and the United States appropriates a similar amount for the use of facilities, buildings, and equipment furnished by the University of the State of Colorado in connection with oil and gas investigations. I am interested to know if in this increased amount there is any provision made for continuance of the work at the University of Colorado during the ensuing year?

Mr. OLIVER of Alabama. In my opinion there will be no need to discontinue any of the activities of the Bureau of Mines by reason of the reductions that have been made in the Budget estimates for the bureau. The Bureau of Mines has suffered less perhaps than any other bureau in the Department of Commerce.

Mr. EATON of Colorado. By bringing this amount up to $180,000, I note you approximate the previous figures of the oil and gas investigations appropriation.

Mr. LAGUARDIA. If the gentleman will recall, when the bill was before us in the first instance, I ran afoul of my distinguished colleague from Arizona on account of the amendments which he had offered. Thereafter I believe he did write to one of the Senators saying that he did overstate the possible economies, and that has since been corrected; has it not?

Mr. OLIVER of Alabama. It has been partially corrected in this way: The Senate had a very careful hearing on these several items, because after the letter to which the gentleman refers was written, and to which my attention was called about 10 days thereafter, I called up the chairman of the Senate committee and expressed the hope that the items referred to be carefully considered, since it was not the purpose of the House or the author of the amendments to do any injustice to this bureau. The Senate restored practically the amounts approved by the House, and in conference we decided the item to which reference has just been made could be reduced $20,000, that a further item could be reduced $5,000, and another item $10,000. Those, I think, are the only reductions made by the conferees in the appropriations for the Bureau of Mines.

Mr. LAGUARDIA. And do not cripple the work in the slightest?

Mr. OLIVER of Alabama. The gentleman is correct, I think.

Mr. EATON of Colorado. May I add, in connection with "Economics of mineral industries," that they added $25,000, which permitted a larger amount of money to be spent outside of Washington, and that was one of the principal causes of the difficulty—that and the work in the different universities and at Tulsa, in connection with the oil and gas investigations.

Mr. LAGUARDIA. I, for one, believe the Bureau of Mines is a very useful bureau.

Mr. OLIVER of Alabama. It is a useful bureau, and I think we have provided it with sufficient funds to carry on its work. The head of the bureau, Mr. Turner, is a very efficient and able official.

Mr. LAGUARDIA. I think so.

Mr. OLIVER of Alabama. I know he will practice all possible economies and disturb the bureau's activities just as little as efficient management can avoid.

Mr. BRIGGS. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. As I understand it, the economy bill provides for a shift or transfer in emergency cases of 12 per cent of the appropriations within the departments when it is approved by the Budget Director and other designated officials.

Mr. OLIVER of Alabama. That provision applies to each of the departments for which we are carrying appropriations in this bill.

Mr. BRIGGS. So that special provision is not carried by your appropriation bill, but it is generally applicable under the economy bill.

Mr. OLIVER of Alabama. It was felt that where the Senate adopted the 10 per cent flat reduction, as they did in this bill, that such a provision should be carried, and because the conferees felt that way we agreed to withhold our conference report until action was taken on the economy bill, carrying the provision to which the gentleman refers.

Mr. BRIGGS. I am inclined to be in sympathy with these provisions because I think, in view of the very rigid reductions that have been made in several appropriation bills, it may become a matter of vital necessity. I want to ask the gentleman with reference to another provision contained in the economy bill.

Mr. OLIVER of Alabama. Just before the gentleman leaves the other subject, I do not wish to be understood as acquiescing in the wisdom of the transfer clause in general because it could be made the vehicle of abuse and extravagances.

Mr. BRIGGS. I am inclined to think that myself, and did not indorse it unreservedly.

Mr. OLIVER of Alabama. I feel it was a mistake to have it apply in full force to the Navy and the Army where a 10 per cent cut was not made. The only possible justification for it is in reference to those bills where a flat 10 per cent cut was made.

Mr. BRIGGS. That is what I am referring to.

Mr. OLIVER of Alabama. The provision is safeguarded in the economy bill, however, by requiring the approval of the Budget Director before any transfer can be made.

Mr. BRIGGS. That is exactly what I understand. The other point I want to bring out is that the economy bill specifically provides that many of the services which this Government has been furnishing gratuitously, such as services performed by the Bureau of Standards, the Radio Commission, and others, shall be hereafter charged for in accordance with the cost of the service. That is correct, is it not?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. Has that provision been anticipated in these appropriations? If not, do the funds which might be saved thereby in any of these other bureaus become subject to transfer under the 12 per cent shift clause of the economy bill?

Mr. OLIVER of Alabama. I will say to the gentleman that from my knowledge of the important work of the Bureau of Standards, if there be any bureau where some of its activities might and should be helped by the transfer clause, that is the one bureau which I hope the Director of the Budget will not overlook. They are rendering very valuable service to the public and it may be that some of their activities will suffer if its appropriations are not supplemented.

Mr. BRIGGS. The point I have in mind is that many of the services that are exceedingly valuable to industry and others have been performed heretofore without any cost except the general cost to the people of the United States, the taxpayers, and the economy bill now provides for a reasonable charge where such service is desired; and that, therefore, will make more bureaus more nearly self-sustaining and not, perhaps, subject them to as rigid limitations under the act as otherwise would be necessary. It may be that under the 12 per cent clause there will be an opportunity for transfers to other bureaus within the department where it is vitally necessary for any bureau to carry on its activities.

Mr. OLIVER of Alabama. I think under the economy bill, the money so paid will be covered into the Treasury.

Mr. BRIGGS. And therefore will not be available under the 12 per cent provision?

Mr. OLIVER of Alabama. I think not.

Mr. LINTHICUM. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. LINTHICUM. In the earlier part of the session we made an appropriation for the expenses of the delegates to the Disarmament Conference at Geneva, and the restriction on the per diem expense was waived. Since that time I understand the economy bill carries a restriction of $6 per day for these delegates and all other persons abroad. Is there any arrangement about adjusting this so that there will not be this restriction of $6 on these men who have already been sent abroad?

Mr. OLIVER of Alabama. I had understood it was the opinion of the gentleman who asks the question that it might be unwise to change that provision of the economy bill.

Mr. LINTHICUM. I think the gentleman misunderstood me. I said I thought the allowance which is now being made is rather large, and that there ought to be some resolution passed by which it might be reduced, and still increased above the economy program.

Mr. OLIVER of Alabama. I will state to the gentleman that I understand a joint resolution may be offered in the Senate to correct what the gentleman feels may be an injustice. The House will then have an opportunity to consider the matter, if, under the rules of the House, it can be brought up. My recollection is that the Speaker announced as to matters of this kind that he would not permit them to be considered except by unanimous consent.

Mr. LAGUARDIA. Will the gentleman yield with respect to a very important question.

Mr. OLIVER of Alabama. Yes.

Mr. LAGUARDIA. Is there any appropriation for the Mixed Claims Commission with Mexico?

Mr. OLIVER of Alabama. No; not in this bill.

Mr. LAGUARDIA. May I point out, while we are on this subject, because it is very interesting, the treaty expires on the 1st of July, I think, and there is a bill now on the Consent Calendar to revive that commission. I and others expect to object to that bill until we come back in December, and I want to point out to the gentleman that some day all of the information about the conduct of that commission is going to come to light, and it is going to be a small-sized scandal the way that commission dissipated public funds. In one instance they had a whole retinue of commissioners and assistants and clerks and stenographers down in Mexico, and they decided three cases in one year.

The year before they decided a very small number of cases also. I just want to throw this suggestion out at this time so the gentlemen will bear it in mind when the next request for an appropriation comes in. We should not revive the commission now because the only purpose of reviving it now—and I am very pleased that the chairman of the Committee on Foreign Affairs is present—is to get these favorites back on the pay roll and they have already agreed not to do anything until next winter.

Mr. OLIVER of Alabama. I may say that the gentleman from Pennsylvania [Mr. SHREVE], who was the previous chairman of this subcommittee and who was a most efficient chairman, very carefully considered that matter and the committee felt there should be no further appropriations carried at present. We concluded some time ago that they were spending too much money for results obtained.

Mr. LAGUARDIA. And purposely doing no work in passing upon these claims.

Mr. LINTHICUM. May I ask the gentleman a question?

Mr. LAGUARDIA. Yes.

Mr. LINTHICUM. The gentleman says they only decided three cases; was not that better for our Government?

Would it not have been better if they had not decided any of them?

Mr. LaGUARDIA. Oh, no; that is not the point at all.

Mr. STAFFORD. If the gentleman will permit, the cost of the maintenance of that commission was something over $300,000. We were spending more than we were getting from Mexico in payments. It was the most outrageously extravagant commission that has ever been appointed.

Mr. LaGUARDIA. American nationals had claims against the Mexican Government before this commission.

Mr. OLIVER of Alabama. I think the gentleman has performed a public service in calling the attention of the Congress to the importance of carefully considering further appropriation for this work.

Mr. BRIGGS. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. The Bureau of Foreign and Domestic Commerce sustained a very severe slash in the Senate in its appropriations. Did the conferees provide what they feel is sufficient to enable this bureau to function during the coming year?

Mr. OLIVER of Alabama. We increased the amount for district offices $48,000 and increased the item of export industries $15,000, which cared for tobacco and lumber, which the gentleman is interested in, and we also increased the amount for the collection of customs statistics by $20,000.

Mr. BRIGGS. It was the purpose of the conferees that the functions of the bureau should proceed unimpaired, but with reduced appropriations which would conform with the economy program of the Government.

Mr. OLIVER of Alabama. The gentleman is very familiar with the activities of this bureau. I think we agree that it has been and is now a very useful bureau. I was not at all in sympathy with some of the ill-considered criticism directed against it.

Mr. BRIGGS. I am pleased to hear the gentleman say that.

Mr. OLIVER of Alabama. We have granted what we thought were reasonable increases in line with the economies invoked elsewhere.

Mr. BRIGGS. I appreciate that.

Mr. SCHAFER. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. SCHAFER. I notice that the House appropriation for district offices of the Bureau of Foreign and Domestic Commerce is greatly reduced. Does the gentleman know what offices are to be discontinued if this reduction is made?

Mr. OLIVER of Alabama. It has never been the policy of Congress to in any way indicate in an appropriation bill to the Department of Commerce what offices it should establish or discontinue. I am inclined to think, under the appropriation carried in this bill, that no office will be discontinued. There will, of course, be a reduction in expenses. That matter is entirely in the control of the Secretary of Commerce, however.

Mr. SCHAFER. I notice that the gentleman from Alabama [Mr. OLIVER], and the gentleman from Tennessee [Mr. BYRNS] have in the past made very eloquent speeches in behalf of the work of the Bureau of Foreign and Domestic Commerce, and I ask if this conference report is the best we could get.

Mr. OLIVER of Alabama. I will say to the gentleman that the work of the bureau is not confined to the distribution of information through district offices to which the gentleman has referred. Its functions are large and very extended, and if I have made some favorable comments, and I still make them, they relate to the bureau in general. I have never been in full sympathy with the establishment of a large number of district offices. I have rather favored cooperative offices, like those in Cleveland, Ohio, and Rochester, N. Y., which do not require so large an expenditure of public funds.

Mr. SCHAFER. The Milwaukee office has been rendering very useful services, and we certainly do not want to lose that service.

Mr. LaGUARDIA. It would be a calamity if Julius Klein was compelled to go off the air. [Laughter.]

Mr. SCHAFER. Oh, well, certain Members of Congress make speeches over the radio, but that does not indicate that Congress is not performing its duty.

Mr. LaGUARDIA. I have not referred to Congressmen.

Mr. SCHAFER. One more question: I notice that the appropriation for enforcing the immigration law is reduced over a million dollars.

Mr. OLIVER of Alabama. The gentleman was not here when I made a statement in reference to that provision. I think I satisfied the gentleman from New York, who expressed an interest in it, as well as the gentleman from Washington [Mr. JOHNSON].

Mr. SCHAFER. You cut the appropriation for the Immigration Service in this bill, and it is also reduced in the economy bill. We only have three immigration inspectors in Wisconsin to enforce the immigration laws. We need more inspectors, and I certainly do not want to see a reduction. If the Treasury is so poor that you have to shave off a million dollars, I think it would be better to shave it off of the prohibition enforcement fund.

Mr. THATCHER. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. THATCHER. The gentleman may have covered it, but I want to ask him in reference to the appropriations for the Labor Department.

Mr. OLIVER of Alabama. The gentleman was not here when I discussed the immigration question, and I went over that very fully. We increased, however, the amount for the employment service by $50,000.

Mr. THATCHER. Over the House appropriation?

Mr. OLIVER of Alabama. Over the amount carried in the Senate bill.

Mr. THATCHER. How did that compare with the action of the House?

Mr. OLIVER of Alabama. It is about $50,000 under the amount of the House appropriation as first approved.

Mr. Speaker, I yield five minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Speaker, naturally I am very much interested in the Department of State and the Foreign Service. In the last Congress I introduced a bill, which was passed by Congress and approved by the President, in which the clerks in the Foreign Service were all classified and their salaries established. I find that this bill is perhaps the most drastic of any of the bills which have come before us. We talk about cutting to the bone. It seems to me that they have cut to the bone, and yet there is still something more left to be cut from these officers and clerks. For instance, while this appropriation has been decreased $17,000,000 in this bill and some 15 per cent below the Budget estimates, there is a furlough coming to these men, whose salaries have already been reduced. Just how that will work out I am unable to say, but I have received a number of letters from the men in the Foreign Service in which they tell me they are expecting quite a cut; but that no matter what it is, they are expecting to stand by and do the best they can under the circumstances. The most of these men in the Foreign Service are men who have no other means of support; they are clerks and officers. I am not speaking about the ambassadors nor some of the ministers, though I do not believe that the ambassadors and the ministers have much money left now. They are very much like the rest of us. The cuts are very severe. I am sorry that the Senate imposed such additional cuts to those the House had already made under the Budget estimate.

There are one or two things, however, I want to bring particularly to the attention of the House. One of those is the matter of the Interparliamentary Union. We have belonged to it for many years. We believe that we have profited very largely by our intercourse with other parliamentarians and legislators of other nations, and it has been the practice of our country to send delegates and to participate in their deliberations. I find that although we had practically promised $10,000 for the support of this Interparliamentary Union, the Senate has cut it and the conferees have agreed and it has been reduced to $7,500.

That is not for any delegates. That is merely our contribution to the expenses of the Interparliamentary Union, but it does seem to me that if we intend to cut this appropriation or to work over it and fight over it as hard as we have been doing, we ought to let these people know just what our permanent policy will be. They depend upon this appropriation. They have depended upon a $10,000 appropriation for this year, and they are to get $7,500. We ought to establish some policy as to whether we propose to contribute or do not propose to contribute, whether we propose to send delegates or do not propose to send delegates. There ought to be some settled policy on the part of the Congress and the United States as to this important Interparliamentary Union.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. OLIVER of Alabama. If this appropriation is to be continued another year, I serve notice now on those interested that the Appropriations Committee will ask for a statement as to amounts contributed by every foreign country and how the money is expended. There is no reason why, when every country is practicing economy, that the amount contributed here should not be sufficient and we should have a specific report of all expenditures.

Mr. LINTHICUM. I am sure the gentleman from Virginia [Mr. MONTAGUE], who is the head of the American group to this Interparliamentary Union, will be glad to furnish that information. The appropriations that we have been making are based largely on what France and England were giving to this work.

When the Budget was sent to Congress it contained a recommendation for an appropriation of $450,000 for the use of the Foreign Service Building Commission. That sum was not much, but in view of conditions at this time it has been cut out entirely. I do not object to its being cut low, but what I am sorry for is that we have purchased a building in Berlin, and that since we have purchased it it has suffered from a great fire on the Tiergarten side and the whole of the building has been gutted. We received $90,000 insurance. In its present state it is subject to the influence of the weather, it is an eyesore to the community, it is in the center of one of the greatest capitals in the world, and the building ought to be repaired. It could have been repaired for perhaps $150,000. It is standing there now with a temporary roof, with the windows boarded up, and with the inside absolutely gutted. We all believe in economy, I believe strictly in economy; but when it comes to parsimony, that should not be the attitude of the Government. We are losing money there. The building is going to pieces, it is in the center of one of the greatest capitals in the world, and is viewed by thousands of people every day. I dare say that many people ask to whom it belongs, and the answer must be made that it belongs to Uncle Sam.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. OLIVER of Alabama. Mr. Speaker, in view of the statement made by the gentleman from Maryland [Mr. LINTHICUM] relative to the importance of spending money on old buildings like the one to which he refers, I wish now to call the attention of the House to the fact that the Foreign Building Commission should take very careful account of the large amounts we are now asked to appropriate for the upkeep of some of the old buildings that have been purchased, and in some cases unwisely purchased.

Whether the building in Rome proves to be a wise purchase or not will depend largely on what Congress appropriates for its reconditioning and what its upkeep will require. I was glad to learn from Mr. Merrill, the very efficient secretary of the Foreign Building Commission, that they now contemplate spending a very small amount for the purpose of providing office space in that building. That will save a considerable sum now paid as rent in Rome. Referring to a building purchased in the Argentine, where the Government owned a vacant lot and were paying $37,000 rent for offices, what do we find the Foreign Building Commission did? They bought a large residence costing about $1,240,000 and spent $240,000 for reconditioning and furnishing it, and it is used only as a residence for the ambassador. We can not practice that kind of economy in future.

What has resulted? We found that the electric bill in that residence was costing more than $4,000. It was because of such extravagance that this Congress wisely placed in this bill a limitation on the amount that might be expended for fuel, light, heat, and custodial care. This Congress should remember that the House conferees have strenuously insisted that the limitations wisely imposed on appropriations in this bill and which were eliminated by the other legislative body should be restored. If there be one large saving and wise economy that the House can well point to, it is the limitations placed on certain expenditures.

Mr. STAFFORD. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. STAFFORD. Not only is the House of Representatives but I am sure the country is interested in the startling disclosures just referred to by the gentleman, of the extravagant policy that the Government has followed in purchasing old, antiquated and useless buildings for our foreign embassies. How general do the charges which the gentleman has leveled against Rome and Buenos Aires apply to the other public buildings that our Government has purchased for foreign embassies?

Mr. OLIVER of Alabama. We are paying too much for fuel, light, and custodial care in the City of Mexico, in Chile, in London, in Paris, and in several other places, all of which will be found set out in the House hearings. As stated before, Mr. Merrill, the secretary is very efficient, and in the printed hearings on this bill there will be found a very interesting statement showing every dollar expended on foreign buildings now owned by this Government. The buildings that the gentleman and some of his colleagues approved years ago for Tokio give evidence of care and sound judgment. We built there quarters for nearly all of the Government officials, including those who represent the Department of Agriculture, Commerce, State, and other agencies of the Government. We provided offices for them and we did it for an appropriation less than was spent for the old residence by the Foreign Building Commission in the Argentine. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. OLIVER of Alabama. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Speaker, I am glad that in spite of the pressing demands for economy at this time the distinguished chairman of the Committee on Foreign Affairs of the House and the conferees have seen the value of maintaining the Interparliamentary Union.

I have generally been opposed to all international conferences that this Government has participated in, because I believe that most of them have been steeped in fraud and deceit, and a great number of them have been merely traps to catch the American people. It is largely due to the fact that most of the international conferences are made up of men from the executive branches of the various foreign governments as well as our own, made up of men from the military and naval branches of foreign governments as well as our own, none of them interested in the general purpose that all people have in mind concerning international conferences, that is, an ultimate and permanent peace. Most of them resort in these conferences to skullduggery for advancing their own selfish interests.

While the Interparliamentary Union has a value, it is deterred from efficient work because it has no official sanction from the various governments. The basic worth of the union lies in the fact that it is drawn from men who serve in the legislative branches of the various governments of the world. It is drawn from men who are lawmakers; it is drawn from men who are closer to the people than the men who attend the other conferences. Here we have a world greatly disturbed; disturbed in every possible way, with no organic law to bind nations, with no precise international

law, with no definite, written international law; with a great number of treaties, some contradictory of the others; with compacts and agreements and various international conferences—a hodgepodge that is called international law. This Interparliamentary Union, made up of men who have only one purpose in life, that is, proper lawmaking, men who have been engaged for some time in an effort to frame an organic international set of statutes; and I think it is well for this country that we do all we can to keep up this very fine institution.

Now that practically every country in the world has a democratic or parliamentary form of government, I hope the day will come when the nations of the world will give up their various leagues and conferences, and give real power to the Interparliamentary Union. [Applause.]

Mr. OLIVER of Alabama. Mr. Speaker, I move the previous question.

The previous question was agreed to.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 21: On page 16, in line 19, insert:

"That the American section, International Water Commission, United States and Mexico, is hereby consolidated with the American section, International Boundary Commission, United States and Mexico. Hereafter the powers, duties, and functions of such section of such commission shall be exercised by the American section, International Boundary Commission, United States and Mexico.

"All records, files, and property of any nature whatsoever (including office equipment) of, and that portion of the unexpended appropriations less $25,000 for the American section of the International Water Commission, United States and Mexico, for the fiscal year 1931–32, are transferred to the American section, International Boundary Commission, and said appropriations shall be immediately available for direct expenditure by the American section, International Boundary Commission, under the direction of the commissioner thereof and shall continue to be so available until June 30, 1933. The commissioner is authorized to appoint to positions in the American section, International Boundary Commission, such employees of the American section, International Water Commission, or other persons as he may deem necessary in carrying out the provisions of this act, and said commissioner is further authorized to designate and redesignate, as he may determine to be necessary, the duties and headquarters station of all employees under his supervision."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. OLIVER of Alabama moves that the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Effective July 1, 1932, the International Water Commission, United States and Mexico, American section, is hereby abolished, and the powers, duties, and functions of such section of such commission shall be exercised by the International Boundary Commission, United States and Mexico, American section. All records, files, and property of any nature whatsoever (including office equipment) of the American section of the International Water Commission, United States and Mexico, are transferred to the American section, International Boundary Commission, United States and Mexico. All appropriations and unexpended balances of appropriations made to either of such sections of such commissions in this or prior appropriation acts shall be available for expenditure by the American section, International Boundary Commission, United States and Mexico, in the same manner as though such latter commission had been named in the laws providing for such appropriations, and the appropriations herein made available for the fiscal year 1933 shall be merged and constitute one fund: *Provided*, That the amount reappropriated under the preceding paragraph shall not exceed $70,000. The commissioner of the American section, International Boundary Commission, United States and Mexico, is authorized to appoint to positions in such section such employees of the American section, International Water Commission, United States and Mexico, or other persons, as he may deem necessary in carrying out the provisions of this paragraph, and such commissioner is further authorized to designate and redesignate, as he may determine to be necessary, the duties and headquarters' station of all employees under his supervision."

Mr. OLIVER of Alabama. Mr. Speaker, this amendment is offered in order to make the bill conform to the economy bill; and I may state to the House there is a saving of over $25,000 here.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

Mr. PATTERSON. Mr. Speaker, I object for the present.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 32, line 1, amendment No. 39, insert the following:

"ONE THOUSANDTH ANNIVERSARY OF THE NATIONAL PARLIAMENT OF ICELAND

"The unexpended balance of $3,173.75 of the appropriation of $55,000 contained in the joint resolution approved January 20, 1930 (46 Stat. 57), for the expenses of participation by the United States in the celebration of the one thousandth anniversary of the Alting, the National Parliament of Iceland, is continued available until June 30, 1933, for the same purposes, and for the transportation and subsistence, or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926 or regulations prescribed pursuant thereto), of a representative or representatives of the Government of the United States to make the formal presentation of the statue of Leif Ericsson, including such expenses of entertainment as the Secretary of State shall deem proper."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. OLIVER of Alabama moves that the House recede from its disagreement to the amendment of the Senate No. 39, and agree to the same with amendments, as follows: "In line 3 of the matter inserted by such amendment, strike out 'The unexpended balance of $3,173.75' and insert in lieu thereof the following: 'Not to exceed $2,500 of the unexpended balance'; and in line 11 of the matter inserted by such amendment, after the number "1926," insert the following: ', as amended,'."

Mr. OLIVER of Alabama. This amendment, you will note, saves about $600 and more.

Mr. Speaker I yield three minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Speaker, I dislike to take the time of the House, but I do not want the House to feel that the Foreign Service Building Commission has made the mistakes which the gentleman from Alabama would indicate.

It is true we have a very splendid embassy in the Argentine, at Buenos Aires. It is on the principal highway of that great city of 2,000,000 people. It has large grounds, and I say without fear of successful contradiction that it is the finest embassy in the world, and any American who is in Buenos Aires and sees that building with the American flag flying from it can not help but feel very proud of his country and of his embassy. Looking at it now it may appear a large sum of money, and I presume it was, but all the things we did several years ago were on a large scale, and they can not be compared with circumstances to-day with all this unexpected depression.

Now, as to any other old buildings, no other buildings were purchased. Every building we have has been built by us. This building was only six years old. It was owned by the gentleman who is now Minister of War in Argentina. It is eminently suitable for our embassy, and I am sure if the gentleman from Alabama should go to Argentina and along that avenue of Buenos Aires and see that building with the American flag flying from it, the blood would tingle in his veins with pride for the United States. I am sorry the gentleman always criticizes us. It is not fair. The commission has done what it thought it ought to do. It has not come back to Congress as yet for additional appropriations, and the country is being splendidly equipped throughout the world with embassies and legations which it should have had a great many years ago.

Mr. BRIGGS. Will the gentleman yield?

Mr. LINTHICUM. I yield.

Mr. BRIGGS. I would like to ask the gentleman if it is not the purpose to provide in these buildings quarters for the diplomatic staff, or is the purpose to provide in them only quarters for the ambassador or the minister? It is my impression it was the intention of Congress that the building should house the staff as well as the ambassador.

Mr. LINTHICUM. The policy laid down by Mr. Porter, the former chairman of this commission, was that the building should be a home for the ambassador, the minister, or the consul general, and that the offices should be located elsewhere in the business section.

Mr. BRIGGS. I have one more question.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield the gentleman from Maryland one additional minute.

Mr. LINTHICUM. The embassy in Buenos Aires is located in the residential section, far from the business part of the city. In Paris the ambassador's home is located away from the business section, and therefore we have constructed offices in the business center. It was the policy of Mr. Porter, who drew this law, that the homes should be in the residential section and that they should have office buildings in the center of the city for all the needs of the United States Government.

Mr. BRIGGS. I may say to the gentleman I am talking about the policy and intent of Congress; I am not talking about the policy of the former chairman of the House Committee on Foreign Affairs. I wish to say that the foreign governments who have their new embassies here in Washington, the British Embassy, the Japanese Embassy, the Italian Embassy, and the Spanish Embassy, and others, all have their chancelleries and their offices as well as the residence of the ambassadors right in the same buildings, and I am sure it was the intent of the Congress that any buildings constructed or acquired by our Government in any foreign country for diplomatic uses should not only be suitable and arranged for both the residence of our ambassador or minister but should also provide offices and quarters for all of the diplomatic staff attached to the embassy or legation. It was not the intention of Congress that a separate building for the ambassador's or minister's residence should be provided and another building for offices and quarters in the same capital.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 132: On page 64, line 15, strike out the sign and figures "$7,553,500" and insert the sign and figures "$7,350,000" and the following proviso:

"*Provided*, That $200,000 of said sum shall be expended toward establishing a line between Puget Sound and the Twin Cities."

Mr. OLIVER of Alabama. Mr. Speaker, I move to recede and concur with an amendment.

The SPEAKER pro tempore. The gentleman from Alabama moves to recede and concur with an amendment. The Clerk will report the amendment.

The Clerk read as follows:

Mr. OLIVER of Alabama moves that the House recede from its disagreement to the amendment of the Senate No. 132, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: "$7,400,000: *Provided*, That $50,000 of said sum shall be expended toward establishing a line between Puget Sound and the Twin Cities."

Mr. OLIVER of Alabama. Mr. Speaker, I will say in this connection that when this bill was first reported to the Senate it carried, as you may recall, an increase of more than $1,000,000 over what the House had approved. Then the bill was recommitted under the 10 per cent cut direction of Senator MCKELLAR. Included in that $1,000,000 increase was $200,000 for the establishment of a new mail line between Puget Sound and the Twin Cities. After the bill was recommitted to the committee, they cut very deeply the appropriation for the maintenance of existing air lines. In addition to this cut they undertook to require that $200,000 of the amount remaining should be expended in establishing this new airway. The House conferees, in reaching an agreement on this bill, agreed to submit a recommendation that $50,000 be appropriated for this new line.

Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, I want to ask the close attention of every Member of the House for just a very few moments while I call your attention to just what this amendment means. Having done that, I will feel I have discharged my own responsibility, and of course it is the privilege of the House to take such action as it may desire.

In what I shall say I am not offering the slightest criticism of or reflection upon the conferees on this bill. They have done a splendid job in the report they have submitted. I am aware of the difficulties which confront conferees. They are sometimes put in a position where they are forced to support some proposition as a matter of compromise, but that does not obtain with those not on the conference. I want to say, so far as the gentlemen who have composed the conference committee on the part of the House are concerned, that there are no Members of the House who are more anxious to conserve the public money or who have done more in this session to do that than the gentleman from Alabama [Mr. OLIVER], the chairman of the conferees, and those associated with him on that committee.

What does this amendment mean if you adopt it?

Let me say, first, that a year ago, without a recommendation from the department and in opposition to the department's wishes—and I say this advisedly—and without a recommendation from the Budget, the Senate in committee placed on the Post Office bill $750,000 for the purpose of establishing an air mail route along the northern border. The House conferees at that time were headed by the gentleman from Indiana [Mr. WOOD]. I happened to be a member with him. We opposed that appropriation, and after considerable discussion and repeated meetings we finally agreed that a survey should be made in order to obtain some information in regard to it. There was not any information in the hearings as to whether or not it was advisable and, as I have said, it had not been recommended by the Post Office Department or the Bureau of the Budget. Thereupon $20,000 was appropriated for a survey to be made. In compliance with that appropriation and authority that survey has been made. I hold in my hand a copy of the report submitted by those who were charged with that responsibility. They make no recommendations, but they state the facts and show just what it will cost to establish this airway.

I am not here to say that some day it ought not to be completed. I have always been in favor, as gentlemen upon this floor will bear me out, of rather liberal subsidies for our air mail, feeling that only in that way could we ever establish what I hope and what we all hope will ultimately prove to be a very profitable service and at the same time develop our Air Service commercially. We have been appropriating money at an enormous rate, and in a few years we have reached the point where we are appropriating next year $19,000,000 by way of a subsidy for air mail.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. BYRNS. We are appropriating that money out of the Treasury with no return to our Treasury except in what we hope it may ultimately accomplish. That has been done in a very few years. I do not think any greater speed has been made than the Congress has made with reference to increased appropriations for this particular service.

Now, what do we have? Here is a proposition to appropriate $50,000 toward establishing this service, and what

does it mean? These are not my figures. They are the figures of this survey committee and I read to you from that report. It is going to cost, in order to construct that airway, $719,350. Think of it. You are appropriating $50,000 now. You are putting the nose of the camel under the tent, but when you get through, if this impartial survey is correct, you are going to have to appropriate a total of $719,350 upon one of these routes in order to construct it; or $713,700 on another route, or $699,000 on still another one.

In other words, when you appropriate this $50,000, you might just as well make up your mind that you are either throwing it away or that you are coming back here next December and vote the remainder of this money necessary to complete it. They will tell you then that you have laid the foundation and you certainly should continue and build the structure.

These are not my figures, gentlemen. These are the figures of this survey and the report is available to all of you.

This is not all of the story. After you have constructed this service, and such construction, of course, means air lighting for night flying, airway radio stations, radio range beacons, and also airports, wherever they are necessary; then you will have to make a contract to carry the mail. Then what is it going to cost to maintain the line? They tell you the cost for annual maintenance will be $378,400, and in addition to this, for 24-hour meteorological service, the cost will be $70,910.

This is the story. You are now appropriating the somewhat insignificant sum of $50,000, not only not recommended by the Budget but opposed by the department on the ground that this is no time to start an expense of this sort. This is the statement of the Department of Commerce and it is the position of the Post Office Department. Neither the Budget nor the President has recommended it, and yet it is placed on this bill in the Senate without, so far as I know, any kind of vote taken there except possibly a viva voce vote.

Mr. SCHAFER. Will the gentleman yield for a brief question?

Mr. BYRNS. Yes.

Mr. SCHAFER. Were the other airways that have been established established by specific legislation such as incorporated in this amendment?

Mr. BYRNS. No; I think not.

Mr. SCHAFER. By putting in this amendment designating a particular "pork-barrel" project, does it not establish a precedent in so far as establishing these routes is concerned?

Mr. BYRNS. That is my understanding, I will say to my friend from Wisconsin.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. BYRNS. In the other cases the money has been appropriated and it has been left to the Post Office Department to say where the routes shall be established, acting in conjunction with the Department of Commerce.

Mr. SCHAFER. And in view of that fact, this is purely a "pork-barrel" matter and nothing else.

Mr. BYRNS. It has that appearance.

Mr. LAMNECK. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LAMNECK. Is it not a fact that we have now two transcontinental lines and service from Puget Sound to the Twin Cities by way of Chicago?

Mr. BYRNS. Absolutely. The Department of Commerce says there is no reason for the establishment of this line now, and they take the broad position that this is not the time to undertake it, and you and I know that to be a fact.

Mr. KNUTSON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. KNUTSON. Is not the purpose of this item to give air mail service to a large trade territory up in the Northwest, which is now without such service?

Mr. BYRNS. I think not.

Mr. KNUTSON. It is not pork, and it is not fair to call it pork any more than the other item with respect to air mail service.

Mr. BYRNS. I will say to the gentleman that to my mind it has never been fully demonstrated that the service which will be rendered would justify an annual expenditure of $1,000,000 for the balance of the gentleman's life and mine, and even longer. That is what this item means.

I may say to the gentleman that if he wants to continue to increase subsidies at this time, when we are cutting salaries and when we are calling upon the people to take care of big deficits, it is all right to do this; but I do not know of anything that is any more indefensible than for the Congress at this time to undertake a project of this sort, when neither one of the departments recommends or asks for it, but on the contrary, they say this is not the time to undertake such a project. When the President and the Bureau of the Budget do not recommend it, I can not see any defense for undertaking a project of this kind that is going to cost $1,000,000 every year for years to come. [Applause.]

Mr. KNUTSON. Let me say to the gentleman that I rose in protest against the term "pork" as applied to this particular item. It may be that it may not be desirable——

Mr. BYRNS. I hope the gentleman from Wisconsin will join with me in withdrawing that term, if it is displeasing to the gentleman.

Mr. KNUTSON. The gentleman from Wisconsin assumes everything is pork that is not spent in Milwaukee.

Mr. STAFFORD. Milwaukee is not in distress like the Twin Cities.

Mr. BYRNS. Gentlemen, all I have endeavored to do is to call your attention to just what the adoption of this amendment means, and in doing that I have discharged my responsibility as I see it, and it is up to the House.

May I say, as I am reminded by my friend from Ohio [Mr. LAMNECK], just the other day the House appointed an investigating committee with respect to all of these air mail contracts all over the United States, including those to which we are now making contributions, and it seems to me that under the circumstances, even if the facts were different from what I have stated, this is no time to start a new service, but we should wait until this report has been made. It may be that some routes ought to be eliminated and it may be that this route ought to be instituted, but, gentlemen, let us get the facts and not load the Treasury with an additional appropriation at this time. [Applause.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield five minutes to the gentleman from Washington [Mr. HILL.]

Mr. HILL of Washington. Mr. Speaker, we of the Northwest and the Pacific Northwest are wondering why it is when you get all of the southern part of the country, the eastern part of the country, and the midwestern section of the country developed, that you stop this program of air mail development.

You did not discover until you got this development that you have gone far enough, perhaps too far, in the establishment of the air mail service.

Now, this map I have here is small, but I hope you can see it. It demonstrates where the air service has been developed. More than one-third of the northern portion of the United States from Chicago west has no transcontinental air service. There are three transcontinental air lines to the south of that, and in addition to that, you have interconnecting lines between those points, which have developed a veritable maze with high degree of service throughout those parts of the country. Then you say, "We have gone far enough, we recognize the fact that you of the northern section have been discriminated against, but now is not the time to spend any more money in airway development."

Mr. BYRNS. Will the gentleman yield?

Mr. HILL of Washington. Yes.

Mr. BYRNS. Take the first service established. It was from Chicago to Omaha, and Salt Lake and San Francisco. The city of Seattle is served by long, expensive lines, and another one down the coast.

Mr. HILL of Washington. We have no east and west service, but you extend lines from Seattle and Spokane to the south——

Mr. BYRNS. The gentleman says they are extending the lines down south. The South is not any more benefited by these lines than other sections of the country. Take the gentleman's own map, and he will see that that is so.

Mr. KNUTSON. The gentleman from Washington did not undertake to refer to the South in that way.

Mr. HILL of Washington. The South has a different meaning in our country from what the gentleman from Tennessee has in mind.

Mr. BYRNS. Then let the gentleman try to make it plain.

Mr. HILL of Washington. For the fiscal year 1932 estimates were sent from the Post Office Department to the Bureau of the Budget, including $720,000 for the establishment of an air mail service on this northern route. The Bureau of the Budget revised the estimate by cutting the total amount for air mail service down to $20,000,000, thereby cutting off more than one and one-half million of the estimate, and as a result the Post Office Department eliminated its estimate for our northern route.

This proposition was cut out by the Post Office Department because, as the statement was made to me, it would enable them to complete the transcontinental line from New York to Atlanta and Atlanta to Los Angeles, making a third transcontinental air mail line.

That was sent to the Appropriations Committee, and we were left out of the picture. The Post Office Department has recognized that we are entitled to that service, and everyone who has given any thought to it recognizes that we are entitled to it. And yet you say now is not the time to give it to us, when the rest of the country is enjoying the service, and we are deprived of it.

Mr. KNUTSON. The service in our section of the country is all east and west, and the purpose of this is to divert it and get a line between Chicago and San Francisco, and that is what we are objecting to.

Mr. HILL of Washington. The gentleman is correct.

[Here the gavel fell.]

Mr. OLIVER of Alabama. I yield the gentleman two minutes more.

Mr. HILL of Washington. May I say this: That this line would establish a service 12 hours shorter in time between Puget Sound and the Twin Cities than the route by Salt Lake. Now you have to go down to Pasco and Salt Lake and up to Chicago; then double back to St. Paul and Minneapolis, and consequently we have to send our mail by train and for quick communication use the telegraph. I want to say that if you want to give us a square deal you will vote for the amendment offered by the gentleman from Alabama [Mr. OLIVER]. I might go on and tell you about some of these other air mail contracts, if I had the time, that have been put in before any survey of the route was made, before any development of aviation facilities was made of the proposed route. Yet in our case we are required to go ahead and develop our route before they will consider putting a mail service on it. I appeal to you in the interest of fair play, in the interest of a square deal to all sections of the country, that you support this motion and give us this small meager sum of $50,000 to start this program.

I ask unanimous consent to extend my remarks in the RECORD by including a statement prepared at my instance for me by Mr. Newton Wakefield, of Spokane, Wash., on this subject.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE NORTHERN AIRWAY—STATEMENT BY NEWTON WAKEFIELD

The air commerce act of 1926 established an areonautics branch of the Department of Commerce to foster air commerce by encouraging the establishment of airports, civil airways, and other air-navigation facilities. The Watres bill amending the air mail acts was passed in 1930 to expedite air mails and assist the development of passenger air lines of the country. Railroads and merchant marine have been given similar assistance by the Government in the form of land grants, loans, navigation aids, mail contracts, etc.

Quite a comprehensive network of civil airways has been developed by the Department of Commerce but through politics the northern tier of States has been left out of this program of development. A veritable maze of airway lines fly over federally lighted and equipped airways in the East, Middle States, and Southwest, but the people of the Northwest, where fast transportation of passengers, express, and mail means so much to their progress, have been deprived of this service which they honestly need and rightly deserve. As a substitute for the real service needed by the Northern States they have been given feeder lines that connect with a transcontinental line in the central part of the country. The natural lanes of travel in the northern tier of States are east and west, yet our air mail connections are many miles to the south.

There are three transcontinental airways in the southern half of the United States and interconnecting lines all federally equipped and maintained over which air mail is carried. The northern tier of States has been discriminated against in the airways program and the people have been fooled by propaganda and politics. When the Northern States petitioned the Postmaster General for air mail over a northern airway they were told that an airway must first be developed, and yet this same Postmaster General granted many air mail contracts in other parts of the country over airways that had not at the time been developed. The Postmaster also stated that there was no money available for more air mail lines and yet he created several new lines that were not included in his budget and inaugurated double air mail schedule over other air lines. One large and politically powerful company (United Air Transport) has been able to get extensions on their line and double mail schedules without any trouble, while the Northern States are still fighting for a single air mail line that will serve their need and make it possible to compete and develop with other parts of the country. Before the last session of Congress, people of the Northern States made such a strong appeal in petitioning Congress for a northern airway and direct east-west air mail, that an amendment was made to the Post Office air mail appropriations bill to include money for a northern air mail route. The amended post office bill was passed back and forth from House to Senate several times and was upheld in the Senate each time.

The Post Office claims that the route was not practical, in spite of the fact that north and south air mail was already being flown at both ends and in the middle of the northern airways and a commercial company had successfully operated for six months over this route. The towns have developed airports at practically 50-mile intervals over the entire distance of 1,200 miles. House and Senate conferees finally settled on a compromise appropriation of $20,000 for a survey of the northern airway from the Puget Sound to the Twin Cities. The survey was made by the Aeronautics Branch of the Department of Commerce last summer and the report submitted in December in Senate Document No. 24. The entire report was very favorable for a northern transcontinental airway and in the survey of comparison between existing central and proposed northern airways. The Department of Commerce's report reads as follows:" The proposed northern transcontinental airway affords a shorter crossing of the mountains, and accordingly a longer stretch of fairly good flying country, than the central transcontinental airway. The flying altitudes necessary on the proposed northern transcontinental would be approximately 2,000 feet less than the central continental, and therefore better performance of aircraft could be expected. From the overall picture of both airways, it appears that the proposed northern transcontinental offers slightly better flying country."

In conclusion the report says: "As previously stated, it is physically practicable for the Department of Commerce to construct, operate, and maintain air-navigation facilities along any one of the indicated routes which might be designated." This report eliminates the last objections and proves without a doubt that the airway is feasible and practicable for flying the entire year.

Why should its development be further delayed—the people of the northern States want this airway, they have petitioned Congress for its development and the post office for air mail. The airway is practicable and the people of the northern States are asking for the development of an airway serving their country to protect their industries and commerce. The towns and cities along the route have spent hundreds of thousands of dollars in developing fields and airports in anticipation of the establishment of a northern airway.

The Department of Commerce has approved the airway, and states that it will take about 18 months to develop so that air mail can be flown over it at night. If this is true, then work should be started at once and the entire route developed as a northern transcontinental airway in one project from the Puget Sound to the Twin Cities; developing the entire route as one airway will eliminate the politics and irregularities that have resulted from extensions of existing air mail routes in the past. Then, too, the Postmaster is not authorized to extend air mail routes at right angles to the parent route nor for a greater distance than the parent line.

Aside from the economic importance of this airway, it will be of great military value. Several years ago a pursuit squadron from Selfridge Field flew from St. Paul to Spokane during the winter season. The flight was made under severe hardships, because the airway was not developed, and one delay was encountered after another until the winter maneuvers took on the appearance of a colossal farce. The trip, however, proved conclusively that the development of this airway was desirable and essential in our

national defense, and it is now considered to be of great military importance.

The strategic location of the Spokane airport just east of the coastal range is conceded by military authorities to be a logical air base in the north for aircraft operations against an enemy attacking from the west coast. It would be a concentration point for planes from all parts of the country but could not be reached without a developed airway from the East. The Government is spending millions for national defense, and a northern airway would not only be a part of our national defense but would also benefit the people in peace times as well.

In summary, we find that the northern congressional delegates are confronted with the problem of adverse political influence and propaganda from other sections of the country. The argument that the northern airway is too expensive a project is sometimes advanced, and yet each year enough small extensions are made on the southern routes to pay for this development and enough new short air mail lines established and double schedules arranged to more than pay for an air mail contract over the entire northern airway. The people are beginning to learn the truth about air mail and how one big company receives approximately 90 per cent of the air mail appropriations, how new lines and extensions are being made in other parts of the country, and in short, of the gross discrimination against the northern tier of States in the matter of an east-west airway and air mail. The same people have worked incessantly during the past five years for a northern air mail route, have spent hundreds of thousands of dollars in establishing airports, have petitioned the post office for air mail, and have fought for the development of the northern airway. Briefly, the people are back of this airway and are asking our congressional delegates to do everything possible for its immediate development so that the cities will be served with east and west air mail and passenger service to protect their industries and commerce.

The northern delegates, after appreciating the problems and false arguments against the airway and knowing that their people are unanimously supporting them in their campaign for its development and knowing also that their constituents have petitioned the Post Office Department for air mail over this airway, may be greatly encouraged that they now have a report on the airway prepared from a survey by the Department of Commerce which is entirely favorable. Fortified with the additional knowledge that a northern airway is of economic importance, strategic military value, and a necessity for the protection of commerce and industry they should have little trouble in receiving the necessary appropriations.

Mr. OLIVER of Alabama. Mr. Speaker, I yield five minutes to the gentleman from North Dakota [Mr. BURTNESS].

Mr. BURTNESS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BURTNESS. Mr. Speaker, obviously it is impossible to go into much detail with reference to this matter in five minutes. I wish we had a larger map showing the air lines throughout the country, so that you could all get the true picture readily, because I am entirely willing to base the merits of this case upon an examination of the map. If you can see this map, you will note this tremendous territory in the Northwest [indicating], extending from a point west of Minneapolis and St. Paul through the States of North Dakota, South Dakota, Montana, and across Idaho over into Washington practically without air mail service. If you could put a sort of window over that territory, I know you could not help but be impressed with the tremendous discrimination against that section of the country in the establishment of air lines.

Of course some of you gentlemen may not personally realize the extent of the territory or the great distances out there or even the size of those States. Here is my friend the gentleman from Montana [Mr. LEAVITT], whose district alone is as large as New York, Pennsylvania, and New Jersey combined. As already indicated in the debate, the travel is east and west out there and not north and south. The heavy mail and business contacts are east and west. Gentlemen have no idea of the length of time it takes for ordinary mail to come from Seattle to Washington today. The gentleman sitting in front of me and who represents the Seattle district [Mr. HORR], can not get a letter back and forth by ordinary mail to his home in less than 9 or 10 days. This is a service that is needed out there, not particularly in Seattle but through all the intervening territory. This large empire has been the stepchild of the Post Office Department and the Government in the establishment of air mail facilities. This section between Spokane and Bismarck is the one territory in the country which has not any air mail service at all. The only other stretch that comes anywhere near to being treated in the same way is up in New England.

It is because of such facts that we presented our case to the Committee on Appropriations of the Senate. Very careful hearings were held by that committee, and because of this tremendous discrimination in service that was so definitely shown in detail, that committee, by unanimous vote, as I understand it, reported the amendment that earmarked $200,000 for the purpose of establishing in part a northern transcontinental air route. Only an extension to Helena was contemplated now.

It was not done by guesswork. I hope most of you are familiar with the very complete survey made by the Commerce Department within the last year to determine the feasibility of the three separate routes that have been suggested. Of course, only one is to be established.

Every one of the three was found to be feasible, and regardless of what may be said now or hereafter in this debate, that department in making that survey advised in black and white that the passes over the mountains are preferable to the routes now existing farther south. Every one of the three routes is feasible, whether through the territory east of Spokane you establish the one through South Dakota or one of the two suggested to run through North Dakota. The same is true as to three possible routes between Spokane and Seattle.

Mr. MARTIN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. BURTNESS. Yes.

Mr. MARTIN of Oregon. The gentleman speaks about crossing the mountains. The best route in the West is the route down the Columbia River, which is open all the time.

Mr. BURTNESS. Here is the conclusion of the report of the survey by the Department of Commerce of a proposed northern transcontinental air line to extend from Puget Sound to Minneapolis-St. Paul, found in Senate Document 24, Seventy-second Congress, first session, which is the letter from the Assistant Secretary of Commerce to the chairman of the Senate Appropriations Committee transmitting the report of the engineering survey theretofore authorized by Congress. I quote from page 19:

SUMMARY OF COMPARISON

The proposed northern transcontinental airway affords a shorter crossing of the mountains and accordingly a longer stretch of fairly good flying country than the central transcontinental airway. The flying altitudes necessary on the proposed northern transcontinental would be approximately 2,000 feet less than the central transcontinental, and, therefore, better performance of aircraft could be expected. From the over-all picture of both airways, it appears that the proposed northern transcontinental offers slightly better flying country. (Profiles of central and northern transcontinental airways, figs. 12, 13, and 14.)

CONCLUSION

From the foregoing it will be evident that there are several routes from which to choose in constructing the proposed airway. Such an airway may be divided into two sections for detailed consideration: Seattle to Spokane and Spokane to Minneapolis-St. Paul.

On the section from Seattle to Spokane there are three practical routes as follows:

Seattle to Spokane:

(1) Via Cle Elum and Wenatchee, Wash.

(2) Via Cle Elum and Ellensburg, Wash.

(3) Via Cle Elum, Ellensburg, and Lind, Wash. (This route would connect at Lind with the existing Federally lighted airway between Portland and Spokane.)

On the section from Spokane to Minneapolis-St. Paul there also are three practical routes, as follows:

Spokane to Minneapolis-St. Paul:

(1) Via Sand Point or Wallace, Idaho; Missoula, Butte, or Helena, Bozeman, Billings, and Miles City, Mont.; Aberdeen and Watertown, S. Dak.

(2) Via Sand Point or Wallace, Missoula, Butte or Helena, Bozeman, Billings, and Miles City, thence to Glendive, Mont.; Bismarck and Fargo, N. Dak.

(3) Via Missoula, Helena, Great Falls, and Havre, Mont.; Williston, Minot, Grand Forks, and Fargo, N. Dak.

As previously stated, it is physically practicable for the Department of Commerce to construct, operate, and maintain air navigation facilities along any one of the indicated routes which might be designated.

Mr. Speaker, we stand upon this survey and this scientific recommendation made by the department, which is not

based on preconceived notions or local prejudice, but is a splendid indorsement of the feasibility of the route which will be partly extended now and later assured for the future if the Senate amendment is adopted, or if the recommendation of the conferees is accepted.

We who ask this also favor economy. If we did not we would urge establishing the entire route at this time. On the other hand, having in mind the discrimination which now exists, we feel justified in asking for a start so that when prosperity returns we can reasonably expect service somewhat similar to that provided for other sections.

Anything but favorable action on our modest request simply makes us the victims of the times and deprives us of the fair treatment to which we are entitled. I hope you will not blindly follow the leadership of the powerful chairman of the Committee on Appropriations, the gentleman from Tennessee [Mr. BYRNS], who seems to delight in opposing everything that we from the Northwest ask for. I simply urge that you consider the merits fairly and treat us as you would want to be treated if you presented a similar case.

Mr. OLIVER of Alabama. Mr. Speaker, I yield three minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. EVANS of Montana. Mr. Speaker, before the gentleman from Minnesota begins, will he yield to me?

Mr. KNUTSON. Yes.

Mr. EVANS of Montana. I wish the gentleman might describe to the House how much shorter this proposed route would be than is the route now to bring a letter from Seattle to St. Paul, the route now being from Seattle to Salt Lake on to Chicago and back from Chicago to St. Paul.

Mr. KNUTSON. It would be the difference of going around the letter U and going across the top of it. Mr. Speaker, so long as it was proposed to extend air mail service and give the contracts to the two monopolies that now control the air mail service in this country the gentleman from Tennessee [Mr. BYRNS], and other economists, were strangely silent, but now when a proposition comes before this House to give air service to a section up in the Northwest that is now without any sort of air service whatsoever, and it is further proposed to give the contract to a relatively small, independent air line, the gentleman from Tennessee, the friend of the grasshopper, raises his hand in holy horror and calls upon every loyal American to protect the Treasury against inroads.

He is ably seconded by my good friend from the sudstown of Wisconsin [laughter], who thinks that everything is pork that is not spent within the confines of that great State.

My friends, we are entitled to air mail service in the Northwest. I am sorry I did not have prepared for the purpose of this debate a large map, which every Member could see, to show how the air service is now apportioned. We are absolutely without any air mail service at all in this great empire between Seattle and the cities of Minneapolis and St. Paul. It is for the purpose of facilitating communication in the Northwest, in that great empire, that is now without air mail service, that we appeal to you to adopt the amendment attached to the bill by the Senate.

Mr. LEAVITT. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. LEAVITT. There are three transcontinental railroads serving this country, east and west, demonstrating the amount of business that would be taken care of by this line.

Mr. KNUTSON. That is true.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. OLIVER of Alabama. Mr. Speaker, I yield three minutes to the gentleman from Washington [Mr. HORR].

Mr. HORR. Mr. Speaker, it happens that my district is a terminal of this line. If it were true, as stated here, that this district is already served, and that we more advantageously could use an air-line facility down over the already-established route through Portland, Salt Lake City, and into Chicago, I would not be taking up the time of the House to-day asking you to appropriate money for this northern air line. When we consider that a letter mailed by air mail from Washington, D. C., to my home city, Seattle, requires the better part of two days, and if mailed in the morning it does not arrive in my home city by air mail until the third business day, it can be easily understood how, if this line is projected, it will take off another business day in the distance between Washington and Seattle.

Our business is with this great territory in the Northwest that is not served. If we get an air mail letter from the Twin Cities, St. Paul and Minneapolis, the letter would go to Chicago, then on the route to Salt Lake, then up through the wonderful city which the gentleman from Oregon [Mr. MARTIN] speaks of, Portland, and then on up to Seattle, which ofttimes means a loss of time and business and does not serve the community as it should be served.

Mr. BURTNESS. Will the gentleman yield?

Mr. HORR. I yield.

Mr. BURTNESS. I wonder if the gentleman meant just what he said, that he would not be supporting this measure if his city were served? I am sure the gentleman would be supporting it in any event, for the benefit of eastern Washington, Idaho, Montana, the Dakotas, and western Minnesota, which have no service.

Mr. HORR. Yes; I would be supporting this measure in the broader sense. My thought was merely to bring out the fact that my support was not wholly from the standpoint of my own particular district, but there is no doubt that this huge territory upon which the prosperity of the Northwest is dependent is without service.

I want to call the attention of the gentleman from the South to the fact that the South is served. The gentleman calls attention to a small group around the Virginias that is not served, but the fault is not because of the fact that the money has not been appropriated but because the money that is already appropriated for air service, in many cases, has been wasted on the Atlantic coast. To-day there are five air routes into New York City. Two of those services are at 7 o'clock at night and 11 o'clock at night, respectively. If a letter is deposited either at 7 o'clock p. m. or at 11 o'clock p. m., when will it arrive in New York City? Through both services it arrives at the business hour next morning. There is where the losses in postal air service are sustained and not in the western country. There are four different services to Richmond, Va., daily. If the appropriations for postal air service were spent judiciously, the gentleman's territory would be a perfect network of air lines below the Mason-Dixon line. I think the South needs this service, but that is not a reason why we of the Northwest should be deprived of like service.

My friends, if you could only imagine the extent of this northwestern territory that is not served. You have no conception of the distances. The gentleman from Oregon [Mr. MARTIN] speaks of the route up the Columbia River. That is a wonderful route, but there are three other routes over those mountains found feasible in the report. Whether the gentleman from Oregon [Mr. MARTIN] realizes it or not, I have flown over those routes, and I do know that any one of the four routes is adapted to air mail service. The experts show this in their report.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. HORR. I yield.

Mr. MARTIN of Oregon. Since the gentleman has brought me into this, will he please explain how that flight last summer was held up for over one week?

Mr. HORR. To what flight does the gentleman refer?

Mr. MARTIN of Oregon. The United States Army flight, which was held up for over one week, and eventually had to go down the Columbia.

Mr. HORR. I have never heard of it. However, flights have been held up in every part of the United States under certain local conditions, but the engineers say that these three routes are feasible.

Mr. MARTIN of Oregon. You have an excellent service now.

Mr. HORR. Seattle has good service, but this other service would be much better. I am speaking now not only for the city of Seattle and my district but the city of Spokane

and all of the eastern Washington and all of the northwest territory lying between the Twin Cities and my home town.

If this extension is given and this appropriation made, independent air companies will be permitted to compete, as it should be, in Government contracts. If the Government fails to appropriate for this line, the few other air lines, who have now virtual monopoly on air contracts, will extend over this same field by extension. Then competitive bidding because of monopoly will cease to be.

Spokane is a modern city and of a right should have this outlet in my own State where contracts east are limited. The telegraph in many places must of necessity take the place of air mail. The great empire of my State east of the Rocky Mountains should be served, and the Northwest territory, upon which we are dependent for our future growth in business, of a right should be recognized.

I am speaking not from a selfish standpoint but from the standpoint of the Pacific Northwest. From a strategic standpoint, this line is a necessity. I only wish my time was sufficient in order to bring this fact to your attention.

However, I think nobody disputes that this line could be made a part of our national defense. The Pacific Northwest feels as though they are entitled to this appropriation. I sincerely hope that the small amount asked for will be given us for an opportunity of developing this region, which is not a region of sagebrush and desolation, as pictured by other speakers, but is a region that is traversed by three transcontinental railroads who apparently recognize this significance. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. OLIVER of Alabama. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. LAMNECK].

Mr. LAMNECK. I happened to be on this committee that investigated air mail routes, and so forth. I do not think this section they are talking about needs this air mail route because they already have fine service; and I want to call your attention to this map.

Here [indicating] is a line going from Chicago to the Northwest. There is no finer service in the world; and the gentlemen from the Northwest, from Fargo, from Bismarck, St. Paul, and Minneapolis will admit that they have one of the finest air mail services in the world.

Just recently a line was instituted from Des Moines to Watertown, S. Dak. We also have a fine line from Great Falls to Ogden. We have this transcontinental line; also this one [indicating]. We have some of the finest service from the extreme Northwest down to San Francisco to Portland, to Salt Lake City; and the logical route for airplane service from Seattle to Portland is through the Columbia River Valley, I think it is.

Mr. MARTIN of Oregon. Absolutely.

Mr. LAMNECK. And it is the only logical route. The gentleman stated it took nine days for a letter to go from Seattle to Washington. The facts are that within 48 hours after a letter is put on an airplane at San Francisco it can be delivered to New York City. A plane starts from Seattle and one at San Francisco and they meet at Salt Lake City. It takes only 48 hours for an air mail letter to be delivered from Salt Lake City to Washington.

Mr. Speaker, there is a very serious question whether we are going to continue the air mail service or not. Just recently money was appropriated to make an investigation as to whether or not we should continue to pay these subsidies to air mail lines. I believe $5,000 was appropriated the other day, and we are now to have an investigation during the recess of Congress. We increased the air mail rate in order that the loss to the Government would not be so great.

The only territory that has not direct service under the present system is the territory of North Dakota and Montana, a very sparsely settled territory, anyway, with not many people living there, and I claim they have good service from Minneapolis to Salt Lake and to the Northwest, particularly by Bismarck, and from Watertown, S. Dak., to Des Moines.

Mr. BURTNESS. Will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. BURTNESS. Can the gentleman tell us the distance from Bismarck, N. Dak., to Great Falls, Mont.?

Mr. LAMNECK. I do not know the exact distance. All I know is that if an airplane can go from San Francisco to New York in 48 hours it should not take very long for it to go from Bismarck, N. Dak., to Great Falls, Mont.

Mr. BURTNESS. Does the gentleman think it is only 400 or 500 miles?

Mr. LAMNECK. I would say it was farther than that.

Mr. STAFFORD. It is nearer 1,800 or 2,000 miles.

Mr. BURTNESS. The map shows it is at least 1,500 miles, over which route there is no air mail service.

Mr. LAMNECK. This line to Portland, Oreg., performs a real service.

Mr. BURTNESS. We have a lot of people in this territory to be served.

Mr. STAFFORD. Can the gentleman state how much of this is sagebrush and bad lands?

Mr. LAMNECK. I do not think we ought to make this appropriation at this time.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. JOHNSON of Washington. I know the gentleman wants to be fair, and I think that the one point here is the fact of trade relations made so by the northern transcontinental railroad line between St. Paul, Minneapolis, and the country through to Puget Sound. It is not a question of getting from Seattle or Portland to New York, it is this piece of territory there that is out in the cold.

Mr. LAMNECK. Look at this line from St. Paul to Chicago. In that way you have a transcontinental line.

Mr. JOHNSON of Washington. It is back tracking.

Mr. LAMNECK. It does not take long for a plane to go from the Twin Cities to Chicago.

Mr. JOHNSON of Washington. I believe we lose 24 hours through there at Spokane. I have relatives living there some 600 miles from where I live, and I lose 24 hours on an air mail letter there as compared with Portland.

Mr. LAMNECK. We should not vote this expenditure now, Mr. Speaker.

Mr. JOHNSON of Washington. The expenditure is trifling.

Mr. LAMNECK. Not when we do not know whether we are going to continue the air mail service. We lost $11,000,000 or $12,000,000 on this last year, and we can not go ahead with this project.

Mr. HORR. Is it not possible to make up for the loss by more efficient management?

Here in the East on the air mail service from Washington to New York there are five trips a day and from Washington to Richmond four trips a day.

Mr. LAMNECK. There is no airplane line in the country making money to-day.

Mr. OLIVER of Alabama. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr Speaker, were it not that the legislative agent who has the contract for the carriage of mail from Chicago to the Twin Cities called upon me last session perhaps I would not have first-hand information upon this subject.

It only takes 6 hours by air mail, and 14 hours by train, to get mail from the Twin Cities, St. Paul, and Minneapolis, to Chicago, and this talk of air mail service from the Twin Cities to Seattle is folly, because the mail is not sufficient to justify the expenditure and further the present service meets all postal needs. It is all buncombe with emphasis on the "bunc."

Mr. HORR. Will the gentleman yield?

Mr. STAFFORD. I decline to yield.

It only means that as our Post Office Department arranges the air mail service so as to connect with the transcontinental line traversing Wyoming and Nebraska to Salt Lake and there connecting with air service to Portland, Seattle, and Spokane. I do not see from my knowledge of the transcontinental service that the time for shipment of a letter from Seattle to Washington, or to Chicago, or to New York will be expedited by the establishment of this line.

This is merely a sentimental line. This is largely sagebrush country known as Bad Lands, and the line is wanted for sentimental reasons.

The gentleman from Ohio is right in saying that this air mail service is in danger of being curtailed if the service is going to be extended everywhere. No additional revenue will come to the Government by the establishment of a sentimental line from Mandan and Bismarck across the upper Rocky Mountains. It has been shown here that during the winter months this region is often impassable because of weather conditions in the Rockies.

In railway mail transportation, whoever heard of establishing a rail line just merely to make direct connections? The Railway Mail Service diverts the mail and takes it by the most expeditious route.

There is not going to be any saving in time by the establishment of this sentimental line, but there is going to be a diminution in revenue.

Mr. HORR. Will the gentleman yield?

Mr. STAFFORD. I decline to yield.

Here is the report which shows, as the gentleman from Tennessee says, that it will cost $719,000 for the establishment of airways over this route.

The country is crying out against this subsidized air mail. We are just going wild on it. This is no time for us to be indulging in sentimental lines across the barren wastes of the Bad Lands. I spoke out in the Bad Lands in the campaign of 1896. The Bad Lands are made up of sagebrush and mountains. I call upon anyone to cite the amount of mail that develops in this sparsely settled territory of 1,500 miles between Mandan—made famous by Roosevelt—and Spokane. It is all a pipe dream.

Mr. HILL of Washington. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Washington, and I ask him whether to-day they do not have good service into Spokane and into Seattle?

Mr. HILL of Washington. I want to state to the gentleman that 30,000 pounds are carried each way every month.

Mr. STAFFORD. That much is being carried to-day; and by establishing another line, at an expense of $1,000,000, you will not get any additional revenue. You will just waste that much money and more. That is false economy, and particularly false economy on the part of the Senator who is very desirous of having this appropriation made, and the genial Democrat who is on the opposite side, who wishes this established. As we all know, it is to create a little home sentiment. Let us stand up and look after the country's interest, and not a little sectional interest. [Applause.] These lines have been established by geographical needs. The mail revenue will not be increased one cent by the establishment of this line. It is said that the mail goes eastwardly and westwardly. That is true; but it connects at Chicago with fast-mail distribution to San Francisco, up to Portland, and is distributed from here [indicating on map] at Salt Lake and on up to here [indicating], to Portland and to Seattle and to Spokane.

Gentlemen, this is a duplication of service at the expense of Uncle Sam and the taxpayers of the country. I am a taxpayer. I am going to protest, and vote against this outrageous proposal.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield two minutes to the gentleman from Minnesota [Mr. NOLAN].

Mr. NOLAN. Mr. Speaker, it is very evident that this discussion has gotten to a point where there is altogether too much heat and not enough light. The gentleman from Wisconsin has stated that the territory which is not now served, this vast territory in the Northwest, is made up of sagebrush and bad lands. That statement shows that the gentleman evidently is not very familiar with the territory of which he speaks. There is a tremendous amount of business from the West that goes down through the Twin Cities to Chicago. There are three transcontinental railroad lines serving this territory, and they carry the mail. The business naturally flows from this section down into Chicago through the Twin Cities. Apparently the purpose is to divert that business to the United Lines, which have a practical monopoly upon the mail carrying of the United States at the present time. The line that was recently established from Watertown to Des Moines diverts the natural flow of the business down onto the United Airways.

We have a vast territory here in the Northwest that is not served but which ought to be served. If you are going to complete this system of airways and give every section of the country the service that it is entitled to, then, as a matter of fairness and justice, this line ought to be established in the Northwest. [Applause.]

[Here the gavel fell.]

Mr. OLIVER or Alabama. Mr. Speaker, I yield three minutes to the gentleman from Wisconsin [Mr. SCHAFER]. [Applause.]

Mr. SCHAFER. Mr. Speaker, I said that the legislation before us is pork and I reiterate it. I am one of those who believe that the Government should appropriate sufficient funds to develop aviation and the air mail service, but I do not believe we should have a lump-sum appropriation in this bill to establish and maintain airways, and then earmark $200,000, or any part of it, for one specific airway just because a powerful leader in the other body believes that the incorporation of this designation will aid in his election.

The Members of the House should approach this vote from a standpoint of principle and vote against the motion offered by the gentleman from Alabama, and then vote against the adoption of the Senate amendment. The appropriation will not be reduced, but you will be voting against the principle of singling out and designating one special line because a few Congressmen or Senators want that particular line designated. If you support the Senate amendment you will be discriminating against all other proposed lines, and you will be indicating that you are willing to earmark an appropriation for only one line and in that way take the position that you can not trust the administrative officers of this Government.

I know that although many of our colleagues are absent attending the Democratic convention, this indefensible earmarked proposal will not pass to-day without a record rollcall vote. [Applause.]

Mr. OLIVER of Alabama. Mr. Speaker, I want to make a brief statement to the House that the House may understand just how this matter stands. There was found in the bill, as passed by the Senate, $200,000 that was earmarked for the establishment of this route. The appropriation carried for existing routes had been greatly reduced, you will recall, and of that reduced amount $200,000 was earmarked for this particular route. The conferees, in reaching a complete agreement, agreed to bring back to the House this amendment which I have offered. The gentleman from Tennessee correctly stated there has been no Budget estimate submitted for this item.

Mr. MARTIN of Oregon. Did any department of the Government recommend this?

Mr. OLIVER of Alabama. Not to my knowledge.

Mr. MARTIN of Oregon. Does the gentleman know that a thorough survey was made of this route by the Government?

Mr. OLIVER of Alabama. There was a survey made.

Mr. MARTIN of Oregon. And no report has been made on it?

Mr. OLIVER of Alabama. I think a report has been made, but no recommendation by the Budget Director for this item has been submitted.

Mr. BURTNESS. There was a survey and a very thorough report made, and the gentleman should be familiar with that report.

Mr. MARTIN of Oregon. I am thoroughly familiar with the western end of it, because I am familiar with the difficulties in getting over the mountain there.

Mr. BYRNS. The fact is that, based on the report, the departments have not recommended anything and the Budget has not made a recommendation.

Mr. PITTENGER and Mr. BURTNESS rose.

Mr. PITTENGER. As a matter of fact, have not the departments appeared before the committee of the Senate and recommended this?

Mr. OLIVER of Alabama. There has been no recommendation from any department to the committee of which I am a member.

Mr. PITTENGER. As a matter of fact, there were hearings before the Senate committee and all this matter was gone into there. I was present at the hearing.

Mr. BURTNESS. And representatives of the Post Office Department were present also.

Mr. EATON of Colorado. Will the gentleman yield for half a moment?

Mr. OLIVER of Alabama. Yes.

Mr. EATON of Colorado. They have been talking about a proposed line from Mandan to the West. Was anything done about the line from Cheyenne to Billings, or to reestablish the line from Los Angeles to Salt Lake City?

Mr. OLIVER of Alabama. All those matters, as the gentleman understands, are left to the department.

Mr. EATON of Colorado. But those particular items were cut out. Have they now been reinstated?

Mr. OLIVER of Alabama. That relates to the post office bill.

Mr. EATON of Colorado. I am inquiring about a line to be established from Cheyenne to Billings.

Mr. OLIVER of Alabama. I am not familiar with that, since it relates to another bill.

Mr. EATON of Colorado. Would not that come in this appropriation?

Mr. OLIVER of Alabama. No; there is no appropriation carried.

Mr. LUDLOW. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. LUDLOW. What is the probable ultimate cost of this route?

Mr. OLIVER of Alabama. My information is it would cost over $700,000 to establish the route, and the annual maintenance would be considerable, amounting to probably $200,000.

Mr. CHINDBLOM. Will the gentleman yield for a brief question?

Mr. OLIVER of Alabama. I yield.

Mr. CHINDBLOM. Has there been any other instance where Congress has designated the route that must be established?

Mr. OLIVER of Alabama. I do not know of any.

Mr. CHINDBLOM. Generally, that is determined by the Postmaster General, in consultation with the Department of Commerce.

Mr. OLIVER of Alabama. The gentleman is as familiar with that procedure as I am. I have no definite information about it, since I am not on that committee.

Mr. THATCHER. Under existing law, would not the Department of Commerce have the right to make this survey if they desired to do so?

Mr. OLIVER of Alabama. They have already made the survey.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recede and concur in the Senate amendment with an amendment.

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 29, noes 65.

So the motion was rejected.

Mr. JOHNSON of Washington. Mr. Speaker, I make the point of order a quorum is not present and object to the vote on that ground.

The SPEAKER pro tempore. The Chair will count.

Mr. JOHNSON of Washington. Mr. Speaker, I withdraw the point of no quorum.

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Alabama that the House insist on its disagreement to the amendment of the Senate.

Mr. SCHAFER. Mr. Speaker, in order that the other body may know how we feel about it, I ask for a division on the motion to insist.

The House divided; and there were—ayes 75, noes 10.

So the motion was agreed to.

TO CORRECT AN ERROR IN APPROPRIATION BILL

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent for the present consideration of a concurrent resolution to correct an error in the bill, which I send to the Clerk's desk.

The Clerk read as follows:

[House Concurrent Resolution 35, Seventy-second Congress, first session]

Concurrent resolution

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House is hereby authorized and directed in the enrollment of the bill H. R. 9349, "An act making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes," to leave the word "Persia" in line 23, page 5, of the bill instead of changing such word to "Muscat" as directed by the reports of the conference committee and the action of both Houses in agreeing to such reports.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on this day the President approved and signed bills and a joint resolution of the House of the following titles:

H. R. 9306. An act to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended;

H. R. 10590. An act to prohibit the misuse of official insignia;

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 11361. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes; and

H. J. Res. 408. Joint resolution providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

ADJUST REIMBURSABLE DEBT TO INDIANS

Mr. LEAVITT. Mr. Speaker, I call up the conference report, by direction of the Committee on Indian Affairs, on H. R. 10884, to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, and 5, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: At the end add "unless Congress shall have failed to act favorably or unfavorably thereon by concurrent resolution within 60 legislative days after the filing of said report, in which case they shall become effective at the termination of the said 60 legislative days"; and the Senate agree to the same.

EDGAR HOWARD,
JOHN M. EVANS,
SCOTT LEAVITT,
Managers on the part of the House.

LYNN J. FRAZIER,
THOMAS D. SCHALL,
HENRY F. ASHURST,
Managers on the part of the Senate.

STATEMENT

On the 13th of April the House passed H. R. 10884, an act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, and H. R. 8898, an act authorizing the deferring of collection of construction costs against Indian lands within irrigation projects, and for other purposes. The Senate Committee on Indian Affairs, in reporting out H. R. 10884, amended it by adding the substance of H. R. 8898 on the theory that there was a close relationship between the subject matter of the two bills, and that it was preferable to have them combined into one law. The contents of H. R. 8898, in being added as an amendment to H. R. 10884, were somewhat modified to make the disposition of construction assessments more definite. These Senate amendments have been concurred in. In combining these two bills and adopting the language finally reported to the House the Senate committee had the benefit of conference with the Bureau of Indian Affairs and the Indian administration.

When the bill was passed by the Senate another amendment was offered to the effect that no proceedings authorized should be effective until approved by Congress. The position of the House had been that the Secretary of the Interior should be authorized to make the necessary adjustments, the only further action required being that a report should be made annually to Congress showing what adjustments had been made during the preceding fiscal year. Your conferees recommend a compromise lying between the giving of full power to the Secretary of the Interior, as approved by the House, and the requirement of further congressional action, as amended by the Senate, to the end that the proceedings shall not be effective for 60 legislative days following the filing of the report, and only then if Congress has failed to act favorably or unfavorably during that period. This provision gives Congress a further opportunity of acting following the filing of the report, but does not defeat the purpose of the bill by delaying necessary and equitable adjustments through failure of Congress to take any action whatever.

EDGAR HOWARD,
JOHN M. EVANS,
SCOTT LEAVITT,
Managers on the part of the House.

Mr. LEAVITT. Mr. Speaker, I move the adoption of the conference report.

Mr. STAFFORD. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. STAFFORD. Here we have an instance of a harmless bill going through the House under unanimous consent——

Mr. LEAVITT. No; it was a bill of mine which went through on Calendar Wednesday after considerable debate, in which the gentleman from Wisconsin participated.

Mr. STAFFORD. As the bill then stood, it delegated to the Secretary of the Interior the discretion to charge off some reimbursable items. Now, you agree to the Senate amendment, entirely foreign to the subject matter, whereby you are giving authority to charge off all construction costs against irrigation projects without any reservation.

Mr. LEAVITT. The gentleman is not quite accurate in his statement.

Mr. STAFFORD. I may not be accurate to the letter, but that is the substance. The gentleman has moved the adoption of the conference report, without giving the House the benefit of his information as to what would be accomplished by the Senate amendment. It is an Indian bill, and it might involve large amounts from the Treasury of the United States.

Mr. LEAVITT. Mr. Speaker, the situation is just as it is stated in the statement of the managers on the part of the House, which has just been read. The House instead of passing one bill, to which the gentleman from Wisconsin refers, passed also on the same day another bill, which authorized the deferment of these charges against the Indian-owned lands on the Indian reclamation projects as long as they were in Indian ownership. It stated that they should be deferred during the Indian ownership. The gentleman from Wisconsin on that day offered an amendment that if the lands were leased by whites the construction charges must be collected.

I stated at that time in answer to the gentleman's question that I knew of no administrative objection to that; but when the bill reached the Senate the Assistant Commissioner of Indian Affairs, Mr. Scattergood, appeared before the Senate committee and stated that I was incorrect; that there was an administrative difficulty rendering it unworkable because there might be leases one day and not a lease the next year. So the Senate left that amendment out.

We passed both bills here in the House and sent them to the Senate. This is therefore not new matter; the House had acted on both bills and knew all about it. When the two bills reached the Senate and the Senate committee considered the matter, they thought the two bills ought to be combined into one law rather than to have two laws, the administration of which might seem to conflict. It was after conference with the Commissioner of Indian Affairs and other officials of the bureau that a combination was made of the two bills. The Commissioner, Mr. Rhoads, told me to-day he was very desirous that the conference report be agreed to.

Mr. STAFFORD. In the House bill relating to charges for construction of irrigation projects on Indian reservations, it was never contemplated that charges should be canceled, only that they should be deferred—distributed over 40 years. Here you are providing for cancellation.

Mr. LEAVITT. The gentleman is partly correct as to the original bill, H. R. 8898. But H. R. 10884 authorized the Secretary of the Interior to adjust all reimbursable charges against Indians, and would have allowed him to entirely wipe out these same construction charges, if he saw fit and believed it equitable to do so.

The House passed that bill which gave that authority to the Secretary of the Interior. When the two bills were combined by the Senate they said the construction charges that were levied under one act, the act of February 14, 1920, but which had not been collected, should be charged off, and that the other charges should be deferred as long as the land was in Indian ownership. That latter was exactly what we did when the bill passed the House. I looked up that law of February 14, 1920, and as nearly as I can estimate there is perhaps $100,000 of such uncollected assessments. There may be considerably more, and I do not have the figures. Now, with that law standing, of course, so far as those charges are concerned, the adjustment of them would be nullified, so that it was thought necessary by the Senate to say here, since that was a direct order to the Secretary that he must make certain collections, that he shall not collect those assessments that are not already collected. It applies only to those delinquent assessments levied under that particular act. The bill after Senate action still uses the language of the bill which passed the House, as follows,

put in here as an amendment, using exactly the words of the bill which passed the House on the same day—

That the collection of all such construction costs against any Indian-owned lands within any Government irrigation project is hereby deferred, and no assessments shall be made on behalf of such charges against such lands until the Indian title thereto shall have been extinguished.

It will be seen there that the word "deferred" is still in the bill.

Mr. STAFFORD. But read on to the language where it says they shall be canceled.

Mr. LEAVITT. To the point I have read it is exactly the same. And then further—

And any construction assessments heretofore levied against such lands in accordance with the provisions of the act of February 14, 1920—

those charges that are assessed under that one act, not those that stand in the great mass of those old accounts against the Indian irrigation projects. The Senate carried on extended hearings, and they wrote that language into the bill, and it appeared to the conferees that it was a reasonable situation for us to accept that language.

Mr. CHINDBLOM. I suggest that the gentleman finish the reading.

Mr. LEAVITT. Further—

That a report shall be made to Congress annually, on the first Monday in December, showing adjustments so made during the preceding fiscal year.

Now we are back to the exact language of the other bill that we passed in the House.

Mr. CHINDBLOM. That is the act of February, 1920?

Mr. LEAVITT. No; the bill we passed on the 13th of last April.

Mr. CHINDBLOM. But the gentleman did not finish reading the new provisions put in by the Senate.

Mr. LEAVITT. I thought I had. Did I not read up to the point, "and uncollected, are hereby canceled"?

Mr. CHINDBLOM. Not those words.

Mr. LEAVITT. I intended to and thought I had. Now to continue:

Provided further, That a report shall be made to Congress annually, on the first Monday in December, showing adjustments so made during the preceding fiscal year.

That is where our bill stopped, as we passed it through the House, giving complete authority to the Secretary of the Interior to adjust those old accounts, and then to report annually what had been done during the previous fiscal year.

Mr. STAFFORD. There is no criticism of the original bill as it passed the House granting to the Secretary of the Treasury the power to readjust the reimbursable items, but there is considerable criticism on my part to the conferees agreeing to something entirely foreign to the bill as it passed the House, namely, for the cancellation of construction charges on irrigated lands on Indian reservations.

Mr. LEAVITT. The authority to do that was included in the bill that passed this House.

Mr. STAFFORD. Does the gentleman mean to say that that bill provided for cancellation of charges on irrigation projects on Indian reservations?

Mr. LEAVITT. Yes.

Mr. STAFFORD. It provided for distributing them over a period of 40 years, but no bill passed the House that provided for cancellation of charges on the irrigation projects on Indian reservations.

Mr. LEAVITT. To answer that, and it is easy to answer, I have to refer to the fact that we passed two bills on that same day. One of them gave authority to the Secretary of the Interior, if in his judgment it was equitable, to wipe out all these charges. He could have wiped them all out under that one bill, H. R. 10884, so that we have not gone beyond the action of the House. In the final action in the Senate, on the floor of the Senate, when the bill was under consideration under unanimous consent, an amendment was offered to the effect—

that any proceedings hereunder shall not be effective until approved by Congress.

Of course, that would have nullified the purpose of the bill, which is to do justice to the Indians in connection with some long-standing accounts; and the conferees agreed that that language should be continued by carrying it further, providing that they should not become effective until further action by Congress, unless Congress shall have failed to act favorably or unfavorably thereon by a concurrent resolution within 60 legislative days after filing of said report, in which case they shall become effective at the termination of the said 60 legislative days.

Mr. STAFFORD. Does the gentleman, with his acute knowledge of legislative proceedings, consider that that is worth anything at all—that the House and Senate shall take action within 60 days, otherwise the action will be approved?

Mr. LEAVITT. In view of the fact that the House gave absolute authority to the Secretary of the Interior, without anything but a report to make, I would say that this amendment is going quite a distance.

Mr. STAFFORD. Oh, now, the gentleman is making it mandatory. Previously it was discretionary with the Secretary.

Mr. LEAVITT. Now, Mr. Speaker, that is the situation, that the Senate and House conferees have agreed that we will go farther than the House went. The House had given complete authority to wipe out these old debts, or do anything with them that he should deem equitable, without anything further required except a report, and the Senate has added an amendment that further action by Congress would be necessary. We have gone between those two positions. We have gone farther than the House went. We have said the report of the Secretary of the Interior shall lie before Congress for 60 days. The Congress shall have that opportunity of reviewing it; and if it takes no action within that time, the proceedings shall become effective, which brings it back to the position of the original bill which passed the House; but if during that period Congress may wish to take action, it has an opportunity to do so before the action of the Secretary of the Interior becomes effective. [Applause.]

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. LEAVITT) there were ayes 42 and noes 21.

Mr. STAFFORD. Mr. Speaker, I object to the vote, and make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. BLACK. Will the gentleman withhold his point of no quorum for a moment?

The SPEAKER. Does the gentleman insist upon his point of order of no quorum?

Mr. STAFFORD. Yes, Mr. Speaker.

The SPEAKER. One hundred and one Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 125, nays 121, answered "present" 2, not voting 182, as follows:

[Roll No. 107]

YEAS—125

Allen	Chindblom	Evans, Mont.	Hogg, W. Va.
Amlie	Christopherson	Fish	Hooper
Andresen	Cochran, Mo.	Foss	Hope
Arentz	Cochran, Pa.	Free	Hopkins
Baldrige	Cole, Iowa	Garber	Horr
Barbour	Colton	Gibson	Houston, Del.
Barton	Cooper, Ohio	Gilchrist	Howard
Black	Crail	Guyer	Hull, William E.
Boileau	Crowther	Hadley	Jacobsen
Bowman	Dallinger	Hall, Ill.	James
Buckbee	Darrow	Hall, Miss.	Jeffers
Burdick	Davenport	Hall, N. Dak.	Johnson, Ill.
Burtness	De Priest	Hardy	Johnson, S. Dak.
Butler	Eaton, Colo.	Hartley	Johnson, Wash.
Campbell, Pa.	Englebright	Haugen	Kahn
Carter, Wyo.	Erk	Hill, Wash.	Kelly, Pa.
Cartwright	Estep	Hoch	Kendall
Cavicchia	Evans, Calif.	Hogg, Ind.	Knutson

Kopp	Michener	Selberling	Swing
Kurtz	Millard	Selvig	Taylor, Tenn.
LaGuardia	Moore, Ky.	Shott	Temple
Lankford, Ga.	Moore, Ohio	Shreve	Tilson
Leavitt	Niedringhaus	Simmons	Timberlake
Lehlbach	Nolan	Sinclair	Wason
Loofbourow	Parker, N. Y.	Smith, Idaho	Williamson
Luce	Patterson	Snell	Withrow
McClintock, Ohio	Person	Sparks	Wolcott
McLaughlin	Purnell	Stalker	Wolverton
Major	Ramseyer	Strong, Kans.	Wyant
Manlove	Reed, N. Y.	Strong, Pa.	
Mapes	Robinson	Summers, Wash.	
Martin, Oreg.	Seger	Swanson	

NAYS—121

Adkins	Gambrill	Lea	Sanders, Tex.
Allgood	Garrett	Lichtenwalner	Sandlin
Arnold	Gifford	Lindsay	Schafer
Ayres	Glover	Linthicum	Shallenberger
Bachmann	Goldsborough	Lonergan	Smith, Va.
Bacon	Goss	Lozier	Snow
Bland	Green	Ludlow	Spence
Boehne	Gregory	McGugin	Stafford
Bolton	Haines	McMillan	Steagall
Briggs	Hancock, N. Y.	McReynolds	Stevenson
Browning	Hare	Mansfield	Stewart
Bulwinkle	Hess	Martin, Mass.	Sutphin
Byrns	Hill, Ala.	Miller	Taber
Campbell, Iowa	Holaday	Morehead	Tarver
Clancy	Holmes	Nelson, Me.	Taylor, Colo.
Clark, N. C.	Huddleston	Nelson, Mo.	Thomason
Collins	Jenkins	Oliver, Ala.	Vinson, Ga.
Cooper, Tenn.	Johnson, Mo.	Parker, Ga.	Weaver
Cox	Johnson, Okla.	Parks	West
Cross	Johnson, Tex.	Parsons	White
Crowe	Jones	Partridge	Whittington
Culkin	Kading	Perkins	Williams, Mo.
Davis	Kerr	Pettengill	Wilson
Delaney	Ketcham	Pittenger	Wingo
Dies	Kleberg	Polk	Woodruff
Dominick	Kniffin	Prall	Woodrum
Doxey	Kvale	Ramspeck	Wright
Drewry	Lambertson	Ransley	Yates
Dyer	Lambeth	Rogers, Mass.	
Fitzpatrick	Lamneck	Romjue	
Fulbright	Larrabee	Rudd	

ANSWERED "PRESENT"—2

Doughton	Wolfenden

NOT VOTING—182

Abernethy	Coyle	Hull, Morton D.	Ragon
Aldrich	Crisp	Igoe	Rainey
Almon	Crosser	Karch	Rankin
Andrew, Mass.	Crump	Keller	Rayburn
Andrews, N. Y.	Cullen	Kelly, Ill.	Reid, Ill.
Auf der Heide	Curry	Kemp	Reilly
Bacharach	DeRouen	Kennedy	Rich
Bankhead	Dickinson	Kinzer	Rogers, N. H.
Beam	Dickstein	Kunz	Sabath
Beck	Dietrich	Lanham	Sanders, N. Y.
Beedy	Disney	Lankford, Va.	Schneider
Blanton	Douglas, Ariz.	Larsen	Schuetz
Bloom	Douglass, Mass.	Lewis	Shannon
Bohn	Doutrich	Lovette	Sirovich
Boland	Dowell	McClintic, Okla.	Smith, W. Va.
Boylan	Drane	McCormack	Somers, N. Y.
Brand, Ga.	Driver	McDuffie	Stokes
Brand, Ohio	Eaton, N. J.	McFadden	Stull
Britten	Elizey	McKeown	Sullivan, N. Y.
Brumm	Fernandes	McLeod	Sullivan, Pa.
Brunner	Fiesinger	McSwain	Sumners, Tex.
Buchanan	Finley	Maas	Swank
Burch	Fishburne	Magrady	Sweeney
Busby	Flannagan	Maloney	Swick
Cable	Frear	May	Thatcher
Canfield	Freeman	Mead	Thurston
Cannon	French	Milligan	Tierney
Carden	Fuller	Mitchell	Tinkham
Carley	Fulmer	Mobley	Treadway
Carter, Calif.	Gasque	Montague	Tucker
Cary	Gavagan	Montet	Turpin
Celler	Gilbert	Mouser	Underhill
Chapman	Gillen	Murphy	Underwood
Chase	Golder	Nelson, Wis.	Vinson, Ky.
Chavez	Goodwin	Norton, Nebr.	Warren
Chiperfield	Granfield	Norton, N. J.	Watson
Christgau	Greenwood	O'Connor	Weeks
Clague	Griffin	Oliver, N. Y.	Welch
Clarke, N. Y.	Griswold	Overton	Whitley
Cole, Md.	Hancock, N. C.	Owen	Wigglesworth
Collier	Harlan	Palmisano	Williams, Tex.
Condon	Hart	Patman	Wood, Ga.
Connery	Hastings	Peavey	Wood, Ind.
Connolly	Hawley	Pou	Yon
Cooke	Hollister	Pratt, Harcourt J.	
Corning	Hornor	Pratt, Ruth	

So the conference report was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr. Doughton with Mr. Aldrich.
Mr. Douglass of Massachusetts with Mr. Treadway.
Mr. Crisp with Mr. Bacharach.
Mr. Lanham with Mr. Kinzer.
Mr. Bankhead with Mr. Wood of Indiana.
Mr. McDuffie with Mr. Dowell.
Mr. Cullen with Mr. Hawley.
Mr. McCormack with Mr. Coyle.
Mr. Granfield with Mr. Wigglesworth.
Mr. Blanton with Mr. McFadden.
Mr. Mead with Mr. Watson.
Mr. Rainey with Mr. Wolfenden.
Mr. Warren with Mr. Hollister.
Mr. Hastings with Mr. Mouser.
Mr. Almon with Mr. Chiperfield.
Mr. Dieterich with Mrs. Pratt.
Mr. Buchanan with Mr. Connolly.
Mr. Larsen with Mr. Reid of Illinois.
Mr. Gavagan with Mr. Doutrich.
Mr. Burch with Mr. Thatcher.
Mr. McKeown with Mr. French.
Mr. O'Connor with Mr. Turpin.
Mr. Fuller with Mr. Whitley.
Mr. McSwain with Mr. Bohn.
Mr. Rogers with Mr. Welch.
Mr. Kemp with Mr. Beedy.
Mr. Rayburn with Mr. Weeks.
Mr. Ragon with Mr. Underhill.
Mr. Tucker with Mr. Lankford of Virginia.
Mr. Sumners of Texas with Mr. Murphy.
Mr. Montague with Mr. Cable.
Mr. Greenwood with Mr. Andrew of Massachusetts.
Mr. Milligan with Mr. Goodwin.
Mr. Griffin with Mr. Britten.
Mr. Corning with Mr. Maas.
Mr. Gasque with Mr. Pratt.
Mr. Collier with Mr. Clague.
Mr. Fiesinger with Mr. Schneider.
Mr. Carley with Mr. Finley.
Mr. Douglas of Arizona with Mr. Sullivan of Pennsylvania.
Mr. Brand of Georgia with Mr. Thurston.
Mr. Hancock of North Carolina with Mr. Clarke of New York.
Mrs. Norton with Mr. Beck.
Mr. Vinson of Kentucky with Mr. Morton D. Hull.
Mr. Oliver of New York with Mr. Andrews of New York.
Mr. Pou with Mr. Lovette.
Mr. Disney with Mr. McLeod.
Mr. Boylan with Mr. Brand of Ohio.
Mr. Crosser with Mr. Magrady.
Mr. Cannon with Mr. Brumm.
Mr. Palmisano with Mr. Carter of California.
Mr. Wood of Georgia with Mr. Nelson of Wisconsin.
Mr. McClintic of Oklahoma with Mr. Chase.
Mr. Fulmer with Mr. Rich.
Mr. Swank with Mr. Christgau.
Mr. Chavez with Mr. Stokes.
Mr. Sullivan of New York with Mr. Cooke.
Mr. Abernethy with Mr. Sanders of New York.
Mr. Driver with Mr. Curry.
Mr. Auf der Heide with Mr. Stull.
Mr. Beam with Mr. Eaton of New Jersey.
Mr. Brunner with Mr. Swick.
Mr. Kelly of Illinois with Mr. Freeman.
Mr. Harlan with Mr. Golder.
Mr. Schuetz with Mr. Tinkham.
Mr. Bloom with Mr. Peavey.
Mr. Boland with Mr. Norton.
Mr. Hornor with Mr. Fishburne.
Mr. Overton with Mr. Tierney.
Mr. Karch with Mr. Shannon.
Mr. Crump with Mr. Keller.
Mr. DeRouen with Mr. Dickinson.
Mr. Busby with Mr. Williams of Texas.
Mr. Elizey with Mr. Dickstein.
Mr. Carden with Mr. Drane.
Mr. Cary with Mr. Canfield.
Mr. Celler with Mr. Igoe.
Mr. Gilbert with Mrs. Owen.
Mr. Connery with Mr. Yon.
Mr. Rankin with Mr. Condon.
Mr. Kennedy with Mr. Griswold.
Mr. Fernandez with Mr. Flannagan.
Mr. Maloney with Mr. Chapman.
Mr. Patman with Mr. Mobley.
Mr. Cole of Maryland with Mr. Gillen.
Mr. Hart with Mr. Lewis.
Mr. Underwood with Mr. Montet.
Mr. Somers of New York with Mr. May.
Mr. Sweeney with Mr. Sirovich.
Mr. Mitchell with Mr. Smith of West Virginia.
Mr. Sabath with Mr. Reilly.

Mr. JOHNSON of South Dakota. Mr. Speaker, I voted "aye." I have a general pair with the gentleman from Oklahoma, Mr. HASTINGS. I understand if the gentleman from Oklahoma were here he would vote "aye." I therefore let my vote of "aye" stand.

Mr. WOLFENDEN. Mr. Speaker, I have a general pair, and I wish to withdraw my vote "aye" and answer "present."

The result of the vote was announced as above recorded.

The doors were opened.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate agrees to the

report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes, and agrees to the amendment of the House to the amendment of the Senate numbered 114 to said bill.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12443. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes.

THE ECONOMIC SITUATION

Mr. MOREHEAD. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MOREHEAD. Mr. Speaker, first I want to place myself right with the membership of the House. I did not make a quorum call to get the Members here to listen to my speech.

Having served for more than nine consecutive years in Congress, I have been present and voted for or against every question up for consideration.

I realize that the membership of the House has been here constantly for almost seven months. I have not been in the state of mind where I could make an optimistic speech. Being of a rather optimistic nature, I have refrained from making many comments on the floor of the House.

My object to-day is to appear somewhat in the attitude of a prophet.

To me, for more than three years, the business affairs of this country have seemed to be drifting, and I was positive in my own mind that we were coming to just the condition in which we now find ourselves. I do not believe the Government will function successfully in any way that is different from that used in a carefully and well-managed business.

I regret that during the sessions, at least the past several sessions, I have not been in accord with appropriations and legislation on a great many measures which have been before the Congress. One of my reasons for asking for these few minutes is to express my ideas on the present condition and the remedy, by inserting in the RECORD this letter as indicative of and very similar to many thousands which reach me from the great agricultural sections of the country, not of the ordinary kind but from the revenue earners and taxpayers of the Middle West—I say the "taxpayers," not the "tax eaters." I have seriously felt that we are giving too much consideration to those who are on the Government pay roll and too little to those who pay the expenses of the Government.

[Here the gavel fell.]

Mr. MOREHEAD. Mr. Speaker, I ask unanimous consent to proceed for three additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MOREHEAD. Some one in my State made the following inquiry: "What's the matter with Nebraska?"

I wish to answer and say that my reason for inserting this in the RECORD is that it illustrates my contention that we will never get back to a thriving and prosperous business condition in this country until our agricultural section is permitted to get back into a prosperous condition. [Applause.] You will perhaps say that I make this statement because I come from an agricultural section, but it is really my belief, because over a long period of time I have known this condition to be true. You may appreciate these suggestions because they have a far-reaching effect and show how thoroughly the interests of all the States are interwoven and how necessary it is that each section should prosper in order to be of benefit to the other sections.

In answer to the first question, "What's the matter with Nebraska?"—

Nothing is wrong with Nebraska, except that entirely too many of us get up in the morning at the alarm of a Connecticut clock, button a pair of Chicago trousers to Ohio suspenders, put on a pair of shoes made in Massachusetts, wash in a Pittsburgh tin basin, using Cincinnati soap and a cotton towel made in New Hampshire, sit down to a Grand Rapids table and eat pancakes made of Minneapolis flour with Vermont sirup and Kansas City bacon fried on a St. Louis stove; buy fruit put up in California seasoned with Rhode Island spices and sweetened with Colorado sugar. Then we put on a hat made in Philadelphia, hitch a "Detroit mule," fed on Texas gasoline, to an Ohio plow, and work like hell all day long on a Nebraska farm covered by a New England mortgage. We send our money to Ohio for auto tires and wonder why the taxes are about $2.75 per acre, while the farmers of Ohio pay only $1 per acre taxes and drive on paved roads. At night we crawl under a New Jersey blanket, to be kept awake by a damned dog, the only home product on the place, wondering all the while why ready money and prosperity are not more abundant in this wonderful State of ours.

The farmers in my State are broke. They can not buy these articles. Hence, business conditions are now demoralized, as I believe that all prosperity comes from agriculture. When agriculture fails all other business languishes and dies.

For the fiscal year the United States Treasury estimates a $2,000,000,000 deficit.

To me it is an alarming condition.

What is the remedy?

I know but two remedies to meet this condition. One is to increase taxes and the other is to reduce appropriations.

For the first time in the history of southeast Nebraska taxpayers are unable to pay the present tax.

An increase in taxes would be futile. My people not only can not pay their taxes but are losing their farms and homes by mortgage foreclosure.

The new revenue bill will increase taxes, as I understand, on the people who have less and are less able to pay than ever before.

I view this present financial crisis but one way, and that is to reduce the cost of government.

The taxpayers in my section are in a state of revolution. They have plenty of agricultural products to sell, but they bring less than production cost. The revenue from well-improved farms is scarcely enough to pay the taxes.

Never were the people of the Nation so much in earnest as now. They are familiar with what is being done here in their capital, where the most sumptuous office building in the world is built, and the taxpayers who must meet the cost are unable to repair the roofs on their homes.

There can be no justification for new parks, new boulevards, massive and expensive fixtures at a time when home owners are losing their homes for taxes and are worrying about their bread and butter.

The Government must come down to the common level not only in justice and equity but to save the common level from sinking out of sight.

Public officials who fail to recognize this will be made private citizens by an outraged public, and all their time can be given to meditation of the mistakes of their past records as public officials.

The present national administration's only suggested remedy is to borrow money and then more money.

In my own long business experience that method has never brought success to an individual, nor will it bring prosperity to a government.

I am thoroughly in sympathy with the arduous and perplexing problems thrust on the different committees of the House of Representatives. In trying to reduce appropriations and come nearer to meeting the Government's Budget, I can think of an individual Member who insists on greater appropriations as taking his duties frivolously and unwisely, perhaps not realizing the financial crisis of the country.

The Members should support the committee's recommendation for decreased appropriations and even go farther still and reduce to an even greater extent than is recommended by the committee.

As a Member of Congress of 10 years' experience, I have realized the reckless and uncalled-for extravagant appropriations.

The people are losing confidence in their public officials, unless we adopt a different policy of handling our financial affairs in such a reckless and extravagant way.

A recent fairly reliable estimate of Federal employees puts the number at 732,460 and salaries amounting to $1,055,970,636.

The confidence of the people who pay the taxes must be restored in their Government and in their public officials.

While it would be a small amount and not a pleasant duty, the first reduction should be made in the Congressmen's salaries. They were raised without a discussion, and we should be brave enough and fair enough to vote for a reduction of our own salaries before this Congress adjourns.

The revenue bill was drafted in executive session of the Ways and Means Committee—an arduous and unpleasant task, and I am thoroughly in sympathy with their unpleasant duty.

Speaking for myself, and for no others, I shall vote in every instance against any effort to increase the already overtaxed and burdened people of the Nation unless it can be shown that a tax can be raised or assessed against those who are fully able to pay, and I know of none at this time.

I justify my voting, as I have stated, because I have, in former sessions of Congress in the past and in my extended remarks, given warning of the reckless way of appropriating the taxpayers' money, which I shall quote in later portions of my speech. I take this position at this time, as our large appropriation bills should be carefully scrutinized, and every appropriation in all bills, especially the Navy bill, can much more sanely be reduced than to try to increase taxes on the people who can not pay.

In my judgment, no government can be maintained except by being administered as a successful business man runs his own affairs. It is estimated that the Government's deficits were more than a billion last year, with an estimated increase of two billion for the next fiscal year. I say "estimated"; and I understand this is more than the Government's revenues, as our source of information regarding the Treasury Department has not been very dependable. I have serious doubts if we can depend on better reports from the administration while it is left in the hands of those who have made such a colossal failure.

The revenue bill for the relief of the Treasury will be far short of estimated receipts, because the taxpayers are unable to pay. I find it difficult to understand why the national administration and the Executive will continue to give nine-tenths of their time to appropriations and legislation—and to the tax eaters—to the entire neglect of its citizenry and revenue producers who are inclined to be thrifty and who are charged with the burden of paying a million Federal officers, all departments included.

If my findings are correct, we are passing through the most serious time in the history of the Republic. I hear rumblings, which are not coming from the usual source but from the people who have been home owners and revenue producers, and who have paid generously for the support of the Government. They believe, and I am inclined to agree with them, that they have been ruthlessly treated by increased taxation, until they are in a rebellious state of mind. The loss of their homes and their inability to pay the increased taxes is no fault of theirs. It is traceable and must be accountable to those who have in charge the administration of public affairs. An outraged public with these justifications, as I view them, may create a condition which I shrink to contemplate.

I regret that I am not able to take a more optimistic view of what is in store for us as American citizens. At least, in the agricultural section of the country, where I make my home—the most productive section in the world—I find the citizens not only oppressed by increased taxes, which they are unable to pay, but every farm commodity has depreciated in price to less than production costs.

There is some justification for my pessimistic statement, and I will quote from my extended remarks in the CONGRESSIONAL RECORD of March 4, 1931, and December 22, 1931, some prophesies made as to the trend of our public affairs.

I have been appalled at the ever-increasing appropriations for the Army, and particularly for the Navy. Some $400,000,000 has been appropriated during this session of Congress for the Navy. This is the largest amount ever appropriated during peace times. The House and the Senate have devoted weeks in discussing an appropriation at this session for drought relief, and then in a very few hours appropriate $30,000,000 in rehabilitating three battleships that are antiquated, will not be modern after the expenditure, and will soon be ready for the scrap heap. The drought relief bill, at least, would reach hundreds of thousands of people, while the Navy appropriations will only benefit a few hundred. I am amazed to see how readily Members of natural economic training vote for many bills of amounts that I have mentioned, and are unable to give any good reason for so doing. Often when a Navy bill of questionable merit is up for consideration, the corridors of the Capitol, the galleries, and general appearances would indicate a shipbuilders' convention more than the deliberate and serious transactions of a business Congress. * * *

With the ever-increasing appropriations, raising salaries, and placing a greater number on the Government pay rolls, with the diminishing revenue from imports which have shown a great reduction, and other countries retaliating against the United States and producing more of their supplies, making the demand much less for the American surpluses, there is but one alternative, and that is to raise greater amounts of revenue by the income tax and direct taxation. I shall not question the honesty of purpose of the present administration; but it does seem to me that they are lacking in vision and courage to outline a positive program of economy and enforce it.

They can not expect to be successful by opposing appropriations that perhaps benefit millions of people, and then encouraging much larger appropriations that benefit the few. With the mounting expense caused by the World War, unless economy is used in the appropriation of large sums for questionable purposes, this country will find that we have a large deficit to take care of at every session of Congress. It seems criminal to me that some of the great structures in the District are being torn down, and expensive buildings erected without any justification except the slogans to "make the Capital beautiful." It has been the practice of the Representatives of certain States to introduce, and many times secure, by barter, large appropriations for their States, which are purely State matters and should be borne by the States instead of the Federal Government. States which are unable to support themselves and maintain a government, as well as meet the legitimate demands, should be subdivided, and attached to other States that are self-supporting. I pay my respects to Representatives who have been of great benefit to the people in general, and have been worse censored than any other Members; I speak of those who have objected to undeserving bills being passed that are on the calendars.

To provide for new activities it has been necessary to increase the Federal pay roll four hundred times faster than the population has increased. In the year 1920 there was 1 Federal employee for every 1,173 inhabitants. In 10 years since, more than 200,000 additional employees have been added. Increased costs have been in proportion. In 1800 the Federal Government cost us about $2 per capita. In 1850 it cost us less than $2, but by 1900 the cost had grown to $8.20. In 1930 it had reached the staggering figure of $48.42. Add to this the cost of State government and the municipal and county government. There is reached a grand total of $110 per year the Government costs for every man, woman, and child in the United States. It continues to increase at a total rate of about $500,000,000 a year, or $4 more for each man, woman, and child. It is beginning to be a serious question, not so much as what the Government is worth, or how much it returns to us for our money, but of how much more we can pay for it and still retain our financial stability and our individual freedom at the present rate of progress. It would take only another generation or two to provide every citizen with a Government job; and that, obviously, is only a roundabout road to that socialism or communism which we profess to abhor. What we shall have to decide before long is whether we are competent to continue as a free people, with each citizen ordering his own life and carving out his own destiny, or whether we shall have to turn all our activities over to the Government, with the bureaucrats carving out our destinies, individual and collective, for us.

As an older Member, with frontier and long business experience, I believe that policies adopted by the State of Nebraska in many instances at least could be advantageously applied to the Federal Government. That is, pay as we go. The organizers of the State government of Nebraska, as it has been transmitted down through generations, had a deep-seated sentiment on the State against incurring debt. It is a heritage of pioneer days. When the State constitution was drafted it contained a provision which did not permit public officials to bond the State or to plunge it into debt. More than one-half a century has passed and that section still

remains a part of the constitution. As a result Nebraska is one of the two States in the Union which do not have a dollar of outstanding indebtedness, and has more than $10,000,000 of trust funds invested for the purpose and maintenance of its educational institutions. She has put more than $42,000,000 into public highways. Within the last 10 years we have levied taxes and collected $10,000,000 for the purpose of building the capitol. We have double that amount invested in the great State university and four normal schools. We have large investments in State parks. We have 15 institutions devoted to the care of the unfortunate, the insane, and the criminal, representing an investment of many millions more. In all this we have not found it necessary to issue a single dollar's worth of bonds and we have not a single penny of outstanding indebtedness. The financial report of Nebraska has few parallels in the United States, and should be of some advantage to the Federal Government in giving serious consideration to her policies.

The temptation to plunge into debt is stronger in the State and Federal Governments than with an individual. The trite old saying, "What is everybody's business is nobody's business," applies with particular force when it comes to issuing bonds. We forget that we, as individuals, pay the debt contracted by the sovereign authorities of State and Nation. To me, Nebraska's financial condition is far superior, in comparison with some of the States which have a large bonded indebtedness, running into millions and millions, where one-fifteenth of all taxes collected is required to pay interest charges. There is a pay day, and maybe a real crisis, if the Federal Government persists in her mounting expenditures, just as grief will come to the States that have found it so easy to pledge their credit. I have serious doubts of the advisability of making it too easy for individuals, States, or nations to contract debts.

Nebraska has made mistakes, but has kept in a financial condition to render relief to the people in sections of the State that are unfortunate. I have very strong convictions that States should reluctantly ask for, and the legislative body of our Federal Government should reluctantly appropriate money out of the Treasury of the United States belonging to all of the States, for the specific benefit of individual States. My convictions are so pronounced that, in 1913, when as Governor of Nebraska, a very destructive cyclone visited the metropolis, taking many lives and great property loss, other States offered financial assistance, which I refused to accept.

But, in a few hours after the storm, by my request, the legislature appropriated sufficient funds to take care of all of the needy; and a commission of six loyal, patriotic Nebraska citizens was appointed by the governor to supervise the expenditure without charge for their services. All needy persons were provided with shelter, food, and clothing. It was a great satisfaction to me, as governor, that I had a loyal legislature and people, who appropriated sufficient money in a few hours to meet the wants and needs of the stricken without putting them in the attitude of begging from other people in other States.

No doubt certain chaotic business conditions exist throughout the world. The efforts of financiers of America to rehabilitate business conditions in Europe is largely to blame for the depression in America. Billions of foreign securities were sold to American investors, in many instances proving worthless, thereby destroying the confidence of the American people.

As to our European situation, I have more particularly dealt with this subject in my speech of December 18, 1931, in the CONGRESSIONAL RECORD, relative to the moratorium, from which I quote, as follows:

I shall not attempt to state my views at this time but intend to extend my remarks in the RECORD and to explain my position by the telegram that I sent to a newspaper of general circulation, the World-Herald, of Omaha, Nebr.

My telegram dated June 23, 1931, in answer to President Hoover's telegram dated June 22 is as follows:

"The WORLD-HERALD, *Omaha, Nebr.*:

"I am opposed to the cancellation of the war debt owed us by the European nations. In my judgment the moratorium is the first step with that object in view. We undoubtedly owe the average American citizen something. The reduction of the debt by Congress was a tremendous amount. It was made without my consent or vote. I am not for oppression. If emergency demands, I would extend time for payment, but it is a just debt, and it should be paid. In my judgment this is more to boost the price of foreign stocks and bonds, of which the speculators have tremendous holdings. The visit of the Secretary of the United States Treasury to Europe was to bring about the moratorium and has had its effect on foreign stocks and bonds but will be of but little benefit to the average American citizen and will necessitate the extending of income tax to American citizens of small incomes in order to meet the running expenses of the Government."

The business condition of America we find to-day was, beyond a doubt, brought about through the mismanagement of officials in high places. These officials are not satisfied in looking after America's affairs but have adopted the methods of Alexander the Great in seeking more worlds to conquer.

The moratorium was urged by our national administration to prevent a crisis—if a crisis exists at the present time, what knowledge have we that it will not be worse in a year from now? If a crisis exists, would it not be better to wash our hands of European affairs and turn to aiding the American citizen, getting back to America's ideals, and adopting the policy, as of old, of hands-off meddling with European affairs?

There has been—since history runneth not to the contrary—wars, financial trouble, and chaos in some parts of Europe almost every day in the year. We escaped their financial and other serious problems until the new régime assumed the attitude of directing the destinies of other nations.

I am as satisfied in my own mind, as it is humanly possible to forecast, that Europe does not expect to pay its debt obligations to America. There is a sentiment in the House of Representatives and the sponsors of the extension of payment now due America by Europe that we should cancel all of the debts for money owed and advanced to European countries during the World War.

I am thoroughly convinced this is the first move to help the sentiment, and it will be strongly urged in a year from now that we cancel all financial obligations due us from Europe and increase the taxes of the American people in order to take care of our financial problems which should be paid with the money that Europe owes us.

Americans of small means were coerced during the World War to buy Government bonds and in millions of instances had to borrow the money to buy them. In turn this money was loaned to Europe. Millions of Americans who borrowed this money to buy the bonds had to sell them at a great discount. No one who is fair doubts that American soldiers and American credit won the war for the Allies.

As soon as the moratorium is out of the way Congress will proceed to place greater burdens of taxation on the Americans of moderate means who are now unable to pay their present taxes in millions and millions of cases.

Have we forgotten our sworn obligations to protect American taxpayers and American citizens?

The present crisis which exists in America—and I think I am well informed on this question—has been brought about by the present national administration and their financial cohorts in trying to rehabilitate Europe at the financial expense of America.

In my judgment, the prime move in this extension of obligations due us, is to save speculators of large institutions who have bought great blocks amounting to billions and billions of Europe's promise to pay, with the expectation of an increase in value, and then peddled them to the American citizens.

If the payment now due America is extended in 1933, and at that time two payments in place of one will be due America, the same hue and cry of the debtor nations will be "they are unable to pay us," and to our shame we will find the desertion of those who owe allegiance and loyalty to the people of America joining them in an effort to cancel the debt.

I have been rather sensitive of our treatment. The World War was not America's war. American soldiers and American credit won the war. It was not a war which America originated or was directly interested in, except from a sentimental standpoint.

I repeat, Mr. Chairman, that I shall not vote to cancel these obligations and saddle it upon the backs of my people who are already burdened beyond endurance. Nor shall I cast my vote, in a single instance, to increase the taxes of citizens of moderate means, which will be up for consideration within a very short time.

Far be it from me to wreak vengeance on the German people who as a class had very little to do with bringing on the war, which was inspired by German officials. I can see no relief furnished by the moratorium to the German people, who have never asked for a moratorium, realizing that France and other credit countries retain the right to collect from Germany the full amount due them.

From information coming to me, it will be financially impossible for Germany to pay reparations to France and England, as they have been deprived by the treaty of so many of their natural resources. The obligations due America from the Allies are for money borrowed which enabled them to win the war. By all fairness, in peace or war, this money should be repaid to America, as we enabled the Allies to win the World War.

[Here the gavel fell.]

Mr. MOREHEAD. Mr. Speaker, I ask unanimous consent to proceed for one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MOREHEAD. My thought in bringing this out as I have is that while we are glad to patronize these different States and to buy the articles mentioned, we are unable to do so. We are selling our corn at a net price of 15 cents a bushel, our hogs at $2.50, and other things in proportion. This is not sufficient monetary return to enable us to pay production costs, much less buy these other products. We will never (and I ask you to remember that I prophesied this a year ago) have a return to prosperity in this country until we can devise some way in which agriculture can return to a prosperous financial condition other than by the dole or special favoritism.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert a very short letter showing the trend of conditions out in my country.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The matter referred to follows:

NEBRASKA MILLERS ASSOCIATION,
Omaha, February 20, 1932.

Hon. JOHN H. MORRHEAD,
House of Representatives Office Building,
Washington, D. C.

DEAR MR. MORRHEAD: You are in the right track now. The people are desperate over these proposals to raise corporation taxes, increase postage, and put a higher tax on incomes.

They want you to take a broadax, not a penknife, to expenses. Cut 'em, slash 'em without mercy and lop off that iniquitous set of farm-board leeches the first move you make.

The great body of farmers and the rest of the people understand that it is a fraud doing nothing but harm. Cooperatives have no need of them and a great majority of them don't want them at all. They want to retain full authority over their own business, not assign it to such a body of incompetents.

Yours very truly,

J. N. CAMPBELL, *Secretary.*

DISTRIBUTION OF WHEAT AND COTTON THROUGH AMERICAN NATIONAL RED CROSS

Mr. JONES. Mr. Speaker, I present the conference report on the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

PROHIBITION

Mr. KNIFFIN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KNIFFIN. Mr. Speaker and Members of the House, the eighteenth amendment to the Constitution has accomplished a great purpose in terminating the open saloon. Any system proposed as a substitute for the amendment should seek carefully to conserve this gain.

Whatever may be said to its credit or discredit, prohibition has not proved to be a satisfactory nor practical solution for the problem of the control of alcoholic liquors and beverages.

While I am opposed to the Government entering into any business, even to the limited extent of distribution, that can be satisfactorily conducted by its citizens; nevertheless, the situation in this instance presents an entirely different aspect. For a period of many years before the adoption of prohibition private industry demonstrated its inability to conduct the liquor and beverage business to the satisfaction of our people. And now, after 12 years of prohibition, there is widespread and violent controversy concerning the wisdom and propriety of retaining our national prohibition system.

In view of these irreconcilable conditions the Government necessarily must act. The eighteenth amendment therefore should be repealed so as to permit the Government to assume control of the liquor and beverage business. The manufacture and sale of liquors and beverages should be made under the direct authority of the United States Government.

Private industry, by special authorization and upon a competitive basis, could manufacture liquor and beverages exclusively for the Government. A system of Government warehouses should be established, reasonably apportioned on the basis of population, for the purposes of distribution. The Government's control should be complete. The business should be conducted upon a strict civil-service basis. Only employees of accredited civil-service rating should be placed in charge of warehouses. This would guarantee, in advance, that the open saloon could not be returned.

Our present system of prohibition is inadequate, because it ignores three basic problems involved in connection with the use of liquors and beverages—namely, the problem of demand, the problem of supply, and the problem of government.

The factor of real importance in the problem of demand is the normal rather than the stimulated demand. The demand will perhaps always obtain, at least to a greater or lesser degree, because of the nature of human beings. So long as the demand exists, there follows inevitably the process of supplying it, whether the supply be legal or illegal.

The problem of supply has to do with the manufacture. In the ordinary course of competitive private manufacture and the advertising and salesmanship methods incident thereto, the demand is soon stimulated and made grossly excessive.

The problem of government is primarily political. In this aspect there is involved the evil and danger of undermining the regularly constituted public authority by the defiance of law and the intimidation and corruption of public officials.

National prohibition has not solved any one of these three problems. The effect of prohibition has been to complicate rather than to solve these problems. The Federal authorities, confessing their inability to deal with the problem alone, have sought to confine their attention to commercial violators and to fix upon the States the responsibility for local enforcement.

Our experience with the temperance movement, followed by our experience with prohibition, affords ample proof that reduction of demand and consumption is primarily a temperance problem rather than a Government problem and that any real progress, under whatever system, depends upon the effectiveness of the educational, social, and moral forces which are so much stronger than political forces. By letter of the law you may restrain the purchaser in a number of ways, but there is at least one respect in which the law is powerless: It can not prevent him from seeking and demanding, and this is the essence of the whole trouble.

Should you abolish the present system of prohibition and have nothing ready as a practical substitute to take its place the business of supplying liquors and beverages immediately would get under the control of private monopoly. Because of the social interest involved in this problem, the sale and distribution of liquors and beverages should be made a matter of earnest public concern. While I am convinced that the repeal of the eighteenth amendment is necessary and that a better system should be found, yet I am unwilling to allow a business that involves a consumption of several billions of dollars per year to become the object of exploitation by the selfish and unscrupulous large vested monopolies of this country, whose activities in other fields furnish abundant proof of their utter disregard for the public welfare.

You will have one of two alternatives. Because of the social interest involved, turn the thing over to the Government for the public control of the business; or else, if this gigantic business is turned over to private monopoly, whose chief and only object is private profit, there will undoubtedly be set up plans for merchandizing similar to the already existing nation-wide chain systems, applying all high-pressure modern methods to steadily increase the volume of sales.

Under a private system liquors and beverages would be high in price, whereas the Government could sell whisky at 50 cents per quart and beer at 5 cents per pint and at the same time make an enormous profit. Brandy, gin, ale, wine, and all other liquors and beverages could be furnished at the same proportionate low cost. Confronted with these prices for liquors and beverages of good quality, no bootlegger or racketeer could long remain in business.

According to information furnished me a few days ago by the Commissioner of the United States Bureau of Industrial Alcohol, the total cost of distilling whisky is approximately 25 cents per gallon, or 6 cents per quart. The same reliable source also informed me that the cost of brewing beer is $2 per barrel, or approximately three-fourths of 1 cent per pint.

Under private system it is estimated that whisky would sell at from $1.50 to $3 per quart and that beer would sell at from 10 to 20 cents per pint, and the Government would only receive a small percentage of the sale price in the form of internal revenue. It is therefore obvious that under the system of Government control prices could be placed at a level that would promptly eliminate all illicit competition and yet there would flow into the Treasury at least three

times the amount of money as contrasted with what the revenue would be under private methods. [Applause.]

This is essentially a plan for general application under the jurisdiction of the Federal Government. However, if it were not imposed upon all of the States, it might be made equally applicable and effective if all States not desiring prohibition were afforded but this alternative; as it would still maintain a uniform system in the States not desiring prohibition, with full Federal protection to those States desiring to retain their present State prohibition status.

Upon the basis of the most reliable estimates it is entirely evident that the governmental income derived from such a plan would be great enough to maintain the reasonable and proper ordinary expense of Government each year without resorting to other burdensome forms of taxation. [Applause.]

Mr. Speaker, the repeal therefore of the eighteenth amendment becomes imperative in order to clear the way for the adoption of a straightforward and improved system of liquor and beverage control that will conform to the requirements of a generally successful system.

Mr. Speaker, any program of liquor control that will be enduring must be based upon sound principle and must be in accord with a reasonable understanding and acceptance of the facts. At a time like this we should not look to anything, not even for a moment, except to reason. If all of those who heretofore have been unyielding on either side of the question, and who espouse the maintenance of social order and desire to rescue our people from the crushing burden of taxation, will now approach this problem without prejudice, lending their full cooperation and assistance, there is no doubt but that we have at last, in this proposal, a new and orderly system for the effective and permanent control of liquors and beverages in this country. [Applause.]

MASSACHUSETTS AND VIRGINIA

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by the Hon. ROBERT LUCE at Yorktown.

The SPEAKER. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Speaker, under the leave granted I wish to extend my remarks by inserting an address delivered by my colleague Hon. ROBERT LUCE, at Yorktown, Va., October 16, 1931, on the occasion of the dedication of the Colonial National Monument, in connection with the celebration of the sesquicentennial of the Battle of Yorktown. The Committee on the Library, while Mr. Luce was its chairman, had recommended the legislation, authorizing the appropriation for this celebration. His address was as follows:

ADDRESS OF HON. ROBERT LUCE, OF MASSACHUSETTS AT YORKTOWN, VA., OCTOBER 16, 1931

No area of equal size in all the land presents more of historical significance and patriotic inspiration than that which we here dedicate as a colonial monument. It includes the site of the first permanent settlement on American soil by our forefathers, with the first church and the first free school in the region to be occupied by the Thirteen Colonies. In that church met the first representative assembly on this continent, doing its work with intelligent method, and beginning the system of committees that was to be our unique contribution to science of legislation.

Fourscore years later the mosquito and malaria led to the abandonment of Jamestown, and the seat of government was removed a few miles to the more healthful climate of what came to be called Williamsburg, also in this historic area, where it remained for another fourscore years. In the commodious capitol there built Patrick Henry made ever-memorable appeal for freedom, and there great Virginia statesmen drew the first full-fledged, comprehensive, and adequate written constitution in all the history of the world. Its introduction Thomas Jefferson expanded a few days later into the Declaration of Independence, and the substance of the bill of rights has been put into every State constitution since, as well as into the Federal Constitution by amendment. At Williamsburg was established one of our most influential colleges, and there stands our oldest academic building. The town itself, in process of restoration, will be our finest illustration of the physical conditions of colonial life. Lastly, and most inspiring of all, this colonial monument includes the battlefield where the Revolutionary War was ended, where independence was at last achieved, the spot where the best of his fortunes came to the foremost American, him whose birth we are to celebrate through the coming year—George Washington. Here, then, we are to preserve that which will arouse remembrance and awaken gratitude in matter of pioneering, government, the higher education, military prowess, the winning of independence—in sum, the essentials from which and by which grew a nation.

It is well that this is done. With much toil and outlay we have created and we maintain numerous national parks where multitudes may enjoy the beauties and marvel at the wonders of nature, invigorating the body and refreshing the mind. Is it not even more important for us to protect the memorials that appeal to the spirit, and by reminding us of what our ancestors accomplished, rouse high resolve that the fruit of their labors shall be preserved and that their sacrifices shall not have been in vain? Stirred thereby to emulation, we shall build the better on the foundations they laid.

My part in this dedication imposes the welcome duty of felicitating Virginia that this monument, entwined with proud and precious memories, is within her borders. This I make bold to do as one assuming to voice the sentiments of those sprung from the sister colony that divided with Virginia the opportunity to shape the destinies of the New World. It will not be denied that Virginia and Massachusetts, closely related in their origins, begun in the same period, the two successful pioneers in the British colonizing of the Atlantic seaboard, had predominating influence in molding our institutions. We as a nation are now what we are largely because of what these two colonies were in the first century and a half after the settlement of Jamestown, Plymouth, and Boston. Therefore, when dedicating a colonial monument it will not be amiss to recognize what each colony gave to the joint product.

First, let it be understood that the men who settled Virginia and Massachusetts came from essentially the same environment, and save in matters political brought with them essentially the same ways of thought. Styling them respectively as Cavaliers and Puritans has led to the impression that they came from different ranks of society. This is wrong. The leaders of that part of the migration to New England which had most to do with shaping its institutions, seeking freedom in the region about Massachusetts Bay through the decade and more while Charles the First ruled without a Parliament, were well-to-do country gentlemen; the rest were mostly prosperous yeomen. Such, too, were those who doubled the population of Virginia after Oliver Cromwell won control, among them being the forefathers of most of the families that were to mold the thought and determine the action of the colony they enriched. It is to be observed that both groups crossed the ocean chiefly from motives of principle rather than from material considerations. Men who let conscience drive them from comfortable homes and familiar surroundings to the hardships of pioneer life in an unknown land are inevitably men of strong character, men who think and act for themselves, men who build.

Many Puritans went to Virginia in its earliest years. It was matter of chance that Royalist sentiment grew here to the point of persecution, and that thus Virginia deprived itself of Puritan influence. For proof of the respect for royalty, observe the names given to the counties of Virginia, so largely those of members of the royal household. On the other hand but one Massachusetts county name recalls nobility, and that only because the island involved had been granted to a duke.

From the start Virginia prided itself on being one of the dominions of the English monarch. The familiar title, "the Old Dominion" still attests the political views of the founders. On the other hand, the northern colony determined early that it was a "Commonwealth," and while the word appears in the constitution of Virginia, it is more stressed by Massachusetts, with all the community of interest it implies, and is the formal, official title as set forth in capital letters in the preamble of the constitution.

English political strife, however, accounts only in part for the differences that developed in America. Climate and soil were the more potent causes. These in the South led to scattering the mansions of the well to do. The effect may even yet be seen. Yesterday in coming here I rode through the tidewater region of Virginia, planted three centuries ago, long the most fertile region known in the New World, long the most prosperous. In more than 150 miles I passed through, but three communities corresponding in size and character to a New England town; there was one stretch of 50 miles without so much as what could fairly be called a village. In Massachusetts the tourist goes through a town every 6 or 7 miles.

The immediate result of plantation life in the South was to make counties the normal unit of government. In New England climate and soil led to smallish farms within easy reach of the meeting house, which was the focus of the religious, political, and social interests of the time.

Education stood next to religion in Puritan eyes, wherein may be found one of the great contributions of the New England Colonies to the shaping of American institutions. In many a New England village you may to this day see the schoolhouse next door to the church. Convenience was the prosaic reason, meeting the wish to have the common school so placed that as far as possible every boy and girl might have its benefits. Whittier, singing of "Our State," glorified the result:

For well she keeps her ancient stock,
The stubborn strength of Pilgrim Rock;
* * * * * * *
Nor heeds the sceptic's puny hands,
While near her school the church spire stands;
Nor fears the blinded bigot's rule,
While near her church spire stands the school.

Inevitably the town became the important governmental unit. Hence the town meeting, the highest type of self-government men have yet devised, lauded by Thomas Jefferson, extolled by all students of public affairs. It was the town meeting that overcame the aristocratic notions of John Winthrop, Parson Cotton, and the other leaders of the Massachusetts Bay Colony, who believed as later did Edmund Burke and Alexander Hamilton, that the masses are not to be trusted, can not know what is best even for themselves, and that the few should govern the many. Plantation life made these views dominant in the South. So when a century and a half had ripened revolt against rule by the mother country, we find because of the town meeting the masses in New England most remarkably trained in self-government, ready and able to rely on themselves. In the South we find, on the other hand, a comparatively small group of men most remarkably trained in leadership—such men as George Washington and Patrick Henry, Madison, Mason, Marshall, and others of like influence and strength.

Here may not be discussed the comparative merits of democracy and aristocracy as thus exemplified. Our purpose will be met by recognizing that the happy blend of these two systems by thirteen Colonies united in a common cause was a powerful factor in the long struggle that ended with Yorktown, that won for us independence, that in the course of the next century and a half brought to the greater part of the nations of the world the democratic form of representative government, under which there can be both leadership and mass judgment.

The town meetings of New England paved the way that led to Yorktown. This denies no credit to the leaders of thought or to the many patriotic freeholders in other Colonies. It simply recognizes that New England had the form of civic organization which could best unify opinion among the masses of the people and also determine them to act. The southern Colonies had their court days, when all the men within riding distance gathered to talk and hear, but not to decide. The northerners were trained in carrying their judgments to binding conclusions. Informed of all the facts and all the arguments by the debates in their local gatherings, virtually pledged by the resolutions there put to vote, inspired with the confidence and enthusiasm contagious when men resolve together, thousands were ready to leave the plow in the furrow when messengers spread the news of Lexington and Concord through the countryside. Almost overnight an army assembled at Cambridge and beleaguered the British troops in Boston.

It was then that Massachusetts made her greatest contribution to the common cause, for by an act of self-denial now almost forgotten those who spoke for her in the Continental Congress gave to the country, gave to the world, George Washington. The commanding general of the Massachusetts forces was Artemas Ward. He had gained experience and won promotion in the Ticonderoga campaign years before. A zealous patriot, he had been deprived of his commission as colonel by Governor Bernard, who declared him to be "a dangerous man." Well known and highly respected in the Colony by reason of much public service, he had in 1774 been elected by the provincial congress as one of the three "general officers," and it fell to him to take command at Cambridge. Now the Continental Congress faced the all-important question of choosing a general for the supreme command of the American forces. John Adams tells us "the greatest number" were for Ward. It was then that Massachusetts men forgot pride, ambition, self-interest, for the sake of the common welfare.

The overwhelming need was to bind the Colonies together. Massachusetts was in desperate straits. She had no powder mills. Without munitions from beyond her borders the war would end quickly and traitors would hang. Yet jealousies must be avoided; fear of Massachusetts domination escaped. Furthermore a commander in chief must be found who, with military experience, would combine political and social prestige; a patriot aggressive enough to satisfy New England, yet moderate enough to get the confidence of the more prudent leaders in the other Colonies.

In fortunate degree all the needs would be met by one man—George Washington. So the delegates of Massachusetts saw fit to forego the honor and in due course Gen. Artemas Ward welcomed the Virginian as his successor, welcomed him generously, whole-heartedly, with manliness, adding to the reasons why we are gratified that a monument worthy of him is about to be erected in the Nation's Capital. The man who stands aside may also be a hero.

Massachusetts was not to be long the scene of military operations. After Boston had been evacuated by the King's troops, the middle and southern Colonies saw the rest of the fighting. New England, however, took no advantage of this to lessen support of the common cause. With troops and supplies Massachusetts, New Hampshire, Rhode Island, and Connecticut did their share. No small part of the army General Washington brought round from the Hudson to this peninsula was made up of New England men. They had begun the war. They were in at the finish. From the morning on the village green at Lexington and at the rude bridge that arched the flood at Concord to the hour when Cornwallis, pleading illness, sent his sword by General O'Hara to General Washington, New England never wavered.

To-day Massachusetts makes no boast of her part in the glorious victory. Gladly she joins in the acclaim of Washington and Virginia. Yet she holds that her century and a half of life under Puritan influence made essential contribution not only to winning independence but also to making the United States the powerful Nation it has become, noblest exemplar of freedom, leader of the world. Jamestown and Plymouth, Williamsburg and Boston, William and Mary College here and Harvard at Cambridge, Bunker Hill and Yorktown—those are names that linked together tell the story Virginia and Massachusetts have in common of rude, hard beginnings, growth in material prosperity and mental power, development of self-reliance and self-government, leadership in peace and war. Let this monument be in particular their joint heritage and in general that of the Nation as a whole, to keep alive the memory of the men whose labors and sacrifices through five colonial generations will deserve gratitude and honor as long as the River James may flow to the sea, as long as the billows of the Atlantic Ocean break on the rocks of the New England shore.

"WOMEN AND CHILDREN FIRST!"

Mrs. ROGERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by my colleague, Hon. ROBERT LUCE, at the unveiling of the Titanic Memorial in Rock Creek Park, Washington, May 26, 1931.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, is this the same address?

Mrs. ROGERS. I understand not. This address was made at the unveiling of the Titanic Memorial in Rock Creek Park, Washington.

Mr. STAFFORD. Mr. Speaker, the gentleman from Massachusetts asked unanimous consent to extend his remarks by inserting an address delivered by Representative LUCE, and now the lady from Massachusetts is making the same request. I want to know whether it is the same address.

Mrs. ROGERS. I understand not. This speech was delivered at the unveiling of the Titanic Memorial.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS. Mr. Speaker, under the leave granted, I wish to extend my remarks by inserting an address delivered by my colleague, Hon. ROBERT LUCE, at the unveiling of the Titanic Memorial in Rock Creek Park, Washington, May 26, 1931. The President attended the ceremony, and the Secretary of State, Mr. Stimson, accepted the gift in behalf of the Government. The Committee on the Library, while Mr. LUCE was its chairman, had recommended the necessary legislation. His address was as follows:

ADDRESS OF HON. ROBERT LUCE, OF MASSACHUSETTS, AT THE UNVEILING OF THE TITANIC MEMORIAL IN ROCK CREEK PARK, WASHINGTON, D. C., MAY 26, 1931

On the 10th of April, 1912, the *Titanic*, the largest ship the world had ever seen, started on her maiden voyage from Southampton for New York. Four days later, just before midnight, with the sky clear and the sea perfectly smooth, she struck the ledge of an iceberg projecting under water, and two hours and a half later she sank. Of the 2,223 persons aboard, 1,517 lost their lives and 706 were saved. Of the 1,692 men aboard only 20 per cent were saved; of the 531 women and children, 70 per cent. The cause of this difference in the proportion saved is the reason for this memorial and our presence here to-day.

The inscription on the memorial will tell countless readers through generations to come that it has been erected: "To the brave men who perished in the wreck of the *Titanic*, April 15, 1912. They gave their lives that women and children might be saved. Twenty thousand American women, or more, sending their contributions from all parts of the world, largely in small amounts, have joined in this proof of the reverent admiration of womanhood for the manhood so nobly displayed when the *Titanic* met her fate. Fitting indeed it is that this beautiful work of art, so nobly typifying women's gratitude, should have been sculptured by a woman.

The story of the greatest maritime disaster the world had ever known need not here be retold in detail. Suffice it to say that it was an intensely dramatic tragedy, astounding and horrifying the world. The latest triumph of the shipbuilders' art, believed to be unsinkable, grazing an iceberg with shock hardly felt through much of the ship, went to the bottom within three hours, paying toll of more than 1,500 lives to the greedy sea. Official inquiry here and in England disclosed slight ground for individual blame. There was literally but one chance in a million of such a collision, if the judgment of the insurance companies was valid. The captain may have erred in keeping full speed despite the warnings from other ships that there was ice ahead, but if so he paid for it with his life. After the collision, both officers and crew conducted themselves creditably. As a whole they were true to the finest traditions of the sea.

Undoubtedly there were too few lifeboats and some of those at hand were not filled to capacity, but there were as many as the law required, and they seem to have been handled better than is often the case under such conditions. Here the women deserve praise, for in some instances they took the oars from ignorant or exhausted men, and in one boat a countess handled the helm. After dreadful hours every boat reached safely the rescuing ship, the *Carpathia*, which so fortunately learned of the dire need and appeared at dawn.

It is a saddening story of suffering and grief and woe, but these are the common lot of all humanity and would not by themselves have shocked the world. Fifteen hundred separate deaths get no attention outside the narrow circles of the afflicted kindred and friends. Even when resulting from the same violent cause within a brief period, if they are independent they are ignored by the public at large. Within the next 20 days as many lives will be taken by automobiles in the United States as were lost with the *Titanic*, but they will get no general notice. Were fifteen hundred men, women, and children stricken by calamity in some narrow region, the rest of mankind would be saddened for a moment and then quickly forget. Who here recalls that only last July an earthquake in Italy killed almost as many as died because the *Titanic* sank?

True it is that among the *Titanic* victims were men of high repute, leaders in the world's activities, some of great wealth, others of great power, others known for genius or skill. Yet this alone does not explain our presence here. Such men come to their end and in numbers every day somewhere on the globe. Their positions give them no immunity. As Horace wrote:

"Pale Death with impartial foot knocks at the hovels of the poor and the palaces of kings."

That in this instance a tragic fate came to such men, respected, admired, beloved as they may have been, would not of itself have caused thousands to join in erecting this memorial. Tragedy does not of itself secure grateful remembrance. Such remembrance comes only because of some noble aspect, arousing honorable sentiments common to humanity. Here we find this aspect in the self-sacrifice of brave men that the lives of women and children might be saved.

It was the ancient rule of the sea, "Women and children first" when the boats were to be filled. With no hesitation, no demur, men to whom life was as precious as to you or to me accepted the likelihood of speedy death. They stood aside or themselves searched for women and children to help into the boats. Said Isador Straus when urged to go, "As long as there is a woman on this vessel I will not leave." "You are an old man," was pressed upon him. Sublime the reply, "I am not too old to sacrifice myself for a woman." His loyal wife refused to leave him, and both perished, noble examples of tender devotion and high courage.

All the vain distinctions of class and creed and race were forgotten. The richest man in the first cabin saw to it that the poorest woman in the steerage should have the first chance. Magnate and deck hand, millionaire and stoker, railway executive and steward, capitalist and cabin boy, alike conquered the native impulse to fight for life and joined in sacrifice. Some who in the end miraculously escaped after plunging or being thrown into the icy sea, have told us that the amazing thing was the calmness, the self-control of those who remained on the decks after all the boats had gone. Their heroism was largely unconscious. It was matter of temperament, of instinct. Here lies one of the inspirations these grievous memories may bring. It is heartening to know that when face to face with the greatest of perils, men in such numbers as to warrant conclusion, show that human nature is basically controlled by noblest urge.

In the course of the inquiry by the Senate committee, Second Officer Lightoller was asked if in filling the boats he discriminated entirely in the interest of the passengers—women and children—because of the captain's orders, or because of the rule of the sea. He answered: "The rule of human nature." Undoubtedly he gave the true reason. The primeval impulse in every man was to protect his womankind and his offspring. This was an impulse found throughout nature.

Man surpassed the brute by carrying it farther, to all women and all children. Hence in some part came civilization. To Manu, held by Hindu mythology to be the most ancient of men, ancestor of the world, is ascribed the saying, "Wherever women are honored, the gods are satisfied." In the Talmud you may find: "God could not be everywhere, so he made mothers." This oldest of human sentiments lies deep in every man's heart. Thankful, indeed, should we be that on the decks of the *Titanic* it was brought to the surface by the crucial test. Thankful should we be for the proof that the finest instincts of human nature can not be destroyed by the baser influences of modern life, that under the gilt or the grime remain mastering influences ready at need to attest the highest glory of the human race.

It must be admitted that through thousands of years these influences did not suffice to put woman above man in the ordinary relations of life. Then with the period of the Crusades, in what we know as the Middle Ages, came the adoration of Mary, the mother of Jesus, giving to motherhood the halo of religion. At the same time came chivalry, putting woman on a pedestal, with her safety and honor the chief concern of knightly valor. Although we now view with a smile the extravagances of mediæval knights and poets, we must recognize that they had a profound influence on the attitude of men toward women. The familiar epithets and mannerisms of courtesy still testify to this influence. In our day, however, the spheres of men and women have been so largely merged that it may well be wondered whether the true values of chivalry are not doomed to disappear.

Since the upheaval of social relations and the destruction of standards by the World War, the fear of that grows. If it comes, it will have to be set down as one of the great losses brought by the new conceptions of life and its duties. Sorry indeed will be the day, if ever it comes, when men cease to make home and wife and children the chief object of their toil, the very center of their dreams, their hopes, their ambitions. When, if ever, self-interest and self-preservation become the mainspring of masculine existence, then will come the death of civilization.

If this be the fate of society, at any rate we who are passing off the scene may be proud that our own time gave such glorious proof of the values in chivalry as that which inspired the world anew when the *Titanic* sank. The gallant courage of "gentlemen unafraid," the swift recognition of duty, the heroic denial of self, the readiness of sacrifice—these did an honor to our time which this memorial may well attest to the generations that are to come. Let it tell them what we thought of chivalry wherever the battlefield—

> At any cost one good is cheap,
> The soldiers die lest women weep;
> And this reward is great and high—
> The women weep that soldiers die.

One lesson we may draw from this terrible catastrophe. Groping for reason why a Providence we call "merciful" should thus at one stroke blot out 1,500 lives, with difficulty would we find it in other than the possibility, the probability, that men must suffer in order that those to follow may be wiser, more prudent, more faithful, and that thus their lives may be prolonged and their usefulness increased. The race is to profit by the sorrows of the individual. Suffering is the mother of progress.

Through the hard school of experience nature teaches all her children. To her aid we have brought what we know as government. The paramount purpose of government is protection. The supreme test of government is the amount of protection it gives to the weak. By it we measure the worth of nations. It is the only safe and sure test of the progress of civilization. The first duty of government is to enact and enforce laws to lessen suffering and to prolong life. In so far as the sacrifice of the men we here commemorate shall have lessened the perils of the sea, they will not have died in vain. "De profundis"—out of the depths—they call on us not to forget why they died.

Nobler will be their reward if they shall have helped to glorify the loftiest ideal of human relationship, that of self-denial. Let this monument encourage each man of us to hope that if the inevitable end comes in a form likewise revealing our souls, we too may be adjudged by the world to have been men ready to sacrifice for others even life itself; men who proudly answered, "Women and children first!"

EXTENSION OF REMARKS

Mr. PATTERSON. Mr. Speaker, at the request of the gentleman from Massachusetts on yesterday all Members had the right to extend their remarks until the printing of the last RECORD of this session.

The SPEAKER. That was objected to by the gentleman from Kansas. It was the understanding of the Chair that to-day the gentleman from New York [Mr. SNELL] would ask unanimous consent that all Members of the House have the right to extend their own remarks in the RECORD until the last RECORD of this session of Congress is printed. The Chair will make that request if nobody else makes it.

Mr. MICHENER. Mr. Speaker, reserving the right to object——

Mr. RAMSEYER. Mr. Speaker, I rose to present that request, but if the Speaker makes the request I shall not make it.

Mr. TILSON. I hope the Speaker will make the request, because it is the usual request that has been made for many years, to my own knowledge.

Mr. MICHENER. Mr. Speaker, I reserved the right to object—and, of course, I shall not object—in order to propound a parliamentary inquiry. Yesterday when this matter was up the gentleman from Illinois [Mr. CHINDBLOM] asked whether or not a request of this kind permitted Members to extend their remarks on one subject or whether or not each Member could extend his remarks as many times as he saw fit between now and the time when the last RECORD of this session is printed.

The SPEAKER. If the request is granted, each Member of the House will have an opportunity to extend his own remarks on any subject as many times as he desires.

Mr. STAFFORD. Mr. Speaker, I object to that request.

The SPEAKER. That is the rule, and the Chair can not change the rule.

Mr. STAFFORD. I have no objection to Members having the right to extend their remarks once, but I do object to their right to extend them ad infinitum.

Mr. WILLIAMSON. That right has never been abused.

The SPEAKER. The Chair has interpreted the rule just as Speaker Longworth interpreted it when that same question was asked him at the end of the Sixty-ninth Congress.

That precedent having been set, the Chair thinks it is his duty to interpret it in the same way, that if the House gives a Member permission to extend his remarks until the end of the session, he will have the right to extend his remarks on any subject and on as many subjects as he desires.

Mr. STAFFORD. With that statement by the Speaker I withdraw my objection.

The SPEAKER. Is there objection?

Mr. LAMBERTSON. Mr. Speaker, I object.

THE REPUBLICAN NATIONAL CONVENTION

Mr. TILSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

Mr. GREEN. Mr. Speaker, reserving the right to object, and I shall not object, I think it is very strange that we have had this rule here for a number of years that Members of the House could extend their remarks in the RECORD and now Members on the other side of the aisle see fit not to permit Members of the House to have this courtesy. I happen to be one who does not choose to use the privilege, but it is very strange that gentlemen on the other side now object to it.

Mr. PARKS. Mr. Speaker, reserving the right to object, may I add to the unanimous-consent request that on all speeches that are printed in the RECORD there be noted at the bottom that it costs the Government a certain amount of money?

The SPEAKER. That is a matter that is controlled entirely by the committee of the House.

Mr. PARKS. Mr. Speaker, further reserving the right to object, the speeches that are distributed have noted at the top of them that they cost the Government nothing. I think we might just as well put this statement on the speeches and let it be known how much it costs.

The SPEAKER. That is a matter that would have to be handled by legislation.

Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. TILSON. Mr. Speaker, the Republican National Convention recently completed its task and yielded the Chicago arena and the limelight to our Democratic opponents for a season. During this period of comparative inactivity on our part, before the campaign really begins, there is time to review the work of our own party convention and to appraise its results.

The platform adopted is a lengthy document, perhaps too long for those who are unwilling to give more than a passing thought to such matters. Those, however, who are genuinely interested in the welfare of their country through the coming years will read it and having grasped its full meaning will take courage.

It must be admitted that the platform is conservative in its tendency, though in no sense reactionary. As a platform should be, it is safe to stand upon. If it be necessary to use some of the cult words of the present era to describe it, probably the words most applicable are "conservatively progressive." In other words, it keeps a firm hold on those things that have proved themselves good, while looking forward toward those things that may prove themselves to be better. It gives both hope and confidence.

Certain cardinal principles of the party the platform almost takes for granted. It needs not many words to reaffirm the fundamental principles of sound money and protection to American industry and labor. Yet both of these principles have been challenged by Democratic opposition during the present Congress. In the light of these threats the platform does well to make clear the importance of maintaining the gold standard and protection.

Party-platform makers have a habit of loading down these documents with pledges calling for liberal expenditures for new and old governmental activities. The present Republican platform, in unmistakable terms, gives aid and comfort to those stalwart souls who are willing to face militant vociferous minorities and at the risk of their political lives to take their stand in defense of the overburdened taxpayer.

The platform recognizes the very widespread interest in the problems growing out of the eighteenth amendment to the Constitution and proposes a submission of the question to those in whom resides the ultimate power to decide it—the people.

A platform upon which Republicans in all sections of the country may unitedly stand having been adopted, the final and crowning work of the convention was to renominate the same ticket nominated and triumphantly elected four years ago—Hoover and Curtis. The reasons for this action on the part of the convention are clear and convincing. Any other action would have meant the repudiation of an unparalleled record achieved under the most trying circumstances ever encountered by any administration. No other action was in fact ever seriously considered even for a moment. It was the President's convention because all fair-minded persons recognized that the President deserved it.

Herbert Hoover was an outstanding world figure for many years before he became President. What he had done to feed the starving millions of Europe during and after the great World War upheaval was common and universal knowledge. The whole world knew and approved his splendid services to humanity. There are those so partisan in every thought as to sneer now at what everyone whole-heartedly applauded in the day and time of it. They would not then have dared to sneer. His work then marked him out as one towering above the millions of men then surrounding him and as one possessed of qualities preeminently calculated to serve his own Nation in the time of its greatest need.

The time soon came when he was put to the test, and right well has he responded to the challenge. Soon after he came to the highest office within the gift of any people, the sun of prosperity that had been shining with such brilliancy, began to grow dim. Without much warning the storm broke. It covered the world. No one could foretell or estimate its intensity or duration. The storm is still raging, but three years of such weather as was never before encountered by any pilot have not daunted him or made him afraid. He is still standing steadfast at his post, calm and serene in the assurance that he is on the right course, keeping the faith, while all around him are those who only cry out in a chorus of calamity, without even a suggestion, worth considering, as to how to bring the ship to port.

Reference is often made to the famous advice of Lincoln to not swap horses while crossing a stream. It was homely but sound advice. It is still good and never more applicable than in the present campaign year. The fact that the stream we are now crossing is a raging torrent, almost a Niagara, adds much force to the illustration. If experience in any field of human endeavor counts for efficiency and usefulness, surely the present instance is the one in which it should count for most and the one above all others where the voice of thoughtful people should call loudly for its continuance in the service of their country.

Many, in fact most, of the problems faced by President Hoover during the past three years have been of the most complex and complicated character. He has given the most laborious, earnest, and thoughtful study to all of these problems and knows better than any other man living how to deal with them. Many of them are now in the process of being worked out but most surely will not be completed within the next year. Many of them concern our relations with foreign countries and are so interlaced with matters growing out of the Great War that their complete understanding is a matter requiring the most prodigious study, which President Hoover to an amazing degree has been able to give them. The continuance of President Hoover in office is, to thoughtful minds, the obvious answer to any question as to the result of the coming election.

Who then, if not Hoover? If not the Republican Party, then what? The people of the country will have before them as an alternative the Democratic Party with such platform as may be adopted at their convention in Chicago, and the estimable gentleman, whoever he may be, who, by chance or otherwise, may be nominated there. Remember, however,

that alongside of his record, regardless of who it may be, or what his record may be, will be placed, by the people of this country, the record of the man now in the White House, a record of actual performance, not vague promises. We shall await with supreme confidence a comparison of these records.

The only safe way known to judge the future is by the light of the past. As an alternative to which the country might turn with confidence, the record of the Democratic Party does not afford much assurance. A survey of its record reaching into the long ago, furnishes an interesting study of the dead past, but little hope for the living present or the impending future. There is not time now, however, to wander in the political graveyards of the past. Let the dead past bury its dead.

In this campaign year of 1932 the question is what may the country expect, if in a moment of temporary aberration on the part of the voters the Democratic Party should be given control of the Government? What may they expect will happen? May we not safely judge the immediate future by the record of the recent past? If the Democrats should control the new Congress the same personnel substantially as the present Congress will make up the new Congress and will surely dominate it. The more dangerous bills that have been proposed by Democrats in the Seventy-second Congress and now disturbing the public mind, though not enacted into law by reason of an adverse Senate or President, will no doubt all be brought forward again in the new Congress. It is not necessary to characterize these bills by calling any of them malodorous names, but they include proposals aggregating many billions of dollars, much of it for questionable purposes and most of it entirely unjustifiable under existing conditions.

They include proposals for fiat money and other schemes for currency inflation. They include schemes for huge bond issues, so huge as to materially affect or destroy the national credit and the value of the Nation's securities. They include other proposals which if carried into effect would not only disturb the balance of the National Budget, accomplished at the cost of so great a burden laid upon the taxpayer, but would make it well-nigh impossible to ever balance it again.

In the face of such a prospect there should be little doubt or hesitation on the part of the electorate. When confronted with such an alternative there should be a great turning of thoughtful people toward President Hoover, to the end that he may continue to stand as the Nation's bulwark against the threatened flood of unsound and dangerous proposals which might delay for a decade the return of normal business activity and employment, which is, after all, the only real solution of the most difficult problems now confronting us.

PROHIBITION

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK. Mr. Speaker, I have a few important dispatches from Chicago. One is from the Associated Press to the effect that the Democratic platform committee to-day voted overwhelmingly to commit the party in favor of prohibition repeal. The vote was 35 to 17. [Applause.]

The other is from the United Press, convention headquarters, Chicago, June 29:

> The Democratic platform committee to-day defeated by a vote of 35 to 18 the so-called moderate majority prohibition plank.

Parenthetically, I may say that the moderate majority prohibition plank is something like the plank the Republicans have, which was canonized by Bishop Cannon and which advocated submission of repeal to the States without committing the party.

> Michael Igoe, Democratic platform committee member from Illinois, announced to-day that the repeal, beer-and-wine plank had been adopted by the Democratic platform committee by a vote of 35 to 17.

All of which means we will swamp the Republicans next November. [Applause.]

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER. Mr. Speaker, I take the floor at this time to suggest that those who have been carrying on the fight to repeal the eighteenth amendment and to amend the Volstead Act, enacted thereunder, do not vote to adjourn until this House, organized by a Democratic majority with a Democratic Speaker, acts instead of talks. [Applause.]

Mr. Speaker, the Democratic Speaker of this House, according to recent press releases, has indicated that he voted against submission of the eighteenth amendment when it was originally submitted to the several States, and that he is in favor of its repeal. In these press releases he does not indicate that he cast his vote for the Volstead Act or that he cast his vote for the indefensible Jones law under which a man or woman is sent to jail for five years for carrying a pint of alcoholic beverage containing more than one-half of 1 per cent of alcohol.

In view of the fact that the present Speaker is now on record as absolutely in favor of repealing the eighteenth amendment at this time, and in view of the fact that under the rules of the House he can recognize a Democratic colleague to move to suspend the rules and consider a repeal resolution, and in view of the fact that the House is controlled by a majority of Democrats who now in their convention claim to be wet, according to Chicago press reports, I sincerely hope that the Democrats who control the House, with their Democratic Speaker, will give the people some relief before we adjourn instead of giving them promises in their platform.

In view of the fact that the House is now in session, the intelligent people of the country will not be fooled if you Democrats who control the House, and have a Democratic Speaker, pledge yourselves in convention at some future date to resubmit the question to the people of repealing this prohibition monstrosity or change the Volstead Act and adjourn the House without action. The people will not be satisfied with mere promises. The time for you to act is before you adjourn. You have the Speaker; you have a majority in the House; and no wet should fall for any wet Democratic campaign promises, no matter whether they are adopted by an overwhelming convention vote or not. I know that if you do not now have enough wet votes from the dry Democratic Southland, we will be able to furnish sufficient bona fide wet votes from the Republican side to cure the prohibition evil before adjournment. Carry on the campaign on the prohibition question on deeds and not on promises. Let us act and not talk and promise. [Applause.]

MESSAGE FROM THE PRESIDENT—INTERNATIONAL INSTITUTE OF AGRICULTURE AT ROME, ITALY (S. DOC. NO. 130)

The SPEAKER laid before the House the following message from the President, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State, to the end that legislation may be enacted authorizing an annual appropriation of $48,500 for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy.

HERBERT HOOVER.

THE WHITE HOUSE, *June 29, 1932.*

THE DEMOCRATIC PARTY

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, after 11 years of poverty-producing Republican rule the American people are turning by millions to the Democratic Party for relief from the intolerable conditions that oppress them, and which are the direct result of the misfeasance, malfeasance, and monumental incompetency of the Republican leaders. Democracy is opposed to every tenet in President Hoover's political creed, if the President ever had a political creed, or any well-defined political convictions or interest in public affairs until inordinate ambition, lust for office, passion for the Presidency, and the exigencies of politics required him to cast his lot with one of the two great political parties.

Our present plight is the fruitage of Republican misrule, class legislation, governmental favoritism, high tariff laws, multiplication of boards, bureaus, and commissions, unwarranted extension of Federal powers in derogation of the constitutional rights of the sovereign States, mischievous meddling with legitimate business, unequal distribution of the burdens and benefits of Government, unreasonable deflation, an unstable dollar, arbitrary manipulation of financial and economic laws, prodigality, waste, and extravagance in the expenditure of public funds, and excessive and inequitable systems of taxation. On these questions the Democratic Party will join issue with the Republicans in the approaching campaign. All these things the Harding-Coolidge-Hoover administrations believed in and practiced. All these things are contrary to the genius and spirit of democracy, which is the traditional foe of the principles and policies that have produced the greatest depression and destruction of wealth in history. Democracy pleads for legislative formulas that will bring the greatest good to the greatest numbers.

The supreme purpose of all law is to establish social justice. The basic problem of all enlightened governments is an ethical problem, and when social justice is secured for all citizens and vocations, the ultimate end of government has been accomplished. Our business, economic, and governmental policies should be so impartial, ethical, and equitable that they will not create on the one hand an oligarchy of wealth and privilege, and on the other hand produce a "sullen mass of rags and misery." The great gulf fixed between the ultrarich and the ultrapoor should be bridged and narrowed by sound and just business policies and a more equitable apportionment of the burdens and benefits of government.

By reason of its basic principles and past accomplishments in statecraft, the Democratic Party is best qualified to inaugurate and carry to a speedy consummation these much-needed reforms. On the other hand, the Republican Party, having created these intolerable conditions, and being the chief beneficiary of these abuses, is powerless to correct them, because it has neither the ability or willingness to reverse its traditional attitude of favoritism toward those who use the instrumentalities of the law to serve their sinister and selfish purposes.

Mr. Hoover is so completely under the overpowering enchantment of big business that it is absolutely impossible for him to free his administration from its cynical control. Those who are so unsophisticated as to expect him to correct these abuses, are doomed to experience a rude awakening and bitter disappointment. Easier for the fox to forget his cunning, easier for the timber wolf to show mercy, and easier for the jungle leopard to change his spots than for the President to throw off the controlling influence of organized privilege and plunder.

To establish economic equality and social justice it is not necessary to "kick the fat into the fire," adopt drastic or revolutionary methods, confiscate or divide our national wealth, or apply such legislative or economic pressure as would unsettle business or destroy vested rights, for such methods would not produce the desired results. It is only necessary to return to fundamentals and apply the formula that all men are equal before the law and entitled to the same consideration, unhampered by legislative handicap or unethical business practices. I am not an impractical idealist when I assert that the golden rule has a place in governmental activities and in the economic life of a righteous and progressive people.

The strength and glory of the Democratic Party lie in its opposition to policies that are essentially sectional, selfish, and fundamentally unethical and unjust. It has made mistakes, sometimes blunders, but in its long and marvelous career it has never ceased to be the party of the people and the aggressive champion of the poor and lowly.

Whether in or out of power, in victory or defeat; whether enjoying the honors and discharging the responsibilities incident to success, or suffering the disappointment and humiliation of the vanquished; whether on the high hills of public confidence and favor, or in the dark valley and shadow of nation-wide disapproval; in all the vicissitudes of its long and unrivaled history, it has never denied its faith in the principles and policies of its founders; never abandoned its defense of the individual citizens from the unwarranted encroachments of the State, and never exalted property rights above human rights; never cast down the goddess of liberty or enthroned in her stead the tainted dollar; and never sanctioned the pernicious doctrine that certain favorite classes are of right entitled to governmental favoritism and bounties.

A party that has held firmly to these lofty ideals, exalted principles, traditional purposes, and wholesome policies, though it makes mistakes, or perchance commits blunders, has nevertheless performed a worth-while service that should command the respect of mankind, especially in view of the glorious contribution in the way of constructive statesmanship made by it in its long and illustrious career.

So long as our Republic endures, the Democratic Party has a mission and will survive to fight the battle of the masses for social justice and orderly constitutional government. Though routed in 1928, the Democratic Party, Phœnixlike, emerged from the ashes of defeat, and renewed its strength like the young eagles in their upward flight. Its gaping wounds bear mute but eloquent testimony of its valor and fortitude. Its spirit is undaunted, its arms strong, its shield still capable of turning aside every javelin thrust, its armor unshattered and unpierced, though red with rust from sanguinary encounters. Its sword is still unbroken and unbent, sharp as a Toledo blade, and with the temper of a rapier forged in the hot furnace of Damascus. Its banner has not dipped to the enemy or trailed in the dust. Out of the quicksands of defeat, out of the deep pit of disaster, out of the wilderness of indecision, out of the cross currents and rip tides of dissension, and out from the vortex of fratricidal conflict and internecine strife, the Democratic Party comes forth, stands erect, moves forward, grimy with the smoke of innumerable battles, bearing the scars of countless combats, and with confidence and unflinching courage faces the future, its head bloody but unbowed, its soul unafraid and unconquerable.

ECONOMY

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to address the House for two minutes on the conference report just agreed to a few moments ago.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, the House a few moments ago agreed to the conference report upon the State, Commerce, Labor, and Department of Justice appropriation bill. The Speaker has not yet signed that bill. I hold in my hand the deficiency appropriation bill just reported by the Senate. In that bill I find three items increasing the appropriations that are carried in the bill we just agreed to by $120,000.

They provide $90,000 additional for the office of the Secretary of Commerce for salaries, and so forth, $24,000 additional for the same department for contingent expenses, and $6,000 additional for printing and binding. Does that mean economy? The President of the United States has asked the Congress to economize. The Congress has cut down the appropriations, and yet before this bill is in the hands of the President the Department of Commerce, an

agency of the President, goes to the Senate and asks the Senate to increase certain appropriations to be used during the next fiscal year. Is this a forerunner of what we can expect when we return here in December? Are the reductions we have made for political purposes, or do they mean anything? The people of this country will demand something in the way of an explanation if this is to go on.

I think this House should refuse to appropriate money increasing the appropriations for 1933 at this time. In fact, let the chairman of the Appropriations Committee and the Speaker serve notice on the departments if any deficiencies are created those responsible for the deficiencies will be required to answer. We either mean business by reducing the appropriations or we are deceiving the public. Let us show those who administer the laws that we mean business. Naturally, I expect there will be some explanation. Wait and see if this is not to be used for some popular purpose.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. CHINDBLOM. Are those deficiency items for the next year?

Mr. COCHRAN of Missouri. For the next fiscal year, 1933. Here is the bill.

Mr. CHINDBLOM. It seems very strange.

Mr. COCHRAN of Missouri. I think it is an outrage that a representative of the President should come to Congress and ask for such an increase. There can be no mistake. The bill speaks for itself. Aside from this, there are numerous other items affecting the 1933 appropriations in the deficiency bill added by the Senate; some, I think, can be classed as legislation. I have not had time to examine the bill carefully.

Mr. Speaker, the Congress has been doing its duty in reducing appropriations, and it is up to the President to see that his Cabinet officers stay within the appropriations, no matter what the result. The people of this country are watching those in charge of its affairs, and they demand that waste and extravagance be eliminated. They demand that duplication and overlapping be done away with. The President has an opportunity to consolidate and coordinate Government agencies. The authority is in the economy bill. He asked for it. I hope he will make good use of this authority and reorganize the various Government agencies and when we return here in December he will have a message ready telling the Congress just what commissions and bureaus can be eliminated. Further, that we will not have millions of dollars in deficiencies confronting us when we return. The President can prevent it by issuing the order to his subordinates and requiring them to stay within their appropriations. We want no deficit in the next fiscal year. The way to prevent the deficit is to operate within our income.

THE ECONOMIC CONDITION

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LaGUARDIA. Mr. Speaker, I am very much concerned about the economic condition of the country. It is true that there is in conference at this time the so-called relief bill. There is not the slightest doubt, I believe, in any quarter, under any school of economic thought, that unless an artificial stimulus is given to industry there will be a complete collapse of our economic system in this country. Even though we come through this crisis it will be but temporary. In the relief bill there are provisions which if properly, and immediately, and sympathetically administered might create that stimulus, but, aside from that, there is a destructive school of economic thought that has induced this Congress, I am sorry to say, to bring down the American scale of wages and the American standard of living. The present membership of Congress will live to rue the day. This Congress has been swept off its balance by a cruel, willful, selfish propaganda to reduce the wage scale of the American people. The very small group responsible for this destructive policy will soon learn that with a destroyed and reduced purchasing power, restoration of normal conditions is impossible.

From sources in high places and from looters of the public's savings and from destroyers of the public confidence, slogans were coined—slogans which swayed, I am sorry to say, seasoned and experienced legislators to vote billions for the looters, tear down wage scales, and scoff at human misery and distress. These same slogans will soon haunt and destroy their own sponsors and followers.

This session their successful slogan was "balance the Budget" and they promised "everything would be all right." The Budget will be balanced and everything will not be all right on the farms and in the cities. Then what? Already an insidious propaganda has started, gentlemen, for a sales tax next session of Congress and again the promise of "everything will be all right." Lies, lies, nothing but lies! Candidates for the House will be called upon before the next election to express themselves on that sales tax. We can not get out of the crisis and return to anything like normal times by taking the whole cost of government out of the working people and the wage earners of this country. These workers and white-collared wage earners are getting a costly but liberal education in real economics and legislation inspired and controlled by their exploiters.

What is the trouble with the farms? It is the reduced purchasing power of the masses. What is the reason for our surplus manufactured goods, closed factories, and unemployment? It is the reduced purchasing power of the American farmer. I can not see how anyone can have such lack of vision as to insist upon this constant, consistent tearing down and bringing down of wage standards. Just think of it. We are talking of reducing expenses when in our cities there are hundreds of thousands of families on the brink of starvation. Commander Underwood, of the Salvation Army, was in Washington a few days ago with the report that in the section of the country over which he has jurisdiction for relief there are 65,000 families in dire want, who are not being cared for by either municipal, private, or semipublic funds. Sixty-five thousand families in one small section of the country starving and some of you gloat over penny economies. Public and private funds for relief work are already depleted in many cities and will be entirely depleted in all cities within a very few weeks. Still some of you brag about the praises from Wall Street you are getting for establishing wage reductions by cutting salaries of Federal employees.

We have on the Speaker's desk a conference report to give 45,000,000 bushels of wheat to be used for bread, and to give cotton for clothes; $300,000,000 more is included in the bill now in conference, $100,000,000 for direct relief and $200,000,000 for loans to the States for direct relief, according to the reports from the conference room up to date. Yet these are all but palliatives. We must solve the problem. What we must do is to so regulate our industry and commerce as to give the benefit of the progressive age in which we are living to all of the American people, and not only to the few who own the machines and who control the finances of this country. [Applause.] There will be no restoration of normal condition, no peace as long as we have unemployed and starving people in the country. They blame Congress for the decreased prices in securities. Cheaters and liars—who say so. Who deceived the American people? Was it Congress who recommended to the American people bogus South American and worthless European securities? Was it Congress that dishonestly inflated the values of stocks and bonds?

It was the very people who are now complaining of the conduct of Congress. They are now being identified and will soon be indexed as the betrayers of their fellow citizens and their country.

The SPEAKER. The time of the gentleman has expired.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. LaGUARDIA. It is true that anyone can rise in his place and say that we do not have the necessary power under the Constitution to legislate the hours of labor or the labor days in the week, or minimum wages. We have not. But conditions will soon give us that power. We must act. We must go to a 5-day week and to a 6-hour day. Only a year ago we were talking about a 7-hour day. That is not enough now. That may sound far-fetched, but I say unless we face the situation, unless we legislate courageously, and unless we do something real soon within three years from now we will be rewriting the Constitution of the United States. The preservation of life and the happiness of all our people are the paramount and supreme duty of government. Our Constitution was never intended to perpetuate the stock ticker and destroy human life. We could, by closing Government departments, operating the Government departments five days a week, indirectly force commerce and banking to go on a 5-day week. That might in turn force industries to do so. Unless we do this, gentlemen, even if we had no financial crisis and if tomorrow every security in this country would go up to a normal level, we would still have unemployed, and our unemployed would increase every year. Why? Because of our modern means of production and labor-saving machines in the factories, on the farms, in the offices, and even in the arts displacing human labor.

There is no use fooling ourselves about it. The very people in this country who have most at stake, the people who own most of the wealth and property in this country, and who are in the midst of this depression buying up more, are not giving any constructive suggestions to aid in the solution of the crisis which they brought about. They say if we appropriate too much money for relief for public works, the value of Government bonds will go down. Of course it will. But let us be frank about that.

Whether we authorize loans through the medium of the Reconstruction Finance Corporation or issue bonds direct from the Treasury, it is exactly the same thing, because the United States Government is back of the Reconstruction Finance Corporation bonds; and I would like to hear any Member deny that. Unless we do something to aid unemployment, I say now that the bonds they now hold will be worth a great deal less.

Gentlemen, all this propaganda about adjourning and going home is prompted from the same sources that say not to pass any relief measure and demand of us to reduce wages still further. We talk about our economy bill, a cruel, unsound, unscientific, sloppy piece of legislation. No matter what happens next election, we will all be here next December; and I tell you now you will see the largest deficiency bill that has ever been presented to this House in the history of Congress, because the economy bill will not only create human misery but will economize very little. You have economy uncoordinated, confused, the result of this hysteria. It will all have to be rewritten during the next session of Congress.

Mr. GOSS. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. GOSS. I am interested in the gentleman's argument; and I am wondering whether, with his 5-day week and 6-hour day, he advocates the same basic rate of wages as now exists or the old rate applied to the new hours?

Mr. LaGUARDIA. The matter of wages will naturally adjust itself. Of course, some adjustment must be made in the transition period, and, once all industry is down to that standard, the matter of wages will adjust itself. [Applause.] In addition to that, of course we must provide for uniform child labor laws in all the States. There must be uniform care of superannuated workers and, I say now as I have said so many times previously, a national system of unemployment insurance. I will continue to urge that as long as I am a Member of this House and as long as I have life to continue the fight.

POST OFFICE AND TREASURY DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the conferees on the Treasury and Post Office Departments appropriation bill may have until 12 o'clock to-night to file their report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, and of course I shall not object, in view of my interruption of the gentleman from Missouri [Mr. COCHRAN] a moment ago; I have looked at this deficiency bill and find he is correct in stating that there are some items there referring to the fiscal year 1933. But in that connection I wish to call attention to the fact that the appropriation bill for the State, Justice, Commerce, and Labor Departments was passed by the House February 25, was passed by the Senate on April 30, and was sent to conference on May 6. Considerable time has elapsed since then, and we all know that matters of this kind come to the House upon estimates that are submitted from the executive departments. I have no doubt that the usual and proper course has been pursued in this instance and that the conferees, in whom we have all confidence, will look into the matter thoroughly and will report fully to the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BYRNS, TAYLOR of Colorado, and WOOD.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. BULWINKLE, for three days.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1133. An act to provide for the relinquishment by the United States of certain lands to the city of Coeur d'Alene, in the county of Kootenai, in the State of Idaho;

H. R. 2606. An act for the relief of Edward Christianson;

H. R. 2633. An act for the relief of William R. Cox;

H. R. 4233. An act for the relief of Enza A. Zeller;

H. R. 5007. An act for the relief of Marie E. McGrath;

H. R. 5062. An act to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners;

H. R. 5595. An act for the relief of Harry Manning Lee;

H. R. 7308. An act for the relief of Amy Turner;

H. R. 10829. An act relating to the naturalization of certain women born in Hawaii;

H. R. 11267. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes; and

H. R. 11452. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 83. An act for the relief of Margaret Crotty;

S. 84. An act for the relief of Abraham Green;

S. 218. An act authorizing adjustment of the claim of the Westinghouse Electric & Manufacturing Co.;

S. 800. An act for the relief of Ellingson & Groskopf (Inc.);

S. 816. An act for the relief of E. H. Flagg;

S. 2236. An act to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid;

S. 2335. An act for the relief of O. R. York;

S. 2569. An act authorizing adjustment of the claim of Lewis O. Wick;

S. 3058. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; and

S. 4898. An act amending an act entitled "An act authorizing the State of West Virginia by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 996. An act for the relief of Mildred B. Crawford;

H. R. 927. An act for the relief of the estate of Franklin D. Clark;

H. R. 1804. An act for the relief of Frank Woodey;

H. R. 922. An act for the relief of John Heffron;

H. R. 1962. An act for the relief of Noble Jay Hall;

H. R. 2707. An act for the relief of William Alexander Keys;

H. R. 1226. An act for the relief of Edna M. Gilson;

H. R. 2695. An act for the relief of David Albert Robeson;

H. R. 2418. An act concerning the claim of Jacob Landry;

H. R. 1903. An act for the relief of Harrison Simpson;

H. R. 4264. An act for the relief of Lieut. Col. H. H. Kipp, United States Marine Corps, retired;

H. R. 3644. An act for the relief of Lewis A. McDermott;

H. R. 5059. An act for the relief of Mrs. Johnnie Schley Gatewood;

H. R. 3726. An act for the relief of the Farmers State Bank of Georgetown, Tex.;

H. R. 4059. An act for the relief of Rosamond B. McManus;

H. R. 6334. An act for the relief of Lieut. M. A. Sprengel;

H. R. 5971. An act for the relief of Grover Cleveland Ballard;

H. R. 1700. An act for the relief of Walter S. West;

H. R. 3624. An act for the relief of Minnie Hopkins;

H. R. 4071. An act for the relief of W. A. Blankenship;

H. R. 6860. An act for the relief of Florence Northcott Hannas;

H. R. 6735. An act to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy;

H. R. 6336. An act for the relief of George W. Steele, jr.;

H. R. 8306. An act for the relief of D. M. Leypoldt Co.;

H. R. 6599. An act to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy;

H. R. 6003. An act for the relief of A. L. Marshall;

H. R. 2514. An act for the relief of the estate of Samuel Schwartz;

H. R. 7411. An act for the relief of Alex Bremer;

H. R. 9369. An act to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a lease to Phillips County Post, No. 57, of the American Legion, Department of Montana;

H. R. 9004. An act for the relief of Agnes C. Reder;

H. R. 3725. An act for the relief of the First National Bank of Brenham, Tex.;

H. R. 1383. An act for the relief of certain United States naval officers;

H. R. 12078. An act to extend the times for commencing and completing the construction of a bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.;

H. R. 6444. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts the silver service presented to the United States for the U. S. S. *Montgomery;*

H. R. 9058. An act to authorize the Secretary of War to accept on behalf of the United States a tract or parcel of land for park purposes, to the Chickamauga-Chattanooga National Military Park;

H. R. 7793. An act to secure the departure of certain aliens from the United States;

H. R. 406. An act to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Pacific States Box & Basket Co., a corporation, involving certain portions of right of way in the vicinity of the town of Florin, county of Sacramento, State of California, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 4743. An act to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended;

H. R. 11267. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 11361. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes; and

H. J. Res. 408. Joint resolution providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

EXTENSION OF REMARKS

WHAT'S THE MATTER?—WHAT'S THE REMEDY?—THE COWARDLY ATTACKS ON CONGRESS

Mr. PITTENGER. Mr. Speaker, this session of Congress, which is nearing adjournment, will stand out as one of the most remarkable that has ever been held. For about seven consecutive months there has been heaped upon the House of Representatives and the Senate of the United States a mass of abuse and misrepresentation that has never been equaled. The membership has submitted with patience and fortitude to cowardly attacks, inspired by sinister and traitorous and selfish interests, which have kept the propaganda factories going day and night, feeding our fellow citizens with their poisonous products. I think it time that the people of my State of Minnesota, and those elsewhere, be given some information from which they may draw correct conclusions.

When Congress met conditions in the United States, and throughout the world, for that matter, were in a state of chaos. Industry and agriculture were stricken, the finances of the Government, and States as well, were at a low ebb and millions of men were out of work. The world was literally upside down. As one prominent man recently put it:

> There are grave problems before our country, ladies and gentlemen. We are in a period of deep economic distress, world wide in character. There are millions of our people seeking employment. There is hardly a home in our land that has been untouched.

What he said was equally true seven months ago. As he also indicated, there is need of constructive capacity and ability in these days of need. The destructive and unfounded criticism of Congress hardly fills that need. But that has been the program. The purpose of discrediting Congress has well-nigh succeeded.

What brought about the unusual situation when Congress met last December? The causes were many. But we can all agree as to the facts. The farmers were suffering from low prices for their products. Their income was reduced or wiped out. Mortgages were being foreclosed. Industry had been halted, and factories were closed. Millions of men, with families, were out of work, and none to be had. They only asked for a chance to earn money to feed their families and maintain their self-respect. There was an overproduction of the agricultural commodities and of the products of the factories. Surpluses were in evidence on every hand. But while people were in want there was no market. The

Federal Government faced a deficit of over $2,000,000,000. It had the problem of balancing the Budget. So did some of the States. Decreased revenue was in evidence on every hand. The burden of taxation, easy to bear in prosperous times, now became a menace and called for constructive leadership.

But what caused it?

First. This country entered the World War in 1917, and it has been estimated that the cash cost of that war to the United States was $38,000,000,000. There was "war prosperity," and it continued after the war. Large industrial enterprises, making enormous profits, saw fit to issue stock dividends. Others increased their capitalization by placing additional shares of stock on the market. When the war prosperity subsided and the time for counting the cost of war arrived, with reduced or vanished markets and income and profit correspondingly decreased, these large industries knew that the day of reckoning was at hand. The watered stock was just plain water. Its values had disappeared.

Second. While the war prosperity was on, an era of speculation was in progress. Your neighbors and mine played the stock market. It may be a sin to play poker, but the fascinating game in Wall Street, of buying inflated stocks on a rising market, was highly respectable, and few escaped its lure. Our neighbors were all drawn into the net and the collapse of the stock market in 1929 left them poorer for the experience. Billions of dollars of paper value were wiped out.

Third. During the World War the United States loaned to Europe over $10,000,000,000. Six hundred and forty-eight million dollars of this sum, incidentally, was used to repay the international bankers in New York for loans they had made to European countries before the United States entered the World War. You remember the Liberty bonds you bought. Well, the cash which you turned over for those bonds was sent to Europe. Following the war comes the question of war-debt settlements with the countries of Europe. I can not here discuss those settlements, but they have been followed by the propaganda for cancellation of European war debts due the United States. I simply mention them here as one of the causes of the financial structure of the world, including the United States, being out of gear.

Fourth. Following the World War not only the United States but the private or international bankers as well loaned billions of dollars abroad. It was to help rehabilitate those countries. The international bankers over a period of years made loans to Europe and to South American countries. They took bonds as evidence of the debt. Those bonds, in turn, were unloaded on investors in the United States. Most of them are now worthless, but the bulk of the loss falls, not on the wonderful financial leaders but on our own people, who took advice from and followed a leadership pictured as well-nigh infallible, and now our people hold an empty and worthless financial sack. All of this contributed to the depression.

Fifth. Before the war period and after the war period the invention and use of labor-saving machinery in the brief period of only a few years literally transformed our industrial and economic life into a machine age. The world has never seen anything like it. For example, one man with 7 semiautomatic machines replaces 25 skilled machinists. Other examples without number can be cited. This has meant busy machines and unemployed men. What have the leaders of industry and finance done to solve the problem? Absolutely nothing. On the other hand, they have helped to destroy a consumers' market by demanding more labor-saving machinery.

Sixth. I would add as another cause of the depression the extravagance that has resulted from a war-time prosperity. In private life people were measured in point of influence and popularity by the amount they could spend. Numerous, indeed, were those who sought to build up proper reputations. When the day of reckoning came they were penniless. Why blame it on Congress? Then townships, counties, villages, cities, and States decided to be extravagant. They sought all sorts of new governmental activities and new ways to spend money. So did the Federal Government. If you do not believe it, look at the millions that are being spent tearing down good buildings so that newer ones can be erected right here in Washington to carry out a plan to beautify the city. It sounded good in the days when income was plentiful. The program still continues, calling for millions of expenditures, while economy is demanded in reducing the wages of Government employees receiving only a few hundreds of dollars per year. Indeed, it is a strange example of logic and consistency.

There are other examples, of course, which have contributed to this critical period in the history of our country, when it faces a Treasury deficit of $2,900,000,000.

Now, faced with these conditions and these facts, what did the industrial and financial leaders and Wall Street specialists and international bankers do? Did they admit any responsibility, or did they come forward with any constructive program to repair the damage and promote the general welfare of our people? Not at all. They were responsible for the mess. But they did not like to admit that they ever made mistakes. So they decided to put the blame on Congress. That would save their own hides. They reasoned that no one then would ever know that they were foolish. So, industrial corporations proceeded to write their subsidiaries, and their business associates, telling them that Congress was responsible for taxes, and that its chief object and aim was to waste money. They, in turn, were urged to advise others. And others were urged to censure Congress. It has now become popular to blame everything on Congress. A grasshopper plague, a drought, the low price of farm products, debts, rents, bank failures, the mistakes of Moses, the high cost of living and the low cost of dying, the weather, the evils of prohibition, the Treasury deficit—these and other problems are all bunched up and charged up to Congress by the thoughtless and unthinking people who follow the great and constructive leaders.

Former President Coolidge is authority for the statement that in 16 years the State and municipal expenses jumped from $2,227,000,000 to $9,116,000,000. This, of course, has meant a corresponding increase in taxes. Mark well that this has to do with States and municipalities. When you look at your tax statements, personal property and real estate, the Federal Government has nothing whatever to do with them. In connection with this matter, note the figures of bonded indebtedness. In 1913 former President Coolidge places the total of National, State, and local bonded indebtedness at $4,200,000,000. Of this item, the State and local bonded debt was $3,200,000,000. Latest available figures place the bonded debt of States and municipalities at $30,000,000,000. The taxpayer who will study these cold facts can readily see that the international bankers and their allies overlook something of importance when they attempt to saddle the blame for extravagance, debts, and high taxes on Congress.

Let us now turn our attention to the question of Federal expenditures. That is a question which the international bankers and their allies have pushed to the foreground on every possible occasion. With the aid of large newspapers, many having issued bonds now held in Wall Street, an advertising campaign to discredit Congress has been carried on week after week. I have referred to Federal expenditures. That phrase is very different from the phrase, "Federal expenses." Federal expenditures, in round figures, are $4,000,000,000. No propagandist has ever analyzed these figures honestly or correctly.

Approximately $640,000,000 of this amount is spent on the Army and Navy. This is for national defense. If the expenditure is called extravagance, then the thing to do is to abolish the Army and the Navy. The very people who yell extravagance would be the first to protest to High Heaven against such procedure. The chambers of commerce would never see any economy in such a course, although it would save money. The captains of industry would, likewise, become patriotic, for they have investments in foreign lands, and they must be protected.

Approximately $500,000,000 of the Federal expenditures goes to retirement of the public debt. The propaganda economists forget that there was a World War, and that in

1921 the balance on that war debt was $27,000,000,000. All of that was drawing interest. The public debt was gradually being paid off, and in 1929, it had been reduced to $16,000,000,000. That sum still draws interest. The cost each year to pay interest on the World War debt is $640,000,000. Is there any extravagance in this item, or in the item occasioned by payment on the principal of the debt? Is there any way to economize on either of these items? A 14-year-old boy would promptly answer "No." We are simply paying the price of the World War, and there is no escape from it.

Then take another item of the Federal expenditures. Approximately $1,000,000,000 goes to the Veterans' Administration. Payment of pensions, building of hospitals, and so forth, contribute to this huge sum. It is a World War expenditure.

Approximately 75 per cent, or $3,000,000,000 of the Federal expenditures, is not a part of the expense of running the Government. Approximately 25 per cent, or $1,000,000,000, only, is chargeable to that item. Of this amount, over $300,000,000 goes to the cost of Federal aid in building roads and in the construction of new public buildings.

It is easy to figure out the cost of running the Federal Government; and when this item is compared with the cost of State and local government the claim that reduction in the cost of operating the Federal Government will solve the tax problem dissolves in thin air.

Federal revenue comes from three principal sources: Tariff duties on foreign imported goods furnish a large share of it. Taxes on tobacco products bring in a large revenue. Federal income and inheritance taxes also contribute to the revenue of the Treasury. Up to the time of the passage of the new revenue act the exemption of a married person was $3,500 and that of a single person $1,500. Unless the income exceeded these figures, such persons paid no income tax to the Federal Government.

When the depression came, and for causes heretofore indicated, the income of the Federal Government declined. There was a Treasury deficit for 1931 and again for 1932. It is now estimated at $2,900,000,000. This deficit had to be made up, and the Budget had to be balanced. A new revenue measure was the only alternative. Additional taxes are always unwelcome. The new revenue measure may or may not have been the best that could be devised. The facts are that Congress was not responsible for the deficit that made new revenue necessary. But the international bankers and their allies would have the people believe to the contrary. The present Congress has cut appropriations in every way possible. Before it adjourns the expenditures of the departments will have been reduced to the figures for the year 1927. No credit or praise is given for this. The propaganda factories are still turning out letters, ignoring the plain facts.

I hold no brief for those who would have the Government enter the field of business. The Federal Government ought not undertake activities that can best be done by States or individuals. The executive branch of government is top-heavy with boards, bureaus, and commissions. Some of them ought to be abolished or consolidated with existing ones. Federal activities should be curtailed. When this is done, expenditures or cost of Federal Government will be reduced. It ought to be done. But there will be no substantial relief for those who pay taxes until the same procedure is followed in townships, counties, villages, cities, and States. The large share of the burden is there, and the remedy lies largely in that direction.

Now, let me point out in connection with the huge Federal deficit some items that the propagandists overlook. Since I have been in Congress $500,000,000 has been appropriated for the Federal Farm Board. The Reconstruction Finance Corporation was created, and another $500,000,000 appropriation was the result. There was a postal deficit last year of approximately $155,000,000. Who asked for these appropriations? Who has the responsibility? Intelligent people know. Did the propaganda artists protest the Reconstruction Finance Corporation legislation? Let them answer. The hypocrisy of their attacks on Congress will be met by their own attitude on this and other measures. If you are interested in facts that give the lie to cowardly propaganda, I commend to you an address by David Lawrence, which is found on page 9039 of the CONGRESSIONAL RECORD for April 27, 1932.

Whatever extravagance there may be in the Federal Government and its cost of operation must be charged in large part to sources other than Congress. We have in this country a party system of government. Responsibility rests with party leaders. The expenditures are made not by Congress but by executive departments, responsive to party leadership. If you are interested, I refer you to an address on the Machinery of Congress, found on page 258 of the CONGRESSIONAL RECORD for December 9, 1931.

In the carefully worked out program of blaming Congress for the depression and its deplorable consequences no item has been overlooked by designing enemies. The suggestion is frequently made that the expense of funeral parties for deceased Congressmen should not be paid by the Government, and that it is an extravagance which if eliminated would balance the Budget. The same suggestion has been made with reference to the mileage paid Members of Congress, and also with reference to the printing of the CONGRESSIONAL RECORD. These items are inconsequential. Their elimination, so far as balancing the Budget is concerned, would be about as effective by comparison as an attempt to empty the Atlantic Ocean with a 1-gallon pail. This propaganda is taken seriously by the newspapers and others. It all helps to discredit Congress.

A favorite line of criticism in the program to discredit Congress has to do with the congressional frank or mailing privilege. Newspapers, with regularity, headline the fact that there is an enormous postal deficit and that Members of Congress are responsible because they pay no postage on official letters or speeches. Here again the facts are interesting. The computed cost of this service is $530,298.50, and these figures are furnished by the Post Office Department. Newspapers wax eloquent in denouncing this waste, but they are gloriously silent on the fact that newspapers and periodicals are carried at a loss of $96,000,000. Subsidies and air mail service add another $25,000,000 to the deficit. The next time some one of these friends of the public comes to the defense of economy, let him practice what he preaches and begin with his own case first. It is cowardly to do otherwise.

I have given but a few illustrations of the tendency to abuse Congress. It is all part of a plan to bring new and inexperienced men to Washington to represent you. If the voters refuse to think, a twofold purpose will have been accomplished. Our so-called leaders will escape responsibility for their mistakes and can go on "bunking" the public as usual. Congress is a good alibi. But more serious than this, if the prestige of Congress can be destroyed, the international bankers and their cohorts of special privilege will be free to accomplish with new and inexperienced men what they can not do with the present Members of Congress. They want to cancel the war debts of Europe. They have tried hard to do it. They want their private investments paid, and in order to have that done they would have the United States cancel the debts that Europe owes it.

The present Members of Congress know this. They have opposed it, in the past, and are pledged to fight such a move that is sure to come to-morrow. There are other matters of national concern and welfare involved, but I can not discuss them now. Trained men who have not failed the public in the past are needed in Washington. To be sure the Members of Congress are human, and may make mistakes. But they are responsive to the wishes of their districts. They know their records are open to public inspection. They know that failure to give service involves the penalty of defeat. When they serve their constituents faithfully and well, as most have done, in these critical times, they do not deserve the dastardly and cowardly attacks that have been made upon them. Rather, they should have the commendation of the people they have faithfully represented.

There is no one thing that will remedy the present depression. There is no cure-all for a condition that puzzles the best minds of America, and the world as well. Listening to the voice of the demagogue only leads to further disaster. The leadership of unselfish men is our only salvation. Any other program will destroy the Government itself. No greater tragedy can happen than the destruction of representative Government in this country. Congress represents and speaks for the American people. The time for straight thinking is at hand. There is evidence that it is being done. The following editorial from the Mankato Free Press, of Mankato, Minn., challenges attention:

CONGRESS MEASURES UP

It appears entirely probable now that Congress will adjourn by the end of the present week.

The economy measure and some form of a relief bill remain to be passed. With discussion of these measures prolonged actively for several weeks now, and with six months of more or less close contact with the basic subject matter to be considered, there is no reason why a satisfactory compromise can not be reached between various factions and both measures passed forthwith.

Looking back over the six months that Congress has been in session, it must be conceded, for all of the public criticism that has been so general during the immediate past, that the session has a record of accomplishment seldom equaled in recent years. The economic crisis has developed rapidly since Congress convened, and contrary to the commonly accepted opinion, both Representatives and Senators have kept pace with the developing emergency with remarkable restraint and understanding.

Last December, when the session opened, it was commonly believed that it marked the beginning of a period of chaos. The Democrats controlled the House, the insurgents threatened to control the Senate, and the White House was at loggerheads with both factions. It seemed a more or less hopeless situation. In the preceding session the House had been conservative under Republican domination; the Senate had run riot under leadership of the Progressives.

It is interesting to note that the very reverse has held true in the present session. The House has gotten out of hand during recent months, flouting both Speaker GARNER and the President; but the Senate, suddenly turned conservative under a coalition Republican-Democratic leadership, has been able to block out a constructive course and to bring through essential legislation in a manner both satisfactory and commendable. Viewed in retrospect this must stand as a strong and constructive Congress. History, we believe, will record it as such.

The argument that it has made progress when following the leadership of President Hoover and has bogged down when attempting to act for itself is only partially true. The President has changed his position on numerous issues, has compromised and conciliated. So has Congress—the Senate decidedly more than the House.

Altogether it has been a commendable performance—an evidence that when faced by a crisis sufficiently grave and important the American system of representative government can and will measure up to the needs of the hour.

THE "FORGOTTEN MAN"

Mr. PURNELL. Mr. Speaker, on April 7 this year, over a nation-wide radio hook-up, Gov. Franklin D. Roosevelt, the outstanding aspirant for the Democratic nomination at that time and now the Democratic candidate for President, enunciated some of the outstanding theories upon which he predicated his appeal to the American people.

It was upon that occasion that Governor Roosevelt delivered his appeal in behalf of what he designated "the forgotten man." His exact words upon that point were as follows:

These unhappy times call for the building of plans that rest upon the forgotten, the unrecognized but the indispensible units of economic power, for plans that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid. * * * His relation to the great banks of Chicago and New York is pretty remote. The $2,000,000,000 fund which President Hoover and the Congress have placed at the disposal of the big banks, the railroads, and the corporations of this Nation is not for him.

Governor Roosevelt's speech of acceptance, a carefully prepared document, was shot through and through with this same sentiment. In one of the climaxes of that speech was the following:

Throughout the Nation men and women forgotten in the political philosophy of the Government of the last years look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth.

Still more recently the Democratic candidate for Vice President, after his nomination, underwrote 100 per cent this philosophy of Governor Roosevelt and joined with him in the attempt to make it appear that the average American citizen in this country is not obtaining a square deal at the hands of the United States Government. This position of the Democratic vice presidential candidate was expounded upon the floor of this House during the course of an attack made by him upon the President of the United States. The occasion was the debate of that clause of the relief measure which provided for increasing the funds of the Reconstruction Finance Corporation which should loan those funds to assist financial and industrial institutions and railroads in distress and to be used to preserve the integrity of the business structure of this country and guarantee the security of the financial institutions of this country. I quote from the transcript of the remarks made upon the floor of this House upon July 5 by the Democratic candidate for Vice President:

I said to the President this morning, as I said to him last night: "I am through with class legislation. You want to provide this $3,500,000,000 and you want to give it to the railroads and insurance companies, the mortgage companies and the immense wealth of the country."

They said to me: "Why, all the people will get a benefit out of it." My friends, it is too high, the drippings will not reach down to the earth. * * *

* * * * * * *

You propose to increase the capital of the Reconstruction Finance Corporation. Now in doing so, I plead with you to let all the people have some drippings from this wonderful banking institution. Do not keep it for the few. Let the whole people have just a little bit of consideration with respect to their own money. This is the only difference between the President and Congress.

Finally they said to me this morning: "There is no use in waiting any longer." I said: "Not with me, Mr. President. There is a principle involved in this that I will not surrender. I will not surrender the principle that we ought to legislate for all the people rather than for a preferential class, and this preferential class is in no position to deny you the right to legislate for all the people. They have got the benefit of this law, and now they want to keep it. They do not want you to extend it to the people whose benefit would be as great as theirs has been."

Thus the Democratic candidates for President and Vice President, who by virtue of their nomination are now the recognized leaders of the Democratic Party, clothed with authority by the convention which nominated them to voice the sentiments of the party and formulate its policies, have laid down the foundations of a campaign upon which they intend to erect the superstructure of appeal to the American electorate. It is well within the bounds of conservative statement to assert that it is a foundation of misrepresentation of facts and a suppression of truth, and that from the public utterances made thus far it is to be a superstructure of appeal to class hatred and suspicion, to sectional prejudice and jealousy. It is to be an appeal alike to the unthinking who mean well and to the shrewd who are deliberately plotting to undermine and destroy our American institutions; an appeal alike to the ignorant who are honest and to the intelligent who are crafty and unscrupulous; an appeal alike to those who are stirred by no passion but who are discouraged, downhearted, and bewildered by the trend and the effects of world-wide economic forces, and to those who are and have always been "down on their luck," inflamed by envy and motivated by a constant desire to obtain revenge upon society.

For it is perfectly clear this campaign appeal of the Democratic Party, as formulated and voiced by the candidates of that party, can not win support unless and until it has first destroyed the faith of the American people in their Government and in American institutions. It may be said in reply that this is a misstatement of fact, that it is a misrepresentation of the attitude of the Democratic Party as expressed through its candidates. Let us see.

The present administration is attacked bitterly because of an agency set up under this administration, by an act of Congress, which lends—note the word lend—money to banks, railroads, insurance companies, and mortgage companies. Now, even the most superficial thinker will agree that no valid criticism can lie against the administration and this agency for loaning money to such organizations and institutions unless there is something inherently evil in those institutions. Unless you accept the proposition

that railroads, banks, insurance companies, and other organizations and corporations entitled by law enacted by this Congress to borrow money of the Reconstruction Finance Corporation on good security are in themselves evil, carrying a menace to the American people, inherently dangerous to the liberties of the American people, fundamentally opposed to the prosperity and contentment of the American people, you can not accept the second step in the argument, namely, that there is something vicious in the policy of a Federal agency loaning those organizations money to tide them over a period of distress.

This whole attack is aimed at the large financial and industrial organizations of the United States. They are being whipped over the shoulders of the present administration. Those making this attack would have the rank and file of the American people believe that the extending of financial aid to the underlying financial and industrial organizations of this country is inimical to the interests and the welfare of the so-called forgotten man, and that by this process those organizations and corporations in some mysterious manner are enabled to get a stranglehold upon the American people.

The railroad employee, from the engineer in the cab of the locomotive to the section hand, would be led to believe by this Democratic propaganda that the railroad corporation which employs him is his enemy, and that the Federal Government, which lends that railroad funds in order to maintain its solvency, has thereby joined with the railroad in a conspiracy of some sort to injure the railroad employee. He is told that he becomes "the forgotten man" by reason of this process, and that his prosperity is in some mysterious manner jeopardized and his liberties as an American citizen imperiled.

The individual who holds a life-insurance policy whose whole value to him or to his heirs is dependent upon the solvency of that company and its successful continuation as a profit-making corporation is taught by this Democratic propaganda that in some way he becomes a "forgotten man" when the Federal Government, through the instrumentality of the Reconstruction Finance Corporation, extends credit to that insurance company in order to keep it from going into the hands of a receiver.

The humble citizen, the small business man, the small manufacturer, the farmer, who are depositors in a bank, and who, when need arises, can go to that bank and be extended credit, are being told by this Democratic propaganda that because the Federal Government, through the Reconstruction Finance Corporation, lends money to that bank to keep it from closing its doors, there is some sort of collusion between the Government and the bank which has for its object the injury of those who have money in the bank as well as those who obtain credit from the bank, and that all the bank's customers are thereby shoved into the ranks of the so-called "forgotten man."

This is the philosophy and the argument advanced by the spokesmen of the Democratic Party. This is the outstanding appeal of that party for support in the presidential campaign, across the threshold of which we have just stepped. And let me repeat, fundamentally, basically, this appeal is directed at and against the railroad comporation, the insurance corporation, the bank corporation. If there is any crime being committed against the "forgotten man," then these corporations compose an active one-half of the conspiracy.

Let us analyze this argument a little further. Let us attempt to square these Democratic claims with the cold facts as found in the official records. In the first place, the Democratic candidate for Vice President, in describing the aid extended by the Federal Government to the various corporate organizations, uses the word "give." I will quote his words:

> I am through with class legislation. You want to provide this $3,500,000,000 and you want to give it to the railroads, the insurance companies, the mortgage companies, and the immense wealth of the country.

No money is given by the Federal Government to these institutions. The money is loaned upon gilt-edged collateral and must be repaid with interest. These institutions are not by any possible stretch of the imagination or distortion of the English language the objects of any special favor. They are being handed no largess. Nothing is being taken surreptitiously out of the Federal Treasury and handed over to them. It is as plain, open, cold-blooded financial transaction upon a strictly business basis as has ever been transacted.

It is being further repeated that this is class legislation. The Democratic nominee for President, in his radio speech of April 7, specifically charged that the Federal aid extended through the Reconstruction Finance Corporation benefited only the big institutions and that none of the benefit thus extended ever reached the so-called "forgotten man." And the Democratic vice presidential candidate makes the charge that none of the aid so extended will ever "drip" down to the people, that it will benefit only the few. He goes further and charges that not only have the American people not received any benefit from this policy of the Federal Government's making loans to banks, and so forth, through the Reconstruction Finance Corporation, but that the banks and other organizations which have received these loans do not want the American people to receive any benefit.

What does the record show?

Under the law which created it, the Reconstruction Finance Corporation must make periodical reports to the Congress, showing in detail the volume and the character of its loans. Its last report was filed July 7. Does that report verify the charge made by the Democratic candidate for Vice President who hails from the State of Texas? It shows that between February 2, the date the corporation began to function, up to the close of business June 30, a period of five months, it had extended aid to 126 banks and trust companies in the State of Texas. Of the 48 States in the Union, Texas stood eighth in the number of banks and trust companies extended aid, and of the 7 States which showed more banks and trust companies receiving aid, all but 1 were in the Mississippi Valley. Furthermore, the report shows that 14 building and loan associations in the State of Texas, 6 insurance companies, 1 joint-stock land bank, 2 livestock credit corporations, 7 mortgage-loan companies, 1 agricultural credit corporation, and 3 railroad corporations in the State of Texas applied to the Reconstruction Finance Corporation for loans, and they were aided. Where is the evidence of class legislation in such a record, in so far as it applies to the State of Texas, and upon what ground does a Representative from that State make the charge that this policy and instrumentality of the Federal Government under this Republican administration is operating to the injury of the people of his State?

These 126 banks in the State of Texas were not big banks. What then becomes of the charge of the Democratic candidate for President that the fund which President Hoover and the Congress have put at the disposal of big banks contains no aid for the "forgotten man"? And does the Democratic candidate for Vice President desire to file a bill of particulars, either here or on the stump, against these 126 banks of his State, against the 14 building and loan associations and the 6 insurance companies and the mortgage-loan companies, to the effect that they are included in his broad and blanket charges, that those financial institutions which have received aid from the Reconstruction Finance Corporation have not passed any of that aid on to their customers and do not desire the common people in their community to obtain any of the aid which was extended to them? If his charges are true, let him draw the indictment and name the guilty.

Class legislation? Why, gentlemen, this last report of the Reconstruction Finance Corporation shows it has made loans to 3,600 banks and trust companies since February 2. It shows these banks and trust companies were located in every State in the Union.

It shows that 70.3 per cent of them were located in towns of less than 5,000 population.

It shows 78.3 per cent were located in towns of less than 10,000 population.

It shows 86.4 per cent were located in towns of less than 25,000 population.

It shows that only 4.4 per cent were located in towns of more than 200,000 population.

That is the record. It gives the direct lie to the open charge and the covert insinuation that the Reconstruction Finance Corporation, set up under this Republican administration at the suggestion of the President and by an act of Congress, is prostituting itself in order to serve big business, big banks, big corporations, immense wealth. The fact that 70.3 per cent of the banks and trust companies aided were located in towns of less than 5,000 population mercilessly exposes the demagoguery of the charge that its funds are being concentrated in the hands of the wealthy few and that the people must depend upon the "drippings" which escape through the fingers of this concentrated wealth. The Democratic vice presidential candidate says the aid is extended too high up, and that the "drippings" can never reach down to the rank and file. How much above the rank and file of the common people of a community of 5,000 population are the officers of the local banks? How far must the "drippings" fall to descend from the officers of one of the 126 Texas banks before they reach the depositors in those banks? What social or financial gulf exists between the officers of a bank in a community of 5,000 population and the customers in his bank? Why, the very question answers itself.

Class legislation? This tremendous fund which the Democratic candidate for President charged in his radio address is being placed at the disposal of big banks and big corporations, while the Republican administration ignored the "forgotten man," is not being so disposed of at all, as shown by the record. The wealth of this country, as everyone knows, is concentrated along the Atlantic seaboard. By and large, there is the location of the big banks, the home offices of the big corporations. The "forgotten men," according to all generally accepted theories and certainly according to the political campaign strategy now being mapped out by the Democratic leaders, lives in the Mississippi Valley. There is the habitat of that American individual who is held up by demagogues as the victim of big business and the object of its exploitation. Of the 3,600 banks and trust companies receiving aid from the Reconstruction Finance Corporation since February 2, 1,968, or 54.6 per cent, were located in the upper Mississippi Valley, and 126 more were located in the State of Texas. The States in which these 1,968 banks and trust companies were located and the number of banks and trust companies aided in each State were as follows:

Illinois	274
Iowa	264
Michigan	208
Missouri	146
Minnesota	135
Tennessee	130
Indiana	124
Ohio	103
Wisconsin	90
Kentucky	88
Nebraska	79
South Dakota	76
Kansas	69
North Dakota	62
Oklahoma	62
West Virginia	58

To sum it up, 16 States located in the upper Mississippi and the Ohio Valleys, States which are broadly characterized as agricultural communities, received 54.66 per cent of the loans extended by the Reconstruction Finance Corporation, while the great State of New York, where wealth is supposed to rule with an iron hand, received aid for only 92 banks and trust companies.

Nor did the aid extended stop merely with the banks and trust companies located in that territory embraced in the upper Mississippi and the Ohio Valleys. Since the Reconstruction Finance Corporation began functioning it has extended aid to 418 building and loan associations. Two hundred of these, or 50 per cent, were located in 10 States in the upper Mississippi and Ohio Valleys, as follows:

Illinois	22
Indiana	3
Iowa	5
Michigan	11
Minnesota	2
Ohio	129
South Dakota	4
Tennessee	1
West Virginia	11
Wisconsin	22

Third in importance, in so far as it affects the so-called "forgotten man," is the aid extended insurance companies. What is the record? Loans have been made to 63 insurance companies since the organization of the Reconstruction Finance Corporation, and 37 of these, or 58.7 per cent of them, are located in the upper Mississippi and Ohio Valleys as follows:

Iowa	10
Illinois	7
Indiana	3
Kansas	3
Michigan	3
Missouri	3

And Kentucky, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and West Virginia, one each.

These are the facts. They are irrefutable. They completely demolish the demagogic charge that the Reconstruction Finance Corporation exists as first aid to organized and concentrated wealth; that the banks, trust companies, insurance companies, building and loan companies, and other institutions which it is authorized by law to aid are so remote from the common people, and the officers of those institutions are so indifferent to the needs of their neighbors and friends who are also their customers, and so antagonistic to the welfare and prosperity of their own communities, that none of the aid extended to those institutions is passed on to the people.

ADJOURNMENT

Mr. COLLINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.) the House adjourned until to-morrow, Thursday, June 30, 1932, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. S. 2958. An act to amend the charter of the Firemen's Insurance Co. of Washington and Georgetown, in the District of Columbia; without amendment (Rept. No. 1727). Referred to the House Calendar.

Mr. ALMON: Committee on Public Buildings and Grounds. S. 4712. An act authorizing the sale of certain lands no longer required for public purposes in the District of Columbia; without amendment (Rept. No. 1728). Referred to the Committee of the Whole House on the state of the Union.

Mr. REED of New York: Committee on Public Buildings and Grounds. H. R. 10372. A bill to authorize the Director of Public Buildings and Public Parks to employ landscape architects, architects, engineers, artists, or other expert consultants; without amendment (Rept. No. 1732). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 10616. A bill authorizing the Secretary of War to convey certain portions of the military reservation at Monterey, Calif., to the city of Monterey, Calif, for the widen-

ing of Lighthouse Road; with amendment (Rept. No. 1729). Referred to the Committee of the Whole House.

Mr. COOPER of Tennessee: Committee on Public Buildings and Grounds. H. R. 11370. A bill conveying by quitclaim deed to the city of Oakland, Calif., a certain strip of land for street purposes; without amendment (Rept. No. 1731). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HORR: A bill (H. R. 12856) to provide for loans for the relief of distress arising from unemployment, and for other purposes; to the Committee on Banking and Currency.

By Mr. SMITH of Idaho: A bill (H. R. 12857) to authorize the Secretary of War to lend War Department equipment for use at the Western Trails Scout Jamboree, Idaho Falls, Idaho, on August 25 and 26, 1932; to the Committee on Military Affairs.

By Mr. BLACK: A bill (H. R. 12858) to exempt dwelling places from attachment; to the Committee on the District of Columbia.

By Mr. JAMES: A bill (H. R. 12859) to provide for the appraisal and sale of certain public land in Michigan; to the Committee on the Public Lands.

By Mr. VINSON of Georgia: A bill (H. R. 12860) to provide for the distribution of wheat and cotton among the States for use in relieving distress during the existing emergency; to the Committee on Ways and Means.

By Mr. BLACK: Joint resolution (H. J. Res. 452) for immediate repeal of eighteenth amendment; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HORNOR: A bill (H. R. 12861) granting a pension to Alexander T. Taylor; to the Committee on Invalid Pensions.

By Mr. MOUSER: A bill (H. R. 12862) granting an increase of pension to Martha J. Caylor; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 12863) granting an increase of pension to Martha J. Graham; to the Committee on Invalid Pensions.

By Mrs. OWEN: A bill (H. R. 12864) granting an increase of pension to Minnie F. Leach; to the Committee on Invalid Pensions.

By Mr. PETTENGILL: A bill (H. R. 12865) granting a pension to Arthur W. Clements; to the Committee on Pensions.

Also, a bill (H. R. 12866) granting a pension to Carl W. Bartlett; to the Committee on Pensions.

Also, a bill (H. R. 12867) granting an increase of pension to Calista L. Ealy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12868) for the relief of Harry Fred Franz; to the Committee on Military Affairs.

Also, a bill (H. R. 12869) for the relief of Peter S. Kaminski; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8471. By Mr. CRAIL: Petition of John C. Williams, of Miami, Fla.; to the Committee on Ways and Means.

8472. By Mr. RAINEY: Petition of Kendall County Farm Bureau favoring farm-relief legislation; to the Committee on Agriculture.

8473. Also, petition of Crawford Civil Association of Chicago, Ill., favoring the repeal of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

8474. By Mr. YATES: Petition of E. C. Purcell, of Princeville, Ill., urging passage of Rainey bill for agricultural relief; to the Committee on Agriculture.

SENATE

THURSDAY, JUNE 30, 1932

The Senate met at 10 o'clock a. m.

Rev. Joseph R. Sizoo, D. D., pastor of the New York Avenue Presbyterian Church, of the city of Washington, offered the following prayer:

Eternal God, shelter of a mighty rock within a wearied land, within whose love there is room for every perplexed mind and burdened heart, grant us Thy peace this day; deliver us from the tyranny of shifting moods and wavering feelings. May the joy of the Lord be in our hearts and the beauty of the Lord in our lives this day. Grant unto each one the strength that is needed for the burden of the day and the courage for the decisions that must be made and the willingness to endure sacrifice and misunderstanding. This we ask through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday last, when, on the request of Mr. VANDENBERG and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	Kendrick	Sheppard
Austin	Dickinson	Keyes	Shipstead
Barbour	Fletcher	La Follette	Shortridge
Bingham	Frazier	McGill	Smoot
Black	George	McNary	Steiwer
Blaine	Glenn	Metcalf	Thomas, Idaho
Borah	Goldsborough	Moses	Thomas, Okla.
Bratton	Hale	Norbeck	Townsend
Brookhart	Hastings	Norris	Trammell
Broussard	Hatfield	Nye	Vandenberg
Bulow	Hawes	Oddie	Wagner
Capper	Hayden	Patterson	Walcott
Caraway	Hebert	Pittman	Watson
Carey	Howell	Reed	White
Coolidge	Johnson	Robinson, Ark.	
Copeland	Jones	Robinson, Ind.	
Couzens	Kean	Schall	

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

THE CALENDAR

The VICE PRESIDENT. Under the unanimous-consent order entered into on yesterday unobjected bills on the calendar will be considered under Rule VIII, commencing with Order of Business 962.

Mr. CAPPER. Mr. President——

The VICE PRESIDENT. No business other than the consideration of the calendar can be transacted except by unanimous consent.

PROTECTION OF COPYRIGHTS AND PATENTS OF FOREIGN EXHIBITORS

The Senate proceeded to consider the bill (S. 4912) to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933, which had been reported from the Committee on Patents with amendments, in section 1, page 1, line 5, after the words "of the," to strike out "Registrar" and insert "Register"; on page 2, line 2, after the words "to the," to strike out "Registrar" and insert "Register"; on the same page, in line 6, after the word "any," to strike out "certificate of" and insert "foreign"; in line 7, after the word "copyright," to strike out "registration" and insert "or any"; in line 10, after the word "any," to strike out "copyright"; and in line 14, after the words "to the," to strike out "Registrar" and insert "Register," so as to make the section read:

That the Librarian of Congress and the Commissioner of Patents are hereby authorized and directed to establish branch offices under the direction of the Register of Copyrights and the Commissioner of Patents, respectively, in suitable quarters on the

grounds of the exposition to be held at Chicago, Ill., under the direction of A Century of Progress, an Illinois corporation, said quarters to be furnished free of charge by said corporation, said offices to be established at such time as may, upon 60 days' advance notice, in writing, to the Register of Copyrights and the Commissioner of Patents, respectively, be requested by said A Century of Progress but not earlier than January 1, 1933, and to be maintained until the close to the general public of said exposition; and the proprietor of any foreign copyright or any certificate of trade-mark registration, or letters patent of invention, design, or utility model issued by any foreign government protecting any trade-mark, apparatus, device, machine, process, method, composition of matter, design, or manufactured article imported for exhibition and exhibited at said exposition may upon presentation of proof of such proprietorship, satisfactory to the Register of Copyrights or the Commissioner of Patents, as the case may be, obtain without charge and without prior examination as to novelty, a certificate from such branch office, which shall be prima facie evidence in the Federal courts of such proprietorship, the novelty of the subject matter covered by any such certificate to be determined by a Federal court in case an action or suit is brought based thereon; and said branch offices shall keep registers of all such certificates issued by them, which shall be open to public inspection.

At the close of said A Century of Progress Exposition the register of certificates of the copyright registrations aforesaid shall be deposited in the Copyright Office in the Library of Congress at Washington, D. C., and the register of all other certificates of registration aforesaid shall be deposited in the United States Patent Office at Washington, D. C., and there preserved for future reference. Certified copies of any such certificates shall, upon request, be furnished by the Registrar of Copyrights or the Commissioner of Patents, as the case may be, either during or after said exposition, and at the rates charged by such officials for certified copies of other matter; and any such certified copies shall be admissible in evidence in lieu of the original certificates in any Federal court.

The amendments were agreed to.

The next amendment was, in section 4, page 5, line 8, after the word "act," to insert a comma and the words "but no notice of copyright on the work shall be required for protection hereunder," so as to make the section read:

SEC. 4. That all the acts, regulations, and provisions which apply to protecting copyrights, trade-marks, designs, and patents for inventions or discoveries not inconsistent with the provisions of this act shall apply to certificates issued pursuant to this act, but no notice of copyright on the work shall be required for protection hereunder.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LICENSE FEES IN THE DISTRICT OF COLUMBIA

Mr. CAPPER. Mr. President, just ahead of the bill which we have just passed is Order of Business 928, being House bill 11638, which was laid aside under the objection of the Senator from Massachusetts [Mr. COOLIDGE], who now advises me that he has no objection to its consideration. It is a bill which the District authorities are very anxious to have passed before adjournment. It has already passed the House of Representatives and has been carefully considered by the Committee on the District of Columbia. I am glad to say that it is a very meritorious measure.

Mr. ROBINSON of Arkansas. For what does the measure provide?

Mr. CAPPER. It provides for a revision of the license schedule of the District of Columbia. They are now operating upon a schedule that was established in 1902—30 years ago. Obviously that schedule is now out of date. For more than a year the District authorities, the District Commissioners, the superintendent of licenses, and the corporation counsel's office have been working in the preparation of this revised schedule.

Mr. ROBINSON of Arkansas. Will the bill, if enacted, increase the revenues of the District of Columbia?

Mr. CAPPER. It will increase the revenues of the District of Columbia——

Mr. ROBINSON of Arkansas. By what amount?

Mr. CAPPER. By very nearly $100,000, and, so far as we know, no one is objecting to the passage of the bill.

Mr. ROBINSON of Arkansas. Is the report of the committee unanimous on the bill?

Mr. CAPPER. It is.

Mr. ROBINSON of Arkansas. I recall that the bill was considered on another occasion. I have no objection to its consideration.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

Mr. LA FOLLETTE. I should like to inquire of the Senator from Kansas how much it will increase, in a general way, the fees now being charged?

Mr. CAPPER. The total will be raised to about $215,000, which is an increase of nearly $100,000. The bill aims only to cover the actual cost of maintaining the various inspection and examination services.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 4920) to authorize the closing of a portion of Virginia Avenue SE., in the District of Columbia, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Over.

The VICE PRESIDENT. The bill will be passed over.

STANDARD WEIGHTS AND MEASURES IN THE DISTRICT

The Senate proceeded to consider the bill (H. R. 461) to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia, and for other purposes," approved March 3, 1921, which had been reported from the Committee on the District of Columbia, with an amendment, on page 1, line 8, after the word "by," to strike out "changing the period at the end of said section 18 to a colon and adding thereto the following: '*Provided, however,* That ice cream, sherbets, water ices, and similar frozen foods may be sold in 2½-gallon measures of 577.5 cubic inches'" and insert "adding thereto a subsection to be known as section 18a, to read as follows:

"'SEC. 18a. That the standard measure for ice cream, sherbet, and similar frozen food products shall be of the following capacities: One-half pint, pint, quart, half gallon, gallon, 2 gallons, 2½ gallons, and multiples of the gallon; and no person shall use in determining the quantity of ice cream kept for sale, offered for sale, or sold in the District of Columbia any measure of other than the foregoing capacities,'" so as to make the bill read:

Be it enacted, etc., That section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921, be, and the same hereby is, amended by adding thereto a subsection to be known as section 18a to read as follows:

"SEC. 18a. That the standard measure for ice cream, sherbet, and similar frozen food products shall be of the following capacities: One-half pint, pint, quart, half gallon, gallon, 2 gallons, 2½ gallons, and multiples of the gallon; and no person shall use in determining the quantity of ice cream kept for sale, offered for sale, or sold in the District of Columbia any measure of other than the foregoing capacities."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JOHN H. DAY

The bill (S. 4049) for the relief of John H. Day was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John H. Day, Decatur, Ala., the sum of $650. Such sum represents compensation for excess mileage of approximately 12,500 miles which the said John H. Day was required to travel while carrying the mails on star route No. 24352, Decatur, Ala., by Albany, to Moulton, Ala., during the years 1925, 1926, and 1927, on account of the grading and paving of the regular route between Decatur and Moulton.

Mr. BLACK subsequently said: Mr. President, the Senate passed a few moments ago Order of Business 966, being Senate bill 4049 for the relief of John H. Day. I ask unanimous consent that the vote whereby the bill was passed may be reconsidered for the purpose of substituting for the Senate bill a House bill which is in identically the same form.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama, that the votes whereby Senate bill 4049 was ordered to be engrossed for a third reading, read the third time, and passed may be reconsidered? The Chair hears none, and the votes are reconsidered.

Mr. BLACK. I move that the Committee on Claims be discharged from the further consideration of the bill (H. R. 8398) for the relief of John H. Day and that the bill be substituted for Senate bill 4049 and be considered at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Committee on Claims is discharged from the further consideration of the House bill, and the House bill will be now considered.

The Senate proceeded to consider the bill (H. R. 8398) for the relief of John H. Day, which was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 4049 will be indefinitely postponed.

NELSON E. FRISSELL

The Senate proceeded to consider the bill (H. R. 2161) for the relief of Nelson E. Frissell, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of," to strike out "$5,000" and insert "$3,500," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nelson E. Frissell, of East Templeton, Mass., the sum of $3,500 in full settlement of all claims against the Government of the United States. Such sum represents the money expended, the value of services performed, and the damages sustained by Nelson E. Frissell in connection with a contract with the Post Office Department for the construction and lease of a post-office building at Augusta, Me., which contract was canceled by the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KENNETH G. GOULD

The bill (H. R. 4885) for the relief of Kenneth G. Gould was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury of the United States is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $186.17 to Kenneth G. Gould, lieutenant in the Medical Corps Reserve, as reimbursement for cost of shipment of personal property.

WILLIAM H. HOLMES

The Senate proceeded to consider the bill (S. 465) for the relief of William H. Holmes, which had been reported from the Committee on Claims with an amendment, on page 1, after line 7, to strike out "amounts of $3,607.07 and $243.04, which amounts he expended during the period from September, 1921, to April, 1926 (symbols 11348 and 11006), such sums now standing as disallowances in said accounts on the books of the General Accounting Office" and insert "amount of $3,607.07, said sum representing payments made to guardians or other representatives authorized to receive same on behalf of beneficiaries of the Veterans' Bureau," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed, in the settlement of the accounts of William H. Holmes, former disbursing clerk, United States Veterans' Bureau (now Veterans' Administration), Washington, D. C., to allow credit in the amount of $3,607.07, said sum representing payments made to guardians or other representatives authorized to receive same on behalf of beneficiaries of the Veterans' Bureau.

Mr. BRATTON. May we have an explanation of that measure?

Mr. REED. Mr. President, the bill was introduced at the request of the Director of the Veterans' Administration. It covers payments made to guardians of incompetent ex-service men after they have been technically relieved of their guardianship. The Comptroller General, although he has disallowed these items in the disbursing officer's account, recommends that the bill be passed in this amount, on the ground that in most cases the service men actually got the benefit of these disbursements and that there was no negligence on the part of the disbursing officer. He has tried to check up and make sure that every time a check went out it went to a guardian who was still in office, but in some cases it was impossible for him to get the notice in time to stop the check.

Mr. BRATTON. It applies to cases where there has been a change in the guardian.

Mr. REED. Where there has been a change in the guardianship or the guardian has been dismissed.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELLEN N. NOLAN

The Senate proceeded to consider the bill (H. R. 3414) for the relief of Ellen N. Nolan, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of," to strike out "$2,500" and insert "$1,500," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ellen N. Nolan the sum of $1,500 in full settlement of all claims against the Government of the United States as compensation for the injuries sustained by being knocked down and injured by an automobile owned and operated by the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of $150 shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of $150 on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LELA B. SMITH

The Senate proceeded to consider the bill (H. R. 3811) for the relief of Lela B. Smith, which had been reported from the Committee on Claims with an amendment, on page 2, line 13, after the numerals "$1,000," to insert the following proviso:

Provided further, That nothing in this act shall be construed to prevent Lela B. Smith from receiving a pension.

Mr. ROBINSON of Arkansas. Mr. President, that is an unusual provision. I wish some Senator familiar with it would explain it.

Mr. REED. Mr. President, if the Senate will bear with me for a moment, I think the proviso put in by the Claims Committee on page 2 is unnecessary. Subsequent action granting Mrs. Smith a pension could be taken by Congress without any permission expressed in this measure.

Mr. ROBINSON of Arkansas. That is my impression, and I am wondering what the object of inserting such a provision may be.

Mr. REED. I see no purpose in it. The giving of six months' pay to the widow of a reserve officer who was killed on active duty is quite customary, and I hope the Senate will agree to that; but I share the view of the Senator from Arkansas as to the proviso.

Mr. ROBINSON of Arkansas. I ask that the amendment be rejected.

The VICE PRESIDENT. The question is on the amendment reported by the committee.

The amendment was rejected.

The bill was ordered to a third reading, read the third time, and passed.

Mr. REED subsequently said: Mr. President, some time ago the Senate passed House bill 3811, for the relief of a lady who is the widow of an Air Corps officer who had been killed. On my motion, I think, and perhaps that of the Senator from Arkansas, we struck out the proviso at the bottom of page 2, being an amendment proposed by the committee.

I am now told that that lady is at present receiving a pension, and that unless the proviso remains in the bill it would have the effect of cutting off the pension that she is now receiving. Therefore I ask unanimous consent that we may return to that bill and reconsider the vote by which it was passed for the purpose of agreeing to the amendment.

The VICE PRESIDENT. Without objection, the vote whereby the bill was ordered to a third reading and passed will be reconsidered.

Mr. ROBINSON of Arkansas. Mr. President, I merely desire to say that there is a question in my mind whether the result would be as stated by the Senator from Pennsylvania. There is nothing in the language of the bill to indicate that this is in lieu of pension; but if the question arises in the mind of the Senator from Pennsylvania I have no objection to the request.

Mr. REED. I thank the Senator.

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from Pennsylvania and the Senator from Arkansas if the words beginning in line 11, "in full settlement of all claims against the Government," would bar this lady from receiving a pension?

Mr. ROBINSON of Arkansas. I should not think so. A claim against the Government is a very different thing from a pension; but I say that if the question arises in the mind of the Senator from Pennsylvania I will not interpose any objection to the request.

Mr. HOWELL. Mr. President, this is a bill reported by my committee. Do I understand that an amendment has been offered by the Senator from Minnesota?

Mr. REED. No, Mr. President. We simply returned to the bill in order to adopt the amendment recommended by the Senator's committee.

Mr. ROBINSON of Arkansas. It is desired to pass the bill just as the committee recommended it.

The VICE PRESIDENT. Without objection, the vote whereby the amendment of the committee was rejected will be reconsidered. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SAME GIACALONE AND SAME INGRANDE

The Senate proceeded to consider the bill (H. R. 3604) for the relief of Same Giacalone and Same Ingrande, which had been reported from the Committee on Claims with an amendment on page 1, line 10, after the word "to," to strike out "*Imp*, together with the sum of $240 for loss of the use of said boat *Cornell* while same was being repaired," and insert "*Imp*," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Same Giacalone and Same Ingrande, of San Diego, Calif., in full settlement of all claims and demands against the Government, the sum of $459.55, the actual cost of repairing the damage caused to the vessel *Cornell*, owned by said Same Giacalone and Same Ingrande, by the United States Coast Guard boat *Imp*: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill read a third time.

The bill was read the third time and passed.

CATTERINA POLLINO

The bill (S. 1738) for the relief of Catterina Pollino was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catterina Pollino the sum of $500, representing the amount deposited by her on account of an immigration bond executed by the Aetna Casualty Co., of San Francisco, Calif., conditioned upon her leaving the United States within six months after admission as a tourist, and subsequently forfeited, although said Catterina Pollino departed from the United States within the period fixed in the said bond as extended by the immigration authorities.

R. L. WILSON

The bill (H. R. 756) for the relief of R. L. Wilson was considered by the Senate, and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. L. Wilson, of Anthony, Kans., the sum of $500. Such sum represents the amount paid into the Treasury of the United States pursuant to a plea of guilty for violation of certain provisions of sections 32 and 37 of the Criminal Code; whereas other individuals indicted with R. L. Wilson, and who performed the same acts and who pleaded not guilty, were acquitted under an instructed verdict, for the reason the court held that the evidence did not disclose any violation of the law.

Mr. BRATTON. Mr. President, I think that measure should be explained.

The VICE PRESIDENT. The Senator reporting the bill is not present.

Mr. ROBINSON of Arkansas. Mr. President, I think it may be disposed of very quickly. The report states:

In view of the fact that this man had pleaded guilty and paid his $500 fine for a violation of a law which was afterwards declared not a violation by the Federal court, your committee is of the opinion that the relief asked for in this bill should be granted.

Since the fine was collected on a conviction that was afterwards held unlawful, it seems to me fair that the claimant should be reimbursed.

Mr. BRATTON. Mr. President, quite often where persons are indicted jointly, one pleads guilty and the others are acquitted; and in those cases the fine is not repaid. I do not see any justification for this measure, at least in the absence of a further explanation.

The VICE PRESIDENT. Does the Senator ask that it go over?

Mr. BRATTON. Yes.

Mr. CAPPER. Mr. President, if the Senator will withhold his objection just a moment, I think the statement of the Attorney General covers the matter pretty fully. He says:

Claimant in this bill, R. L. Wilson, was one of a number of persons indicted in Kansas on the charge of impersonating Federal officers. These men were employed by the Kansas Wheat Growers' Association to ascertain the amount of wheat grown by the farmers in order to determine whether contracts between the members and the association had been violated. The indictment charged them with impersonating Federal officers under the Department of Agriculture in securing this information. Wilson entered a plea of guilty and was fined $500, which sum he paid. Others of the group indicted on the same charge entered pleas of not guilty, and at the trial of the case the court directed a verdict of acquittal on the ground that defendants had secured nothing of value and that, therefore, their action did not constitute an offense under the statute.

It seems unjust to require claimant to suffer this penalty in view of a later decision, by a court of competent jurisdiction, holding that the same action by his codefendants did not constitute an offense under the statute, and I would, therefore, recommend favorable consideration of the measure.

Mr. BRATTON. If the man pleaded guilty under the belief that what he did constituted a violation of the law,

and later, upon a trial, a court of competent jurisdiction held that those acts did not trench upon the statute, I think he is entitled to be repaid; and I withdraw the objection.

The bill was ordered to a third reading, read the third time, and passed.

HARRY W. WARD, DECEASED

The bill (H. R. 3812) for the relief of the estate of Harry W. Ward, deceased, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $75.41 to the estate of Harry W. Ward, deceased, of Redwood Falls, Minn., for actual financial loss sustained by Harry W. Ward, without negligence on his part, through refund already made to the Post Office Department, wherein postal funds for which he was responsible as postmaster at Redwood Falls, Minn., were on deposit in the First National Bank at Redwood Falls, Minn., which said bank failed under date of July 21, 1925, and was liquidated, none of said sum being repaid from the assets of said bank.

LIZZIE PITTMAN

The bill (S. 4327) for the relief of Lizzie Pittman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to Lizzie Pittman, out of any money in the Treasury not otherwise appropriated, the sum of $250 for damages to her person by an airplane belonging to the Government.

WILLIAM KNOUREK

The bill (H. R. 3693) for the relief of William Knourek was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay William Knourek, deputy collector of internal revenue of the State of Illinois, out of any money in the Treasury not otherwise appropriated, the sum of $421, being the value of internal-revenue stamps charged to him and stolen at Chicago, Ill., in May, 1919.

PENNSYLVANIA RAILROAD CO.

The bill (S. 2571) authorizing adjustment of the claim of the Pennsylvania Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Pennsylvania Railroad Co. for the cost of repairing the damages to freight car No. 89713 (owned by the Central Railroad of New Jersey) which were caused by an accident due to condition of Government-owned rails or roadbed while such car was in the Government's care and custody, and to allow in full and final settlement of said claim not to exceed the sum of $468.82. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $468.82, or so much thereof as may be necessary, to pay said claim.

KARIM JOSEPH MERY

The Senate proceeded to consider the bill (S. 2863) for the relief of Karim Joseph Mery, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of," to strike out "$5,000 as compensation for" and insert "$3,000 in full settlement of all claims against the Government on account of," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to Karim Joseph Mery, of San Antonio, Tex., out of any money in the Treasury not otherwise appropriated, the sum of $3,000 in full settlement of all claims against the Government on account of the death of his son, Joseph Karim Mery, a minor, who was killed at San Antonio, Tex., on July 10, 1923, by the negligent driving of a United States Army truck.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

POST-OFFICE AND CUSTOMHOUSE SITE, NEWARK, N. J.

The bill (H. R. 8980) to provide for the sale of a portion of the site of the post-office and customhouse building in Newark, N. J., to the city of Newark for use as a public street was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the hereinafter-described land, forming a portion of the site of the post-office and customhouse building in the city of Newark, N. J., be sold by the Secretary of the Treasury to the city of Newark, N. J., a municipal corporation of New Jersey, for use as a public street, at a price not less than that determined to be the value of the land and improvements thereon by three appraisers to be selected by the Secretary of the Treasury, and at such time and upon such terms and conditions as the Secretary of the Treasury may deem proper; the land to be sold pursuant hereto being located in the city of Newark, N. J., and described as follows:

Beginning at a point in the westerly line of Broad Street distant 129.09 feet northerly from the point of intersection of the westerly line of Broad Street with the northerly line of Academy Street; thence westerly along a line making an interior angle on the northwest with the said westerly line of Broad Street produced of 93° 15′ 46″, a distance of 219.11 feet to a point; thence northerly along a line making an interior angle on the northeast with the line last above described of 87° 30′ 14″, a distance of 31.96 feet to a point; thence easterly along a line making an interior angle on the southeast with the line last above described of 92° 28′ 50″, a distance of 219.53 feet to a point in the westerly line of Broad Street; thence southerly along the westerly line of Broad Street, said westerly line of Broad Street making an interior angle on the southwest with the line last above described of 86° 45′ 10″, a distance of 31.93 feet to the point of beginning.

SEC. 2. That upon the payment of the purchase price the Secretary of the Treasury is authorized to convey said land to the city of Newark, N. J., by the usual quitclaim deed, subject, however, to such reservations, limitations, conditions, or reversionary rights as said Secretary of the Treasury may deem proper.

SEC. 3. That the proceeds of such sale be deposited in the Treasury of the United States as a miscellaneous receipt derived from the sale of public property.

SEC. 4. That the remaining portion of said site, together with the buildings thereon, shall be sold at public sale after due advertisement, at such time and such price and upon such terms as may be deemed proper by the Secretary of the Treasury, who is hereby authorized to execute and deliver the usual quitclaim deed to the purchaser; and that the proceeds of such sale be deposited in the Treasury of the United States as a miscellaneous receipt from the sale of public property.

SEC. 5. So much of existing laws as provides for the sale of the present post office and customhouse site and building for not less than a stipulated amount is hereby repealed.

The bill (H. R. 8981) to provide for the sale of an easement for a railway right of way over the post-office and customhouse site at Newark, N. J., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That an easement for a right of way for a city railway over the hereinafter-described land forming a portion of the site of the post-office and customhouse building in the city of Newark, N. J., be sold by the Secretary of the Treasury to the city of Newark, N. J., a municipal corporation of New Jersey, at a price not less than that determined to be the value thereof by three appraisers to be selected by the Secretary of the Treasury, at such time and upon such terms and conditions as the Secretary of the Treasury may deem proper; the land to be subject to the easement to be granted pursuant hereto being located in the city of Newark, N. J., and described as follows:

Beginning at a point in the westerly line of Broad Street distant 132.73 feet northerly from the point of intersection of the westerly line of Broad Street with the northerly line of Academy Street; thence westerly along a line making an interior angle on the northwest with the said westerly line of Broad Street produced of 93° 3′ 31″, a distance of 13.97 feet to a point; thence northerly along a line making an interior angle on the northeast with the line last above described of 86° 36′ 35″, a distance of 20.45 feet to a point; thence westerly along a line making an interior angle on the northeast with the line last above described of 269° 8′ 50″, a distance of 60.16 feet to a point; thence westerly along a line making an interior angle on the north with the line last above described of 184° 22′ 31″, a distance of 37.77 feet to a point; thence westerly along a line making an interior angle on the north with the line last above described of 180° 33′ 37″, a distance of 68.21 feet to a point; thence westerly along a line making an interior angle on the north with the line last above described of 180° 45′ 13″, a distance of 39.63 feet to a point; thence northerly along a line making an interior angle on the northeast with the line last above described of 86° 15′ 43″, a distance of 4.50 feet to a point; thence easterly along a line making an interior angle on the southeast with the line last above described of 92° 28′ 50″, a distance of 219.53 feet to a point in the westerly line of Broad Street; thence southerly along the westerly line of Broad Street, said westerly line of Broad Street making an interior angle on the southwest with the line last above described of 86° 45′ 10″, a distance of 28.29 feet to the point of beginning.

SEC. 2. That upon the payment of the purchase price of said easement for a right of way for a city railway, the Secretary of the Treasury is authorized to convey by deed of easement a right of way for a city railway over the said lands to the city of Newark, N. J., subject, however, to such reservations, limitations, or conditions as said Secretary of the Treasury may deem proper.

SEC. 3. That the proceeds of the sale of such easement for right of way be deposited in the Treasury of the United States as "miscellaneous receipts" derived from the sale of public property.

SEC. 4. So much of existing law as provides for the sale of the present post-office and customhouse site and building for not less than a stipulated amount is hereby repealed.

VETERINARY CORPS OF THE REGULAR ARMY

The bill (S. 2774) to amend an act to increase the efficiency of the Veterinary Corps of the Regular Army, approved June 28, 1930, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of promotion, longevity pay, and retirement there shall be credited to officers of the Veterinary Corps, and former officers of the Veterinary Corps now on the retired list, all full-time service rendered by them as veterinarians in the Quartermaster Department, Cavalry, or Field Artillery.

The title was amended so as to read: "A bill to increase the efficiency of the Veterinary Corps of the Regular Army."

FIRST CAMDEN NATIONAL BANK & TRUST CO.

The bill (S. 2349) for the relief of the First Camden National Bank & Trust Co., of Camden, N. J., was announced as next in order.

Mr. BRATTON. Mr. President, may we have an explanation of the necessity for this measure?

The VICE PRESIDENT. The bill was reported by the Senator from Kentucky [Mr. LOGAN], who is absent. The bill was introduced by the Senator from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. President, this is a case where the First Camden National Bank & Trust Co. was examined by revenue officials of the Government, who omitted to give the bank credit for tax-exempt bonds which it held. The result of the examination was certified by the Government agent, who asked the bank to sign a closing agreement, which was done. When the bank officials looked over their accounts they found that the Government had omitted to give them credit for these tax-exempt bonds, on which a tax of some $11,000 had been levied. As this is a perfectly just claim, and the department acknowledges that it is a just claim, I think the bill ought to pass.

Mr. BRATTON. Does the department lack authority to adjust it under existing law?

Mr. KEAN. Yes.

Mr. GEORGE. Mr. President, the report of the Treasury Department on this bill is adverse. It is very difficult to see how an exception could be made in this case without making it in a large number of income-tax cases.

Mr. KEAN. In this particular case it was the fault of the Government agent in not giving the bank credit.

Mr. GEORGE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

RELIEF OF RESIDENTS OF BALTIMORE AND HARFORD COUNTIES, MD.

The resolution (S. Res. 250) referring the bill (S. 4415) for the relief of certain persons formerly having interests in Baltimore and Harford Counties, Md., to the Court of Claims for findings of fact was considered by the Senate and agreed to, as follows:

Resolved, That the bill (S. 4415) entitled "A bill for the relief of certain persons formerly having interests in Baltimore and Harford Counties, Md.," now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and the representations of the Government made in connection therewith and report to the Senate in accordance therewith.

TISHENG YEN

The joint resolution (S. J. Res. 179) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Tisheng Yen, a citizen of China, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Tisheng Yen to receive instruction at the United States Military Academy at West Point: *Provided*, That no expense shall be caused to the United States thereby, and that Tisheng Yen shall agree to comply with all regulations for the police and discipline of the academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that said Tisheng Yen shall not be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that he shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: *Provided further*, That in the case of said Tisheng Yen the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

HARRY H. HORTON

The bill (S. 4068) to authorize the award of a decoration for distinguished service to Harry H. Horton, formerly private, first class, Medical Detachment, One hundred and forty-eighth Field Artillery, American Expeditionary Forces, in the World War, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is hereby authorized to cause the recommendation for the award of a decoration to Harry H. Horton, formerly private, first class, Medical Detachment, One hundred and forty-eighth Field Artillery, American Expeditionary Forces, for distinguished conduct in the vicinity of Malancourt, near Montfaucon, France, on or about October 12, 1918, to be considered by the proper boards or authorities, and such award made to said Horton as his said conduct merits.

Mr. REED. Mr. President, I think it is only right, when this bill is being passed, that some statement should be made to explain why this special action is taken in this case.

This man was terribly wounded in the fighting in the Argonne. The whole lower part of his face was shot away. Ordinarily his action at that time would have been reported by his commanding officer, and he would have been decorated for the distinguished conduct on that occasion. He crawled for about 2 miles with this horrible wound to get help for the other members of his outfit. He did not know what afterwards proved to be the fact, that every one of them had been killed by the shell that tore away his face. In the effort to get help for them he crawled this distance under fire. The only reason why he was not decorated at the time was that his commanding officer similarly was knocked out. There was nobody to recommend him, in other words.

Those special reasons seemed so persuasive to the committee that it recommended this special bill.

RESTORATION OF STATUS OF WARRANT OFFICERS, REGULAR ARMY

The bill (S. 4597) to restore to their former retired status in the Regular Army of the United States persons who resigned such status to accept the benefits of the act of May 24, 1928 (45 Stat. 735), and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to restore to his former status as a retired warrant officer or a retired enlisted man of the Regular Army of the United States with all pay, privileges, and emoluments pertaining thereto, any former emergency officer now on the emergency officers' retired list created by the act of May 24, 1928 (45 Stat. 735), who resigned his retired status in the Regular Army in order to obtain the benefits of that act: *Provided*, That such former emergency officer shall make application in writing to the Secretary of War not later than June 30, 1933, for such restoration: *Provided further*, That restorations to the retired list of the Army under this act shall be effective as of July 1, 1933, and that no pay, privileges, or emoluments pertaining to the retired grade of the Regular Army to which such persons are restored shall accrue prior to the effective date of such restoration: *And provided further*, That after such restoration all persons so restored shall continue to be entitled, under the act of May 24, 1928 (45 Stat. 735), to those rights and privileges only to which they would have been entitled if they had not resigned from the retired lists of the Regular Army.

OTTO CHRISTIAN

The bill (S. 2283) for the relief of Otto Christian was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Otto Christian, late captain, Medical Corps, of the Regular Army of the United States, before a retiring board for the purpose of a hearing of his case and to inquire into all facts touching upon the nature of his disabilities, to determine and report the disabilities which in its judgment have produced his incapacity and whether such disabili-

ties were incurred during his active service in the Army and were in line of duty; that if the findings of such board are in the affirmative the President is further authorized, in his discretion, to nominate and appoint, by and with the advice and consent of the Senate, the said Otto Christian a captain in the Medical Corps and to place him immediately thereafter upon the retired list of the Army with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for the officers of the Regular Army: *Provided*, That the said Otto Christian shall not be entitled to any back pay or allowance by the passage of this act.

LEONARD THEODORE BOICE

The bill (S. 1860) for the relief of Leonard Theodore Boice was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Leonard Theodore Boice, who was a second lieutenant of Infantry, National Army, and was formerly attached to Headquarters Company, Three hundred and sixth Ammunition Train, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a second lieutenant of Infantry on the 10th day of August, 1918.

LOUISE BECKE

The resolution (S. Res. 249) to pay to Louise Becke a sum equal to six months' compensation of the late Edward Becke was considered by the Senate and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Louise Becke, widow of Edward Becke, late a private of the police force for the Senate Office Building under the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REVISION OF CANAL ZONE LAWS

The bill (H. R. 7518) to amend an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916, was announced as next in order.

Mr. BLAINE. Mr. President, there are 25 bills on the calendar relating to the Panama Canal Zone. I think it advisable to have a statement from the chairman of the committee relative to those bills generally. I reserve the right to object.

The VICE PRESIDENT. The clerk will read the bill.

The Chief Clerk read the bill as proposed to be amended.

Mr. SCHALL. Mr. President, the bills on the calendar with reference to the Panama Canal Zone were prepared in response to authority vested in the President by way of an act passed in May, 1928, to have all of the laws now in force in the Canal Zone revised and codified and, when such revision and codification was completed, to report the same to Congress for its approval. They have the approval of the Secretary of War and of the Governor of the Canal Zone, as the report on file shows. They were thoroughly gone over by the House, Mr. LEA, of the Committee on Interstate and Foreign Commerce, submitting them for the committee.

In view of the pressure of work in the Senate and long hours since the bills were referred to the Interoceanic Canals Committee, it has been impossible to hold hearings. Consequently, each member of the committee was furnished with copies of all the bills, together with the House reports; and after considerable time and reflection all the Senators except the junior Senator from Wisconsin [Mr. BLAINE] have signed the committee reports.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. SCHALL. I do.

Mr. ROBINSON of Arkansas. May I ask whether the Senate committee considered this bill?

Mr. SCHALL. Yes. They were read. The committee was polled; and, as I said before, each member of the committee was furnished with copies of the bills and the House reports. It was impossible, under the strain that we have been, to get the committee together; but I am sure, from the time taken by each Member to read the bills and look over the reports, that they have had due consideration.

Mr. ROBINSON of Arkansas. Were all these bills reported on a poll by the committee?

Mr. SCHALL. All but one—H. R. 7522, which Senator HEBERT, after passing the others, desired to withhold for submission of an amendment, which bill has not been put on the calendar.

Mr. ROBINSON of Arkansas. This bill amends the Code of Criminal Procedure for the Canal Zone. It is a volume containing 62 pages. It relates to subjects of very great importance, and I do not see how the Senator can expect the Senate to pass a bill of this importance and volume on a mere poll of a committee, which we all know is not applicable to a bill of this character.

Mr. SCHALL. They were thoroughly considered in the Committee of the House, and I am sure that each individual member of the committee gave these bills due and earnest consideration. The able lawyer and distinguished senior Senator from Montana [Mr. WALSH] had a personal interview with members of the House committee, and was thoroughly satisfied and signed the reports.

Mr. ROBINSON of Arkansas. Certainly, Mr. President, if the Senator takes the position that when a House committee considers a bill and approves it there is no occasion for the consideration of it by a Senate committee, that statement is important.

Mr. SCHALL. The War Department is very anxious to get this code revised. It is nearly an adoption of the California Code.

Mr. ROBINSON of Arkansas. That does not give the Senate any information about what the bill contains. What important amendment to existing law does the bill make?

Mr. President, I move that the bill be recommitted.

Mr. BRATTON. Let the bill go over.

Mr. REED. Mr. President, I was going to suggest that not only is this 62-page codification of the criminal law of the Canal Zone on the calendar but Calendar No. 1029 is a bill of some 573 pages, which is a complete recodification of the civil law of the Canal Zone.

Mr. ROBINSON of Arkansas. And repeals the code now in force relating to civil procedure.

Mr. REED. It repeals all the present law, and that long bill, the revision of the Civil Code, is reported to us without a single word of comment from the Committee on Interoceanic Canals. I do not believe, Mr. President, that any committee of the Senate excepting the Committee on the Judiciary is competent to pass upon so comprehensive and sweeping a change in the civil and criminal law of any part of the United States.

Mr. ROBINSON of Arkansas. Mr. President, it is unthinkable to me that the Senate would pass this bill when it is stated that it was reported without consideration by the committee, a mere poll being taken in order to secure its report.

Mr. REED. And no report being filed.

The VICE PRESIDENT. The Chair is advised that there is a report.

Mr. SCHALL. The report is in the file.

Mr. REED. It has been omitted from my file.

The VICE PRESIDENT. The Senator from New Mexico has asked that the bill go over, but the Senator from Arkansas had before that moved that the bill be recommitted.

Mr. ROBINSON of Arkansas. Mr. President, according to the report, this bill contains a large number of amendments.

The VICE PRESIDENT. I think the Senator has the wrong bill. The bill under consideration is House bill 7518, Calendar No. 991.

Mr. SCHALL. There are three bills which carry amendments, H. R. 7518, 7519, and 7520.

Mr. ROBINSON of Arkansas. The bill relating to the Code of Criminal Procedure contains perhaps 100 or more amendments. That is in the same category as the bill to which the Senator from Pennsylvania referred.

Mr. SCHALL. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Minnesota.

Mr. SCHALL. If Senators will take the trouble to look over the written report on these bills, I am sure they will be entirely satisfied as were the members of the House and Senate committees.

Mr. ROBINSON of Arkansas. Of course, the bills will have to go over.

The VICE PRESIDENT. The Senator from New Mexico requested that the pending bill go over.

Mr. BRATTON. Mr. President, I join with the Senator from Arkansas in the belief that the several bills referred to should be recommitted, and in view of his motion to that effect, I withdraw my request that the pending bill go over.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. I yield.

Mr. BLAINE. I think it is due the Committee on Interoceanic Canals to suggest that it is a sort of an orphan committee. It seldom has an opportunity to function. During this very strenuous session of the Congress it has been utterly impossible for the chairman of the committee to obtain a quorum. Therefore the bills which have been reported through polling the membership of the committee have not been heard by the committee. The committee is not advised respecting the merits or demerits of the bills, and I doubt very much whether any member of the committee has had the time and opportunity to read the bills. For that reason I did not join in reporting them. I felt that it was a mistake. They are not so urgent that they must be passed now, and if all these bills were to go over, it would give the Committee on Interoceanic Canals or some other committee, perhaps the Judiciary Committee, an opportunity to consider the bills. Many of these bills can very properly and very efficiently be handled by the proper committees. The bills relating to the codification of the criminal law and the codification of the civil law of the Canal Zone perhaps could best be handled by the Committee on the Judiciary; and I say that without any reflection upon this orphan to which I have referred. The Committee on Interoceanic Canals is not equipped, either with clerical help or otherwise, to give consideration to these very important bills respecting the codification of the criminal and civil laws of the Canal Zone. I feel, however, that if all the bills are recommitted to the committee, perhaps during the summer and before the Congress reconvenes there may be an opportunity to go over the bills carefully, and have them reported with full information at the next session of the Congress.

I thought I ought to make this statement in behalf of the committee. I may say that there are 25 bills on the calendar relating to the Canal Zone. They all have the same status, and there has been a hearing before the committee on none of them.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator suggest that they go back to the Committee on Interoceanic Canals, or be referred to the Committee on the Judiciary?

Mr. BLAINE. I would not want to ask that they go to the Committee on the Judiciary without the suggestion coming from the chairman of the Committee on Interoceanic Canals, and I think only those bills relating to the codification of the criminal laws and civil law of the Canal Zone should go to the Committee on the Judiciary.

Mr. ROBINSON of Arkansas. The bill immediately under consideration is Calendar No. 991, which would give the President the power to make rules and regulations in matters of sanitation, health, and so forth.

Mr. BLAINE. That should go back to the Committee on Interoceanic Canals.

Mr. ROBINSON of Arkansas. I believe it should go back to that committee, and I move that it be recommitted.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the bill was recommitted to the Committee on Interoceanic Canals.

PENAL CODE OF THE CANAL ZONE

The bill (H. R. 7519) to amend the Penal Code of the Canal Zone was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I inquire of the Senator from Minnesota, in view of the fact that this bill involves only legal questions and is a comprehensive measure dealing with the Criminal Code of the Canal Zone, whether he thinks the bill should go to his own committee or to the Committee on the Judiciary?

Mr. SCHALL. It probably should have been referred to the Committee on the Judiciary, Mr. President, and I have no objection to it being so referred. But I am sure that it has had ample consideration.

Mr. ROBINSON of Arkansas. I suggest that that bill and the next bill on the calendar, House bill 7520, to amend the Code of Criminal Procedure for the Canal Zone, be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, the two bills mentioned, House bill 7519 and House bill 7520, will be referred to the Committee on the Judiciary.

Mr. ROBINSON of Arkansas. Also Calendar No. 1029, House bill 7521, to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure, a very voluminous bill. It contains several hundred pages.

Mr. BINGHAM. Mr. President, I thought the Senator from Minnesota asked that all the bills go to the Committee on the Judiciary.

The VICE PRESIDENT. The Senator said he would not object to that course.

Mr. ROBINSON of Arkansas. The other bills are mostly of a different character, and I do not know that there is any objection to the consideration of them, at least some of them. I see no objection.

The VICE PRESIDENT. The clerk will report the next bill on the calendar.

OSCAR R. HAHNEL

The Senate proceeded to consider the bill (H. R. 5561) for the relief of Oscar R. Hahnel, which was ordered to a third reading, read the third time, and passed.

JOE ANDREWS CO.

The Senate proceeded to consider the bill (H. R. 650) for the relief of Joe Andrews Co., which was ordered to a third reading, read the third time, and passed.

FRANK KANELAKOS

The Senate proceeded to consider the bill (H. R. 1279) for the relief of Frank Kanelakos, which was ordered to a third reading, read the third time, and passed.

NED BISHOP

The Senate proceeded to consider the bill (H. R. 1931) for the relief of Ned Bishop, which was ordered to a third reading, read the third time, and passed.

GEORGE M. PEED

The bill (H. R. 2927) for the relief of George M. Peed was announced as next in order.

Mr. WHITE. Mr. President, this bill passed the House only about a week ago. I am informed that on yesterday the beneficiary named in the bill passed away. I do not know whether the funds would go to the widow or the estate, or what disposition should be made of them under the laws of Virginia, and for that reason I ask that the bill may be passed over.

The VICE PRESIDENT. The bill will be passed over.

VIOLA WRIGHT

The Senate proceeded to consider the bill (H. R. 3536) for the relief of Viola Wright, which was ordered to a third reading, read the third time, and passed.

CLYDE SHELDON

The Senate proceeded to consider the bill (H. R. 5053) for the relief of Clyde Sheldon, which was ordered to a third reading, read the third time, and passed.

MARY MURNANE

The Senate proceeded to consider the bill (H. R. 5998) for the relief of Mary Murnane, which was ordered to a third reading, read the third time, and passed.

CHASE E. MULINEX

The Senate proceeded to consider the bill (H. R. 1230) for the relief of Chase E. Mulinex, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, to strike out "Postmaster General" and insert "Comptroller General of the United States," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Chase E. Mulinex, postmaster at Tolley, N. Dak., in the sum of $529.33 in his postal account and in the sum of $680.02 in his Treasury savings account, due the United States on account of the loss of postal funds resulting from the failure of the First National Bank of Tolley, Tolley, N. Dak.: *Provided*, That the said Chase E. Mulinex shall assign to the United States any and all claims he may have to dividends arising from the liquidation of said bank.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

W. A. PETERS

The Senate proceeded to consider the bill (H. R. 5922) for the relief of W. A. Peters, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, to strike out "Postmaster General" and to insert "Comptroller General of the United States," so as to read:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the accounts of W. A. Peters, postmaster at Sallisaw, Okla., in the sum of $614.80. Such sum represents the amount of a deficit in the accounts of said W. A. Peters, caused by the loss by said W. A. Peters of postal funds deposited in the First National Bank of Sallisaw, Okla., which failed on November 22, 1927.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SAMUEL WEINSTEIN

The Senate proceeded to consider the bill (H. R. 6797) for the relief of Samuel Weinstein, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "$5,000" and insert in lieu thereof "$3,000," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,000 to Samuel Weinstein, in compensation for the death of his son, Charles Weinstein, caused by the reckless driving of an automobile by a Federal prohibition agent: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ANDREW H. MILLS AND WILLIAM M. MILLS

The Senate proceeded to consider the bill (H. R. 7815) to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum*, for damage to said vessel, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$900" and to insert in lieu thereof "$600," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $600 to Mills Bros., owners of the steamship *Squantum*, in compensation for damage sustained by said steamship company by reason of the striking of the steamship *Squantum* by the steam lighter *Thomas H. Timmins* on January 27, 1919, while the former vessel was anchored at the foot of Bedloe Island, North River, N. Y.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KNUD O. FLAKNE AND ALFRED SOLLOM

The bill (H. R. 1228) to adjudicate the claim of Knud O. Flakne, a homesteader settler on the drained Mud Lake bottom, in the State of Minnesota, was considered. The bill had been reported from the Committee on Claims, with amendments, on page 1, line 5, to strike out the word "sum" and insert the word "sums"; in line 6, to strike out the words "claimant, his" and insert the words "claimants, theirs"; in line 7, to strike out "representative" and insert "representatives"; in line 7, to strike out "amount" and insert "amounts"; in line 8, to strike out "him, his" and insert "them, their"; in line 8, to strike out "representative" and insert "representatives"; in line 9, after the numerals "$151.60," to insert "to Alfred Sollom, $726"; in line 10, to strike out "amount is" and insert "amounts are"; on page 2, in line 2, to strike out "claimant" and insert "claimants," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the following sums of money to the claimants, their heirs, assigns, or legal representatives; the amounts to be paid them, their heirs, assigns, or legal representatives: To Knud O. Flakne, $151.60; to Alfred Sollom, $726, which amounts are hereby appropriated; and the Secretary of the Interior is authorized and directed to make the payment to the claimants herein named and provided for by his warrant upon the Treasury of the United States: *Provided*, That no agent, attorney, firm of attorneys, or any person engaged heretofore or hereafter in preparing, presenting, or prosecuting this claim shall, directly or indirectly, receive or retain for such service in preparing, presenting, or prosecuting such claim, or for any act whatsoever in connection therewith, an amount greater than was paid to the claimant for his assignment under this act to the person for whom he has acted as agent or attorney: *Provided further*, That no purchaser or assignee of the claim of said claimant shall receive therefor a greater amount than was paid to the claimant for his assignment.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to adjudicate the claims of Knud O. Flakne and Alfred Sollom, homestead settlers on the drained Mud Lake bottom, in the State of Minnesota."

OWNERS OF STEAMSHIP "EXMOOR"

The bill (H. R. 2841) for the relief of the owners of the steamship *Exmoor* was considered. The bill had been reported from the Committee on Claims, with amendments, on page 1, line 5, to strike out "$950.33" and insert "$500"; and in line 6, after the word "Philadelphia," to insert "the same to be in full settlement of said claim," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Magee Bros. (Ltd.), of Philadelphia, the same to be in full settlement of said claim. Such sum represents the amount which was paid by them to the United States as security for an immigration fine on account of the landing from the steamship *Exmoor* at Philadelphia in June, 1924, of a Chinese seaman named Chow Fat, said sum having been declared forfeited by a decision of the Department of Labor dated August 23, 1924, less the amount of the expense incurred.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

RELIEF OF STATE OF NEW MEXICO

The bill (S. 3633) for the relief of the State of New Mexico was considered. The bill had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out the word "total," and in the same line to strike out "$4,520.06" and insert "$2,839.04"; in line 8, to strike out the word "total"; in line 9, following the word "items," to strike out the following "$1,218.29 for property shortages from January, 1920, to July, 1929, inclusive, approved on August 19, 1929, by a board appointed for determining the accountability of such State for such property shortages"; and on page 2, in line 10, to strike out "and $462.73 for property shortages listed in report of survey dated June 3, 1931," so as to make the bill read:

Be it enacted, etc., That the State of New Mexico is hereby relieved from accountability for certain property belonging to the United States, of the value of $2,839.04, which property was loaned to such State for use by the New Mexico National Guard and was unavoidably lost or destroyed, such value representing the sum of the following items: $381.22 for property shortages listed in report of survey dated April 24, 1930; $334.53 and $62.95 for property shortages listed in two reports of survey dated April 25, 1930; $904.48 and $880.12 for property shortages listed in two reports of survey dated June 11, 1930; $11.35 for property shortages listed in report of survey dated July 11, 1930; $264.39 for property shortages listed in report of survey dated September 3, 1930.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PROHIBITION OF GAMBLING IN CANAL ZONE

The bill (H. R. 7498) to amend Act No. 4 of the Isthmian Canal Commission, entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904, was considered.

Mr. BLAINE. Mr. President, there is no objection to this bill.

Mr. ROBINSON of Arkansas. I do not think there is any objection to it.

The bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Act No. 4 of the Isthmian Canal Commission, enacted August 22, 1904, is hereby amended to read as follows:

"Every person who conducts and carries on, or causes to be conducted or carried on, either as owner, agent, or employee, whether for gain or a chance for gain by deducting a percentage either of the profits or of the stake being hazarded, any game of faro, monte, roulette, lansquenet, rouge-et-noir, rondo, tan, fantan, studhorse poker, poker, seven-and-a-half, twenty-one, hokey-pokey, or any other game, for money, checks, credit, or other representative of value; and

"Every person, who has in his possession or under his control, either as owner, agent, employee, or otherwise, or who permits to be placed, maintained, or kept in any room, space, inclosure, or building owned, leased, or occupied by him, or under his management or control, any slot or card machine, contrivance, appliance, or mechanical device, upon the result of action of which money or other valuable thing is staked or hazarded, and which is operated or played by placing or depositing therein any coins, checks, slugs, or other articles or device, or in any other manner and by means whereof, or as a result of the operation of which, any merchandise, money, representative or articles of value, checks, or tokens, redeemable in, or exchangeable for, money or any other things of value; and

"Every person who has in his possession or under his control, or who permits to be placed, maintained, or kept in any room, space, or inclosure or building owned, leased, or occupied by him, or under his control or management, any device or game on which any money or other valuable thing is staked or hazarded, and as a result said money or valuable thing may be won or lost;

"Shall upon conviction be punished by a fine of not more than $1,000 or by imprisonment in jail not exceeding one year, or both such fine and imprisonment."

SUPPRESSION OF LOTTERIES IN CANAL ZONE

The bill (H. R. 7499) to amend Act No. 3 of the Isthmian Canal Commission relating to the suppression of lotteries in the Canal Zone, enacted August 22, 1904, was considered.

Mr. BLAINE. Mr. President, I can see no objection to the immediate consideration of the bill.

Mr. ROBINSON of Arkansas. Nor can I.

Mr. REED. Mr. President, may I ask the Senator from Wisconsin if he thinks section 6 of the bill is wise? It reads:

The governor may issue a permit for conducting a raffle or gift enterprise whenever it shall appear to him after proper investigation that the gross proceeds of said enterprise are to be used for charitable purposes.

Should the United States Government countenance such a thing?

Mr. BLAINE. I think we are legislating now with respect to a people with whom we have very little acquaintance. What may be done in the United States is one thing, but what it is necessary to permit to be done to have friendliness in the Canal Zone is quite another thing. It is not a breach of the moral code of the people of Panama and I think is entirely compatible with the standards which prevail in the Tropics.

Mr. BINGHAM. Mr. President, will the Senator state just what changes in the law the bill provides?

Mr. BLAINE. I can not advise the Senator for the reasons I stated a few moments ago. The bill has not been considered by the committee in open hearings and it was not reported by the full committee. I did not join in the report.

Mr. BINGHAM. I notice the report states that the changes proposed in existing legislation are explained in the report of the House committee No. 511. We do not have that report before us.

Mr. BLAINE. I stated to the Senate a few moments ago, though perhaps the Senator from Connecticut was not in the Chamber then, that the committee has not held any hearings on the bill.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. TRAMMELL. Mr. President, Calendar No. 1009 (H. R. 7498), which passed a moment ago without objection, in substance is a prohibition against the operation of any character of slot machine. That is really what it is. Of course, in our own country we permit people to operate slot machines. Probably within a stone's throw of the Capitol we would find more or less of them. Do we want to be quite so drastic in dealing with people in the Canal Zone?

Mr. BLAINE. The bill to which the Senator from Pennsylvania directed attention is Calendar No. 1010. The bill to which the Senator from Florida directs attention deals with hokey-pokey games.

The VICE PRESIDENT. On objection, Calendar No. 1010, H. R. 7499, will be passed over.

Mr. BINGHAM. Mr. President, will not the Senator from Wisconsin permit this bill also to go to the Judiciary Committee with similar bills?

Mr. BLAINE. I hope the bill will not be referred to the Judiciary Committee.

The VICE PRESIDENT. The bill has been passed over. The clerk will state the next order of business on the calendar.

PROHIBITION OF BULL FIGHTS, ETC.

The bill (H. R. 7500) to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the Executive order of August 4, 1911, is hereby amended to read as follows:

"SECTION 1. Any person who sets on foot, instigates, promotes, or carries on any fights between cocks or other birds, or any dog fight, or bull fight, or fight between other animals; or who does any act as assistant, umpire, or principal in furtherance of any fight between any such animals, shall be punished by a fine not to exceed $50, or by imprisonment in jail not to exceed 30 days, or by both such fine and imprisonment, in the discretion of the court."

PREVENTION OF FIRE-HUNTING, ETC., IN CANAL ZONE

The bill (H. R. 7501) to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914, was considered.

Mr. ROBINSON of Arkansas. Mr. President, what are the Executive orders repealed by this act?

Mr. BLAINE. Mr. President, I can only state what I have heretofore stated. My understanding is that the rules

and regulations were heretofore promulgated by the President of the United States. This is to substitute standard law for Executive orders, whatever the orders may be, in relation to the particular subject legislated on in the bill.

Mr. ROBINSON of Arkansas. Very well.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That every person who shall hunt at night, between the hours of sunset and sunrise, with the aid or use of a lantern, torch, bonfire, or other artificial light, or who shall hunt by the use of a gun or other firearm intended to be discharged by any animal or bird, by means of a spring or trap, or other similar mechanical device, shall be guilty of a misdemeanor.

The penalties imposed by this act shall be in addition to the punishments authorized by the law against carrying arms without a permit.

SEC. 2. That the Executive order of September 6, 1909, amending section 454 of the Penal Code of the Canal Zone, and the Executive order of January 27, 1914, No. 1884, be, and they are hereby, repealed.

REGULATION OF FIREARMS IN CANAL ZONE

The bill (H. R. 7502) to regulate the carrying and keeping of arms in the Canal Zone, was considered.

Mr. BLAINE. Mr. President, I think the bill might as well be passed.

Mr. ROBINSON of Arkansas. There is no objection.

Mr. REED. Mr. President, does the Senator think the prohibition of carrying firearms is constitutional?

Mr. BLAINE. I think it is constitutional as applied to the Canal Zone. The Canal Zone was obtained by treaty. I am not familiar with the terms of the treaty, but as I understand the Executive orders heretofore promulgated contain similar regulations. If they were valid, the law would be valid.

Mr. REED. I think it is not valid. I am not going to raise the question.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it shall be unlawful for anyone to carry on or about his person any firearm or any dirk, dagger, or other knife, or other weapon, manufactured or sold for the purpose of offense or defense, or any slung shot, air gun, sword cane, blackjack, or any knuckles made of metal or other hard substance.

SEC. 2. That the preceding section shall not apply to a person engaged in the military or naval service of the United States, or as a peace officer or officer authorized to execute judicial process of the United States or the Canal Zone, or in carrying mail or in the collection or custody of funds of the United States or the Canal Zone, while such officers or persons are engaged in the performance of their respective duties; nor to a member of a gun or pistol club organized for the promotion of target practice, a certified copy of the constitution and by-laws of which have been approved by the Governor of the Panama Canal and filed with the chief of the police and fire division, when such member is going to or from a target range or is engaged in practice at the target range. A certificate of membership in the gun or pistol club shall be issued by the organization and approved by the chief of police and fire division, which shall entitle the holder to carry firearms as is provided in this section.

Neither shall the preceding section apply to any person authorized to have or carry arms by permit granted under the terms of this act.

SEC. 3. That the Governor of the Panama Canal may authorize the granting of permits to have and carry arms, as follows:

1. To hunt upon the public lands of the Canal Zone or upon lands occupied by private persons, when authorized by the latter.

2. To have arms in residences, offices, business places, and plantations and to watchmen or overseers of plantations, factories, warehouses, docks, or piers. Applications for such permits shall be made to the Governor of the Panama Canal, and shall contain the full name, residence, and occupation of the applicant; and if the applicant is a minor it shall not be granted without the consent of his parent or guardian; but no permit shall be granted to a minor under 15 years of age.

3. To carry arms in private aircraft for hunting or protection of crew or cargo.

SEC. 4. That when an application is granted by the governor for a permit to hunt, he shall indorse his approval thereon and file the application, and he shall cause a permit to be issued to the applicant, upon his payment of a fee of $1.

Hunting permits issued by virtue of this act will allow the holder thereof to have, carry, and use firearms in the area or areas prescribed by the Governor of the Panama Canal, and on the conditions imposed by him under such general or special rules and regulations as he may issue from time to time. And the governor is hereby empowered to designate the area or areas of the Canal Zone in which hunting is permitted, and the class of arms that may be used in hunting in such areas; and no hunting shall be allowed outside of the areas so designated by him. And the Governor of the Panama Canal may, in such general or special rules and regulations, impose such other conditions in respect to hunting as he may deem necessary in the interests of public order and to prevent injury to persons or property.

A permit granted under this section shall run for the fiscal year in which it is issued, and it may be revoked at any time for cause by the Governor of the Panama Canal.

SEC. 5. That permits heretofore issued by authority of law, to have and use firearms, shall not be affected by this act, but such permits shall continue in force until the expiration of the period for which they were issued.

SEC. 6. That anyone not authorized by this act, who carries on or about his person any of the prohibited arms mentioned in section 1 of this act, or who hunts or engages in hunting without first obtaining the permit provided for in this act, or who after obtaining such permit engages in hunting in violation of the provisions of this act or any rule or regulation established by the governor hereunder, shall be guilty of a misdemeanor.

SEC. 7. That penalties for the infringement of this act shall be in addition to such punishment as may be imposed upon the offending person for any other offense that he may have committed in connection with the carrying or using of arms in violation of this act.

SEC. 8. That sections 449 to 460 of the Penal Code of the Canal Zone, and the executive orders of December 1, 1909, November 3, 1911, November 7, 1913, and March 6, 1920, and all other laws in conflict herewith, are hereby repealed.

BILL RECOMMITTED

The bill (H. R. 7503) to repeal the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor was announced as next in order.

Mr. BLAINE. Mr. President, I suggest that the bill be recommitted.

The VICE PRESIDENT. Without objection, the bill will be recommitted to the Committee on Interoceanic Canals.

EXTRADITION OF FUGITIVES FROM JUSTICE, CANAL ZONE

The bill (H. R. 7504) to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone was announced as next in order.

Mr. BLAINE. Mr. President, that is rather a standard law on the question of fugitives from justice. I see no objection to it.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all persons who have been condemned, prosecuted, or accused before the courts of the Republic of Panama as authors or accomplices of crimes, transgressions, or offenses against the laws of said Republic, who seek refuge in the Canal Zone, shall be, upon apprehension, taken into custody by the authorities of the Canal Zone and delivered to the authorities of the Republic of Panama, upon the demand of the Government of that Republic and compliance with the procedure hereinafter prescribed.

SEC. 2. The government of the Canal Zone is at liberty to decline compliance with a demand of the Government of the Republic of Panama for the arrest and delivery to the authorities of said Republic of a fugitive from the justice of the Republic of Panama when said fugitive is a citizen of the United States. The discretion hereby reserved shall be exercised by the Governor of the Panama Canal.

SEC. 3. If the person whose arrest and delivery is demanded should be accused of, or under sentence for, any crime, transgression, or offense committed in the Canal Zone, he shall not be delivered to the authorities of the Republic of Panama until he has been acquitted, pardoned, or undergone his sentence pursuant to the provisions of the laws of the Canal Zone.

SEC. 4. If, in the course of the proceedings in the courts of the Republic of Panama, in the case to which the arrest and delivery appertain, it should appear that probable cause exists for believing the delinquent guilty of another and graver offense against the laws of the Republic of Panama than that which gave rise to the request for his apprehension and delivery, the Government of that Republic may prosecute said fugitive for such other offense after notice to that effect to the government of the Canal Zone.

SEC. 5. The demand for the arrest and delivery of a fugitive from the justice of the Republic of Panama, pursuant to the terms of this act, will be complied with when made in writing and signed by the Secretary of Foreign Relations of the Republic of Panama, or by his direction, and presented to the Governor of the Panama Canal. If the demand is for a condemned and fugitive criminal, it must be accompanied by a duly certified copy of sentence pronounced by a court of competent jurisdiction, and, as far as possible, a description of the fugitive sought to be reclaimed.

SEC. 6. In case of urgency, where there are reasonable grounds for fearing that the fugitive may avoid apprehension, his detention may be asked for by telegraph. The arrest and detention shall be accomplished in the manner and by the officials pre-

scribed by the laws of the Canal Zone, and detentions authorized by this act shall not continue longer than 15 days, during which the procedure for securing the delivery of said fugitive to the authorities of the Republic of Panama shall be completed.

SEC. 7. For the purpose of accomplishing the delivery of the fugitives apprehended and delivered in pursuance of this act the Republic of Panama may send its agent or agents duly authorized to receive said fugitive into the territory of the Canal Zone, but said agent's action and authority shall be limited to receiving such fugitive at the point of departure for return to the Republic of Panama and, at the moment of departure and thenceforth, to exercising the necessary vigilance and restraint to prevent the escape of the person in custody.

SEC. 8. It is hereby made the duty of the authorities of the Canal Zone on the line of transit to provide the person or persons charged with the conveyance of such fugitives so delivered with all the means necessary to prevent escape and to remove all unlawful obstacles that may hinder or delay the return of such fugitives to the territory of the Republic of Panama.

SEC. 9. All papers and other objects found in the possession of the fugitive at the time of his detention that refer to the crime, transgression, or offense of which the fugitive is accused or convicted shall be delivered to the Government of the Republic of Panama. These papers and objects must be restored after the conclusion of the case if there are third parties who assert a right to or over them. The authorities of the government of the Canal Zone may provisionally retain said objects and papers so long as they are required for use as evidence in some other case pending or contemplated in the courts of the Canal Zone, whether such case be related or not to the case wherein the demand for the apprehension and return of the fugitive originated.

SEC. 10. The expense of capture, detention, and transportation of a fugitive from the justice of the Republic of Panama, shall be paid by that Republic; but such expenses shall not include compensation for the services of the judiciary, military, or police authorities of the government of the Canal Zone.

PROTECTION OF BIRDS IN CANAL ZONE

The bill (H. R. 7505) to provide for the protection of birds and their nests in the Canal Zone was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Governor of the Panama Canal is hereby empowered and directed to make and publish suitable regulations, from time to time, for the protection of birds and their nests within the Canal Zone, and to prescribe the form and manner in which birds may be hunted therein and the kinds of birds that may be hunted and that shall not be molested.

SEC. 2. That it shall be unlawful for any person to hunt, trap, capture, wilfully disturb, or kill any bird of any kind whatever, or to take the eggs of any bird, within the Canal Zone, except in the form and manner permitted by the regulations provided for by this act.

SEC. 3. That a violation of any of the regulations established under this act shall be punished by a fine of not more than $100 or by imprisonment in jail for not more than 30 days for each offense.

BILL RECOMMITTED

The bill (H. R. 7506) to repeal an ordinance enacted by the Isthmian Canal Commission August 5, 1911, and approved by the Secretary of War August 22, 1911, establishing market regulations for the Canal Zone, was announced as next in order.

Mr. BLAINE. Mr. President, I am not familiar at all with this bill. I rather assume that it is all right. It repeals an old ordinance that was enacted by the Isthmian Canal Commission, but I am not certain that there is any authority substituted in the place thereof. It may be well to have the bill recommitted to the committee.

The VICE PRESIDENT. Without objection, the bill will be recommitted to the Committee on Interoceanic Canals.

REGULATION OF RADIO EQUIPMENT ON OCEAN-GOING VESSELS, CANAL ZONE

The bill (H. R. 7507) to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone was announced as next in order.

Mr. BLAINE. Mr. President, I think there ought to be some consideration given to this bill. The Committee on Interoceanic Canals has not had a hearing, as I have suggested, and I do not know in what respect it may contravene some existing law of the United States respecting radio.

Mr. ROBINSON of Arkansas. Mr. President, the bill is rather simple. It forbids any ocean-going vessel carrying 50 or more persons, including passengers and crew, to leave any port of the Canal Zone unless equipped with efficient apparatus for radio communication, and so forth. Then there is a further provision that the requirement shall not apply to vessels merely transiting the canal or to vessels plying between Canal Zone ports and ports less than 200 miles therefrom. Then there is a provision imposing a fine of $5,000 for a violation. I believe that it is a good bill and I think it ought to pass.

Mr. BINGHAM. Mr. President, may I invite the attention of the Senator from Arkansas that we are legislating for foreign commerce? We are legislating for vessels that do not fly our flag. We are saying, for instance, to the Republic of Chile that it may have an ocean-going steamer that goes through the canal on the way to New York, and if it does not conform with what we think it ought to have in the way of radio we shall fine that vessel $5,000.

Mr. ROBINSON of Arkansas. Yes; but if we impose similar obligations and safety devices on our own vessels we can not well exempt other vessels.

Mr. BLAINE. Mr. President, may I suggest that the Panama Canal, as everyone knows, forms a bottle neck at either end of the canal, and it is very important that some provision be made so that radiograms may be sent to the canal and from the canal respecting the approach of vessels at either end of the canal. As I understand, that is largely the purpose of the bill.

Mr. REED. Mr. President, will the Senator yield for a suggestion?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. BLAINE. I yield.

Mr. REED. The bill contains a provision that it does not apply to vessels merely passing through the canal in transit. The Senator from Connecticut will notice that on the last line of page 1.

Mr. BLAINE. Those are very small vessels that are referred to there.

Mr. BINGHAM. Does the Senator from Pennsylvania interpret that provision at the bottom of page 1 and the top of page 2 as exempting from the provisions of the bill steamers of foreign nations that are going through the canal in transit? If so, the idea expressed by the Senator from Wisconsin is not sustained.

Mr. ROBINSON of Arkansas. Yes; that is also intended to exempt the small ships that ply between the Central American ports and which pass through the canal.

Mr. BLAINE. Yes. There may be something in the suggestion of the Senator from Pennsylvania that this provision may violate some treaty. I suggest that the bill be referred back to the committee.

Mr. ROBINSON of Arkansas. The Senator from Pennsylvania is right in the statement that a vessel merely passing through the canal is not subject to the provisions of the bill.

Mr. BINGHAM. If that is so, it would not infringe any treaty and would not be subject to the objection I raised.

Mr. ROBINSON of Arkansas. I think it is a good bill and ought to be passed.

Mr. BLAINE. Very well; let us pass it.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it shall be unlawful for any ocean-going vessel carrying 50 or more persons, including passengers and crew, to leave or attempt to leave any port of the Canal Zone unless such vessel shall be equipped with an efficient apparatus for radio communication, in good working order, in charge of a person skilled in the use of such apparatus, which apparatus shall be capable of transmitting and receiving messages for a distance of at least 100 miles, night or day. This requirement shall not apply to vessels merely transiting the canal or to vessels plying between Canal Zone ports and ports less than 200 miles therefrom.

SEC. 2. That any vessel leaving or attempting to leave a Canal Zone port not equipped as required by section 1 of this act shall be liable to a fine not exceeding $5,000, and each such departure or attempted departure shall constitute a separate offense. Fines shall be recovered in the district court of the Canal Zone, and the amount so recovered shall be a lien upon such vessel, and it may be seized and sold to satisfy same, as well as all costs of the court proceedings.

INSPECTION OF VESSELS NAVIGATING CANAL ZONE WATERS

The bill (H. R. 7508) to provide for the inspection of vessels navigating Canal Zone waters was announced as next in order.

Mr. BLAINE. Mr. President, that is rather an important bill, and I think it should be recommitted.

The VICE PRESIDENT. Without objection, the bill will be recommitted to the Committee on Interoceanic Canals.

WITNESSES WITHIN THE JURISDICTION OF CANAL ZONE

The bill (H. R. 7509) to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That members of the board of local inspectors, customs officers, quarantine officers, and admeasurers, appointed by the Governor of the Panama Canal, are hereby authorized to administer oaths for the purpose of certifying the correctness of official papers.

SEC. 2. That members of the board of local inspectors, customs officers, quarantine officers, and admeasurers are hereby authorized to summon witnesses to testify in matters within the jurisdiction of said officials, and to require the production of books and papers necessary thereto. The district court of the Canal Zone is hereby authorized to issue processes, at the request of the designated canal officials, to compel the attendance of witnesses and the production of books and papers, and to punish for contempt of court any who refuse to obey such processes or who refuse to be sworn or to answer any material or proper question after being duly sworn.

PUNISHMENT OF DEPORTED PERSONS RETURNING TO CANAL ZONE

The bill (H. R. 7510) to punish persons deported from the Canal Zone who return thereto was announced as next in order.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

Mr. REED. Mr. President, I should like to ask some Senator, if there be any here who knows, where the persons referred to are deported to? Is this a measure looking to the enforcement of the immigration laws or of the criminal laws?

Mr. BLAINE. Mr. President, the Panama Canal Zone is very largely under the jurisdiction of the governor of the zone. The bill, I assume, refers to deportations that the governor has authority to make. However, there may be some technical question respecting our immigration laws; and if the Senator from Pennsylvania feels that there is, it might be well to have the bill recommitted.

Mr. REED. I do not make any objection to the consideration of the bill.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any person who, after having served a sentence of imprisonment in the Canal Zone and after being deported therefrom, voluntarily returns to the Canal Zone shall be deemed guilty of a felony and punished by imprisonment in the penitentiary for a term of not more than two years, and upon the completion of his sentence he shall be removed from the Canal Zone in accordance with the laws and orders relating to deportation. A voluntary entry into the Canal Zone for any purpose shall be sufficient to constitute a return to the zone within the meaning of this act: *Provided, however*, That in a case of necessity the Governor of the Panama Canal, in his discretion, may grant a permit to any such person to return to the Canal Zone temporarily; but should he remain in the Canal Zone after the time specified in the permit, he shall be deemed guilty of a violation of this act and punished as herein provided.

REGULATION OF STREET-RAILWAY CARS IN THE CANAL ZONE

The bill (H. R. 7511) to regulate the operation of street-railway cars at crossings in the Canal Zone was announced as next in order.

Mr. BLAINE. That bill involves a mere police regulation respecting street-railway cars in the Canal Zone.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it shall be unlawful for a motorman or any other person in control of a street-railway car to run same over or upon any street crossing, road crossing, or street-railway crossing in the Canal Zone, at a speed of more than 12 miles per hour, and without commencing to sound gong, horn, or whistle when at least 100 feet from said crossing, and continuing to sound same until the crossing has been passed.

SEC. 2. That it shall be unlawful for a motorman or any person in control of a street-railway car to run same over or upon any railroad crossing in the Canal Zone, without bringing the car to a full stop at least 10 feet from the nearest rail, and without ascertaining from a view of the railroad track made either by himself or by the conductor that the crossing may be safely passed.

SEC. 3. That a violation of any of the provisions of this act shall be punished by a fine of not more than $100, or imprisonment in jail for not more than 30 days, or by both such fine and imprisonment in the discretion of the court.

AMENDMENT OF SECTION 5 OF THE PANAMA CANAL ACT

The bill (H. R. 7512) to amend section 5 of the Panama Canal act was announced as next in order.

Mr. BLAINE. I see no objection to the consideration of that bill. It provides for the regulation of the operation of the locks and approaches thereto.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That that portion of section 5 of the Panama Canal act, approved August 24, 1912, which reads: "The President is authorized to make and from time to time amend regulations governing the operation of the Panama Canal, and the passage and control of vessels through the same or any part thereof, including the locks and approaches thereto, and all rules and regulations affecting pilots and pilotage in the canal or the approaches thereto through the adjacent waters" be, and it is hereby, amended to read as follows:

"The President is authorized to make, and from time to time amend, regulations governing the operation of the Panama Canal; the passage and control of vessels through the same or any part thereof, including the locks and approaches thereto; pilots and pilotage in the canal or the approaches thereto through the adjacent waters; the navigation of the harbors and other waters of the Canal Zone, including the inspection of vessels navigating such waters and the licensing of officers of such vessels.

"Any person violating any of the provisions of the rules and regulations established hereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $100, or by imprisonment in jail not exceeding 30 days, or by both such fine and imprisonment."

PUBLIC DEFENDER FOR THE CANAL ZONE

The bill (H. R. 7513) to provide for the appointment of a public defender for the Canal Zone was announced as next in order.

Mr. BRATTON. Mr. President, can the Senator from Wisconsin tell us why a public defender should be appointed for the Canal Zone? We have no such officer in this country.

Mr. BLAINE. Mr. President, the Canal Zone, as the Senator from New Mexico appreciates, is a narrow strip of land across the Isthmus. Within that strip of land there are natives residing in thatched bamboo houses by permission and not by reason of any provision of the law. There are also transients in the Canal Zone, men who leave vessels or who are discharged from vessels, or who disembark at the port, and very often those men are without means, without funds, thousands of miles away from home. I think the Governor of the Canal Zone feels that there ought to be some one who could represent those various people who otherwise could not have a defense at all.

Mr. BRATTON. The Senator is familiar with the procedure in this country, where the judge usually appoints a member of the bar to represent a person in that situation. Why can not that procedure be successfully followed on the Canal Zone?

Mr. BLAINE. I doubt if such a system would work out very well in the Canal Zone. I am not certain that the judge has the power to do that under the code; I am not familiar with that; but even if the judge has such power, I think this would be a very meritorious provision of law.

Mr. ROBINSON of Arkansas. I think a court would have the power which is exercised throughout the United States to supply persons accused of crime with counsel if they are unable to employ counsel for their defense. The only reason for this bill, as I understand, is that the number of such cases involving defendants who drift in from every part of the world and who are left there is so great that it is regarded as rather an onerous burden on the bar.

Mr. BLAINE. That is true, and the bar of the Canal Zone is a very small bar.

Mr. BRATTON. In view of these statements I shall not object to the consideration of the bill.

The bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Governor of the Panama Canal shall appoint a duly qualified member of the bar of the Canal Zone as a public defender, whose duty it shall be to represent, in the District Court of the Canal Zone, any person charged with the commission of a crime within the original jurisdiction of said court who is unable to employ counsel for his defense.

SEC. 2. The public defender shall receive a salary of $1,200 per year, together with such of the privileges of a Canal Zone employee as the governor may grant.

CANAL ZONE POSTAL SERVICE

The bill (H. R. 7514) in relation to the Canal Zone postal service was announced as next in order.

Mr. ROBINSON of Arkansas. What is the object of that bill?

Mr. BLAINE. I have no familiarity whatever with this bill.

Mr. MOSES. I think that bill should be referred to the Committee on Post Offices and Post Roads.

Mr. ROBINSON of Arkansas. I second the motion.

The VICE PRESIDENT. Without objection, the bill will be referred to the Committee on Post Offices and Post Roads.

ESTABLISHMENT OF CUSTOMS SERVICE IN THE CANAL ZONE

The bill (H. R. 7515) to provide for the establishment of a customs service in the Canal Zone, and other matters, was announced as next in order.

Mr. ROBINSON of Arkansas. That is an important bill.

Mr. BLAINE. In the absence of objection from the chairman of the committee, I rather assume that bill ought to be referred to the Committee on Finance.

Mr. BINGHAM. It certainly should, Mr. President.

The VICE PRESIDENT. Without objection, the bill will be referred to the Committee on Finance.

IMPOUNDING OF DOMESTIC ANIMALS IN CANAL ZONE

The Senate proceeded to consider the bill (H. R. 7516) in relation to the keeping and impounding of domestic animals in the Canal Zone, which was read, as follows:

Be it enacted, etc., That the Governor of the Panama Canal is hereby authorized to make and publish and from time to time amend regulations governing the keeping of domestic animals within the Canal Zone, and prescribing where and under what conditions domestic animals may be permitted to be at large, and when, where, and under what conditions such domestic animals shall be confined. Such regulations shall provide for the impounding of animals; the charges to be paid for the impounding and care of such animals, if claimed, by the owner; the disposition of unclaimed animals; and the disposition of the proceeds of the sale of such unclaimed animals, if sold.

SEC. 2. Any person violating any provision of the regulations established under section 1 of this act shall be deemed guilty of a misdemeanor and upon conviction shall be punished accordingly.

SEC. 3. The ordinance enacted by the Isthmian Canal Commission at the one hundred and forty-fifth meeting, July 18, 1908, approved by the Secretary of War August 12, 1908, providing for the muzzling and impounding of dogs, and the ordinance enacted by the Isthmian Canal Commission August 5, 1911, approved by the Secretary of War August 22, 1911, providing for the impounding of stray animals, are hereby repealed.

Mr. BLAINE. Mr. President, that is a mere local police regulation, and I see no objection to it at all.

The bill was considered, ordered to a third reading, read the third time, and passed.

TRANSPORTATION OF LIQUORS THROUGH CANAL ZONE

The Senate proceeded to consider the bill (H. R. 7517) to provide for the transportation of liquors under seal through the Canal Zone, which was read, as follows:

Be it enacted, etc., That section 20 of the national prohibition act is hereby amended by adding after the proviso therein the following additional proviso: "*And provided further*, That this section shall not apply to the transportation of liquor, under seal, in transit to and from points outside of the Canal Zone over the highways or waterways of the Canal Zone under regulations to be prescribed by the President, when such liquor is not destined for use or for consumption or final delivery in the Canal Zone."

Mr. BLAINE. Mr. President, I rather think that bill is in conformity with the provisions of the recent treaty which has been ratified by the Senate.

The bill was considered, ordered to a third reading, read the third time, and passed.

CODE OF CIVIL PROCEDURE FOR CANAL ZONE

The bill (H. R. 7521) to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure, was announced as next in order.

Mr. BLAINE. That bill goes over.

Mr. ROBINSON of Arkansas. Mr. President, I understand that bill has been referred to the Committee on the Judiciary.

The VICE PRESIDENT. The bill has been referred to the Committee on the Judiciary.

AMENDMENT OF PANAMA CANAL ACT

The bill (H. R. 7523) to amend sections 7, 8, and 9 of the Panama Canal act, as amended, was announced as next in order.

Mr. MOSES. Ought not that bill also to go to the Judiciary Committee?

Mr. BLAINE. I do not know what it is.

Mr. BINGHAM. It deals with court procedure.

Mr. ROBINSON of Arkansas. Mr. President, the bill involves complicated legal questions apparently and is in the same general class of the bills that have already been referred to the Judiciary Committee. I suggest the same action be taken regarding it.

The VICE PRESIDENT. Without objection, the bill will be referred to the Committee on the Judiciary.

MAIL TRANSPORTATION BY MOTOR VEHICLE—LOANS ON ADJUSTED-SERVICE CERTIFICATES

The bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train, was announced as next in order.

Mr. TRAMMELL. Mr. President, there is on the calendar, having been reported from the Committee on Finance, Senate bill 1251, relating to the making of loans to veterans upon their adjusted-service certificates, being Calendar No. 510. That bill provides that adjusted-service certificates shall be available for loans without the limitation of two years as originally specified. I desire to offer that bill as a new section to the pending bill so that it may be considered at this session of Congress. I offer it as an amendment to the bill now pending.

Mr. BINGHAM. Mr. President, may I invite the Senator's attention to the fact that a new bill along the same lines and drawn in such a way as to meet the objections previously raised by the actuaries is before the House and I think is before the Finance Committee. I am not sure whether it has been reported or not, but I understand that it is preferable to the bill which the Senator is now offering as an amendment.

Mr. TRAMMELL. The bill to which I refer has been reported favorably by the Finance Committee of the Senate and is now on the calendar and has been there for some days. If we do not take some action within the next few days the probabilities are that a majority will be desirous of bringing about a final adjournment of Congress, and we will not take any action on the bill. I want to put it in the position where we can secure a final decision on the question, and we can do it in the way I suggest.

Mr. BINGHAM. The Senator can not get that bill through as an amendment; but if the Senator will substitute the bill the Senator from New York introduced a day or two ago, which, as I said, meets the objections of the actuaries by reducing the amount of interest, I think it might be put through.

Mr. TRAMMELL. I have not seen the bill introduced by the Senator from New York and I do not know whether it has been reported favorably. Of course, I want to read it before I offer it as an amendment. I offer the bill to

which I have referred as an amendment to the pending bill and should like to have it considered.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 2, it is proposed to insert the following:

Be it enacted, etc., That notwithstanding the provisions of section 502 (b) of the World War adjusted compensation act, as amended, prohibiting the making of loans to veterans upon their adjusted-service certificates prior to the expiration of two years after the date of the certificates, hereafter loans may be made upon such certificates in accordance with loan basis provided by law at any time after the date of issuance thereof.

Mr. BINGHAM. Let the bill go over, Mr. President.

Mr. ROBINSON of Arkansas. Mr. President, I merely desire to make a brief statement, if I may have permission to do so.

The VICE PRESIDENT. Is there objection to the Senator from Arkansas proceeding? The Chair hears none.

Mr. ROBINSON of Arkansas. There is an element of justice in the principle that runs through this bill. A good many veterans have refrained from availing themselves of the privilege of securing loans on their certificates and they should not be penalized because of that action. Under present conditions many of them are in need, and the purpose of this bill is to put them all on the same basis; to give each veteran the right to obtain a loan without regard to the fact that he has refrained from availing himself of his privilege as long as he has been able to do so.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Yes.

Mr. BINGHAM. I will say to the Senator that I have the greatest sympathy with the position which he has taken; but it has been pointed out by the Administrator of Veterans' Affairs that, if this bill shall be passed in its present form, it will result in the veterans owing money to the Government at the end of the period, because the compound interest at the rate provided by law will more than use up the amount due to the veterans.

Mr. ROBINSON of Arkansas. If that statement be correct, of course, the bill ought to be amended.

Mr. BINGHAM. That difficulty, I may say, has been corrected in a bill which the Senator from New York [Mr. COPELAND] introduced yesterday, I think, and which I believe is the measure which should be substituted for the bill referred to by the Senator from Florida.

Mr. ROBINSON of Arkansas. Then, may not the pending bill be passed over without prejudice?

The VICE PRESIDENT. Without objection, the bill will be passed over temporarily.

Mr. TRAMMELL. Mr. President, just a moment; I do not desire that it go over with the statement unchallenged that this bill itself would be responsible for the provision in regard to interest and compounding interest. This measure has nothing to do with that, but it is an attempt to relieve a condition which prohibits veterans from obtaining loans in less than two years. It removes that restriction; it deals with that feature of the law only. We should pass a separate measure or provide in some bill by way of amendment to abolish the 4½ per cent interest rate compounded. I think that is ridiculous and should be corrected. The interest should be reduced to, say, a straight 2 per cent on existing loans.

The VICE PRESIDENT. Does the Senator desire to have the bill passed over temporarily. The Chair notes that the Senator from New York is now present.

Mr. TRAMMELL. Let the bill be passed over temporarily.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BLACK. Is it in order to move to take up the bill with reference to adjusted-service certificates?

The VICE PRESIDENT. That would not be in order under the unanimous-consent agreement and could only be done by unanimous consent. The bill will be passed over temporarily.

BILLS PASSED OVER

The bill (S. 744) for the rehabilitation of the Stanfield project, Oregon, was announced as next in order.

Mr. METCALF. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4781) authorizing an emergency appropriation for the relief of needy and distressed residents of the District of Columbia and for the temporary care of transient and homeless persons in said District was announced as next in order.

Mr. BINGHAM. Let that go over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection a moment? May I call the attention of the Senator from Wisconsin [Mr. BLAINE] to the fact that the Costigan bill is now up?

Mr. BLAINE. Mr. President, the Senator from Indiana and the Senator from Washington, with whom I conferred yesterday, and who are interested in the subject of relief for the veterans, are endeavoring to bring about an accord with leaders in the House; and I do not like to introduce the subject now for fear of creating irritation which may defeat the objective.

The VICE PRESIDENT. The bill will be passed over.

TRANSIENT SECOND-CLASS MAIL MATTER

The bill (H. R. 8818) to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes," was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes," approved May 29, 1928 (45 Stat. 941; U. S. C., Supp. V, title 39, sec. 287), be amended to read as follows:

"SEC. 203. The rate of postage on publications entered as second-class matter, when sent by others than the publisher or news agent, shall be 1 cent for each 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply: *Provided*, That these rates shall also apply to sample copies of publications entered as second-class matter mailed in excess of the quantity entitled by law to be sent at the pound rates, and to copies mailed by publishers to other than subscribers or to persons who are not properly includable in the legitimate list of subscribers required by law."

RESPONSIBILITY OF POSTMASTERS

The bill (S. 4046) to fix more equitably the responsibility of postmasters was announced as next in order.

Mr. BRATTON. Mr. President, may we have an explanation of this bill?

Mr. ODDIE. Mr. President, this bill is required because of the present custom which fastens upon a postmaster the responsibility of accounting for and refunding all losses of postal funds caused by subordinates in excess of the amount covered by their personal bonds. Should a clerk, for example, be bonded for $5,000 and misappropriate funds to the extent of $10,000, the clerk would be held under his personal bond for $5,000, but the additional $5,000 loss would be charged against the postmaster and his bond. This is true, even though the postmaster has not handled any of the funds in question and is not personally to blame, directly or indirectly, for the loss.

It appears unjust to regard him as responsible for the wrongful acts of his subordinates, who are not selected by him, being civil-service employees, and who are themselves bonded. The rule now existing in such cases is not applied by State or municipal governments, by banks, or by corporations. The present practice appears unbusinesslike and should be abandoned. In this connection it is pointed out that the proposed legislation would not relieve or protect careless or neglectful postmasters or those who deliberately misuse Federal funds or connive with others to that end. It would only apply to cases where the postmaster himself is blameless.

The Postmaster General, I will say, has approved this bill.

Mr. ROBINSON of Arkansas. Mr. President, there is a fundamental defect in this bill. It is that discretion to relieve postmasters of liability is vested in the Postmaster General. It gives him quasi judicial power to pass upon matters of this kind. It inevitably will lead to discrimination. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

LOANS ON ADJUSTED-SERVICE CERTIFICATES

The bill (S. 4569) relating to loans to veterans on their adjusted-service certificates was announced as next in order.

Mr. COPELAND. Mr. President, I have talked with the Senator from Nebraska [Mr. NORRIS]. I wonder if he has given some consideration to the idea of substituting for this bill the bill which I introduced the other day, which gives immediate loans on the certificates, but fixes the rate at 4 per cent instead of 3 per cent as the Senator has suggested in his bill.

Mr. NORRIS. The rate in this bill is 3 per cent.

Mr. COPELAND. The bill which I have presented, which is pending here, has been considered by the Ways and Means Committee of the House, and representatives of the Veterans' Administration testified and said that the rate could be fixed at 4 per cent and then would be actuarially sound; that the 4 per cent would bring the value of the certificates in 1945 to their face, while 3 per cent or any lower rate would not do so. The significant thing about it is, of course, that it gives the veterans who are not now permitted it, by reason of the 2-year clause, the right to receive their money at once; and then the rate on all the certificates is placed at 4 per cent, which, according to the report from the House which I have in my hand, would preserve intact the actuarial features of the existing law.

Mr. NORRIS. Mr. President, what is it that the Senator desires?

Mr. COPELAND. I desire to substitute Senate bill 4925.

Mr. NORRIS. Where is that bill now?

Mr. COPELAND. It is lying on the desks of Senators.

Mr. NORRIS. Mr. President, my own idea is that 3 per cent, compounded annually, is as high an interest rate as we ought to charge. I do not believe we ought to try to make a profit out of these loans to veterans. Four per cent compound interest, running through a series of years, will eat up almost anything; and 3 per cent will amount to an enormous sum. The only objection the Senator has, I think, is completely cured in this bill on the last page.

> But in the case of any such loan heretofore made by the administrator out of the United States Government life-insurance fund, the fund shall be entitled to receive interest to the date of maturity of the loan at the rate agreed upon at the time such loan was made, but the amount by which such agreed interest exceeds interest at the rate of 3 per cent per annum, compounded annually, from the time such loan was made to the date of maturity thereof, shall be paid out of the adjusted-service certificate fund created under section 505 of the World War adjusted compensation act, as amended.

Mr. COPELAND. Mr. President, if the Senator will consent to the substitution of Senate bill 4925, so that we may immediately make available the loans, I should have no objection to letting the 3 per cent go to conference.

Mr. NORRIS. What part of the bill has the Senator in mind that is different from this, except the rate of interest? Is there anything else in his bill?

Mr. COPELAND. Does the Senator, in his bill, make available immediately loans on these certificates?

Mr. NORRIS. I think under the law they would be immediately available; would they not? The two years have expired.

Mr. COPELAND. No.

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from New Jersey?

Mr. COPELAND. I yield.

Mr. KEAN. The whole basis of the compensation agreement with the Government was made at 4 per cent, and this proposal takes away the whole basis of the adjusted-compensation certificates. They were all based on 4 per cent interest to 1945.

Mr. BINGHAM. Let the bill go over.

Mr. COPELAND. Mr. President, I beg the Senator not to object to the bill. It is very important.

Mr. BINGHAM. If the Senator will yield, I made an effort a little while ago to get favorable action upon this bill which the Senator from New York presented, which has been very carefully considered by the House Ways and Means Committee, which the actuaries approved as fair, and which corrects the injustice to which attention was recently called by the Senator from Arkansas and the Senator from Florida, permitting veterans who have just received their adjusted-compensation certificates to borrow on those immediately, the rate of interest being brought down so that at the end of the period they will not owe the Government money, but there will be a slight balance due them. I should have no objection to that; but in the present form of the measure, since we are considering bills unobjected to, I think I shall have to object.

Mr. COPELAND. If the Senator will withhold the objection for a moment, I beg the Senator from Nebraska to accept this proposal, which is not mine, although I presented it here. This was worked out by the Veterans of Foreign Wars and by the Ways and Means Committee.

Mr. NORRIS. The objection I have to it is the rate of interest. Four per cent compound interest is too much to charge these veterans.

Mr. COPELAND. Then let the Senator accept this bill, and change the rate to 3 per cent instead of 4.

Mr. NORRIS. All right.

Mr. COPELAND. Then the House and the conferees can adjust the matter.

Mr. NORRIS. There ought to be added as an amendment to the Senator's bill the following language from this bill, commencing on page 2, line 6:

> But in the case of any such loan heretofore made by the administrator out of the United States Government life-insurance fund, the fund shall be entitled to receive interest to the date of maturity of the loan at the rate agreed upon at the time such loan was made, but the amount by which such agreed interest exceeds interest at the rate of 3 per cent per annum, compounded annually, from the time such loan was made to the date of maturity thereof, shall be paid out of the adjusted-service certificate fund created under section 505 of the World War adjusted compensation act, as amended.

If the Senator will add that, and change the rate of interest to 3 instead of 4 per cent, I will agree to the substitution.

Mr. COPELAND. I accept that proposition.

Mr. BLACK. Mr. President——

Mr. COPELAND. I yield to the Senator from Alabama.

Mr. BLACK. I should like to ask the Senator from New York which provision of his bill provides for an immediate loan to be made by the Government after a certificate has been issued to a veteran.

Mr. COPELAND. The bill which I presented changes the existing law so that the loan may be made to any veteran. It cuts out the language "after the expiration of two years after the date of the certificate."

Mr. BLACK. What section is that?

Mr. COPELAND. That is in section 642, subparagraph (b).

Mr. BLACK. I meant, where is it in the Senator's amendment?

Mr. COPELAND. It begins on page 1, subparagraph (b):

> (b) Any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia (hereinafter in this section called bank), is authorized to loan to any veteran upon his promissory note secured by his adjusted-service certificate (with or without the consent of the beneficiary thereof) any amount not in excess of the loan basis (as defined in subdivision (g) of this section) of the certificate.

Mr. BLACK. I see that; but the bill which was reported by the Finance Committee, which I had urged them to recommend for some few months, provides that a veteran can borrow money from the Government whether the certificate is 1 day old or 2 years old.

Mr. COPELAND. Mr. President, the Senator will see from the report that the existing law is taken, and these items in brackets are cut out by this bill, so that it permits loans to any veteran at any time. That is the provision, and, as I have said, this was worked out by the Ways and Means Committee of the House, after very careful study, and it has been approved by the Veterans of Foreign Wars. I think we should accept the suggestion of the Senator from Nebraska and substitute Senate bill 4925 for the Senator's bill and accept the amendment which he suggests.

Mr. NORRIS. Mr. President, I accept the proposition of striking out all after the enacting clause and inserting the bill of the Senator from New York, with the changes suggested—that is, changing 4 per cent to 3 per cent, and the language commencing on page 2 of the bill with the word "but" in line 6.

Mr. KEAN. I object.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Objection is made, and the bill will go over.

Mr. COPELAND. Mr. President, I beg the Senator from New Jersey to let this bill pass. We have declined to give a bonus to the ex-service men. There are 200,000 veterans who have now applied for the first time for adjusted-service certificates.

Mr. KEAN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KEAN. I would be delighted to have this bill passed. I am in thorough sympathy with it, but the basis of the compensation on which the adjusted-service certificates was given to the veterans was that they would mature in 1945, and the basis of calculation was 4 per cent compounded.

Mr. NORRIS. Mr. President, let me say to the Senator from New Jersey that the amendment which the Senator from New York has accepted to that part of the bill meets that proposition fully. That has been looked into by experts. I myself looked into it as much as I could at the time I introduced the bill, to which I gave a great deal of consideration. I went into the details of it and had a good many conferences with the drafting bureau, and the language which the Senator from New York has agreed to accept I think will completely meet the proposition suggested by the Senator from New Jersey.

Outside of that, why should we want to lend money to these veterans and charge them a rate of interest which would be an outrage, a regular Shylock proposition? Are we going to charge a rate of interest compounded annually at 4 per cent, which will eat up every credit they have now, and instead of the loan being a benefit make it a detriment in every case? Nobody can pay 4 per cent interest, compounded annually, for 10 or 15 years. It is simply a gesture; it would not mean anything.

The PRESIDING OFFICER. Does the Senator from New Jersey withdraw his objection?

Mr. KEAN. Mr. President, United States bonds at the present time are selling on practically a 4½ per cent basis. If the United States had to borrow any money to-day, they would have to pay 4¼ or 4½ per cent. They could not borrow money for less than that. I do not think it is fair to the United States that 4 per cent should be charged, and before this loan was made to these soldiers the Secretary of the Treasury took certificates and made the United States pay 4 per cent on those certificates, when he could have borrowed the money at less, because he had to maintain this fund at 4 per cent.

Mr. COPELAND. Mr. President, the Senator can trust Mr. BACHARACH, of his own State, who has introduced this bill. This bill will go to conference, and there will be testimony taken as to the actuarial features of the bill.

Mr. KEAN. On that ground, I withdraw the objection, if the bill can be passed; but I still feel that the United States ought to get 4 per cent on the funds.

The PRESIDING OFFICER. The Senator from New Jersey withdraws his objection.

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The clerk will read the amendment.

The CHIEF CLERK. The amendment offered by the Senator from New York is to strike out all after the enacting clause and to insert the following:

That the first sentence of subdivision (b) of section 502 of the World War adjusted compensation act, as amended (U. S. C., title 38, sec. 642 (b)), is hereby amended to read as follows:

"(b) Any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia (hereinafter in this section called bank), is authorized to loan to any veteran upon his promissory note secured by his adjusted-service certificate (with or without the consent of the beneficiary thereof) any amount not in excess of the loan basis (as defined in subdivision (g) of this section) of the certificate."

SEC. 2. (a) Subdivisions (c) and (4) of section 502 of such act, as amended (U. S. C., title 38, secs. 642 (c) and 642 (d)), are hereby amended by striking out "6 per cent" wherever occurring in such subdivisions and inserting in lieu thereof "4 per cent."

(b) Subdivision (1) of section 502 of such act, as amended (U. S. C., Supp. V, title 38, sec. 642 (l)), is amended by striking out "4½ per cent" and inserting in lieu thereof "3 per cent."

(c) The amendments made by subsections (a) and (b) of this section shall not apply with respect to interest accrued prior to the date of the enactment of this act.

SEC. 3. Subdivision (m) of section 502 of such act, as amended (U. S. C., Supp. V, title 38, sec. 642 (m)), is hereby amended to read as follows:

"(m) Loans made by the Administrator of Veterans' Affairs under this section may at his option be made out of the United States Government life-insurance fund, or out of the adjusted-service certificate fund created under section 505. In case of loans made out of the United States Government life-insurance fund the fund shall be entitled to receive interest at the rate of 3 per cent per annum, compounded annually, but, in respect of interest on any such loan accruing after this subdivision as amended takes effect, the amount by which interest at such rate exceeds 3 per cent per annum, compounded annually, shall be paid to the United States Government life-insurance fund out of the adjusted-service certificate fund, but in the case of any such loan heretofore made by the administrator out of the United States Government life-insurance fund, the fund shall be entitled to receive interest to the date of maturity of the loan at the rate agreed upon at the time such loan was made, but the amount by which such agreed interest exceeds interest at the rate of 3 per cent per annum, compounded annually, from the time such loan was made to the date of maturity thereof, shall be paid out of the adjusted-service certificate fund created under section 505 of the World War adjusted compensation act, as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. HOWELL. Mr. President, I do not propose to object to this interest rate of 3 per cent, but I do feel that any interest rate at which this Government lends money less than that on long-time bonds it has outstanding or can sell upon the market is absolutely wrong, even though it is the money of the Government of the United States.

Mr. NORRIS. Mr. President, will my colleague yield?

Mr. HOWELL. In just a moment. But what have we done? We have heretofore established a precedent. We have loaned $5,000,000 to the Dollar Steamship Line at a quarter of 1 per cent for 20 years. We have violated every principle of business in connection with loans of that character, and I insist that now we ought to take to heart these facts: That we erred when we embarked upon such a policy, that the precedent will rise before us on every occasion when the question of lending money comes before Congress, and that if possible, we should ultimately get back on the right track by ending such an uneconomic policy.

Mr. SMOOT. Mr. President, I do not know whether the report from the Finance Committee has been called to the attention of the Senate or not. I am not going to take the time to read the whole of it, but I will read just a part of it. The Senate knows that the bill was reported without recommendation, and I want to call attention to just a part of the report.

Mr. COPELAND. Mr. President, I hope the Senator will let the bill pass, because the Finance Committee has not acted upon the bill which we are now considering. It has not been before the Finance Committee.

Mr. SMOOT. What bill is it?

Mr. COPELAND. It is Senate bill 4925, which has been thoroughly considered by the Ways and Means Committee

of the House, and has been slightly amended here this morning.

Mr. SMOOT. Where did the bill come from?

Mr. COPELAND. I introduced it in the Senate on the 15th of June. It came from Mr. BACHARACH, of the House of Representatives, and I think the Senator will find that the Veterans' Administration considers this bill actuarially sound. I would not say it was recommended by the Veterans' Administration, but at least they have passed upon it and said there was no actuarial objection to it.

Mr. SMOOT. Mr. President, as I understand, in the bill now before the Senate, even in the bill to which the Senator refers, the rate has been cut from 4 per cent to 3 per cent.

Mr. COPELAND. That is true.

Mr. SMOOT. Then I want to call attention to what it means and what the loss to the Government would be.

Mr. COPELAND. Mr. President, we understood that. That was brought out, and we believe that in the House that may be corrected if there is an actuarial mistake.

Mr. SMOOT. This is the place to correct it, and not in the House, if we are going to correct it at all. General Hines's letter addressed to the Finance Committee was virtually the report of the committee, and the committee reported the bill to the Senate without recommendation. I do not want to read the whole of his letter, but I want to read just this part of it:

> In view of the fact (1) that the effect on Government financing of the granting of loans on adjusted-service certificates in increased amounts, has been and is a decidedly adverse one, and (2) that the present rate of interest being charged is considered most reasonable, and (3) a change in the interest rate to 3 per cent per annum compounded annually would result in reduced earnings to the United States in the amount of $398,623,833 (the preceding figure is based upon approximate amount of loans outstanding at March 31, 1932, of $1,350,000,000), I feel constrained to recommend against favorable consideration of this proposed measure.
>
> Although this bill has not been presented by this administration to the Director of the Bureau of the Budget, I wish to inform you that on a similar measure he stated that in view of the cost involved, it would not be in accord with the financial program of the President.
>
> This administration can not recommend favorably regarding any further liberalization of the World War adjusted compensation act, as amended, at this time.

The PRESIDING OFFICER. The hour of 12 o'clock having arrived the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. McNARY. Mr. President, I ask unanimous consent to lay aside temporarily the unfinished business, until we complete the call of the calendar. It will take only a few moments.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered. The question is on the amendment offered by the Senator from New York.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REPEAL OF OBSOLETE STATUTES

The bill (H. R. 7121) to repeal obsolete statutes, and to improve the United States Code, was announced as next in order.

Mr. HASTINGS. Mr. President, I would like to have the attention of the Senator from Nebraska [Mr. NORRIS], the chairman of the Committee on the Judiciary. He was not able to attend the committee meeting last Monday morning. The committee requested that I report this bill and the next calendar number, a bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States Code. They are intended to repeal certain obsolete sections of the Revised Statutes. The House committee has been studying the problem for some two years. These sections have been checked by every department of the Government that is interested, and they have all recommended that the bills be passed with the possible exception of one section. As to that, an amendment was suggested on page 7 of H. R. 9877, that Revised Statute 5599 be eliminated from the bill.

The Senator from Montana [Mr. WALSH], the Senator from Arizona [Mr. ASHURST], and I served as a subcommittee investigating these sections. While we did not personally make a study of each section, the Senator from Montana had an examination made by persons in his office and had written to the other members of the committee a letter stating that he was satisfied that the two bills ought to pass. My understanding is that the passage of the bills will save a large sum of money in reprinting the Revised Statutes.

Mr. ROBINSON of Arkansas. Mr. President, there appear to be several hundred at least of the sections proposed to be repealed.

Mr. HASTINGS. Yes; more than a thousand. In Calendar No. 1039 there are more than a thousand.

Mr. ROBINSON of Arkansas. Yes; there are more than a thousand sections to be repealed. In most part they are intended to eliminate obsolete statutes?

Mr. HASTINGS. That is correct.

Mr. ROBINSON of Arkansas. Has the Senator or the Committee on the Judiciary checked over each section and made a study of it to know whether the provisions are actually obsolete?

Mr. HASTINGS. I will say frankly to the Senator that the Senate committee did not do that, but it has been done with great care by the House committee.

Mr. LA FOLLETTE. Let the bill go over.

Mr. ROBINSON of Arkansas. The Senator from Delaware can not state with what care a committee at the other end of the Capitol may have done its work.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States Code was announced as next in order.

Mr. LA FOLLETTE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HASTINGS subsequently said: Mr. President, I ask unanimous consent that Calendar Nos. 1038 and 1039, the bill (H. R. 7121) to repeal obsolete statutes and to improve the United States Code, and the bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States Code, may be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, that order will be entered.

OCTAVIA GULICK STONE

The bill (H. R. 9331) for the relief of Octavia Gulick Stone was considered, ordered to a third reading, read the third time, and passed.

APPOINTMENT OF ACTING SECRETARY, HAWAII

The bill (H. R. 308) to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the secretary was announced as next in order.

Mr. LA FOLLETTE. Mr. President, I ask for an explanation of the bill.

Mr. McNARY. The Senator from Connecticut [Mr. BINGHAM], who reported the bill, is not present at the moment.

Mr. LA FOLLETTE. I suggest that it be passed over.

Mr. METCALF. Mr. President, it is merely to permit the secretary to take charge when the governor is off the island. It is a very simple measure.

Mr. LA FOLLETTE. I have not had an opportunity to study it. I ask that it may be read.

The PRESIDING OFFICER. The bill will be read for the information of the Senate.

The Chief Clerk read the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 69 of the act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900 (U. S. C., title 48, sec. 534), is amended by adding at the end thereof a new paragraph to read as follows:

"The secretary may, with the approval of the governor, designate some other officer of the government of the Territory of Hawaii to act as secretary during his temporary absence or during his illness. Such designation and approval shall be in writing and shall be filed in the office of the governor, and a copy thereof, certified by the governor, shall be filed in the office of the Secretary of the Interior of the United States. Such person so designated shall, during the temporary absence or illness of the secretary, be known as the acting secretary of the Territory of Hawaii, and shall have and exercise all the powers and duties of the secretary, except those provided for by section 70 of this act (U. S. C., title 48, sec. 535). Such acting secretary shall serve without additional compensation, but the secretary shall be responsible and liable on his official bond for all acts done by the acting secretary in the performance of his duties as acting secretary."

INTERNATIONAL COUNCIL OF SCIENTIFIC UNIONS

Mr. METCALF. Mr. President, I ask unanimous consent to return to Calendar No. 794, the joint resolution (S. J. Res. 127) authorizing appropriations for the maintenance by the United States of membership in the International Council of Scientific Unions.

The PRESIDING OFFICER. Is there objection?

Mr. METCALF. The Senator from New Mexico [Mr. BRATTON] objected when it was called before, but has withdrawn his objection.

There being no objection the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums, not to exceed $5,042.77, as may be necessary to enable the United States to maintain membership in the International Council of Scientific Unions, such sums to be expended under the direction of the Secretary of State.

J. H. WALLACE

The bill (H. R. 5820) for the relief of J. H. Wallace was considered. The bill had been reported from the Committee on Claims with an amendment in line 5 to strike out "$350" and insert "$250" so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $250 to J. H. Wallace, of Paradise, Tex., as reimbursement of purchase money paid for real estate formerly owned by William Lyons and sold by the collector of internal revenue at a distraint sale March 14, 1911.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

WILLIAM R. NOLAN

The bill (H. R. 7656) for the relief of William R. Nolan. The bill had been reported from the Committee on Claims with an amendment, in line 6, to strike out "$613.75" and insert "$350," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the Government, the sum of $350 to William R. Nolan for pay and allowance for the period from January 29, 1926, to April 14, 1926, and also for any disbursements and expenses incurred by reason of an injury incurred in line of duty.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

A. Y. MARTIN

The bill (S. 4909) for the relief of A. Y. Martin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas the duties incident to the office of United States commissioner for the western district of Kentucky, in the Paducah division thereof, were performed by A. Y. Martin, of Paducah, Ky., from December 8, 1930, to August 5, 1931, and statutory fees for the services so rendered and approved as to the amounts by the Department of Justice, are as follows: Fee account for quarter ending January 31, 1931, covering that portion of said account from December 8, 1930, to January 31, 1931, $180.55; account for quarter ending April 30, 1931, $119.60; account for quarter ending July 31, 1931, $667.25; account for portion of quarter from August 1 to 5, 1931, $12.60; total, $980; and

Whereas by oversight the reappointment of said Martin as such commissioner was not made on December 8, 1930, but was thereafter made and entered of record on August 5, 1931, with the result that he served as de facto commissioner during such interim, and incurred the expenses incident to the maintenance of such office and performed the services thereof for which the statutory fees allowable are in the amount hereinabove set forth, the payment of which has been disallowed by the Department of Justice because such order of reappointment was not made or entered of record: Now, therefore,

Be it enacted, etc., That there is hereby appropriated and set apart the sum of $980, to be applied and paid by the Department of Justice in settlement of and by way of compensation for the services rendered by said de facto commissioner from December 8, 1930, to August 5, 1931, as hereinabove set forth.

SEC. 2. This act shall be effective from and after its due passage and approval.

The preamble was agreed to.

CHARLES L. BARBER

The bill (H. R. 3845) for the relief of Charles L. Barber was considered, ordered to a third reading, read the third time, and passed.

EMMA SHELLY

The bill (H. R. 4056) for the relief of Emma Shelly was considered, ordered to a third reading, read the third time, and passed.

CATHERINE BELL

The bill (H. R. 3961) for the relief of Catherine Bell was considered, ordered to a third reading, read the third time, and passed.

SAM ECHOLS

The bill (H. R. 6855) for the relief of Sam Echols was considered. The bill had been reported from the Committee on Claims with an amendment, in line 3, to strike out "authority is hereby granted to pay" and to insert "the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam Echols, the father of George W. Echols, deceased, the sum of $7.14 due and unpaid the said George W. Echols in full payment of all claims against the Government of the United States for services rendered by him as postal clerk in the Railway Mail Service.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

ANNA A. HALL

The bill (H. R. 3992) for the relief of Anna A. Hall was considered, ordered to a third reading, read the third time, and passed.

GEORGE B. GATES

The bill (S. 4937) conferring jurisdiction upon the Court of Claims to return its findings of fact in the claim of George B. Gates was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or the statute of limitations, and the fact that George B. Gates was an employee of the United States as a draftsman at the Boston Navy Yard when he made his invention, and notwithstanding the provisions of the act of Congress approved June 25, 1910, and the amendatory act approved July 1, 1918, and notwithstanding the concluding clause of section 5 of the act of March 4, 1915, to return its findings of fact to Congress pursuant to Senate Resolution 262, Sixty-sixth Congress, agreed to February 9, 1920, in the claim of George B. Gates, No. 17320, now pending in the Court of Claims.

The PRESIDING OFFICER. That completes the call of the calendar.

THE PEANUT INDUSTRY (S. DOC. NO. 132)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, trans-

mitting a report of the commission, submitted, pursuant to Senate Resolution 139, to investigate an alleged illegal combination to fix the price of peanuts (71st Cong.), which was referred to the Committee on the Judiciary and ordered to be printed, with illustrations.

DOMESTIC VALUE—CONVERSION OF RATES

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting, pursuant to law, the report of the Commission on Domestic Value—Conversion of Rates (sec. 340, title 3, tariff act of 1930), which, with the accompanying report, was referred to the Committee on Finance.

EFFECT OF DEPRECIATED CURRENCIES—EXPORTS FROM THE UNITED STATES (PT. 3 OF S. DOC. NO. 90)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting, in response to the requirements of that part of Senate Resolution 156 which refers to the subject of exportation, a report upon the effect of the depreciation in value of foreign currencies since the enactment of the tariff law of 1930, upon which the exportation from the United States of all the more important commodities, which, with the accompanying report, was referred to the Committee on Finance and ordered to be printed, with illustrations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from Edward G. Boerger, president of the Edward G. Boerger Co., Logansport, Ind., remonstrating against the passage of the so-called Coolidge resolution, being the joint resolution (S. J. Res. 185) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a petition from Roy C. Toombs, Leavenworth, Kans., praying that he be granted a parole at as early a date as possible, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the South Side Woman's Christian Temperance Union, of Fort Scott, Kans., protesting against the resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also laid before the Senate a petition of sundry citizens of Atchison, Kans., praying that in the construction of a veterans' hospital at the Soldiers Home, Leavenworth, Kans., there be no discrimination against Kansas mechanics, and that mechanics be employed thereon residing in the first congressional district or at least within the State of Kansas, which was referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a petition from Arthur J. Vagg, of Newcastle, Colo., praying for the passage of an old age pension law, which was referred to the Committee on Pensions.

He also laid before the Senate a telegram from the Jewell County Farmers and Merchants Club, Esbons, Kans., stating: "Save farmers and business. Urge immediate resolution Farm Board hold surplus wheat until price reaches dollar and quarter. Remove threat of Farm Board surplus," which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a communication from the Inalienable Rights Association, Miami, Fla., stating, in part, "We admonish Congress to remain in session to force through legislation, whatever is necessary, whatever that may be, to forestall the Money Trust from crushing the people," etc., which was referred to the Committee on Banking and Currency.

He also laid before the Senate telegrams in the nature of memorials from the Russian-American Anti-Communist League, of Detroit, Mich., signed by Nicholas Lambrin, and Russian Veterans of the World War, of Illinois, Wisconsin, and Indiana, signed by Jacques M. Lissovoy, commander, Chicago Post, Chicago, Ill., remonstrating against recognition of the Soviet Government of Russia, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Convention of the American Federation of Musicians, at Los Angeles, Calif., protesting against dispensing with the services of musicians at the various national homes and substituting therefor various mechanical musical devices, which was referred to the Committee on Military Affairs.

He also laid before the Senate resolutions adopted by the Bellport, Long Island (N. Y.) Chamber of Commerce, favoring retrenchment in governmental expenditures, and protesting against the passage of legislation increasing the financial obligations of the Government or impairing the stability of the currency, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by the city councils of the cities of Palos Park and Geneseo, Ill., and the Business and Professional Women's Club, of Atlanta, Ga., favoring the passage of legislation authorizing a bond issue of not exceeding $5,000,000,000 to finance construction of public works and other improvements, so as to aid employment, which were ordered to lie on the table.

He also laid before the Senate a letter from Earle F. Ruther, of Chicago, Ill., submitting a plan for remedying the present economic conditions, which was ordered to lie on the table.

He also laid before the Senate an extract from a letter of September 7, 1931, received from John F. Ohmer, jr., vice president and Pacific coast manager of the Ohmer Fare Register Co., Dayton, Ohio, and major in the Cavalry Reserve Corps of the United States Army, submitting a plan for overcoming the present economic conditions by providing jobs with pay, which was ordered to lie on the table.

He also laid before the Senate a petition in the form of a resolution of sundry citizens and members of the Association of Commerce, of Quincy, Ill., praying for the balancing of the Budget through retrenchment in governmental expenditures, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from John Smithy, of Scranton, Pa., praying for the passage of legislation providing for the immediate payment of adjusted-service-compensation certificates (bonus) of World War veterans, which was ordered to lie on the table.

He also laid before the Senate a statement from Daniel C. Dennett, captain, legionnaire, of Winchester, Mass., opposing the immediate cash payment of the so-called soldiers' bonus and submitting his observations relative to bonus seekers, which was ordered to lie on the table.

He also laid before the Senate letters and telegrams in the nature of memorials from sundry citizens and organizations of the States of New York, Massachusetts, and Nebraska, remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

He also laid before the Senate petitions in the form of letters, telegrams, and resolutions of sundry citizens and organizations of New Jersey, New York, and Washington, D. C., praying for the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by the convention of the American Federation of Teachers at Chicago, Ill., favoring the passage of legislation authorizing the Reconstruction Finance Corporation to make loans to States for and on behalf of municipalities, such as cities and school districts, for payment of salaries, also amendment of the so-called Wagner-Garner bill so as to provide aid temporarily to the several States to enable localities to maintain high educational standards, and also the passage of the said bill so as to make possible the feeding of thousands of American undernourished children, etc., which were ordered to lie on the table.

AGRICULTURAL DEPARTMENT REPORT ON MINERAL ACREAGE

Mr. THOMAS of Oklahoma. Mr. President, I am in receipt of a copy of a report (Senate Document 93, this session) from the Department of Agriculture made in response to Senate Resolution 377, which I offered last session. I consider this report of the utmost importance to the American farmer. It offers him new liquid assets and at the same time promises much for the stabilization of the oil industry and the orderly conservation of our mineral resources. It commits the Federal administration to the economic soundness of a new program of agricultural land policy. This report has been through the testing fire of economic criticism and has received favorable reaction from the National Land Use Conference, leading land economists, and, most significant, from individuals in high command of each of the three great American farm organizations.

This report should receive most favorable bipartisan consideration as it enunciates a policy for the relief of our farmers which was espoused by the honorable Vice President Charles Curtis in behalf of the Osage Indians a quarter of a century ago. This policy made the Osages the richest people per capita on the globe. Now, this report proposes a similar land policy for the enhancement of land values of farmers owning possibly 1,000,000,000 acres in the most stricken agricultural areas. It will eventually, if adopted, directly affect every State in the Union except a possible dozen and indirectly it will bring, I am confident, vast benefit to every State in the entire Nation, if suggestions here made are widely applied and encouraged. I hope that every Senator will carefully study this report and make its contents available to the farmers in his State.

For the first time in American history the Department of Agriculture recognizes as a farm crop the subsurface mineral rights of the farmer. In this report the department suggests methods whereby the farmer can figuratively extend the point of his plow to the cultivation of his subsurface acreage and control for his own greatest benefit those subsurface natural resources which he owns to-day but which, when they are exploited, rarely benefit him to any extent.

This report shows how, through cooperative pooling of mineral rights in potential oil and gas areas, every farmer in such areas can enhance the per acre value of his land just as the Farmers' Union members of Kansas and Oklahoma have done.

The report significantly says:

> Pooling increases the market value of mineral rights in a way analogous to that in which fire insurance increases the value of individual buildings. Whatever may be the normal probable ratio of the number of producing tracts to the total number of tracts—for instance, 1 to 20—the ratio will be more nearly realized, in the long run, if many tracts are considered.

In other words, if farmers in potential oil and gas areas have one chance in twenty of striking oil or gas on their lands as individuals, the application of the binomial theorem shows that where 100 such tracts are pooled the chances that one or more tracts will eventually strike oil are increased to 99 out of 100. This creates new values, new farm assets, by increasing the per acre value of those mineral rights.

The report says:

> The individual farmer, by pooling, substitutes a more stable for a less stable potential income.

In other words, pooling converts a gambler's risk into a business, liquefies frozen farm assets and fortifies the farmer's position. It gives him all the cake where heretofore he has had to be content with the frosting only. It inaugurates 2-dimension farming.

Records show that the Osages, by their collective bargaining power, have received an average of $150 per acre for their mineral leases while the average independent farmer receives an average of possibly $2.

This report covers 80 typewritten pages and represents a full year of study, research, investigation, and constructive criticism. It represents a new departure in our general land-use planning program.

I am proud that the entire history of this movement is of Oklahoma origin.

The potentialities of this movement were first called to my attention last year when two Oklahoma City citizens, Mr. Aldrich Blake and Mr. Ernest Chamberlain, proposed to me that the Senate ask the Bureau of Agricultural Economics to investigate and report on the extent and value of mineral acreage as a farm asset. Their request was supported by Mr. John A. Simpson, national president of the Farmers' Union. I also received interested inquiries from Mr. Chester Gray, of the Farm Bureau Federation. At the time Vice President CURTIS and Mr. Fred Brenckman, of the National Grange, expressed their interest in the proposed inquiry.

It is my understanding that it is now proposed to interest the three great farm organizations in the steps recommended to conserve for the American farmers the vast mineral resources which they now own but which represent frozen assets. With only a fraction of the success attained in the case of the Osage Indians, this movement may, as it gains momentum, liquidate thousands of delinquent taxes, pay interest on mortgages, and fortify the farmer against depressions in commodity markets.

A map which accompanies this report shows its applicability to vast areas in the South, in the West, the North, the East, and particularly in the vast midcontinent area.

Every Senator should study this map to see the application which the principles laid down in this report make to his own State. I am also appending to this statement estimates by States of the areas susceptible of adaptation to this pooling principle. If these estimates, quoted from responsible sources, are only 25 per cent correct, agriculture in America is in the position of a bankrupt merchant who has long been ignorant of a treasure chest under the floor of his establishment.

I confess that the magnitude of the possibilities which this investigation reveals was a complete surprise to me despite the enthusiastic espousal of the basic principles by those who first suggested this inquiry to me.

The report, moreover, but scratches the surface of the possibilities of farm relief by mobilization in the farmer's behalf of his frozen mineral resources. Millions in other mineral deposits are owned by farmers to-day, and managers of those pioneer pools now being formed are now aware of deposits of sulphur, gypsum, asphalt, and many other substances.

Instead of waiting for years for development of his own individual property and then selling out at the first opportunity in advance of actual development, the farmer, this report indicates, can put his mineral rights to work for him at once by participating, through his acreage, in development of active areas. The wildcat areas of to-day are the bonanza areas of to-morrow in mineral development. Neither the farmers nor the mining engineers can predict the future of oil development with any certainty.

I am glad that this report does honor to the name of John Palmer, of Pawhuska, Okla., now aging and blind. He is an adopted son of the Osages, who at the time of the allotment of the tribal lands contended against those who would divide the subsurface acreage along with the surface in the allotment to individual Indians. He declared that no one knew where oil and gas would be found on the reservation. He said:

> He who takes more than his fair share of the tribal wealth is a thief. He who takes less is a fool.

Senators, this is an Indian's version of the Golden Rule, which, if applied, might solve most of our economic difficulties.

With the aid of the Vice President, then representing Kansas in this body, the Osage mineral rights were pooled and held in common. As a result each member of the Osage Tribe has received $110,000, a total of $241,000,000; whereas their actual oil and gas production was less than that of many areas in which the farmers received little or nothing for their mineral rights.

This report shows that potential oil and gas areas of the United States are estimated by the American Petroleum Institute. Their report shows that structures and strata similar to those from which oil and gas are now produced cover 57 per cent of the area of the United States, mainly in agricultural areas. Farmers who pool their land will profit eventually from exploration, whether oil and gas are found or not, just as the Osages received most of their money, not from oil and gas but from lease rentals paid pending exploration. The report here suggests that pools in which tracts are selected for mineral potentiality should have greater prospects for success than the Osages, whose reservation was given to them without consideration of such possibilities, and, in fact, has produced less oil and gas than is found in many areas of similar extent.

This is not an untried theory. Farmers in Oklahoma, under the guidance of pools which are a part of the Farmers' Union activities, have led in the movement which is launched on a 10,000,000-acre program with mineral rights under more than a million acres already assembled in Oklahoma, Kansas, Texas, Colorado, and New Mexico. The report of the department shows how practically valueless mineral rights in these States have now achieved a per acre value of $15.32—page 44. The first of these pools, the Panhandle Cooperative Royalty Co., is reported as having a per acre appraised value of $28.14.

The only weakness of the report seems to lie in the fact that it has curtailed the recommendations of a tentative and unofficial draft which set forth a complete organization set-up. This was an adaptation of the plan in operation at the present time. I feel that committee hearings will bring out the definite plan which farmers should follow and make it possible for Congress to give some assistance.

We have argued long and earnestly over farm liabilities, farm debts, farm taxes. Here is the other side of the picture. Here is a new farm asset, frozen, unavailable to its owners under individual ownership. With the conservative background of approval from the agricultural economists of the Government this report offers the basis for creating new farm assets, values which never existed before.

Is it possible that we will adjourn with this opportunity before us and not take the obvious steps which will bid Godspeed to this new program for farm relief and economic stability?

Incidentally, the report asserts that the adoption of the pooling plan will add to the stability of the oil industry itself, promote greater conservation and unity of purpose on the part of land owners and producing operators.

VETERANS' RELIEF

Mr. WALCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD, and that it may lie on the table, a very interesting and instructive article on veterans' relief published by the New York Trust Co.

There being no objection, the article was ordered to lie on the table and to be printed in the RECORD, as follows:

[The Index, published by the New York Trust Co.]

VETERANS' RELIEF—POSTWAR LEGISLATION AND INCREASED COSTS

In the Index of July, 1931, an article entitled "Rising Costs of Government" presented an analysis of the general upward trend of governmental costs since 1913. An article entitled a "Challenge to the American People," published in May, 1932, dealt generally with the current position and especially with the imperative need for drastic retrenchments in our governmental expenditures. In this and succeeding articles we propose to present and analyze separately the more important elements of governmental costs.

By far the largest single item in the Federal Budget at the present time is the cost of veterans' relief. Appropriations made this year for veterans' relief amounted to $928,387,795, or approximately one-fourth of the total Federal appropriations for all purposes.

Between 1918 and June 30, 1931, more than $6,000,000,000 was spent by the Federal Government in various forms of relief to veterans of the World War and their dependents and beneficiaries. State governments have spent for similar purposes more than $580,000,000. By 1945 the Federal Government will have spent $21,500,000,000 under existing relief commitments, according to the Administrator of Veterans' Affairs, who points out that the sum is equal to "the cost of this country's actual participation in the war." The commitments, however, will not be discharged by 1945, and before they are discharged the expense to the country, according to reliable estimates, will exceed the staggering sum of $100,000,000,000.

Year by year since the war ended the demands for relief have progressively widened. The immediate climax has been reached with the agitation for cash payment of adjusted-service compensation amounting to over $3,600,000,000. This sum is not due for payment until 1945.

COSTS MORE THAN "DOLE"

Postwar demands have increased enormously the cost not only of World War relief but of that in respect of other wars. Since 1930, for instance, pension payments in respect of the Spanish-American War have multiplied tenfold. Pensions are still being paid to widows of soldiers who took part in the War of 1812, as well as to survivors and relatives of veterans of the Civil, Spanish-American, Mexican, and Indian Wars. As of October 31, 1931, a total of $14,810,349,455 had been disbursed for relief of veterans of all wars, their dependents, or beneficiaries. Each year the costs increase.

The general tendency of postwar legislation has been to change the basis of veterans' relief by diverting increasing amounts to men who suffered no disability due to war service. Veterans' relief, in fact, as a result of this tendency, is in danger of becoming, in some respects, a thinly disguised "dole" system.

In a single year the United States now spends nearly twice as much for veterans' relief as the British Government spent in 11 years for its "dole" or unemployment insurance. As previously stated, appropriations made this year for veterans' relief aggregate $928,387,795. Between 1920 and 1931 Great Britain's unemployment scheme cost that country $525,000,000.

WAR-TIME PROVISIONS

To understand the present position it is necessary to trace the steps leading up to it. The United States entered the World War in April, 1917. The first American troops were landed in France at the end of June. By the time the armistice was signed our military forces numbered 4,355,000 officers and men. Of the total, 2,151,644, or a little less than half, served overseas. A considerable proportion of these took no part in actual fighting. Our total casualties, including 234,300 wounded, amounted to 350,300 officers and men, or 8 per cent of our total mobilized forces.

The American minimum pay was $30 a month. British infantrymen received approximately $7 a month. France paid her soldiers a minimum of $1.75 per month; the German pay was $3 a month; the Belgian, $2; and the Italian, $1.75. Moreover, making an allowance of $2 for daily maintenance, or total earnings of $90 monthly, American soldiers received a fair wage in comparison to the average American worker, who, according to the National Bureau of Economic Research, received about $89 monthly in 1918.

In addition, family allowances paid to American soldiers' dependents during the period of active service were at a higher rate than in any other country. Congressional appropriations for these allowances totaled $298,615,000. Another appropriation, amounting to $237,979,340, was made in 1919 to give each man on discharge, irrespective of length of service and whether he had been overseas or not, an immediate cash discharge fee of $60. This amount was larger than that paid by any other country to men with comparable length of service. Another $718,666,370 was spent between 1918 and 1925 for maintenance, support, and training of veterans trained and restored to civilian occupations under the Federal scheme for vocational rehabilitation. These three items alone accounted for a sum of $1,255,260,710.

WAR-RISK INSURANCE

Immediately after the United States entered the World War President Wilson and Congress took up the question of providing for those who suffered injuries or sickness and for the dependents of those who died here during active service. It was generally agreed that the evils of the Civil War pension system should be avoided, and with this object expressly in mind it was decided to develop a comprehensive governmental insurance scheme open to all persons engaged in the forces. Accordingly the war-risk insurance plan was enacted by Congress in October, 1917.

By this plan Congress undertook to grant, in the words of the first Director of the War-Risk Insurance Bureau, "governmental insurance to soldiers and sailors at a premium rate which took account only of the peace-time risk, leaving the whole cost of operation, the cost of disability benefit, the cost due to the war hazard to be borne by the country at large as part of the cost of the war." The original intention was to provide, in this way, allowances for death and disability "resulting from war service." From the start, however, the plan was somewhat wider, for it not only provided for death and disability resulting from war service but also gave policyholders the privilege, on termination of war service, of converting policies, on favorable terms, into any of the usual forms of Government life or endowment insurance.

Each member of the forces was permitted to take out war-risk insurance to a total amount of $10,000 at $8 per thousand. Drives were undertaken, at the expense of the Government, to familiarize all members of the forces with the program. Before the war ended more than 4,000,000 men and women in military service had taken out policies. As of June 30, 1931, disbursements under the plan amounted to $1,374,004,790, from which $450,000,000 may be deducted for premiums paid by policyholders themselves, leaving a net cost to the country, to the end of June last, of nearly a billion dollars. In addition, more than 640,000 policies have been converted into United States Government life and endowment insurance with a total value of more than $3,000,000,000.

COMPENSATION APART FROM INSURANCE

In addition to family allowances and the war-risk insurance plans, Congress, in 1917, passed legislation providing for:

1. Cash compensation to veterans for injuries or sickness contracted or aggravated during service, irrespective of whether the veteran had taken out war-risk insurance.

2. Cash allowances for widows and other dependents of those who died or were killed during or as a result of war service.

3. Medical, surgical, and hospitalization services for all disabled veterans whose sickness or injuries resulted in any degree from war service.

Under these provisions, disabled men have been and are paid various amounts according to the degree of disability, calculated on the basis of impairment of normal earning power. Payments are made for temporary or permanent, partial or complete disability in amounts ranging from $8 to $250 per month. In case of death, the veteran's widow receives $30 a month, with additional allowances for children. If the deceased veteran was unmarried, monthly allowances are paid to other dependents. The "compensation" allowances are in addition to those received under the war-risk insurance scheme.

As of October 31, 1931, 313,848 World War veterans were receiving compensation for disabilities, apart from that under the war-risk insurance scheme; compensation was also being paid to dependents of 96,787 veterans whose death occurred in or resulted from service in the World War. The cost of compensation, up to June 30, 1931, was approximately $1,800,000,000.

The intention of the various measures enumerated, according to William G. McAdoo, then Secretary of the Treasury, was to provide "a substitute for, and to make unnecessary future pension laws to cover this war." It was generally felt that passage of the various acts in 1917 provided just and equitable arrangements for the contingencies involved.

Shortly after the war, however, the compensation and hospitalization provisions were liberalized, and were applied not only to World War veterans but veterans and dependents of veterans of other wars. Subsequently, a series of "veteran relief" bills have been passed by Congress, sometimes over a presidential veto.

The general tendency of postwar liberalization has been to depart more and more from the original, fundamental principle that relief, whether in the shape of pensions, disability allowances, compensation, or hospital treatment should be granted, primarily, because of death or injuries actually due to war service. Moreover, "liberalization" has been extended to veterans of other wars. It is impossible here to detail all the amendments to former legislation which have resulted. A few representative examples may be noticed.

Pensions previously granted in respect of war-service disabilities to veterans of the Spanish-American War, the Philippine insurrection, the Boxer rebellion were allowed, by an act passed in 1920, to men suffering from mental or physical disabilities, irrespective of whether the disability was connected with war service. In addition, pensions were granted to such veterans over 62 years of age and with 90 days' service, whether suffering from disability or not. Under these provisions, the number of such pensioners increased from 30,432 in 1920, when the amendments were passed, to 235,463 in May this year. The cost of the pensions has been multiplied tenfold in 10 years and, at the present time, 30 years after the Spanish-American War, in number and amount, these pensions stand at the highest point ever reached.

Under the emergency officers' act, compensation was awarded for complete or partial disability, sometimes certified by lay witnesses only, to a number of former officers, some of whom were and are regularly employed by the governmental departments.

HOSPITALIZATION

Hospitalization facilities and benefits were made available to veterans of the Spanish-American War, the Philippine insurrection, and Boxer rebellion as well as to veterans of the World War in respect to certain ailments and diseases regardless of whether such ailments or diseases were due to military service or not. A series of "presumptive" acts, whereby it is presumed that diseases and injuries in general developed under certain conditions after discharge from the service might have originated in war service have further widened the scope of medical and hospital benefits. As a consequence of numerous "liberalizing" provisions in this respect, patients receiving free medical and hospital treatment have multiplied, the facilities for giving such treatment have constantly expanded, and the costs to the country have steadily risen.

In his report for the year 1931 the Director of the Veterans' Bureau pointed out that no less than 52 per cent of the cases in hospitals and 75 per cent of the recent admissions were in respect of non-service-connected disabilities. The director observed: "If it be the policy of our Government to furnish hospitalization to veterans of all wars, then the existing and authorized Government facilities will have to be widely and materially increased to meet future demands."

Illustrating the consequence of opening the hospitals to veterans with nonservice diseases and disabilities, it may be noted that whereas, in 1925, 63,569 out of 76,812 hospital admissions were in respect of service-connected disabilities, in 1931 the position was completely reversed, 86,850 out of 113,649 admissions being in respect of nonservice disabilities. In addition, during the year ending October 31, 1931, no less than 838,845 patients received free out-treatment and a total of 2,138,258 physical examinations were made for all purposes. As of June 30, last year, the cost of hospitalization and hospital construction, since 1919, amounted to $627,378,112.

COMPENSATION FOR NONSERVICE DISABILITIES

Postwar "liberalizing" amendments have also increasingly extended disability allowances and compensation to men who suffered no disability actually due to war service, while payments are often continued to men who have subsequently recovered from their disabilities.

At the close of last year 1,102,814 persons were receiving monthly veterans' relief allowances of one kind and another. Of this number 313,737 were veterans with service-connected disabilities, 326,395 were veterans whose disabilities were not connected with war service. Up to March 31, 1932—20 months after passage of a "liberalizing" law extending these disability allowances for nonservice disabilities—811,492 claims had been filed under it by veterans.

As to the present ratings, anomalies abound. The widow of a man killed in action in the World War receives $30 a month. The widow of a veteran of the Civil War who is past 70 and was married prior to 1905 receives $40 a month. A dependent mother of a soldier killed in the World War receives $20 a month. A man who served a month in the Army, saw no fighting, and contracted a disease for which he was court-martialed and which, after the war, developed into total permanent disablement, may receive up to $257.50 a month—more than twelve times the amount paid to a dependent mother of a man killed in action. In a group of over 300,000 cases it was found that men disabled in action receive an average of $39 a month, whereas men disabled by disease contracted in the United States averaged $48 a month.

The cost of disability allowances and compensation is the largest single item in the expenditures so far made in respect of relief to World War veterans and their dependents. At the end of February, this year, it amounted to $2,039,480,000. Extension of these allowances on account of nonservice disabilities threatens to increase the amount in the future.

"ADJUSTED COMPENSATION"

In 1924 Congress, over President Coolidge's veto, enacted the bonus bill, but not as originally proposed. The original suggestion was that $180 should be paid in cash to every ex-service man irrespective of length of service.

The sums to be paid were computed by allowing $1.25 for each day of overseas service and $1 a day for home service. The total amount of service credit for a veteran serving overseas was limited to $625 and the total amount to be paid to a veteran with no overseas service was limited to $500. Veterans who were entitled to not more than $50 were paid in cash immediately. Those entitled to more were given "adjusted-service certificates" in the form of a 20-year endowment insurance policy. The policy, in effect, was a promise to pay at death, or in 1945, such sum in 20-year endowment as the "adjusted-service credit" increased by 25 per cent would buy according to the age of the veteran in question.

Consequently the face value of the policy of "adjusted-service certificate" was and is considerably higher than the amount of the "service credit." For instance, a 30-year-old veteran with $625 due in "service credit" would receive a policy authorizing payment, on death or in 1945, of $1,577.50. Clearly, the "bonus" in this form was a much more substantial gift than a cash payment of $180 as originally proposed.

Up to October 31, 1931, the provisions of the World War adjusted compensation act had been extended to 3,865,276 veterans, or dependents of deceased veterans. Cash payments, where certificates were not issued, amounted to $41,756,940; awards on maturity of certificates by death amounted to $114,186,950; the total face value of certificates issued amounted to $3,600,595,339.

DEMAND FOR LOANS

Under the act of 1924 Congress was authorized to put aside $112,000,000 a year for 20 years to build up a "certificate fund" which, with these contributions plus compound interest, would amount at the end of the period to about $3,500,000,000. This sum, it was intended, should be available to pay off the certificates upon maturity.

Over President Hoover's veto, Congress, in February, last year, voted to permit loans up to 50 per cent of the face value of the certificates at the rate of 4½ per cent interest. By November 28, 1931, according to the Veterans' Administration, approximately 2,500,000 veterans had borrowed a total of $1,173,330,971.37.

The entire sum accumulated for the sinking fund on which the whole certificate plan was based has already gone in loans. In addition, more than $300,000,000 of the five hundred million and odd capital reserves of the United States Government life-insurance fund, to which veteran holders of war-risk insurance look for security, have also gone in loans.

Making the loans has, in effect, involved substitution of veterans' notes for obligations of the United States. The financial bases of the adjusted-compensation scheme and of the insurance fund alike have been weakened. Furthermore, immediate cash payment of what is not due until 1945 would mean the abandonment of the original arrangement to accumulate the amount by annual contributions plus interest.

In summation: The total cost of relief to veterans and dependents has been $14,810,000,000 for all our wars. The costs of Federal and State relief to veterans and dependents of veterans of the World War now totals between seven and eight billion dollars. Between the end of the war and June 30, 1931, $946,600,000 was expended in discharge fees and vocational rehabilitation; $1,800,000,000 in compensation allowances; about $1,000,000,000 in war-risk insurance claims; and $627,000,000 went for hospitalization.

In the meantime, among other measures, the bonus plan has been put in effect, and loans totaling $1,173,000,000 have been made against an eventual face value of certificates of $3,600,000,000. Finally, in the present fiscal year, $928,000,000, or one-fourth of the Nation's expenses and actually about one-half of its income, has been appropriated for veterans' relief.

CONSEQUENCES TO THE NATION

There is complete unanimity on the proposition that men who were disabled in war service and the widows and other dependents of men who died in war service should receive some fair measure of support from the Nation. There is, on the other hand, a wide divergence of opinion regarding the justice and advisability of the much broader legislation both passed and proposed. Avoiding such controversy, we have confined ourselves to the facts. However, we think it only proper to emphasize two conclusions obviously to be drawn from such facts: First, that the cost of veterans' relief while benefiting less than 5 per cent of the people, falls, through taxation, either directly or indirectly on all of the people; and, secondly, if the movement persists at the rate now indicated, far more burdensome taxation for all may be expected to result.

UNEMPLOYMENT INSURANCE (S. REPT. NO. 964)

Mr. HEBERT, from the Select Committee on Unemployment Insurance, pursuant to Senate Resolution 483, establishing a Select Committee to Investigate Unemployment Insurance Systems (71st Cong.), submitted a report.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 2290

Mr. MOSES. Mr. President, from the Committee on Printing I report back favorably a concurrent resolution (S. Con. Res. 31), which I ask may be read, and I shall then ask for its present consideration.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The concurrent resolution will be read for the information of the Senate.

The Chief Clerk read the concurrent resolution (S. Con. Res. 31) submitted by Mr. GLENN on the 8th instant, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 5,000 additional copies of House Report No. 2290, Seventy-first Congress, of which 2,000 copies shall be for the use of the Senate document room, and 3,000 copies for the use of the House document room.

Mr. LA FOLLETTE. Mr. President, what document is it that is involved?

Mr. MOSES. It is the so-called Fish report. A resolution was introduced by the Senator from Illinois [Mr. GLENN] for the printing of the document. The supply has been completely exhausted and there have been a great many demands for it, both upon the Senate document room and the House document room.

Mr. LA FOLLETTE. How many have been printed up to this time?

Mr. MOSES. The regular number plus $200 worth. The regular number is 1,396. Then the chairman of the Joint Committee on Printing is authorized always to issue an order for $200 worth more.

Mr. LA FOLLETTE. How much is the cost of printing the 5,000 additional copies?

Mr. MOSES. I can not say. It is plate work, and the plates are already in existence.

Mr. LA FOLLETTE. I thought it was customary for the Committee on Printing to get estimates.

Mr. MOSES. Yes; for the printing of the original document, not for a reprint.

Mr. LA FOLLETTE. I ask that the resolution go over without prejudice and I will confer with the Senator from New Hampshire.

The PRESIDING OFFICER. The concurrent resolution will be passed over without prejudice.

MINING OF COAL ADJACENT TO THE ALASKA RAILROAD

Mr. BINGHAM. Mr. President, the bill (H. R. 12281) to encourage the mining of coal adjacent to the Alaska Railroad in the Territory of Alaska, and for other purposes, has been referred to the Committee on Territories and Insular Affairs. I ask unanimous consent that that committee may be discharged from the further consideration of the bill and that it be referred to the Special Select Committee to Investigate the Alaska Railroad, which was created some time ago.

The PRESIDING OFFICER. Without objection, that order will be entered.

Mr. HOWELL subsequently, from the Special Select Committee to Investigate the Alaska Railroad, to which was referred the bill (H. R. 12281) to encourage the mining of coal adjacent to the Alaska Railroad in the Territory of Alaska, and for other purposes, reported it with an amendment and submitted a report (No. 965) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 30, 1932, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 772. An act to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska;

S. 1030. An act for the relief of John A. Pearce;

S. 2242. An act granting six months' pay to Louis Soluri; and

S. J. Res. 188. Joint resolution amending the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932.

TEMPORARY AID TO AGRICULTURE

Pursuant to permission previously granted, Mr. NORBECK (late in the evening of June 29, 1932) introduced a bill (S. 4940) to provide temporary aid to agriculture for the relief of the existing national economic emergency, which was read twice by its title and referred to the Committee on Agriculture and Forestry.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND:

A bill (S. 4941) to amend the act to exclude and expel from the United States political refugees, approved October 16, 1918, as amended by the act approved June 5, 1920; to the Committee on Immigration.

By Mr. ROBINSON of Indiana:

A bill (S. 4942) granting an increase of pension to Alice Hamilton (with accompanying papers); and

A bill (S. 4943) granting an increase of pension to Mary P. Noble (with accompanying papers); to the Committee on Pensions.

PER DIEM COMPENSATION AT GENEVA CONFERENCE, ETC.

Mr. BORAH. Mr. President, I desire to introduce a joint resolution. It seems that sections 207, 208, and 803, Part II, of the act making appropriation for the legislative branch of the Government, limited all per diems of parties employed by the Government abroad to $6 a day. The Secretary of State has sent me a joint resolution modifying that provision so far as the Geneva conference and the coming radio convention are concerned. It appears that arrangements were made with certain individuals who are now in attendance upon the Geneva conference and who will be in attendance upon the radio convention, in which certain per diems were agreed upon, and I introduce a joint resolution, therefore, providing that the terms of the act be modified so as not to include those in attendance upon the two conventions referred to.

The joint resolution (S. J. Res. 190) concerning the expenses of participation by the United States in the General Disarmament Conference at Geneva and in the International Radiotelegraph Conference at Madrid was read twice by its title and referred to the Committee on Foreign Relations, as follows:

Resolved, etc., That the provisions of sections 207, 208, and 803 of Part II of the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, shall not be applicable to the appropriations made for participation by the United States in the general disarmament conference in Geneva, Switzerland, in 1932, nor in the conference for the revision of the international radiotelegraph convention of November 25, 1927, to be held in Madrid, Spain.

Mr. JOHNSON. Mr. President, will the Senator tell us how much we have appropriated for the Geneva conference?

Mr. BORAH. I do not recall the amount, but I recall it was a large sum.

Mr. JOHNSON. The junior Senator from Indiana [Mr. ROBINSON], sitting in front of me, suggests that it was about $500,000. I think we can conclude, if it was $500,000, which I do not think is entirely the fact, that $499,000 has been wasted.

Mr. BORAH. I will not debate that question with the Senator until after the conference ends.

Mr. BORAH subsequently said: Mr. President, this morning I introduced a joint resolution (S. J. Res. 190). Since that time I have polled the Committee on Foreign Relations, all those who are available, and I now report back the joint resolution favorably and ask for its immediate consideration.

The VICE PRESIDENT. Let the joint resolution be read for the information of the Senate.

Mr. ROBINSON of Arkansas. Mr. President, before the joint resolution is reported I wish to say that I support the request of the Senator from Idaho.

The Chief Clerk read the joint resolution.

Mr. McNARY. Mr. President, I think the Senator should make a brief explanation of the resolution.

Mr. BORAH. I made an explanation this morning. The appropriation bill to which this refers limits the per diems to $6 for those who are engaged in the affairs of the Government, such as the commissions which are mentioned in the joint resolution. I have a letter from the Secretary of State stating that the conditions under which those people accepted appointments on the commission would make it practically a violation of the obligation of the Government as it was entered into. I ask to have the letter inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 28, 1932.

The Hon. W. L. JONES,
United States Senate.

MY DEAR SENATOR JONES: Under date of June 21, 1932, I wrote you proposing an amendment to the pending deficiency bill, to read somewhat as follows:

"The provisions of sections 207, 208, and 803 of part 2 of the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, shall not be applicable to the appropriations made for participation by the United States in the General Disarmament Conference in Geneva, Switzerland, in 1932."

You will doubtless recall that this suggestion was made in order that the members of the American delegation now present at the General Disarmament Conference at Geneva might continue to receive per diem in lieu of subsistence at the rates which have been paid them since the opening of the conference. I pointed out that the reduction of all per diems of the delegation to $6, as provided for in the bill making appropriations for the legislative branch of the Government (H. R. 11267, pt. 2), would subject the members of the delegation to serious loss and would be bound to work grave injustice.

I am now informed by Mr. Carr, Assistant Secretary of State, that at a hearing before your committee yesterday morning a similar question was raised with reference to the restriction of the rates of per diem for the International Radiotelegraph Conference, which will open at Madrid on September 8, 1932. I believe that Mr. Carr told you how difficult, if not impossible, it is for us to secure the services of the experts whom we need at this conference if they are to be limited to a per diem of $6, and in such case inevitably called upon to spend extensively of their own funds.

I understand that you requested that the department submit to you a draft of a joint resolution which would exempt the American delegations to both these conferences from the restrictions as to per diem to which I have referred above.

It is a pleasure for me, in compliance with your request, to inclose a draft of a joint resolution intended to carry out this purpose. I wish in this connection to point out that the enactment of the resolution would not require any increase whatsoever in appropriations but would merely make possible the utilization of available funds in a manner calculated to fulfill efficiently the very purposes for which these funds were appropriated.

Sincerely yours,

H. L. STIMSON.

Mr. JONES. Mr. President, may I say that this grows out of the economy bill which we passed, which limits the per diems of foreign representatives to $6 a day. It was not intended to affect commissions like those referred to in the resolution, but only the ordinary per diems for our agents or representatives in foreign countries. I think it but fair and proper that the resolution should be adopted.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the joint resolution (S. J. Res. 190) was considered, ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT TO PHILIPPINE INDEPENDENCE BILL—DUTY ON BUTTONS OF PEARL OR SHELL, ETC.

Mr. DICKINSON submitted an amendment intended to be proposed by him to House bill 7233, the Philippine independence bill, which was read, ordered to lie on the table, and to be printed, as follows:

Amendment intended to be proposed by Mr. DICKINSON to the bill (H. R. 7233), page 28, line 17, insert new section as follows:

"There shall be levied, collected, and paid on all buttons of pearl or shell, finished or partly finished, and on all pearl or shell button blanks, not turned, faced, or drilled, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 800,000 gross of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries."

SPECIAL SELECT COMMITTEE TO INVESTIGATE THE ALASKA RAILROAD

Mr. KENDRICK. Mr. President, I ask unanimous consent to submit a resolution. I ask that it may be read and I shall then ask consent for its immediate consideration.

The PRESIDING OFFICER. Without objection, the resolution will be received and read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 257), as follows:

Resolved, That Senate Resolution 298, agreed to July 1, 1930, and continued by resolution of January 16, 1931, authorizing a special committee to investigate the operations, economic situation, and prospects of the Alaska Railroad, hereby is continued in full force and effect until December 4, 1933.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

MIGRATORY BIRD CONSERVATION

Mr. WALCOTT. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 783, the bill (S. 4726) to supplement the migratory bird conservation act by providing funds for the acquisition of areas for use as migratory bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the migratory bird treaty act and regulations thereunder, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. BLAINE. I object.

The PRESIDING OFFICER. Objection is made.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill, H. R. 7233, to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Black	Brookhart	Caraway
Austin	Blaine	Broussard	Carey
Barbour	Borah	Bulow	Coolidge
Bingham	Bratton	Capper	Copeland

Couzens	Hebert	Norris	Steiwer
Davis	Howell	Nye	Thomas, Idaho
Dickinson	Johnson	Oddie	Thomas, Okla.
Fletcher	Jones	Patterson	Townsend
Frazier	Kean	Pittman	Trammell
George	Kendrick	Reed	Vandenberg
Glenn	Keyes	Robinson, Ark.	Wagner
Goldsborough	La Follette	Robinson, Ind.	Walcott
Hale	McGill	Schall	Watson
Hastings	McNary	Sheppard	White
Hatfield	Metcalf	Shipstead	
Hawes	Moses	Shortridge	
Hayden	Norbeck	Smoot	

The PRESIDING OFFICER. Sixty-five Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. Mr. President, I do not care to repeat my explanation of the pending amendment other than to inform the Senate in a sentence or two as to its purpose. Under the plan of economic preparation submitted in the pending Hawes-Cutting bill there is a period of 10 years in which there is no attempt made to reduce the amount of Philippine exports into our free market. The entire process of progressive economic preparation under the pending Hawes-Cutting bill is confined to the final five years of the 15-year period. I am submitting an amendment to the Senate on the theory that if that economic preparation is to be adequately undertaken in serious earnestness, and with an actual purpose to accomplish economic self-sufficiency, the process should start sooner than 10 years, and the pending amendment proposes to start it in 5 years.

From the viewpoint of those American interests which are primarily concerned in a defense of American markets against what they believe to be the hazard of Philippine imports, the standpoint of these particular interests having been highly stressed by the authors of this measure, I submit that the pending amendment makes the Hawes-Cutting bill more acceptable rather than less so. That, however, is not the motivating purpose behind its submission, so far as I am concerned. My purpose is to make this period of economic preparation livable for the Filipinos themselves and at the same time sufficiently practical in all its economic phases to produce an actual net result at the end of the period which through economic self-sufficiency will permit successful independence at that time.

I call the attention of the Senate to the fact that under the terms of the pending bill the ultimate restriction upon Filipino exports into the free market of the United States becomes only 25 per cent of our existing tariff rates. In other words, the transition at the end of the 15-year period or the 16 or 17 year period, as it may happen to develop—the native transition at that final moment is from an inhibition of 25 per cent to an inhibition of 100 per cent; in other words, the jump in the finale of this program is from a prohibition against 25 per cent of our free market to a prohibition against 100 per cent of our free market.

I submit, Mr. President, that this final 75 per cent jump—sudden, summary, at the very moment when this new republic is undertaking to establish itself and is beset by a multitude of burdens and other responsibilities—is an unlivable change for which preparation is entirely inadequate, and that, from the point of view of the Philippine experiment itself, it is far better that this progressive economic preparation should come nearer to a simulation of the same conditions which must be subsequently confronted under their own free flag. Therefore, Mr. President, I submit the amendment as indicated.

Mr. BINGHAM. Mr. President, I should like to ask the Senator from Michigan just what the last line of this proposed amendment means. It is easy to understand the first four lines, which read:

> During the sixth, seventh, eighth, ninth, and tenth years after the inauguration of the new government, the commodity exemptions defined in subsections a, b, c, d, and e of this section shall be reduced 25 per cent.

And then the amendment provides that:

> The rates of duty shall be administered on this basis.

What rates of duty?

Mr. VANDENBERG. The rates of duty which apply to commodities in excess of the exemptions. The language is precisely the language which is used in the preceding section.

Mr. BINGHAM. The amendment reported by the committee reads:

> During the eleventh year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty—

Does the exemption which the Senator has provided extend to the eleventh year, the twelfth year, and so forth?

Mr. VANDENBERG. It does.

Mr. BINGHAM. I thank the Senator. In other words, Mr. President, what this amendment proposes to do is to change the theory established in the bill as reported from the committee, which gives a period of some 10 years for economic adjustment during which we fix the amount of free imports practically at quantity now being imported. The amendment changes that theory, and after five years the exemptions are cut down by 25 per cent. The amendment is based on a very different theory than that on which the bill is constructed, and, therefore, I hope the amendment will not be adopted.

If the Senator had proposed a sliding scale of duties, so that the squeeze would come gradually, it would be more in line with the theory which he himself has advocated; but after five years he jumps it immediately and reduces the amount of the free imports by 25 per cent and continues that percentage for the next five years.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. VANDENBERG. I quite agree with the Senator that the theory of this amendment is not in complete harmony with a program for continuous, progressive, and regular Filipino export reductions. That theory, however, is submitted completely and with mathematical correctness in my substitute. I found it impossible to raise that question in respect to the text of the bill itself, except in the fashion I have here indicated, unless I undertook to rewrite the bill entirely.

Mr. BINGHAM. I wish the Senator would submit his substitute and permit us to vote on it, instead of tinkering with the bill, which the committee in very full sessions and after long study finally put into shape. However, I will refrain from making any further remarks, Mr. President, hoping that the amendment may be submitted and may be defeated.

Mr. HAWES obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator from Missouri permit me to make just one observation in response to the last remark of the Senator from Connecticut?

Mr. HAWES. I yield.

Mr. VANDENBERG. I would be quite satisfied to submit the entire issue upon my substitute alone, as is indicated would be the preferable course from the viewpoint of the Senator from Connecticut, if it were not for the fact that I have no illusions respecting the ultimate fate of that substitute. The Senator from Missouri himself has repeatedly advised the Senate of the overwhelming majority which is awaiting the roll call upon the bill as it now stands. Therefore, since I conscientiously believe that the bill as it now stands can and most emphatically should be improved, even though it can not be brought to the full measure of my own approval, it seems to me that it is my duty to undertake these corrections, or at least to give the Senate an opportunity to pass upon them. I thank the Senator from Missouri for his courtesy.

Mr. HAWES. Mr. President, it is impossible to pass upon these amendments submitted by the Senator from Michigan one at a time; and I think it is desirable that the Senate

should know something about the history of the bill now before it.

The amendment to the bill before the Senate, H. R. 7233, was prepared for the committee after long hearings by the Legislative Counsel of the Senate. The Senator from Michigan [Mr. VANDENBERG] discussed before the committee everything that he is now discussing before the Senate, and he stood absolutely alone. He was the only one of the 15 members of the committee who advocated a plan which is impossible of execution and which is unconstitutional.

That bill, in my opinion, is a legislative monstrosity. I call the attention of Senators to it. It proposes that the Filipino people must put burdens upon their backs at certain periods, and if they fail to add to their tax burdens they may not have independence.

Mr. ROBINSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. HAWES. I do.

Mr. ROBINSON of Indiana. The Senator spoke of the bill as being a monstrosity. I hope he did not have reference to the bill which is now under consideration.

Mr. HAWES. I have reference to the Vandenberg substitute.

Mr. ROBINSON of Indiana. I thought the Senator had reference to the substitute.

Mr. HAWES. Let us see the difference. The substitute is designed to defeat independence. I am suspicious of the bill because I believe its inspiration came from the Insular Affairs Bureau of the War Department. See what it does:

There are five different ways in the bill to prevent independence. It proposes, if the Filipino legislature during the fifth year shall fail to petition for a decrease in the amount of duty-free sugar, coconut oil, and cordage they shall lose their independence.

The customary way of passing a law is for Congress to act, either for a measure or against a measure; but the proposal of the Senator from Michigan is that the law is not complete until the Legislature of the Philippines acts. It is not Congress putting on a tariff duty each five years. It proposes that the Legislature of the Philippine Islands each five years shall approve or disapprove of an increase in duty.

I know of no similar act of Congress where a foreign nation or a dependency, by its veto power or its approval, in effect enacts a law for the Congress.

It is a brutal thing to do to say to the people of the Philippines by this bill, "In this year you must vote for a tariff duty, and if you do not vote to put a burden upon yourselves, you may not have your independence," and then wait another period of five years and again ask the Philippine Legislature to impose an additional burden upon the Filipino people, and each time the legislature is told that if it does not do this thing the islands lose their independence. Think of the turmoil, the confusion, the uncertainty, both in the Philippines and in the United States, while this process of determination is going on in the Philippines—not in the Congress of the United States but in the Legislature of the Philippines.

Mr. ROBINSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. HAWES. I do.

Mr. ROBINSON of Indiana. Is it true, I ask the Senator from Missouri, that the Committee on Territories and Insular Affairs held various meetings which were always well attended; that practically all the members of the committee were present from both sides of the Chamber, and various portions of the bill, section by section, were carefully discussed; that everybody was permitted to have his say; that the various matters that are now sought to be interpolated as amendments were before that committee and were thoroughly argued, the best arguments available being brought to bear on each and every one, pro and con; that after the fullest discussion all of the matter contained in the so-called Vandenberg substitute was discarded, and the bill as it now appears before the Senate as a substitute for the House bill represents the unanimous opinion of the members of the Committee on Territories and Insular Affairs on both sides of the Chamber save only the Senator from Michigan [Mr. VANDENBERG] and the Senator from Utah [Mr. KING], who desires immediate independence?

Is not that true? The question is a rather long one, but I ask the Senator if it is not true.

Mr. HAWES. The Senator is entirely right. Not only did we have a full attendance, but every feature of this bill was discussed. That very distinguished and able young lawyer, Mr. Boots, of the Legislative Counsel's office, when we had interpreted a section, revised it, and we considered it over and over again.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. HAWES. Just a second. Not only is that so, but there was not a single member who favored what might be called Senator VANDENBERG's substitute, and the legal question was raised in the committee that the Congress of the United States can not delegate to the Legislature of the Philippines the enactment of laws for the American Congress. That is the reason why I was interested to inquire whether this bill had ever been submitted to the legislative counsel of the Senate, and I found that it was not.

Mr. BROUSSARD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Louisiana?

Mr. HAWES. I yield.

Mr. BROUSSARD. The Senator is quite correct in saying that so far as my attitude is concerned—because I am included when reference is made to every member of the committee—I voted against the Vandenberg substitute; but I think the statement made by the Senator from Indiana does not accurately describe my action with reference to the length of time intervening before independence, and the limitation on importations to this country, and in regard to the duties imposed under this bill. I objected to all three of those matters and stated to the committee that I would take them to the floor, and that was understood. I think the Senator from Missouri will bear me out on that.

Mr. HAWES. The Senator from Louisiana is correct. Since we are getting into the matter of the committee, I will say that the committee took up the element of time and voted, as I recollect, upon three periods. The first was the period suggested by the Senator from Utah [Mr. KING] of 4 years; then the suggestion of the Senator from Louisiana [Mr. BROUSSARD] of 5 years, and then the suggestion of 10 years. The bill of the Senator from Michigan was for 20 years; and on a roll call, as I recollect, there were only 3 votes in the committee opposed to the 15-year period and none in favor of the proposal of the Senator from Michigan of 20 years.

Mr. ROBINSON of Indiana. Mr. President——

Mr. HAWES. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. Just this further interruption: I think there is no question but that all the Senator says is true. I do not think anybody expects any of these various amendments to be adopted by the Senate. Without suggesting any evil motive on the part of any Member of the Senate—I would not go into that, or question any Senator's motives—I do not think there is any expectation on the part of any Member of the Senate that any of these amendments will be adopted by the Senate. That being true, in the closing days of the session, when we are about to adjourn, one naturally imagines that the reason for their being discussed at length and interjected at this time would be to make impossible the passage of the bill.

Mr. HAWES. I will say to the Senator that in my opinion that is obvious.

Mr. ROBINSON of Indiana. Exactly; and to force the bill over to December. In other words, those proposing the amendments evidently are not very anxious for Philippine independence under any circumstances; but we shall have to take the situation as it arises and face it as it comes, and

sooner or later the bill will be passed. I think the best bill that we can pass is the bill that has been submitted by the eminent Senator from Missouri, Mr. HAWES, and his equally eminent colleague from New Mexico, Mr. CUTTING.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from California?

Mr. HAWES. I yield to the Senator; but I should like to express my very deep regret that the Senator from New Mexico [Mr. CUTTING], the coauthor of this bill, is ill and can not be here.

Mr. SHORTRIDGE. Mr. President, I rise merely to make an inquiry.

In view of what has been said as to action taken by the committee, as the bill now appears, how long will it be before independence will come to the Philippine people?

Mr. HAWES. Does the Senator mean under the Vandenberg bill?

Mr. SHORTRIDGE. Assuming that the provisions are complied with or carried out, how long will it be? Will we all be dead? How long will it be? I ask, not to provoke controversy, but I merely wanted that stated.

Mr. HAWES. The House bill—that is the best way to compare this—and the Senate bill run for a period of years with a limitation of output in which the committee has tried to arrive at the status quo. The House bill gives independence in eight years.

Mr. SHORTRIDGE. Eight years from the passage of the act?

Mr. HAWES. Yes; and the adoption of a constitution by the Philippine people.

Mr. SHORTRIDGE. Assuming that they carry out the provisions of the House bill, eight years would intervene before independence?

Mr. HAWES. That is right. In the Senate bill we have made the period of limitation 10 years, and at the expiration of 10 years a tariff duty begins and runs for 5 years.

Mr. SHORTRIDGE. Pardon me if I make that clear. So that from the passage of the act, for 10 years, the tariff does not apply.

Mr. HAWES. But a limitation takes effect immediately.

Mr. SHORTRIDGE. Yes; and then after the 10-year period, a 5-year period follows. What, in regard to tariff legislation, as to that later period?

Mr. HAWES. The duty begins each year and is increased each year for the 5-year period.

Mr. SHORTRIDGE. May I just add this thought: Personally for many years I have favored the independence of the Philippine people, and my present regret is that a bill could not have been framed and enacted to give them complete independence within, say, 1, 2, 3, or 4 years. My great regret is that the bill does not give earlier independence to the Filipino people.

Mr. HAWES. Mr. President, the Senator from Michigan indicated that some uncertainty would be produced because of this apparent change each year in five years. The philosophy of this bill is that it sets out definitely 10 years in advance what will happen in each of these five years. The proposal of the Senator from Michigan is not certain and clear as that and makes it all dependent upon the act of the Legislature of the Philippines and not upon the act of the Congress of the United States. There is no possible way of understanding the series of six amendments; it can not be done, unless they are all considered at the same time. The Senator from Michigan has a bill, a substitute bill, which embodies his philosophy, his thought on the subject. Why can he not let his substitute come before the Senate and let the Senate decide whether they want it or not, not in sections, not in driblets, not in six amendments, but in one document, so that the whole philosophy of that bill may be understood? When it is understood, I venture the assertion that it will be decided, as the Senator said, adversely.

Why he should bring in six different amendments, when all of this matter is covered in one substitute, is something that I can not understand.

Mr. ROBINSON of Indiana. And, may I add, was thoroughly discussed before the committee with the full membership present.

Mr. COPELAND. Mr. President, the discussion we have heard on this bill this morning, it now being 12.50 o'clock p. m., makes it plain and it must be evident that this is not a Philippine independence bill we are discussing. This bill and all of its amendments can not give any encouragement and consolation to the Filipinos. There is nothing back of these measures except sordid selfishness. We are seeking to protect the sugar interests and the oil interests and the lumber interests and the cotton interests. We want to put a tariff on hemp and on other products coming from the Philippines. We are not interested in the independence of the Filipinos. We are interested in the financial and selfish economic interests of the United States.

Mr. PITTMAN. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. PITTMAN. That might be the opinion of the Senator from New York, but I do not wish to sit here, even at the expense of aiding him in his address, and be committed to that.

I assure the Senator that the committee, and every member of the committee, including the Senator from Michigan, gave as much consideration to the welfare of the Filipino people as they did to the welfare of the American people. While there was a difference of opinion as to methods, I wish, in defense of the committee, to state that that sentiment did move them all the way through.

I call attention to the fact that there are two interests to be conserved. One of them is the interest of the Filipinos, to whom we are under obligation by reason of our trusteeship, and the other is the interest of our own citizens. We have tried to meet both.

When this bill attempts to reduce the immigration from the Philippine Islands it can not be called a selfish proposition, because there is a great migration from the Philippine Islands at a time, I will say to the Senator, when we have more laborers in this country than we need, at a time when there are probably 10,000,000 idle people here.

Mr. COPELAND. May I interrupt the Senator there? When does the Senator propose stopping the migration of the Filipinos to the United States?

Mr. PITTMAN. I will say to the Senator that, in my opinion, and I believe in the opinion of nearly all of the committee, it could not be accomplished while the Filipinos are under the sovereignty of the United States, except by their consent and approval.

Mr. COPELAND. Let me interrupt the Senator again. As a distinguished Democrat, as a member of the party which will take control of the Government next year, does the Senator believe that our party is so impotent that it can not reestablish the economic prosperity within the period of 15 years?

Mr. PITTMAN. Oh, no.

Mr. COPELAND. It might well be, then, that we might have a place for some Filipinos and for some other people when we have economic prosperity.

Mr. PITTMAN. That may be true, and I think it will be, but we are dealing right now with a great many emergencies; and Congress, time and time again, have shown that they will not tolerate the imposition of restrictions on a people whom we dominate, who are under our sovereignty, without their consent or approval.

Mr. COPELAND. Then, if I may ask the question, is this an immigration restriction bill? Are we going to alienate sovereignty over the Philippines so as to keep the Filipinos out and prevent them from coming in as immigrants? If so, why do we wait 15 years? We have an economic depression now.

Mr. PITTMAN. If the Senator had been on the committee instead of writing a treatise on law, he would have known our viewpoint.

Mr. COPELAND. If the committee had given some thought to the law instead of writing theses on immigra-

tion restriction, I think perhaps we might have made more progress.

Mr. PITTMAN. We were unfortunate in not having a doctor on the committee.

I do not wish to criticize the position taken by the Senator from New York with regard to the constitutional question, but I simply wanted to rise to state that it is not a selfish question in the narrow sense of that word. All questions are selfish, of course, in a sense. Our committee have tried to protect the interests of both sides as fairly as we could. We know that the Congress of the United States are not going to subject any people we dominate, under our sovereignty, to the restrictions of our tariff laws or our immigration laws. That has been demonstrated.

The argument that we could not suddenly throw the Filipinos on their own absolute independence was appreciated not only by every member of the committee but also by the representatives of the Filipino people themselves. Therefore we had the two problems to face, our duty to the Filipino people, in the first place, and in the second place, our duty to our own citizens.

The Filipino people recognized the fact that under the conditions of unemployment in this country, which may last for a long time, it was injurious to us to have an influx of people from their country. As I have said, they agreed to the restriction of 100 a year from the very time we give them autonomous government, and they did it gladly. That is the only way we can get it that is honorable. They also agreed to another thing, I will say to the Senator. Knowing that the Congress would not impose any restrictions on their commerce as long as they were under our domination, but realizing the situation, they agreed that they would not increase their exports to this country of the three major products, and that on all of the natural increase of the production of the Philippine Islands they would pay our rates of tariff.

They went further than that; they agreed that on all in excess of a certain status quo of exportation to this country they would put an export tax equal to our duty, and put that in a special fund to pay off their bonds, so that our moral responsibility, if not legal, would be met.

They not only did that, but while they agreed to the restrictions on themselves in the payment of tariffs above the quota, they agreed to let all of our exports to the Philippine Islands go in free during the whole time until independence was finally granted. So I say that while there was selfishness in this such as every man has, it was a very modulated selfishness in which we tried to meet the wishes of both sides.

The committee gave most careful and serious attention and consideration to the matter. I agree with the Senator from Connecticut [Mr. BINGHAM], chairman of the committee, and I agree with the Senator from Missouri [Mr. HAWES], one of the authors of the bill, that there is only one question here and that is the theory and the thought suggested by the Senator from Michigan [Mr. VANDENBERG] and the theory and the thought suggested by the committee. We can not frame the bill here on the floor of the Senate by cutting down on days and months and years in this section and on the amount of exports and imports. We have spent a long time considering those matters. Those in favor of the theory of the Senator from Michigan ought to vote against the bill. Those in favor of the theory of the bill ought to vote down every amendment because they have got to trust to the working out of the matter by the committee, and then let the issue come squarely between the two theories.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. COPELAND. I yield.

Mr. BORAH. The feature of this bill about which I have thought most is the length of time elapsing between the passage of the bill and independence. Sometime, though I do not care to trespass upon the time of the Senator from New York now, I would like to have an expression of view by the Senator from Nevada as to why it is necessary to extend the time over such a long period.

Mr. COPELAND. I shall be very glad to yield the floor for that purpose now.

Mr. PITTMAN. No; I would rather we come to a vote on the amendment and get that matter cleared up first. Let us get it down to a direct issue between the two views. I think we will not have any undue delay. I would be very happy to explain to the Senator from Idaho and others the reasons which actuated us, and then he can use his own judgment as to the weight to be attached to our reasons.

Mr. COPELAND. Mr. President, the Senator from Nevada made rather a facetious reference to the lack of a doctor. I can not readily find the reference in the Bible, but there is something there about things being revealed unto babes and not given to the wise. I am hiding behind the Scripture in the position which I take about it.

Mr. PITTMAN. Of course, I can not answer that. [Laughter.]

Mr. COPELAND. My friend from Nevada has given emphasis to what I have been saying about the pending measure. Yesterday the Senator from Missouri [Mr. HAWES] spoke about the three farm organizations and the American Federation of Labor and certain great commercial interests favoring the bill. Why do they favor the bill? They favor it, of course, because their particular selfish interests will be served by the passage of the bill. I can not understand why my friends in the Philippines—some of them, not all of them—are so eager for this legislation. It would seem to me that if they would study the certain effect which this new relationship will have upon their commercial and social welfare, they would not be so eager for it.

As I said yesterday, and I repeat it to-day, if the sovereign people of the United States are willing to relinquish sovereignty over the Philippines, and indicate that willingness in due and ancient form by a constitutional amendment, I would join in any movement which gives honest-to-goodness freedom to the Filipinos. We are talking about a period of 15 or 20 years or some other number of years. Either the Filipinos should have independence or they should not. If they are ready for independence, and say they are, then the desire that lives in my heart that there shall be local self-determination would cause me to say, "All right. God bless you! Here are the thousand islands. They are yours. Do with them as you like." But we are not here to-day talking about the liberty and the freedom of the Filipinos, those aspirations which are native to every heart. We are not talking about those things. We are proposing some scheme by which we may impose tariffs upon the products of the Philippine Islands, and in that way increase the prosperity and economic welfare of commercial and industrial and agricultural interests in the United States. That is what we are doing.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. BROOKHART in the chair). Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. I yield.

Mr. NORRIS. I want to make just a brief comment and place in the RECORD an article to which I am going to refer. Will the Senator from New York yield for that purpose?

Mr. COPELAND. I am glad to yield.

FEDERAL TAX LEVY ON STATES AND THEIR AGENCIES

Mr. NORRIS. In the revenue act which we recently passed all Senators will remember that we levied a tax upon electricity manufactured by municipally owned plants, providing that the municipality shall collect the tax. We all know, and so I am not trying to repeat, the story of the action that was first taken by the Senate, levying a tax on privately owned corporations manufacturing and distributing electricity, and that in that condition the bill went to conference and when the conferees brought it back it contained an entirely different provision.

Mr. C. R. Reid, of California, has written an interesting article in which he submits an argument as to the consti-

tutionality of that act, arguing that it is a law taxing a subdivision of the State. He quotes, among other things, from McCulloch against Maryland, the famous opinion rendered by Mr. Chief Justice Marshall. I want to read that quotation. Chief Justice Marshall said:

It is admitted that there is no express provision in the Constitution that prohibits the Federal Government from taxing the means and instrumentalities of the State, nor is there any prohibiting these States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation: As any government whose means employed in conducting its operations, if subject to the control of another and distinct government can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?

Mr. President, I ask permission to have printed in the RECORD at this point as a part of my remarks the entire article of Mr. Reid.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

FEDERAL TAX LEVY ON STATES AND THEIR AGENCIES

By C. R. Reid

If certain provisions of the revenue act of 1932 recently passed by Congress are upheld it will establish a precedent which tends to wreck all of our municipal parks, playgrounds, swimming pools, electric plants, gas plants, steam plants, street railways, hospitals, irrigation districts, reclamation districts, airports, sewage and garbage systems, water systems, etc.; in short, every State and the United States.

If you followed the enactment of the revenue act of 1932 through Congress you are aware that two electric energy amendments taxing consumers were defeated, which identical proposition was advanced in the conference managers' group.

You probably will be advised, although it was conceded by proponents of the various measures that Congress could not levy a tax on municipalities or political subdivisions, that the Treasury Department is going to try forcing political subdivisions to pay the tax by the subterfuge of requiring that you as a vendor collect the tax for them. The Federal Government is going to try demanding that you, a regularly constituted political subdivision of a State, devote your time and money to act as a collection agency for them by taxing the owners of your enterprise 3 per cent on their electric bill, thereafter transmitting the proceeds to the Federal Government. It might be said at this point that the Budget was theoretically balanced as it left the Senate without the electric energy consumers' provision, which tax collects $11,000,000 less than the amendment passed by the Senate. Was this a patriotic measure to unbalance the Budget?

Twenty-five delegates of our larger California cities, consisting of city managers, city attorneys, and other city officials, as representative delegates at a regularly called meeting on June 22, 1932, passed the following resolution:

"It was regularly moved, seconded, and unanimously carried that the delegates here assembled do vigorously protest against the taxing of States, municipalities, and publicly owned public utilities and do suggest to our governing boards, concerted action to study the cost and proper method of opposing the tax on constitutional grounds."

Numbers of suggestions were offered at this meeting. A few follow:

It was suggested that no tax be paid to the Federal Government or no tax be collected for the Federal Government by any municipal enterprise or by any political subdivision.

It was also suggested that political subdivisions do not concede the Internal Revenue Bureau anything unless they make their claims or demands in writing; and if you believe you must comply with the demand, to do so only under written protest.

It was also suggested that no sales tax be paid by a State or one of its agencies on any article at any time.

It was suggested that if the Internal Revenue Bureau insists on payment of the sales or excise taxes or the collection of tax by States or their agencies, that every State and/or their agency have a citizen enjoin said State or State agency from expending public funds for the required labor, material, time, and money involved.

It was also suggested that if the injunction was removed, that these States and agencies levy the same tax claimed by the United States against said Federal Government and the funds be impounded upon Federal court authority until an agreement has been reached by concerted action and not by individual State agencies, because it was believed that if the United States has the power to tax States and State agencies, the States and their agencies have the same power to tax the United States.

The duties of our public officials are prescribed by charter or other legislative action. It is not believed their present bond will cover or the Federal Government has the authority to delegate our elected officials as deputy collectors of Internal Revenue to be paid out of our public funds. This will necessitate a tax being levied by the State agencies for the necessary labor, material, time, and money involved to pay a tax to the Federal Government. The cost of making the accounting installation was averaged at approximately 7 cents per customer, thereby requiring our larger municipal enterprises to expend several thousand dollars per year to collect the tax.

To the other taxpayers that may be forced to pay the tax, do not forget that the act says "electrical energy." This does not mean that the Treasury Department should interpret it to include the so-called stand-by charge of fifty or more cents per month which you pay for maintenance, reading, up-keep, etc. Therefore, this should be deducted from the bill before the tax is computed.

The municipal plants that are supplying electricity to their owners have come into existence almost entirely because of a desire to lower rates or on account of inadequate service. These projects passed beyond the "proprietary" capacity or limit into a "governmental" function. Practically all of these larger projects have been forced on the municipalities on account of inadequacy of capital, thereby requiring the public to vote a tax levy on their property to furnish funds for either the construction or acquisition and the maintenance of whatever it may have been required when the emergency presented itself. If we shut our eyes altogether, we can revert to the time when the collecting of taxes themselves was a "proprietary" function. The Government let the collection of them out to the highest bidder until this duty progressed beyond the scope of a "proprietary" function. Perhaps the Government can explain why they thought it necessary to take over the "proprietary" express business in the postal department and call it "governmental" parcel post, or the banking business and call it "Federal reserve," both functions which had theretofore been so-called "proprietary." Municipal plants are cooperative institutions. There is no individual profit. The municipality owns the plant, manufactures electricity, and they, the owners, pay the manufacturing cost. Congress has heretofore exempted cooperative associations where no individual makes a profit. Has it reversed this practice?

A home owner generating electricity for his own needs is exempt from taxation. A municipally owned system supplying itself with electricity is a group of home owners generating electricity for their own requirements with no individual profit. Is there a reason why the group and not the individual should pay the Federal Government a fee for the electricity they themselves consume?

It is the opinion of the writer that this provision of the revenue act of 1932 is unconstitutional, because the "power of policy dictation" or the "right of States or their agencies to administer their own affairs" or the "demand by the Federal Government that the public funds be expended" is a usurpation of power which alleged unconstitutionality is dovetailed in the same lack or avoidance of power of the Federal Government to tax a State or the State agency thereof.

A few decisions follow setting forth the principle which the writer contends:

Chief Justice John Marshall, of the United States Supreme Court, held that the United States did not have the power to tax individual States or the agencies of the States. (McCulloch *v.* Maryland, 4 Wheat. 316.) The Supreme Court said:

"It is admitted that there is no express provision in the Constitution that prohibits the Federal Government from taxing the means and instrumentalities of the State, nor is there any prohibiting these States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation: As any government, whose means employed in conducting its operations, is subject to the control of another and distinct government can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?"

In the case of Pollock *v.* Farmers' Loan & Trust Co. (157 U. S. 584) Mr. Justice Fields said:

"The right of States to administer their own affairs through their legislative, executive, and judicial departments, in their own manner through their own agencies is conceded by the uniform decision of this court, and by the Federal Government from its organization. This carries with it an exemption of those agencies and instruments from the taxing power of the Federal Government. If they may be taxed lightly, they may be taxed heavily; if justly, oppressively, their operation may be impeded and destroyed if interference is permitted. Hence the beginning of such taxation is not allowed on the one side and is not claimed on the other."

The writer is of the opinion that by the foregoing decision, if we permit the Federal Government "the power of dictation or interference" in this instance, we grant a precedent that has never before been asked. You have been shown that it was not for the purpose of "balancing the Budget," then why was it inserted and for what purpose? If we wish to open the way for destruction of our Federal Government, allow the individual States the power to tax the national instrumentalities; and if we give the Federal Government the "power of interference," we are undermining our Federal system of Government and sacrificing our liberties to vicious legislation.

The Hon. Charles Evans Hughes, now Chief Justice of the Supreme Court of the United States, said in his message on Federal taxation to the Legislature of the State of New York on June 5, 1910:

"While we may desire that the Federal Government may be equipped with all necessary national powers in order that it may perform its national function, we must be equally solicitous to secure the essential basis of State government."

The following quotations are from persons questioning this portion of the act:

Senator ROBINSON of Indiana said: "It is unquestionably wrong. The Senate has decided on two successive votes that it was wrong; and finally on the third vote decided definitely that the (private) vendor must pay this tax. The bill (10236) should be sent back again for further action, and this tax should be assessed and placed right where it belongs, and where the Senate decided it should be placed. I think the whole thing is an outrage which ought to be corrected."

Senator HOWELL, of Nebraska, said: "The Senate specifically excluded from taxation energy supplied by publicly owned power plants. The provision adopted by the conferees provides for the taxation of the consumption of publicly owned power plants. Nothing of the kind was contemplated by the Senate. It was not contemplated by either House."

Senator DILL, of Washington, said: "I want to explain briefly why I shall vote against the conference report. I do so as a protest against the action of the conferees in relation to the tax on electricity. I think it is the most indefensible thing that has been done by conferees for the Senate in many years. * * * I will not be a party to such action. The Senate voted against this provision twice as it is now written."

Senator THOMAS J. WALSH of Montana, regarded by many as one of the ablest constitutional lawyers in the Senate, said of this electric-energy amendment: "It is unconstitutional and unenforceable, for this reason: That in the case of a municipally owned plant by this provision the committee undertakes to force the municipality to collect this tax of the consumer, a thing which the Congress of the United States can not possibly do. The Congress of the United States can not impose a duty upon municipalities, a subdivision of a State government, any more than it could impose a duty of that character upon the State government."

Attorneys representing political subdivisions other than electrical energy stated: "While at present the attempt is merely made to make the State agency collect from the consumer a tax on electricity, if it can be done by a public body selling electricity, it likewise could be done by a public body dealing in other commodities which, at the present time, have passed from 'proprietary' to 'governmental' function. We are therefore directly interested in the principle involved."

Previous tax bills have been greatly improved between the time of passage and their delivery for the President's signature. Many objectionable and unlawful provisions thus became known and were eliminated. Provisions not fully considered were more carefully drawn. The people of the United States should not overlook the fact that our Government is supposed to consist of three branches—executive, legislative, and judicial—to act as a check upon one another. When our tax laws are being framed by our legislative department the people who pay the taxes should have the same permission to be represented by competent tax counsel as other interests or the executive department, which privilege was previously conceded to all but those who pay the taxes.

The writer contends that once this vicious precedent of levying a tax upon States and their agencies is established, every activity excepting those under the Federal Government will be scuttled. Why is it now proposed that discretion be cast to the four winds by the nullification of our dual system of government? Who is it that is now advocating the disruption of the States and their agencies?

It may be that an honest error has been made. However, let the people of the United States demand a rectification so that there will be no mistake in the administration of the law. The people of the United States must have two amendments immediately. The first one stating in no uncertain terms that in the enforcement of the revenue act of 1932 the Federal Government shall not impose any taxation obligation upon any State or Territory or political subdivision thereof or the District of Columbia or the officers or the employees of the aforesaid. The second amendment, a definition absolutely necessary, is that the term "political subdivision" be inclusive of any of the States or State agencies for the purpose of constructing or operating any public utilities. If there is no amendment, it will cause municipalities endless expensive litigation. Furthermore, if there is to be litigation, it should be by concerted action.

The foregoing decision has been reached by separate, independent investigations of several groups of State agencies and their legal staff.

Mr. COPELAND. May I say to my friend from Nebraska that if they had any electric power in the Philippines there would be no trouble at all about getting an ample tax upon it in order that it might be transmitted into the United States. It is too bad he can not add that as an amendment to the pending bill.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON

Mr. McNARY. Mr. President, will the Senator from New York yield to enable me to present a conference report? If it leads to any debate, I shall withdraw it.

Mr. COPELAND. I am glad to yield to the Senator from Oregon for that purpose.

Mr. McNARY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the Federal Farm Board is authorized and directed to take such action as may be necessary to deliver to the American National Red Cross, and any other organization designated by the American National Red Cross, on July 1, 1932, or as soon thereafter as may be practicable, 45,000,000 bushels of wheat of the Grain Stabilization Corporation and 500,000 bales of cotton of the Cotton Stabilization Corporation, for use in providing food, cloth, and wearing apparel for the needy and distressed people, and in providing feed for livestock in the 1932 crop-failure areas, after the needs of human consumption have been taken care of, in the opinion of the director of the Red Cross, of the United States and Territories. Such wheat or cotton shall be delivered upon application therefor, but only upon the approval of the President of the United States, and in such amounts to each organization as the President may approve.

"SEC. 2. No part of the expenses incident to the delivery, receipt, and distribution of such wheat or cotton shall be borne by the United States or the Federal Farm Board. In order to carry out the purposes of this resolution such wheat or the products thereof may be milled or processed into, or exchanged for, flour of any kind, bread, or food, provided, in making such exchange, preference shall be given whenever practicable to foods of which wheat products are a substantial ingredient, or cotton may be manufactured into or exchanged for cloth, or wearing apparel, or other articles of clothing, made of cotton; but such milling, processing, or manufacturing shall be without profit to any mill, organization, or other person.

"SEC. 3. In so far as wheat or cotton is donated to relief agencies by the Grain Stabilization Corporation or the Cotton Stabilization Corporation under this resolution the Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the wheat or cotton delivered hereunder, less the current market value of the wheat or cotton delivered; and to deduct the amount of such loans canceled from the amount of the revolving fund established by the agricultural marketing act. To carry out the provisions of this resolution, such sums as may be necessary are hereby authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for the following purposes:

"(a) For advancing to such corporations amounts to repay loans held by commercial or intermediate credit banks against wheat or cotton which would be released for donations under this resolution.

"(b) For reimbursing each such corporation for its net equity in the wheat or cotton used for donations under this resolution, according to the current market value at the time of the donation.

"(c) For meeting carrying and handling charges, and interest payments on commercial or intermediate credit bank loans, on or against wheat and cotton which would be released for donations under this resolution between the date of its approval and the delivery of the wheat or cotton to the American National Red Cross or other organization.

"SEC. 4. The Federal Farm Board shall execute its functions under this resolution through its usual administrative staff, and such additional clerical assistance as may be found necessary, without additional appropriations beyond its usual administrative appropriation under the agricultural marketing act."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the joint resolution.

CHAS. L. MCNARY,
G. W. NORRIS,
JOHN B. KENDRICK,
Managers on the part of the Senate.
MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,
Managers on the part of the House.

Mr. ASHURST. Mr. President, I am pleased that the able Senator from Oregon has presented the report. I understand it involves the joint resolution to make available more Government-owned wheat.

Mr. McNARY. The House passed the measure providing 50,000,000 bushels and the Senate reduced that amount and we compromised on 45,000,000 bushels.

Mr. COPELAND. Does it have the trade agreement in it?

Mr. McNARY. Yes; modified so it contains a preferential provision.

Mr. ASHURST. It was my desire when the measure was before the Senate to offer an amendment preventing the distribution of any of this wheat to nationals of a foreign country; but fearful that I might thus impede, if not destroy, the chance of passing the resolution I withheld the amendment.

I have received advices stating that a considerable amount of this Government-owned wheat and flour has been distributed to persons not citizens of the United States and who do not live in the United States. I have not made careful investigation of the charges, hence can not vouch for their accuracy; but I am informed that some nationals of another country—to wit, Mexico—have come into the United States and have received quantities of this wheat or flour and thereby have deprived needy and worthy American citizens of the same. I hope that the Red Cross and such other authority as shall distribute this wheat or flour will exercise care hereafter to see to it that none of this Government wheat or flour is sent into a foreign country, or is distributed to nationals of a foreign country who come into the United States to obtain this relief.

Mr. McNARY. I appreciate the Senator's observation and shall take up the matter with Judge Payne during the day.

Mr. NORRIS. Mr. President, I would like to say to the Senator from Arizona that I am perfectly clear in my own mind that under the joint resolution now before us there would be no authority whatever to give any of the wheat to anyone coming here from a foreign country for the purpose of getting the wheat.

Mr. ASHURST. I agree with the Senator.

Mr. NORRIS. If a foreigner were lawfully here he would be entitled to be fed, and we would have to take care of him the same as anybody else; but certainly there is nothing in the law that would make it legal for some one coming from a foreign country to get some of the flour or wheat and take it out of the country to feed people outside of this country.

Mr. ASHURST. I was quite unprepared to believe that nationals of a foreign country were receiving any of this wheat or flour when they entered the United States for that purpose, but reliable persons have sent me the charges that such nationals were coming into the United States and receiving this wheat and flour and returning with it to Mexico.

Mr. NORRIS. That, of course, would be illegal.

Mr. ASHURST. The Senator is quite right.

While I am on my feet I should like to say to the Senator from New York that the question involved, particularly with reference to feeding the poorer people in large cities, of which New York is an outstanding example, gave to the conferees a rather difficult matter to settle. The conferees agreed on a compromise provision; I think probably neither side was entirely satisfied, and yet both have agreed to the provision. A Representative from the city of the Senator from New York, Mr. LAGUARDIA, who has taken a very great interest in this matter, although not a member of the conference committee, has acquiesced in the amendment. So I think that will be a sufficient assurance to the Senator from New York.

Mr. COPELAND. I thank the Senator; and I observe the following language in the conference report:

> In order to carry out the purposes of this resolution, such wheat or the products thereof may be milled or processed into or exchanged for flour of any kind, bread, or food, provided, in making such exchange, preference shall be given whenever practicable to foods of which wheat products are a substantial ingredient.

I think that is entirely satisfactory, Mr. President.

The PRESIDING OFFICER. Without objection, the conference report is agreed to.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. COPELAND. Mr. President, yesterday I made reference to the rather remarkable legislative proceeding in connection with an effort made by former Senator Mason, of Illinois, on February 14, 1899, attempting to place a limitation upon the intent of the Senate about the treaty at peace with Spain. A week before, by an overwhelming vote, the Senate declined to make an almost identical change in the treaty itself. I recited that on February 6, in executive session, when the treaty of peace with Spain was under consideration, there was an effort made, in the first place, to change the language so that Spain would relinquish sovereignty and not cede the territory of Puerto Rico and the Philippines. An effort was made at that time to change the treaty and to add to Article III of the treaty the following language:

> The United States, desiring that the people of the archipelago shall be enabled to establish a form of free government suitable to their condition, and securing the rights of life, liberty, and property, and the preservation of order and equal rights therein, assumes for the time being and to the end aforesaid, the control of the archipelago so far as such control shall be needful for the purposes above stated, and will provide that the privileges accorded to Spain by Articles IV and V of this treaty shall be enjoyed.

That proposal was overwhelmingly defeated in the Senate, the vote on the amendment, grouped together, being 30 yeas and 53 nays, an overwhelming vote against the change proposing to leave to the people of the Philippines the privilege of forming their own government.

I referred yesterday to the fact that a week later Mr. Mason, then a Senator from Illinois, proposed this, and I repeat it in order that I may continue the argument laid down by the court:

> *Resolved, etc.*, That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands.

When that resolution was put to a vote it developed that there was not a quorum present. There were 48 votes cast, 26 in the affirmative and 22 in the negative.

The court, in the Fourteen Diamond Rings case, commented upon this at some length, and I want to refer more fully to what the court said than I did yesterday. It was developed by those arguing the case that the resolution which I have just read was of importance in rendering the decision; that is, that there was a distinction raised between our relationship with Puerto Rico and our relationship with the Philippines by reason of this resolution; but the court, through Mr. Chief Justice Fuller, set that aside as of no significance. The court said:

> But it is said that the case of the Philippines is to be distinguished from that of Puerto Rico because on February 14,

1899, after the ratification of the treaty the Senate resolved, as given in the margin—

And the margin shows the resolution which I have just read from the CONGRESSIONAL RECORD.

That it was not intended to incorporate the inhabitants of the Philippines into citizenship of the United States, nor to permanently annex those islands.

The contention was disposed of by the court in this language:

We need not consider the force and effect of a resolution of this sort if adopted by Congress, not like that of April 20, 1898, in respect of Cuba, preliminary to the declaration of war, but after title had passed by ratified cession.

It is enough that this was a joint resolution, that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum, and that is absolutely without legal significance on the question before us. The meaning of the treaty can not be controlled by subsequent explanations of some of those who may have voted to ratify it. What view the House might have taken as to the intention of the Senate in ratifying the treaty we are not informed, nor is it material—

The point being that it never did go to the House, and no action was taken there—

and if any implication from the action referred to could properly be indulged it would seem to be that two-thirds of a quorum of the Senate did not consent to the ratification on the grounds indicated.

I think that makes it very clear that even at the time when all these matters were fresh in the minds of legislators and of the people of the United States the court ruled as it did.

My memory goes back very acutely to that period because of an intense interest I had in the liberation of Cuba. I have previously told the Senate that the first public speeches I ever made were made in connection with this matter, when I went with Mr. Quesada about my State, imploring the people to urge those in authority to have our country intervene in Cuba, which it afterwards did, although I am not quite sure that the part I played in the matter had anything to do with the result. Anyway we did intervene.

There was great clamor after it was made known that the Senate had overwhelmingly ratified the treaty. As a matter of fact, the vote of ratification was determined in the affirmative by 57 yeas and 27 nays. When knowledge of the action of the Senate came to the people there was that anti-imperialistic cry which I have no doubt had its effect upon the Senate. If Senators will recall, it was a very bitter controversy. I spoke of the part that Mr. Bryan played in it. He used that as a great argument against the McKinley administration, and there was aroused a very considerable sentiment against our new relationship to the Philippines.

I dare say that cry was not much different than it was when we took Alaska. There has always been in America an underlying sentiment against widening our boundaries beyond the natural confines of this section of North America. Some, at least, of the founding fathers—as Mr. Harding used to call them—anticipated that there would be an expansion which might include our country from the Atlantic to the Pacific; but when we involved ourselves in taking over noncontiguous territory there was resentment.

I know my own feeling was that we made a tremendous mistake in taking over the Philippines. The debates in the House were very bitter against the payment of the $20,000,000 involved. By the way, there is great misapprehension as to what that $20,000,000 was for. It is often said that we bought the Philippines for $20,000,000; that we did not acquire them alone by the victory of our arms but that we purchased them. That is not true. The $20,000,000 involved was to repay Spain for public improvements made in the Philippines, obligations which she had incurred in the way of public improvements in the Philippines.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I yield to my friend.

Mr. PITTMAN. I agree with the historical accuracy of that statement by the Senator; but I doubt if we conquered the Philippines. I think the Philippines had conquered the Spanish before we went there.

Mr. COPELAND. I think that is true. I believe the Senator is right. It is certain that when we took possession of the Philippines we bought more than land. We bought a big row; but it had been a successful war as regards the Filipino arms. They deserve plaudits for the valor and vigor which they used in that war—a battle to determine their freedom and to win their freedom.

I have no wonder that the Filipinos have their aspirations toward liberty. It is perfectly human. Particularly when we think of a people oppressed as they were by the cruelties of Spanish dominion, there can be no wonder that they cry out now for freedom and liberty; and they have my deepest sympathy. I want them to have liberty, but I want them to have it so that when they get the deed there is no flaw upon the title; and that is the contention that I make, have made, and, until I am convinced to the contrary, shall continue to make—that we have not the power to give title to the Filipinos.

I shall hope, as this debate develops, to make it clear from the legal standpoint that the Congress of the United States, the Members of this body, are the agents of the sovereign people. We have no more right to alienate sovereignty over the Philippines than a lawyer has to give a deed to property temporarily under his control, belonging to a client who has not delegated to him the power to deed that property to somebody else.

I do not want the Filipinos to gain a sovereignty which will be questioned through the ages. I want this transfer made to the people of the Philippine Islands in such form that historians of the future will say, "That was the proper method of disposal of the islands."

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I yield to the Senator.

Mr. PITTMAN. The Senator will remember that under the pending bill it will be more than 15 years before any cession of sovereignty or title to land is conveyed. In the meantime autonomous government is given to the Filipinos. Even under the theory of our Constitution we certainly are not prohibited from granting to the Filipinos any form of autonomous government that our Government sees fit to grant.

Mr. COPELAND. I agree fully with that.

Mr. PITTMAN. Therefore, if the Senate were in doubt about the constitutionality of an ultimate cession of sovereignty and conveyance of title at the end of 15 years, it would be well, in the event we pass this bill—thus showing that Congress favors ultimate independence—to submit a proposal for an amendment to the Constitution, which could be easily acted on within the 15 years.

Mr. COPELAND. I am satisfied that without such an amendment we could not give a flawless title.

Mr. PITTMAN. I am sure I know the sentiments of the Senator from New York. I am sure that he is just as much in favor of independence as I am. I am also sure he sincerely believes in the opinion he has expressed with regard to the constitutional question. What I am urging on him is to cooperate with us who wish to give a greater freedom to these people as soon as possible, in view of the fact that neither under this bill nor under the bill suggested by the Senator from Michigan could the question as to the constitutional authority to cede sovereignty or convey title arise in any instance for at least 15 years, which gives us ample opportunity to discuss that legal question and to submit it as a matter of precaution, if necessary, for ratification by three-fourths of the States.

Mr. COPELAND. I am very much interested in what the Senator has just said. Would the Senator agree to an amendment to this bill, at the proper place and in the right form, that the consummation of the plan is contingent upon the consent of the people through a constitutional amendment?

Mr. PITTMAN. That would be very difficult for me to answer at once, Mr. President.

Mr. COPELAND. I present it.

Mr. PITTMAN. If Congress should express its opinion that the Philippines should have a chance for independence under the terms provided in one of these bills, I am satisfied that two-thirds of these bodies would submit the proposal to the States, and I am satisfied that three-fourths of the States would pass it; and yet there would be the doubt remaining then as to ultimate independence, of course. That doubt, I mean, would exist in the minds of the Filipinos and in the minds of American business men. They might say that one State less than three-fourths, although having the right to amend the Constitution so as to assure that, might not do it; and therefore we should of course continue to be threatened with that uncertainty, which is very detrimental to our commerce on both sides. That is the main thing that is worrying me—the uncertainty.

Mr. COPELAND. Let me say to the Senator that if the proponents of this bill would consent to an amendment to the bill making action contingent upon the consent of the people by constitutional amendment—and I think it could be passed—my objections then would relate merely to details of the bill.

In the Seventy-first Congress I introduced a joint resolution, which I put in the RECORD yesterday, proposing an amendment to the Constitution of the United States relating to Philippine independence. I am convinced that if we were to submit to the people a proposal asking them if they would consent to a constitutional amendment delegating to Congress the power to alienate sovereignty over any unincorporated territory now or in the future within our control, they would not pass it; but, on the other hand, if we specifically presented to the people the proposition that conditions now are such, they have so changed in the Philippines, that the time is rapidly approaching when freedom should be given them, I do not believe there would be any opposition of any consequence in the country. There would be some selfish interests in opposition then, such as I accuse the proponents of the bill of having on their side. There would be certain importers and exporters who would oppose the proposal; but if it were submitted to the people, and they said, "Yes; we are willing," every objection I have to the principle would disappear.

I want my friend from Nevada to give some thought to that suggestion, and talk with his friends.

Mr. President, the Senator from Nevada, who is a great student, has spoken about the efforts of the Filipinos themselves in the period preceding and following the Spanish War to establish themselves to subjugate those in opposition. It is a very interesting thing that in this very decision from which I have been quoting there is some discussion of that subject, and I read further from the case of Fourteen Diamond Rings *v.* United States (183 U. S. 180):

> It is further contended that a distinction exists in that while complete possession of Puerto Rico was taken by the United States, this was not so as to the Philippines, because of the armed resistance of the native inhabitants to a greater or less extent.
>
> We must decline to assume that the Government wishes thus to disparage the title of the United States or to place itself in the position of waging a war of conquest.
>
> The sovereignty of Spain over the Philippines and possession under claim of title had existed for a long series of years prior to the war with the United States. The fact that there were insurrections against her or that uncivilized tribes may have defied her will did not affect the validity of her title. She granted the islands to the United States, and the grantee in accepting them took nothing less than the whole grant.

I emphasized that on another occasion that there can be no doubt that the Philippine Archipelago belongs to the people of the United States. It does not belong to Congress, it does not belong to me, it belongs to us only in the fact that we are citizens of this country. All the citizens have a common ownership in the Philippines, and when we took them we took nothing less than the whole grant.

The court continues in its opinion:

> If those in insurrection against Spain continued in insurrection against the United States, the legal title and possession of the latter remained unaffected.
>
> We do not understand that it is claimed that in carrying on the pending hostilities the Government is seeking to subjugate the people of a foreign country, but, on the contrary, that it is preserving order and suppressing insurrection in territory of the United States. It follows that the possession of the United States is adequate possession under legal title, and this can not be asserted for one purpose and denied for another. We dismiss the suggested distinction as untenable.

Mr. Justice Brown, an old friend of mine, coming from the same State, in concurring in the conclusion of the court enlarged somewhat upon the subject just discussed, and it bears on this remarkable resolution which was proposed in the Senate on the 14th of February, 1899. I am determined, Mr. President, to find out about what led up to that. It seems to me it is one of the most interesting of the unsolved problems of history. We have seen many reversals of opinion in the Senate, but I declare I never saw such a somersault taken by the Senate, when, in a week's time, they simply went head over heels. I want to know why they did it, and I shall find out if I can.

Referring to the Senate resolution, Mr. Justice Brown said, as appears on page 182:

> With regard to this, I would say that in my view the case would not be essentially different if this resolution had been adopted by a unanimous vote of the Senate. To be efficacious such resolution must be considered either (1) as an amendment to the treaty or (2) as a legislative act qualifying or modifying the treaty. It is neither.
>
> It can not be regarded as part of the treaty, since it received neither the approval of the President nor the consent of the other contracting power. A treaty in its legal sense is defined by Bouvier as "a compact made between two or more independent nations with a view to public welfare" (2 Law Dic. 1136) and by Webster as "an agreement, league, or contract between two or more nations or sovereigns, formally signed by commissioners properly authorized and solemnly ratified by the sovereigns or the supreme power of each state." In its essence it is a contract. It differs from an ordinary contract only in being an agreement between independent states instead of private parties. (Foster *v.* Neilson, 2 Pet. 253, 314; Head Money Cases, 112 U. S. 580.) By the Constitution (Art. II, sec. 2) the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." Obviously the treaty must contain the whole contract between the parties, and the power of the Senate is limited to a ratification of such terms as have already been agreed upon between the President, acting for the United States, and the commissioners of the other contracting power. The Senate has no right to ratify the treaty and introduce new terms into it which shall be obligatory upon the other power, although it may refuse its ratification or make such ratification conditional upon the adoption of amendments to the treaty.

Much as we did in connection with the World Court and the League of Nations. In both those cases the Senate refused to ratify and suggested amendments. The amendments were sent to the other parties to the treaties, in the case of the League of Nations not accepted, in the case of the World Court modified in some mysterious manner, which only high Heaven can decipher. But the Senate, when it was considering the treaty of peace with Spain, and afterwards considering the Mason resolution, sought to amend the contract between the United States and Spain by the insertion of new language, which, of course, as Mr. Justice Brown points out, is simply impossible. A contract can not be modified in that way; a contract between nations, which is a treaty, any more than a contract between individuals, where one party wants a change which is not acquiesced in by the other.

I continue the quotation on page 183:

> If, for instance, the treaty with Spain had contained a provision instating the inhabitants of the Philippines as citizens of the United States, the Senate might have refused to ratify it until this provision was stricken out. But it could not, in my opinion, ratify the treaty and then adopt a resolution declaring it not to be its intention to admit the inhabitants of the Philippine Islands to the privileges of citizenship of the United States. Such resolution would be inoperative as an amendment to the treaty, since it had not received the assent of the President or the Spanish commissioners.

At this point Mr. Justice Brown turned aside to an allusion which had been made in the argument in the case of the New York Indians against United States, reported in 170 United States. He said:

Allusion was made to this question in the New York Indians v. United States (170 U. S. 1, 21), wherein it appeared that, when a treaty with certain Indian tribes was laid before the Senate for ratification, several articles were stricken out, several others amended, a new article added, and a proviso adopted that the treaty should have no force or effect whatever, until the amendment had been submitted to the tribes, and they had given their free and voluntary assent thereto. This resolution, however, was not found in the original or in the published copy of the treaty, or in the proclamation of the President, which contained the treaty without the amendments. With reference to this the court observed: "The power to make treaties is vested by the Constitution in the President and the Senate, and, while this proviso was adopted by the Senate, there was no evidence that it ever received the sanction or approval of the President."

It will be recalled with reference to the same resolution that Mr. Justice Fuller pointed out the fact that there was not a quorum present, certainly not two-thirds of a quorum, but Mr. Justice Brown attacks it on the other ground, that there was no evidence that it ever received the sanction or approval of the President.

It can not be considered as a legislative act, since the power to legislate is vested in the President, Senate, and House of Representatives. There is something, too, which shocks the conscience in the idea that a treaty can be put forth as embodying the terms of an arrangement with a foreign power or an Indian tribe, a material provision of which is unknown to one of the contracting parties, and is kept in the background to be used by the other only when the exigencies of a particular case may demand it. The proviso appears never to have been called to the attention of the tribes, who would naturally assume that the treaty embodied in the presidential proclamation contained all the terms of the arrangement.

And yet that is what the Senate tried to do on the 4th day of February, 1899. After the treaty had been ratified by the Senate and proclaimed by the President, it was then sought by legislative act to put new substance into the treaty. The effort was made to declare it to be the intention of the Congress that by the adoption of the treaty there was no thought about the incorporation of statehood for the Philippines, but that independence was to be granted them at some future time. Of course, it is readily seen—even I as a layman can see it—that the words of the Supreme Court of the United States hold that that was utterly futile and of no avail.

Mr. Justice Brown went on to say:

In short, it seems to me entirely clear that this resolution can not be considered a part of the treaty.

I think it equally clear that it can not be treated as a legislative act, though it may be conceded that under the decisions of this court Congress has the power to disregard or modify a treaty with a foreign state. This was not done.

The resolution in question was introduced as a joint resolution, but it never received the assent of the House of Representatives or the signature of the President. While a joint resolution, when approved by the President, or, being disapproved, is passed by two-thirds of each House, has the effect of a law (Const., Art. I, sec. 7), no such effect can be given to a resolution of either House acting independently of the other. Indeed, the above clause expressly requires concurrent action upon a resolution before the same shall take effect.

This question was considered by Mr. Attorney General Cushing in his opinion on certain resolutions of Congress (6 Ops. Atty. Gen. 680), in which he held that while joint resolutions of Congress are not distinguishable from bills, and have the effect of law, separate resolutions of either House of Congress, except in matters appertaining to their own parliamentary rights, have no legal effect to constrain the action of the President or heads of departments. The whole subject is there elaborately discussed.

In any view taken of this resolution it appears to me that it can be considered only as expressing the individual views of the Senators voting upon it.

Mr. President, it is clear enough as this decision says that when Spain granted the islands to the United States, the grantee in accepting them took nothing less than the whole grant. I think no one can question that our sovereignty over the island is absolute. The question is, Can we alienate that sovereignty by an act of Congress? My contention is that we can not. I do not want to evade that question. I have no desire to evade it. I hope I am open to conviction if I am wrong about it, but at this moment there is no shadow of doubt in my mind that we can not alienate sovereignty without the consent of the people of the United States.

This is no fanciful statement. This is not something that is an emanation from my brain. The view which I have expressed has controlled the American people from the time of the Constitutional Convention in 1787 down to now. It goes even back of that, because in the Confederacy, before the adoption of the Constitution, our possessions were considered inalienable. Read the Articles of Confederation. I do not happen to have them before me or I should repeat what was said there. But from the beginning it has been the view of all who have studied the question that we have no power under the Constitution to alienate a single square foot of American territory.

I hold in my hand a copy of the writings of Thomas Jefferson, memorial edition, issued under the auspices of the Thomas Jefferson Memorial Association. I regret that since this discussion has arisen I have not had access to my own library, because there is full confirmation of what it sets forth here in Jefferson's writings in what can be found in the writings of Alexander Hamilton. There is no difference of opinion. In the volumes of Hamilton's writings that I have in my library this matter was discussed at greater length. I want to quote from a statement of Mr. Jefferson as regards the right to alienate any portion of territory.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from California?

Mr. COPELAND. I yield.

Mr. SHORTRIDGE. I understand the Senator to take the position that the United States can not sell an acre of land or a foot of land belonging to the United States.

Mr. COPELAND. That is the position I take.

Mr. SHORTRIDGE. It can never dispose of it?

Mr. COPELAND. It can not.

Mr. SHORTRIDGE. In that connection has the Senator had occasion to study the treaty between Great Britain and the then American colonies?

Mr. COPELAND. Yes, I have; and I should be glad to have the Senator quote it. I have an answer for it. There never has been a cession of a square foot of land except in the settlement of boundaries where we were holding land which the commissioners held not to be ours.

Mr. SHORTRIDGE. Does the Senator take the position that Great Britain did not have the power to grant independence to the original thirteen Colonies?

Mr. COPELAND. Oh, no; and I do not take the position either that we could not give up Long Island in case of a disastrous war. By treaty following a disastrous war we could give up anything that we were forced to give up because we were on our knees.

Mr. SHORTRIDGE. The treaty referred to by me was the treaty which followed the Revolutionary War.

Mr. COPELAND. The Ashburton treaty?

Mr. SHORTRIDGE. No, earlier than that; the 1783 treaty which followed our successful Revolutionary War. By that treaty Great Britain surrendered sovereignty over the then thirteen Colonies and acknowledged them as free and independent. Nobody questioned it.

Mr. COPELAND. That is true.

Mr. SHORTRIDGE. I am wondering whether the Senator takes the position now, as he has indicated that he does, that the United States of America can not by treaty surrender territory or its jurisdiction over its people.

Mr. COPELAND. It can not be done by treaty except under the doctrine of force majeure. Yes; if we are whipped in a war and have to give up, we could even divest ourselves of the Golden State, terrible though it seems. I would not vote for it until the very last drop of blood had been shed.

Mr. SHORTRIDGE. California does indeed remain the Golden State, as I exhibit to the Senator the only $20 gold piece I have.

Mr. COPELAND. So far as I know, that is the only $20 gold piece any friend of mine has! [Laughter.] It seems to me as strange as if it came from the planet Mars. Let me look at it again! That is wonderful. I would not dare touch it. [Laughter.]

Mr. President, I contend that under no circumstances except the force of necessity could we alienate a foot of our territory.

I was about to quote from the fathers. On page 337 of the writings of Jefferson I find this statement made on February 25, 1793:

The President desires the opinions of the heads of the three departments, and of the Attorney General, on the following question, to-wit: Mr. Ternant having applied for money equivalent to three millions of livres, to be furnished on account of our debt to France at the request of the executive of that country, which sum is to be laid out in provisions within the United States, to be sent to France. Shall the money be furnished?

I will ask, Mr. President, that the next couple of paragraphs be included in the RECORD because they have no bearing on the argument.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

The Secretary of the Treasury stated it as his opinion, that making a liberal allowance for the depreciation of assignats (no rule of liquidation having been yet fixed), a sum of about $318,000 may not exceed the arrearages equitably due to France to the end of 1792, and that the whole sum asked for may be furnished within periods capable of answering the purpose of Mr. Ternant's application, without a derangement of the Treasury.

Whereupon the Secretaries of State and War, and the Attorney General, are of opinion that the whole sum asked for by Mr. Ternant ought to be furnished: The Secretary of the Treasury is of opinion that the supply ought not exceed the above-mentioned sum of $318,000.

Mr. COPELAND. Then Mr. Jefferson continues, on page 338:

The President having required the attendance of the heads of the three departments, and of the Attorney General, at his house, on Monday, the 25th of February, 1793, the following questions were proposed and answers given:

1. The Governor of Canada having refused to let us obtain provisions from that province, or to pass them along the water communication to the place of treaty with the Indians; and the Indians having refused to let them pass peaceably along what they call the bloody path, the Governor of Canada at the same time proposing to furnish the whole provisions necessary, ought the treaty to proceed? Answer unanimous; it ought to proceed.

2. Have the Executive or the Executive and Senate together authority to relinquish to the Indians the right of soil of any part of the land north of the Ohio which has been validly obtained by former treaties

The Secretary of the Treasury, the Secretary of War, and Attorney General are of opinion that the Executive and Senate have such authority, provided that no grants to individuals, nor reservations to States, be thereby infringed. The Secretary of State is of opinion they have no such authority to relinquish.

3. Will it be expedient to make any such relinquishments to the Indians if essential to peace?

The Secretaries of the Treasury and War, and the Attorney General, are of opinion it will be expedient to make such relinquishments if essential to peace, provided it do not include any lands sold or received for special purposes (the reservations for trading places excepted). The Secretary of State is of opinion that the Executive and Senate have authority to stipulate with the Indians and that if essential to peace it will be expedient to stipulate that we will not settle any lands between those already sold or reserved for special purposes and the lines heretofore validly established with the Indians.

Whether the Senate shall be previously consulted on this point. The opinion unanimously is that it will be better not to consult them previously.

I think we can turn aside for a moment to note that there was secret diplomacy even in those days; there was not that openness in diplomacy for which we now contend so vigorously.

February the 26th, 1793. Notes on the proceedings of yesterday. (See the formal opinions given to the President in writing and signed.)

First question. We are all of opinion that the treaty should proceed merely to gratify the public opinion and not from an expectation of success.

Mr. President, in that conference we find both Hamilton and Jefferson, as well as Edmund Randolph, and they solemnly agreed that they were going to do this just to gratify public opinion. They resorted to expediency as long ago as 1793, and I think there has been no change in the policy in some quarters since that time.

Mr. Jefferson proceeds:

I expressed myself strongly that the event was so uncompromising, that I thought the preparations for a campaign should go on without the least relaxation, and that a day should be fixed with the commissioners for the treaty, beyond which they should not permit the treaty to be protracted, by which day orders should be given for our forces to enter into action. The President took up the thing instantly, after I had said this, and declared that he was so much of the opinion that the treaty would end in nothing that he then, in the presence of us all, gave orders to General Knox not to slacken the preparations for the campaign in the least but to exert every nerve in preparing for it. Knox said something about the ultimate day for continuing the negotiations. I acknowledged myself not a judge on what day the campaign should begin, but that, whatever it was, that day should terminate the treaty. Knox said he thought a winter campaign was always the most efficacious against the Indians. I was of opinion, since Great Britain insisted on furnishing provisions, that we should offer to repay. Hamilton thought we should not.

Second question—

And this is the important one—

I considered our right of preemption of the Indian lands not as amounting to any dominion, or jurisdiction, or paramountship whatever but merely in the nature of a remainder after the extinguishment of a present right, which gave us no present right whatever, but of preventing other nations from taking possession and so defeating our expectancy; that the Indians had the full, undivided, and independent sovereignty as long as they choose to keep it, and that this might be forever; that as fast as we extend our rights by purchase from them, so fast we extend the limits of our society; and as soon as a new portion became encircled within our line it became a fixed limit of our society; that the Executive, with either or both branches of the legislature, could not alien any part of our territory; that by the law of nations it was settled that the unity and indivisibility of the society was so fundamental that it could not be dismembered by the constituted authorities, except, 1, where all power was delegated to them (as in the case of despotic governments), or, 2, where it was expressly delegated; that neither of these delegations had been made to our General Government, and, therefore, that it had no right to dismember or alienate any portion of territory once ultimately consolidated with us; and that we could no more cede to the Indians than to the English or Spaniards, as it might, according to acknowledged principles, remain as irrevocably and eternally with the one as the other. But I thought that as we had a right to sell and settle lands once comprehended within our lines, so we might forbear to exercise that right, retaining the property till circumstances should be more favorable to the settlement, and this I agreed to do in the present instance, if necessary for peace.

Hamilton agreed to the doctrine of the law of nations, as laid down in Europe, but that it was founded on the universality of settlement there; consequently, that no lopping off of territory could be made without a lopping off of citizens, which required their consent; but that the law of nations for us must be adapted to the circumstance of our unsettled country, which he conceived the President and Senate may cede; that the power of treaty was given to them by the Constitution, without restraining it to particular objects; consequently, that it was given in as plenipotentiary a form as held by any sovereign in any other society. Randolph was of opinion there was a difference between a cession to Indians and to any others, because it only restored the ceded part to the condition in which it was before we bought it, and consequently, that we might buy it again hereafter; therefore, he thought the Executive and Senate could cede it. Knox joined in the main opinion. The President discovered no opinion, but he made some efforts to get us to join in some terms which could unite us all, and he seemed to direct those efforts more toward me; but the thing could not be done.

Third question. We agreed in idea as to the line to be drawn, to wit, so as to retain all lands appropriated, or granted, or reserved.

Mr. President, in a fuller account of this episode it seems that the President submitted these questions particularly to Mr. Hamilton and to Mr. Jefferson, but first to Jefferson, who took the view that we could not alienate any territory. That is a very brief statement of his conclusions. Then President Washington passed the paper on to Mr. Hamilton. Mr. Hamilton made no comment on the question of the alienation of territory except to this extent: He asked the question, "Could we not alienate uninhabited territory?" Mr. Jefferson replied, "If we can alienate uninhabited territory we can alienate inhabited territory and thus give away people." President Washington apparently agreed with the view which Jefferson expressed.

However, I wish to go farther into that matter to show the attitude of the founding fathers, as Mr. Harding called them.

Mr. SMOOT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I yield.

Mr. SMOOT. How does the Senator construe section 3 of Article IV of the Constitution which reads:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

How does the Senator construe that in connection with what he has just read?

Mr. COPELAND. Before I get through with my argument, I shall go into that very extensively, but that provision does not mean "dispose of" in the sense of selling. It means management of the property; that is, where we speak of lands in contradistinction to things, to personal property.

Mr. SMOOT. The Government of the United States sells lands now.

Mr. COPELAND. Yes; but it does not alienate sovereignty over people.

Mr. SMOOT. It does not alienate sovereignty, but the Constitution provides:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

Mr. COPELAND. Mr. President, I have innumerable references to what the courts have said on that question.

Mr. SMOOT. If the Senator is going to come to it later, we might just as well let it go over, unless he desires to answer the question now.

Mr. COPELAND. I am coming to it later.

Mr. SMOOT. If Congress can "dispose of it," it seems that the authority, so far as that is concerned, is granted within or without the limits of the United States. The provision, in my opinion, can not possibly be construed as the Senator has construed it. I thought while on that subject I should like to have the Senator give the reasons why he takes the position he does.

Mr. COPELAND. I will be very glad to do that, and I might as well do it now.

THE HOME LOAN BANK BILL

Mr. CAPPER. Mr. President, I join with other Senators and with the country in hoping for an early adjournment of this Congress; but, nevertheless, I am strongly opposed to an adjournment before the Senate takes action on a few important matters of legislation.

There is the 3-way farm relief bill championed by the national farm organizations. I regard it as most important. The price level of farm products must rise before we can start on the return road to prosperity.

The home loan bank bill, already passed by the House and approved by the Senate committee, by all means should receive immediate action, and the action should be favorable. I take this opportunity of urging the senior Senator from Indiana [Mr. WATSON], in charge of this important legislation, to bring it before the Senate and get a vote on it before adjournment.

Mr. President, I am getting letters and telegrams every day urging the passage of this measure. It was recommended by President Hoover; it has the approval of the leadership of both branches of Congress. Some such backing for the building and loan associations seems to be very necessary. I hope the Senator from Indiana will insist upon the passage of this measure. And I ask unanimous consent to have printed in the RECORD and lie on the table a number of letters and telegrams from among those I have received upon the subject.

There being no objection, the letters and telegrams were ordered to lie on the table and be printed in the RECORD, as follows:

KANSAS BUILDING AND LOAN LEAGUE,
Topeka, Kans., June 29, 1932.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am wondering if it is not possible to soon have a vote on the Federal home loan bank bill. I realize that it is sometimes difficult to work in so many different measures shortly before adjournment, but this bill has passed the House, and the bill as it was passed in the House has been recommended for passage by the Senate Banking and Currency Committee. This measure was introduced early in the session and has been considered very carefully by the committees.

I realize that there is certain opposition to this measure, but at the same time Congress has already provided ways and means of relief for the very concerns which are now opposing this measure. I feel rather confident, from information obtainable, that if this measure was called to a vote that it would pass the Senate without any trouble. I realize that you have been working very hard for its passage and that you favor its provisions, and your support thus far given this measure is certainly appreciated by the associations throughout the State. However, I would like to ask that you take it upon yourself to get this measure before the Senate for a vote if there is any possible way of doing so.

The situation in Kansas as regards building and loan associations is not so favorable as it was 30 or 60 days ago, and there is practically no money available in these institutions to make any loans for home purposes of whatever nature they may be. Our associations do not even have the funds to make loans for remodeling or any repair work. If we were able to obtain funds for this purpose, many of our laboring men now unemployed could be given some work, which would greatly relieve the general situation.

There is another advantage in having this bill, which I think the building and loans have in mind, and that is that it is generally conceded that the banks have been greatly strengthened since the passage of the Reconstruction Finance Corporation, and that the general public feels and shows more confidence in the banks at the present time. If this is true, then this bill should do the same thing for the building and loan associations. It is hard to realize that Congress can refuse to recognize the financial institutions representing resources in excess of $9,000,000,000 in their request for this measure.

Your immediate urge to get this bill on the floor of the Senate for a vote will certainly be appreciated by your many building and loan friends throughout this State.

Yours very truly,

PAUL B. MORRISON,
Executive Secretary.

IOLA, KANS., *June 30, 1932.*

Senator ARTHUR CAPPER:

Twelve million people vitally interested in home loan bank bill, including over 200,000 in Kansas. This is not "pork-barrel" legislation but is sound measure affecting home owners, wage earners, and gets to smallest communities. Construction and associated industries can not recover without it. Is Republican measure passed by Democratic House and shoved in behind Philippine independence by Republican Senate. Building and loan members looking for leaders to bring bill to immediate vote in Senate and see that it passes.

DIRECTORS SECURITY BUILDING AND LOAN ASSOCIATION.
DIRECTORS IOLA BUILDING AND LOAN ASSOCIATION.

WICHITA, KANS., *June 30, 1932.*

Hon. ARTHUR CAPPER,
Senate Building:

Wichita association of building and loans as well as building-trades organizations feel it would be disastrous if Federal home loan bill does not pass present session of Congress. We confidently hope that you and Senator MCGILL will do everything in your power to have this come up for consideration before adjournment.

WICHITA LEAGUE OF BUILDING AND LOAN ASSOCIATIONS,
L. W. BAUERLE, *President.*
H. D. BAKER, *Vice President.*

THE CAPITOL BUILDING AND LOAN ASSOCIATION,
Topeka, Kans., June 29, 1932.

The Hon. ARTHUR CAPPER,
The United States Senate, Washington, D. C.

DEAR SIR: For an administration measure, which was recognized and passed by a Democratic House, it seems to me that the home loan bank bill is receiving very little attention. I can not understand why Senators can not demand that this bill be brought out and acted upon. It is very important that this be done, for each day makes the need of this act more acute in the building and loan associations of the United States.

We must have some such institution unless building and loans are just left to freeze up and thaw out as times improve. The banks have received help time after time and, while building and loan associations were named in the Reconstruction Finance Cor-

poration measure, they have received practically no help from this organization. Not one cent of this money has ever come into the State of Kansas.

I know that you can not realize how important this is to the building and loan associations of Kansas. We worry about the condition of the farmer all the time and we know that he needs consideration, and it is just as true that building and loan associations need help.

In this particular instance we are not asking the Government for dole. We are merely asking for the establishment of an institution that makes it possible for building and loan associations to operate effectively and individually. If these institutions are worth anything to the country, they should be given consideration—if not, then the proper course is being pursued, and they will liquidate and go out of existence.

You have agreed that you would support the measure when it came to a vote, but now we want somebody to bring this bill out where it can be seen and acted upon. We are asking your assistance in seeing that this is done.

Will you please give this prompt attention, as this bill must be passed before Congress adjourns?

Yours very truly,

C. A. STERLING, *Secretary.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes; and that the House had receded from its disagreement to the amendment of the Senate numbered 9 to the said bill, and concurred therein.

The message also announced that the House further insisted upon its disagreement to the amendment of the Senate numbered 132 to the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, further insisted on by the Senate; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. OLIVER, Mr. GRIFFIN, Mr. CANNON, Mr. WOODRUM, Mr. SHREVE, and Mr. TINKHAM were appointed managers on the part of the House at the further conference.

The message further announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 4874. An act to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa; and

S. J. Res. 188. Joint resolution amending the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932.

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President;

S. 772. An act to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska;

S. 1030. An act for the relief of John A. Pearce;

S. 2242. An act granting six months' pay to Louis Soluri;

H. R. 10022. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 10884. An act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians;

H. R. 12202. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands;

S. J. Res. 188. Joint resolution amending the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932; and

H. J. Res. 443. Joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. COPELAND. Referring to what the Senator from Kansas has just said, I am very eager to have the home loan bank bill brought before the Senate and enacted into law. Last night we thought we had an agreement that the pending bill should go over until December as it should. I think this morning we have made some progress with an amendment to the bill, including a constitutional amendment, but there was objection raised to the unanimous-consent agreement. I hope and believe, however, that the home loan bank bill will come up, and it should be disposed of.

Now, Mr. President, I want to speak about what the Senator from Utah has just said. I do not want to do it from my own words; I want something more authoritative than anything I might say to be put in the RECORD as an answer to the Senator.

One of the two authorities who are quoted most extensively by those who contend that we have a right to alienate sovereignty in such a way as is proposed here is Mr. Justice Malcolm, of the Philippine Supreme Court. It so happens that he was a college mate of mine, and an old friend. We exchange gifts at Christmas time, and are very good friends; and the book which I have in my hand is a gift from him. The title of it is "Philippine Constitutional Law," by Mr. Justice George A. Malcolm, Associate Justice of the Supreme Court of the Philippine Islands and professor of public law in the University of the Philippines.

Mr. HAWES. Mr. President, the Senator has probably seen in the RECORD an opinion by this very judge on the point he has been discussing for the last two days.

Mr. COPELAND. That is just what I am going to speak on now.

Mr. HAWES. He takes the opposite view from the Senator.

Mr. COPELAND. Yes; but not with regard to the particular matter about which I have been speaking.

I want to make clear to the Senator from Utah [Mr. SMOOT], and others who may be interested, that one of the strongest advocates of the theory that we have a right to alienate sovereignty is my old friend Mr. Justice Malcolm; and if by chance he should ever read what I am saying, I want him to know, as he already knows in his heart, that I would not say anything that could possibly be offensive to him, or impair in any way the very delightful friendship which has existed between us for many years—more than 40 years, in fact.

On page 179 of Malcolm's work on Philippine Constitutional Law, I find this:

> The Constitution likewise grants to Congress the power "to dispose of * * * the territory or other property belonging to the United States."

That is what the Senator just quoted from the Constitution.

> The full scope of this provision "has never been definitely settled." It is probable, however, that the term "territory" as here used "is merely descriptive of one kind of property; and is equivalent to the word lands." If this be true, this provision of the Constitution would have no bearing on a change of status for the Philippines, as a political entity.

He makes reference also to the discussion by Mr. Justice White of the same question in the case of Downes against Bidwell, found in 182 United States Reports.

TREASURY AND POST OFFICE APPROPRIATIONS—CONFERENCE REPORT

Mr. ODDIE. Mr. President——

Mr. COPELAND. I am glad to yield to the Senator from Nevada, because he has an important conference report.

Mr. ODDIE. I thank the Senator.

Mr. President, I send to the desk the conference report on the Treasury and Post Office Departments appropriation bill, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. COPELAND. Mr. President, I suggest the absence of a quorum, and I do so because the Senator from Georgia [Mr. GEORGE] desires to be here when this conference report is taken up.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ark.
Austin	Davis	Kean	Robinson, Ind.
Barbour	Dickinson	Kendrick	Schall
Bingham	Fletcher	Keyes	Sheppard
Black	Frazier	La Follette	Shipstead
Blaine	George	McGill	Shortridge
Borah	Glenn	McNary	Smoot
Bratton	Goldsborough	Metcalf	Steiwer
Brookhart	Hale	Moses	Thomas, Idaho
Broussard	Hastings	Norbeck	Townsend
Bulow	Hatfield	Norris	Trammell
Capper	Hawes	Nye	Vandenberg
Caraway	Hayden	Oddie	Wagner
Carey	Hebert	Patterson	Walcott
Coolidge	Howell	Pittman	Watson
Copeland	Johnson	Reed	White

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present.

Mr. ODDIE: I ask that the conference report be read.

The conference report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 17, 28, and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 6, 7, 8, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, and 52, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"The offices of surveyors of customs (except the surveyor of customs at the port of New York) and appraisers of merchandise (except the appraiser of merchandise at the port of New York), 21 in all, with annual salaries aggregating $102,000, are hereby abolished. The duties imposed by law and regulations upon surveyors and appraisers of customs, their assistants and deputies (except the surveyor and the appraiser, their assistants and deputies at the port of New York) are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$410,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$27,800,220"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "$19,460,000"; and the Senate agree to the same.

The committee of conference have not agreed on amendment numbered 9.

TASKER L. ODDIE,
REED SMOOT,
GEO. H. MOSES,
E. S. BROUSSARD,
PARK TRAMMELL,
Managers on the part of the Senate.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
M. H. THATCHER,
Managers on the part of the House.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator whether the amendment providing a fund for rural sanitation, and so forth, has been dealt with in this report?

Mr. ODDIE. Mr. President, that amendment was lost in the conference.

Mr. ROBINSON of Arkansas. I am going to ask that the conference report be rejected, and that the matter be given further consideration. I am morally sure that the matter is entitled to more attention that has been given it.

Mr. SMOOT. Mr. President, I want to say to the Senator that I think that was about the last amendment we considered.

Mr. ROBINSON of Arkansas. I have talked to more than one member on the conference committee, who tell me that they did not even know that it had been yielded.

Mr. ODDIE. There was no Budget estimate for this item, but the Senate conferees, I know, tried to hold it in the bill.

Mr. ROBINSON of Arkansas. A bill passed the Senate carrying this exact amount, for the express purposes stated in the amendment, by unanimous vote, early in the present session, and the Senate having taken that action on the matter, is entitled to have the amendment given more consideration. I am going to ask that the report be rejected.

Mr. TRAMMELL. Mr. President, I very much hope the chairman of the committee will not resist having the report sent back for further consideration in regard to this item. While I was on the conference, I did not realize that the Senate conferees had receded on this particular amendment. Of course, I know the chairman of the committee knows exactly what was done, but it is a matter of a great deal of importance, and if we could get together and have it sent back, it ought not to take very long. I hope the chairman will be willing to have that done.

Mr. MOSES. Mr. President, I add my feeble voice also to that suggestion, because I feel sure after having talked with the author of the amendment that the conferees can reach some agreement with reference to it, probably by having the House accept with an amendment or the Senate recede with an amendment, which would take care of the matter.

Mr. COPELAND. Mr. President, I want to call the attention of the Senator from Nevada to the typewriter matter.

By reference to the CONGRESSIONAL RECORD, page 14132, I find this, it being my own comment:

Mr. President, may I have the attention of the Senator in charge of the bill? There was a misapprehension in the committee about these rates. After the words "to wit," in line 10, page 7, there should be inserted "Portable desk models, $60." Then, in line 11, "10-inch" should be "$70." I have here the General Supply Committee specifications, and what I am saying to the Senate now is in accordance with them. So there should be inserted in line 10, after the words "to wit," "Portable desk models, $60." That is where the "$60" comes in. Then, on line 11, the committee amendment should be rejected and left at $70.

The Presiding Officer ruled that since it was an amendment to the original text, it could not be considered except by unanimous consent, and there was objection.

I renewed the request later in the afternoon, and at that time proposed that the language be changed in accordance with what I have just said was my original proposal. I do not seem to be able to put my finger on the place in the RECORD where that occurred, but the RECORD was not complete at the second time, and I find now that the conference report comes in referring to portable desk models, "10-inch," and so forth. That is not the way it was stated. It was stated, "portable desk models, $60; 10-inch correspondence models, $70," and so on. Now the committee comes in, having receded, so that the Government would be permitted to pay only $60 for the standard machine, which it can not buy for that price.

If I may have the attention of the Senator in charge of the bill, if this conference report goes back, I shall hope that this matter regarding typewriters will be made right, so that it would be, "portable desk model $60," and the 10-inch correspondence models, $70. That was the intention of the Senate by the action which we took.

Mr. SMOOT. In regard to the reduction from $70 to $60, not only the conferees of the House but the representatives of the department said that they could buy these portable desk models at $60 to-day.

Mr. COPELAND. Certainly; the portable desk models can be bought, but the way the bill comes back to us the standard 10-inch typewriters must now be bought at $60.

Mr. SMOOT. They can be bought for $48 and some cents.

Mr. COPELAND. That is not the statement of the General Supply Committee.

Mr. SMOOT. That was the information furnished the conferees. Not only that but that they had been buying them for $60 even before the conditions existing to-day.

Mr. COPELAND. Buying what—standard machines?

Mr. SMOOT. Buying the standard typewriters.

Mr. COPELAND. I hope they will be able to buy them for $40 or $25, but the point I make is that that item was not in conference. The action of the Senate was to disagree to the Senate committee amendment.

Mr. SMOOT. From $70 to $1 was in conference, because any amount from nothing to $70 was in conference, and, therefore, we struck out the $70 and made it $60, because there was no necessity of its being there, we were told.

Mr. COPELAND. I am most unfortunate in my choice of language. The point I make is that the conference committee had no latitude except so far as they might strike out the portable desk model, because the Senate disagreed to the change from $70 to $60, and it should have been left at $70. Therefore that item was not in conference.

Mr. SMOOT. But the amendment striking out $70 and inserting $60 was in conference.

Mr. COPELAND. That is my contention exactly; that it was not in conference because the Senate rejected the Senate committee amendment and left it at $70.

Mr. SMOOT. The Senator is mistaken. Here is the bill. I will hand it to the Senator and he can see for himself. Here is the amendment—$60, striking out $70 and inserting $60.

Mr. COPELAND. Let me show the Senator something.

Mr. SMOOT. This is the official copy.

Mr. COPELAND. That may be the official copy, but mistakes sometimes occur in official copies. The Senate rejected that amendment changing the figure from $70 to $60 and it was not in conference. Therefore the act of the conference committee was improper, under the rules.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ROBINSON of Arkansas. Mr. President, I am morally sure that if this bill goes back to conference an adjustment can be made, if the Senate conferees will give some consideration to the item of the amendment relating to rural sanitation. I have made some investigation into the subject and I am not at all pleased at the way the matter has been handled. A bill in language identical with that in the Senate amendment was reported by the Committee on Agriculture and Forestry by unanimous vote of that committee.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. SMOOT. I think more than likely we would save time by letting the bill go back. I have no objection, so far as I am concerned, if the chairman of the committee will agree.

I would like to ask a question of the Chair. Could not the report be agreed to, with the exception of the amendment referred to by the Senator from Arkansas, and let it go back on that one amendment only?

Mr. ROBINSON of Arkansas. That would be satisfactory to me; but I have no authority to speak about the other amendments. In fact, I am not familiar with them.

Mr. GEORGE. Mr. President, may I ask the chairman of the committee whether the item of $375,000, and the second item of $85,000, for air mail service from Charlotte via Columbia to Augusta, Ga., were retained in the bill?

Mr. SMOOT. The amount of the appropriation was retained in the bill, but they did not want to earmark any appropriation. The amount of $90,000, as I remember it, was included in the bill, as well as the $375,000. In other words, instead of $19,000,000, nineteeen million four hundred and some odd thousand dollars, just as the Senate had it, was inserted.

Mr. GEORGE. Four hundred and sixty thousand dollars.

Mr. SMOOT. That was appropriated to take care of those two items.

Mr. GEORGE. So the amounts are retained?

Mr. SMOOT. The amounts are retained.

Mr. JONES. Mr. President, if this is a full conference report, and if this one item is to go back, we will have to reject the whole conference report, and have another conference.

Mr. ODDIE. Mr. President, before the question is put, I would like to reply to the Senator from Georgia on the question of the air mail. The bill as it passed the Senate contained an item of $460,000 in addition to the $19,000,000 carried in the House bill. That was for resuming the night air mail service between Salt Lake City, Utah, Las Vegas, Nev., and Los Angeles and San Diego, Calif. Also $85,000 of that $460,000 was for the establishing of a new air mail service between Charlotte, N. C., Columbia, S. C., and Augusta, Ga.

The conferees decided that, as a matter of policy, it would be better to remove what are called the earmarks; but they left the amount at $460,000. So the Post Office Department is on notice that the conferees of both Houses intended that the Salt Lake City-Los Angeles line be reestablished and that the line through North and South Carolina to Georgia be created. It is a moral and binding obligation on the Post Office Department to establish that service. I think there can be no question, when the conferees of both Houses have agreed to the item, and the money that was appropriated for those two particular purposes is provided for in the bill, that the service will be established.

Mr. GEORGE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was rejected.

Mr. ODDIE. Mr. President, I move that the Senate further insist on its amendments, except amendment num-

bered 9, ask for a further conference with the House, and that the Chair appoint conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. ODDIE, Mr. SMOOT, Mr. MOSES, Mr. BROUSSARD, and Mr. TRAMMELL conferees on the part of the Senate at the further conference.

Mr. COPELAND. Mr. President, may I ask the Senator from Nevada a question?

Mr. ODDIE. Certainly.

Mr. COPELAND. I ask the Senator, when the report goes back to conference, to give renewed consideration to the matter of typewriters. I think we should get information about it. The advices I get are that the standard machine is the $70 machine; but I ask that the conferees discover the facts regarding it. My contention is that, regardless of what the RECORD may show, the item was not in conference.

Mr. ODDIE. I shall request the conferees to give attention to the item.

SECOND DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES submitted the following report:

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 20, 21, 22, 29, and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, 27, 28, 31, 32, 33, 35, 38, 39, 40, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, and 72, and agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$50,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"General and Special Claims Commissions, United States and Mexico: The unexpended balance of the appropriation for the General and Special Claims Commissions, United States and Mexico, for the fiscal year 1932, shall remain available for the same purposes until June 30, 1933."

And the Senate agree to the same.

The committee of conference have not agreed on amendments Nos. 23, 30, 34, 37, and 42.

W. L. JONES,
REED SMOOT,
FREDERICK HALE,
JOHN B. KENDRICK,
CARL HAYDEN,
Managers on the part of the Senate.

JOSEPH W. BYRNS,
EDWARD T. TAYLOR,
WILL R. WOOD,
Managers on the part of the House.

Mr. JONES. Mr. President, I want to say with reference to the matters in disagreement that they have to be taken back to the House. The conferees on the part of the House will recommend their adoption by the House.

The report was agreed to.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideratiton of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. VANDENBERG. Mr. President, I am perfectly willing to proceed to a vote on the pending amendment and then to proceed as rapidly as possible to the balance of the amendments. This is the first opportunity I have had to obtain the floor since the Senator from Missouri [Mr. HAWES], the Senator from Nevada [Mr. PITTMAN], and the Senator from Indiana [Mr. ROBINSON] were indirectly discussing earlier in the afternoon the question of the good faith in which these amendments may or may not have been offered.

I want to express my particular gratitude to the able senior Senator from Nevada [Mr. PITTMAN], who made it very plain that, so far as his judgment is concerned, he understands the amendments are submitted in good faith and are submitted for no other purpose than to undertake to make what I deem to be an unpalatable bill as palatable as possible. Those who may feel that I have some collateral purpose are simply mistaken, and I regret that they may have found it even remotely necessary to express such a thought. The RECORD belies them. I have occupied the floor but a comparatively few moments and always in discussion of the immediate legislative objective. As a matter of blunt truth, the whole debate, involving the interests of 13,000,000 people in the Philippines and 120,000,000 people in the United States, has run on for little more than a day. This is precious little consideration to give to so large and so far-reaching a problem.

I think I have demonstrated during the past year that no Senator, not even excepting the able senior Senator from Missouri [Mr. HAWES], has any more definite or more constructive or more sympathetic interest in Philippine independence upon a proper and adequate and ultimately permanent basis than I have. During the past three months, in my capacity as chairman of the so-called steering committee, if there had been any desire upon my part to take advantage of the Senate situation for the purpose of preventing or delaying the consideration of this problem upon its merit, I think it will be conceded that I would not have cheerfully insisted upon a place upon the Senate's regular order of preferred business for the pending measure.

One year ago I took three months to visit the Philippine Islands, to study the problem at first hand, by way of supplement to the study and consideration which I had given it in committee. I returned with certain fixed convictions and with a real friendship for the Filipino people. I intend to persist in those convictions. I decline to be turned aside from submitting those convictions to the Senate by any inferences that my purpose may be other than a good-faith purpose.

It has been repeatedly urged that this entire problem was canvassed at great length and in great detail by the Committee on Territories and Insular Affairs, of which the Senator from Missouri [Mr. HAWES] and the Senator from New Mexico [Mr. CUTTING], the authors of the pending measure, and myself are all members. It is absolutely true, Mr. President, that in my five years' experience in the Senate no subject was ever canvassed with any greater earnestness or with any greater sympathy than the subject of Philippine independence was canvassed by this particular committee at this particular time.

I have said before, and I say again, that I have nothing but the utmost respect for the devotion which the senior Senator from Missouri has given to this cause. The mere fact, however, that we happen to disagree upon the correct route to an ultimate objective is no reason why we should in any degree differ respecting the good faith in which we each choose our respective routes.

It is true that the subject was canvassed with great finality in the committee. It is true that the committee was

overwhelmingly in favor of the so-called Hawes-Cutting bill as it has been submitted to the Senate. But I know of no rule or precedent in the Senate which would directly or indirectly call upon me to withhold my view of the matter simply because I happen to have been overwhelmingly voted down in the committee. If I am alone in the possession of the view that I hold, namely, that so long as the American flag is in the Orient American authority shall remain in the Orient equal to the responsibilities which we thus carry and meet—if I am alone in that view, I regret it, but my lonesomeness will not for a single moment deter me from continuing to present to the Senate what I believe to be its meditated error. Minorities have been known to win ultimate vindication.

It is true, I repeat, that the committee under the chairmanship of the able Senator from Connecticut [Mr. BINGHAM] was almost united in favor of the pending measure. But it is also true that there are certain executive departments of the Government which have an equal right of consultation in a problem of this character. It is equally true that the State Department in respect of our international relationships and the War Department, in respect of the administrative responsibilities of the Philippine Islands, have a right of consultation in the settlement of a problem of this character quite equal to the consideration that may be given to the members of the Committee on Territories and Insular Affairs. The fact is that the State Department and the War Department, for whatever their objection may be worth, stand in positive opposition to the pending legislation. They may be wrong. They are wrong in the view of my colleagues on the committee. Whether they are wrong or not, however, they have submitted profoundly persuasive reasons for the position they have taken, and in some degree and in some respects I heartily share the viewpoint which they have thus expressed. It would scarcely be candid to brush their recommendations contemptuously aside.

I believe, with all the sincerity at my command, that it would be a tragedy for us to proceed upon this adventure as it is written in this pending measure. Despite that fact, I am of the opinion that the pending measure could be brought within some degree of reasonable acceptance by certain amendments which I am proposing to continue to submit. Those amendments can be dispatched, Mr. President, as promptly as the Senate pleases. I have taken none of the Senate's time in any prolonged discussion of any of these amendments. I shall content myself with the briefest résumé of the reasons which move me to submit them. Then, when they shall have been dispatched, I shall present the completed substitute which represents the theory upon which I have approached this problem and upon which I believe the Philippine Islands will reach their permanent independence not only sooner but more safely than under any other theory now pending in this body.

I shall undertake to submit to the Senate the reasons why I think that substitute is preferable. I shall do it with all the brevity possible. I shall not undertake, directly or indirectly, to contribute to delay any legislation at this hour in the Senate's proceedings, but I repeat, Mr. President, that the suggestions which I am bringing to the attention of the Senate are submitted in utter good faith, and I should be greatly disappointed if any colleague should seriously have any other view.

Let there be no mistake, Mr. President, about my attitude. I again summarize it categorically. I favor action at the present session of the Congress in behalf of Philippine independence. The Filipinos deserve to have immediate implements supplied to develop our promise in the Jones preamble of 1916. These implements should be sound and dependable. We of the United States are entitled to restrict immigration and imports in this connection. They of the Philippines need these same restrictions in order to develop self-sufficiency such as must be sustained when actual independence comes. Meanwhile, so long as American sovereignty continues at Manila, so long as American responsibility persists, there must be unimpaired American authority. We dare not be an absentee landlord 10,000 miles from home.

Let there be no mistake, Mr. President, about the fact that I am trying to hasten these objectives. Lest self-serving inferences may have invited a different interpretation of my purpose, let the record show that in point of ultimate time my substitute proposal runs but four years longer to its maturity than does the pending measure. Meanwhile, it begins its limitations upon Philippine imports five years sooner than does the pending bill. It provides a more temperate and practical progression in these limitations, yet arrives at larger limitations than the pending bill. It stops immigration precisely as does the pending bill. It immediately enlarges native autonomy, although this is scarcely a serious matter because the Philippines already are 98 per cent autonomous. It leads to the absolute assurance of a plebiscite. It transfers to the Filipinos the complete mastery of their own ultimate destiny. Shall any Senator pretend that this is inimical to the cause of independence? Let him be answered by my statement that I am willing to vote at this moment for the substitute and to have it become immediate law.

The fundamental difference, Mr. President, is that the substitute puts the new Philippine constitution at the end instead of at the beginning of the period of preparation which under either bill involves about two decades. It insists that so long as American sovereignty remains, American authority shall serve it. This spells no imposition upon the natives, because, I repeat, they already have 98 per cent of political autonomy. On the contrary it is an additional warrant that the new republic, when established, shall not fall. For America it involves a basic philosophy which I decline to desert.

I want action. My substitute represents action. The Senate has been officially notified that the War Department favors it as among all pending measures. I want a bill that can complete its legislative and executive journey and become a law. Pending decision upon my substitute, I offer the amendments to the pending text which will at least help it to trend in this direction.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was rejected.

Mr. VANDENBERG. Mr. President, assuming that the vote just taken by the Senate expresses its unwillingness to change the economic structure embraced in the Hawes-Cutting bill, I shall not undertake to submit the supplemental amendment which was prepared and printed dealing with the economic portion of the program. Now, however, I want to submit an amendment dealing with another phase of the matter, and if I may have the attention of the Senator from Nevada [Mr. PITTMAN] I shall hope to interest him in the philosophy of this proposal.

I send to the desk an amendment which I ask may be read.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. It is proposed, on page 39, after line 20, to insert a new paragraph reading as follows:

SEC. —. That the bonds and other obligations of the Philippine Government or of the provincial and municipal governments thereof, hereafter issued during the continuance of United States sovereignty in the Philippine Islands, shall specifically provide that there is no obligation, moral or legal, on the part of the United States to meet the interest or principal of such bonds or obligations: *Provided*, That such bonds and obligations hereafter issued shall not be exempt from taxation in the United States or by authority of the United States: *And provided further*, That no such obligations shall be contracted in foreign countries without the prior approval of the President of the United States, nor shall the proceeds of any such obligations contracted in foreign countries be applied, without such approval, to purposes other than the retirement of existing obligations of the Philippine Government, or the provincial and municipal governments thereof, heretofore issued under authority of some act of Congress of the United States.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Michigan.

Mr. VANDENBERG. Mr. President, I am very glad also to invite the attention of the senior Senator from Missouri

[Mr. HAWES] to this amendment. He was not in the Chamber at the moment when I previously spoke.

Mr. President, there is at best a somewhat difficult and perplexing problem involved in the mixed fiscal responsibilities and obligations of the Philippine Islands and the United States. While it is true that none of the obligations of the Philippine Islands bear the legal imprint and warrant of the Government of the United States, the Attorney General of the United States, in a formal decision a number of years ago, insisted that there is a specific moral obligation on the part of the Government of the United States in respect of such securities as have been issued by the Philippine Islands and their various subdivisions of government.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. I yield.

Mr. BORAH. Upon what theory did the Attorney General arrive at that conclusion?

Mr. VANDENBERG. I have not his opinion at hand. It was first called to my attention by the Senator from Pennsylvania [Mr. REED], and I should be very happy to ask him if he remembers the theory upon which the Attorney General of the United States, in a formal decision, which the Senator from Pennsylvania will recall, declared that there is a binding moral obligation upon the United States behind certain of these Philippine fiscal obligations?

Mr. REED. Yes; that is true, Mr. President. There is not any formal guaranty by the United States Government, but more than 20 years ago—probably 25 years ago—there was a ruling of the Attorney General to the effect that, while there existed no formal legal guaranty, there seemed to him to be a clear moral responsibility resting upon us who had authorized the issuance of the bonds to see that they were paid; and those bonds have been sold generally throughout the United States since that time with never a syllable of contradiction by anybody of that expressed opinion of the Attorney General. If it is possible for the Government to assume an implied obligation of that sort, then certainly it assumed it in that case.

Mr. VANDENBERG. That is my understanding of the situation. It is a situation freighted with contingent liabilities, which should not persist under this new and virtually independent Philippine government.

Mr. BORAH. Mr. President——

Mr. VANDENBERG. I yield.

Mr. BORAH. I do not know how the Government of the United States could assume a moral obligation with reference to securities of that kind.

Mr. VANDENBERG. It is my understanding that much of the financing of the Philippine Islands and some of its subdivisions is done directly through the Bureau of Insular Affairs in the War Department here in Washington, that bureau acting virtually as the fiscal agent for the Philippine Islands.

Mr. BINGHAM. That is true.

Mr. VANDENBERG. And obviously that situation, right or wrong, would invite the interpretation to which the Senator from Pennsylvania has referred.

Mr. BINGHAM. New issues of bonds are nearly always advertised by the War Department for the Philippine government.

Mr. BORAH. Yes; I know that is true, but they were simply acting as fiscal agents of the Philippine Islands, to accomplish a certain purpose, and anyone purchasing the bonds would have to determine who was responsible for the bonds, and there would be no legal obligation. Therefore, if the Government did nothing more than act as fiscal agent and assist in putting the bonds upon the market, I do not see how there could be any moral obligation on its part.

Mr. VANDENBERG. Mr. President, whether there be a legal or a moral obligation or not, I announce the fact that the Attorney General gave a decision of that character, and I come to the conclusion that such a situation should not be permitted to continue under the new arrangement under any circumstances.

Mr. BORAH. Who was the Attorney General?

Mr. VANDENBERG. I am unable to answer that question.

Mr. REED. I have forgotten who the Attorney General then was.

Mr. BINGHAM. It is quite obvious that the people who purchased such bonds believed that the Attorney General was correct, because the bonds have been selling at a rate comparable only to securities behind which is the credit of the United States.

Mr. BORAH. I would like to know, for my own satisfaction, what is the moral obligation of the United States? How can the Government of the United States become responsible or assume a moral obligation under such circumstances?

Mr. VANDENBERG. There is the circumstance of sale and distribution to which I have referred, and the nature of the relationship between the islands and the United States, which provide the only possible reason I could give the Senator; but I say to the Senator that I cordially concur in what seems to be his inferential position, that no such thing should exist and that there should be no fiscal obligations upon the United States that are either moral or indirect unless they are written into the bond.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Connecticut?

Mr. VANDENBERG. I yield.

Mr. BINGHAM. Does not the Senator agree with me that most of the persons who have purchased those bonds through the fiscal agent of the Philippine Islands, namely, through the Bureau of Insular Affairs of the War Department, have by the very fact of the price they are willing to pay for them made evident their belief that they were guaranteed by the United States?

Mr. VANDENBERG. I think the price is conclusive proof that the purchaser thinks he had a warrant.

Mr. BORAH. We certainly are not responsible for the ignorance of the purchaser.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Nevada?

Mr. VANDENBERG. I yield.

Mr. PITTMAN. Having in mind the opinion of the Attorney General referred to—and I must say frankly the opinion of others—that our Government, because of the control it has maintained over the fiscal system of the Philippine Islands, through its banks, through the issuance of its bonds, through the sale of its bonds, through the power of veto of the issuance of bonds, and the power to veto the sale of bonds, has assumed a certain obligation, yet one might infer from the amendment offered by the Senator that there is no protection in this bill.

Mr. VANDENBERG. Mr. President, the Senator has anticipated my statement; I certainly intended to leave no such inference, and I am coming now to the precise part of the bill to which the Senator is about to advert. I am perfectly willing to have him make his statement, but I do not want him to think that I intended to overlook the provision to which he is about to refer.

Mr. PITTMAN. I was going to see if we had not done that, if I may say so. For instance, there are the provisions as to the public debt and obligations which it is made mandatory shall be placed in the constitution of the Philippine Islands or, if not in the constitution, then in the statutes of the Philippine Islands, which shall have the same effect.

Then there is the provision found on page 31 of the bill, being the second paragraph of section 7, containing provisions with regard to the obligations assumed by the government of the Philippine Islands:

(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the government of the Commonwealth of the Philippine Islands

to fulfill its contracts, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

The President shall also have authority to take such action as, in his judgment, may be necessary in pursuance of the right of intervention reserved under paragraph (n), section 2, of this act.

Here is a further safeguarding provision found on page 33, paragraph 4:

If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States high commissioner shall immediately report the facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts.

Now, here is something additional. That is under the new autonomous government. Here is the safeguard. There is an absolute supervision under this bill over their issuance of obligations. They are under that control; but what we wanted in this bill was to provide a revenue so that that question would not arise, so that there would not be any doubt as to the validity of their bonds. So what did we do? We provided on page 29, under section (e), this:

The government of the Commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivisions (a), (b), and (c), within the limitations therein specified, as follows:

Then the bill goes on, and specifies one after the other.

The government of the Commonwealth of the Philippine Islands shall place all funds received from such export taxes in a sinking fund, and such fund shall, in addition to other moneys available for that purpose, be applied solely to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged.

Under that fiscal plan it is admitted by all of the experts who have testified on this question that that fund will pay off every dollar of the Philippine indebtedness before the period of independence. We have not only provided a fund for them which is not provided in the Senator's bill, we have not only guaranteed their independence but we have by their own consent placed it in the power of the President to suspend any act that threatens a violation of that credit or the failure to accumulate the sinking fund; and they can take charge of the customs, if they want to, and enforce the collection of those export taxes.

The Senator's bill has this in mind: The Senator's bill does not anticipate an autonomous government. It anticipates a power to become independent at the end of 20 years.

Mr. VANDENBERG. Mr. President, may I reclaim the floor just long enough to suggest to the Senator that I am discussing an amendment to the pending text, and not the substitute, at the present time, and that the amendment which I submit is supplemental to all of these other protections to which the Senator has referred—protections which I entirely agree are worthy and justified and sound. I am simply submitting to the Senate that they do not go far enough, and should be supplemented as I now indicate.

Mr. PITTMAN. We must do one of two things: We must either let the Philippines control their own economic conditions in the manner we have described here, or we must take charge of the whole situation. If, under the Senator's amendment, we are to declare to the world that the United States has not any legal or moral responsibility whatever as to their securities, and yet we are going to keep them under our sovereignty and under our domination, with no increased autonomous government, we are practically committing political murder against them.

Mr. VANDENBERG. Then, may I ask the Senator if it is his conception of the situation that there will be a continuing fiscal responsibility upon the Government of the United States in respect to subsequent securities issued by the Philippine Commonwealth?

Mr. PITTMAN. Undoubtedly there will be just the same as there is now, except that we have taken the precaution to offer a great many protections with regard to those securities that are not taken now.

Mr. VANDENBERG. I think the Senator's statement only emphasizes the necessity for the amendment which I have submitted. If there has been any misunderstanding heretofore respecting the precise nature of the responsibility of the Government of the United States for the financing of the Philippine Islands and their subdivisions, and if there is any remote danger that that misunderstanding will persist and continue under this new set-up, then, I think it is most emphatically wise to make it plain, here and now, that there is no such obligation. The situation which will exist under the new set-up is a totally different thing from the situation which has existed heretofore. Even if this moral fiscal obligation may have been justified heretofore, I can not see that it would be justified hereafter, in view of the fact that we are undertaking to establish an autonomous unit of government which is supposed to be able to handle its own problems and which presumably is preparing itself for a complete autonomy in which there shall remain no element of American reliance or stewardship.

What does this amendment provide? Simply that the bonds and other obligations of the Philippine government, or of the provincial and municipal governments thereof, hereafter issued during the continuance of United States sovereignty in the Philippine Islands, shall specifically provide that there is no obligation, moral or legal, on the part of the United States to meet the interest or principal of such bonds or obligations. That is a recital of a fact. There can be no question but that that is the recital of a fact; yet neither can there be any question that the fact is at variance with the common understanding of American investors during the past 20 years. I think the Senator from Connecticut [Mr. BINGHAM], the chairman of the committee, will concede that point. Sooner or later, whatever our relationships may be, there certainly must be a dividing line upon this fiscal responsibility which the United States carries. Certainly the place to provide it is in the charter of a new Philippine Commonwealth. Furthermore, I know of no reason why, under a new set-up of this character, the securities of a quasi-independent government, virtually external to the Government of the United States, should enjoy tax-exemption privileges within the United States. We have too many tax-exempt securities already.

Let us be consistent in our policy. If we are going to establish this experiment—and establish it, I hope, with all the blessings of success that our prayers can give it—if we are going to establish it, let us make the relationship specific and absolutely understood as between the sovereignty which we retain, the sovereignty which we transfer, and the sovereignty which is to be exercised by both of us.

I have repeatedly complained heretofore against that phase of the bill which provides a constitution at the beginning of the preparatory independence period instead of at the end, because it seems to me, as I said on yesterday, that this means that we neither leave the flag up nor take the flag down. We leave it at a sort of half-mast; and a flag at half-mast involves implications which I do not enjoy.

Here is another of those twilight zones where the responsibility of one group merges into the responsibility of another group, and no one knows the dividing line. The amendment recites the *fact*—I emphasize the word "fact"—it recites the *fact* that we have ceased to be responsible, even indirectly, for these fiscal obligations. Why should not the fact be recited, in common honesty to the American investor and in fairness to the Philippine Commonwealth itself, so that there may be absolutely no misunderstanding as to whose credit is involved in these future funding operations?

Mr. BINGHAM. Mr. President——

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Michigan yield to the Senator from Connecticut?

Mr. VANDENBERG. I yield to the Senator from Connecticut.

Mr. BINGHAM. With a great deal of what the Senator has said I am in accord, and with the first part of his amendment I have no particular quarrel; but I call his attention to the fact that in his final proviso he says to the new Philippine Commonwealth, "You may not issue any bonds unless the President of the United States gives you the permission to do it," whereby on the one hand he says that the United States will not be responsible at all and that no one can say there is any moral obligation, and on the other hand he says that the President of the United States will have to give his approval of the issue of these bonds; and the investor, seeing in the advertisement that the President of the United States has approved the issue of these bonds and not knowing the first part of it, will be misled. The Senator is trying to give the Philippines independence in connection with their fiscal relations and at the same time keep them in leading strings.

Mr. VANDENBERG. I think the Senator's point is perfectly well taken. When I read over the amendment this morning in its printed form it occurred to me that there was this clash between the two sections, and I had intended to withdraw the latter paragraph before the amendment was submitted. I now do perfect my amendment by putting a period after the word "United States," on line 2 of page 2, and striking out the balance of the amendment.

FIDUCIARY POWERS OF BANKS

Mr. WALCOTT. Mr. President, on June 27 identical measures, House bill 8694, and Senate bill 4851, were passed, giving the Comptroller of the Currency certain additional powers.

Both measures were passed, but I find that in printing the Senate bill an error was made with reference to the section to be amended. The Senate bill was entitled, "An act to amend section 5202," but it should agree with the wording of the title of the House bill, "To amend section 5240." It is a printer's error. Therefore, I ask unanimous consent that the Senate proceed to the consideration of the House bill, which is identical with the Senate bill, with the exception of this slight printer's error in the title.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Is there objection to the unanimous-consent request of the Senator from Connecticut?

There being no objection, the Senate proceeded to consider House bill 8694, to amend section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), and for other purposes, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), be amended by adding thereto a new paragraph reading:

"In addition to the expense of examination to be assessed by the Comptroller of the Currency as heretofore provided, all national banks exercising fiduciary powers under the provisions of section 11 (k) of the Federal reserve act, as amended (U. S. C., title 12, ch. 3, sec. 248 (k)), and all banks or trust companies exercising fiduciary powers in the District of Columbia shall be assessed by the Comptroller of the Currency for the examinations of such fiduciary powers, a fee in proportion to the amount of individual trust assets under administration and the total bonds and/or notes outstanding under corporate bond and/or note issues for which the banks or trust companies are acting as trustees upon the dates of examination of the various banks or trust companies."

GRAND CENTRAL STATION POST OFFICE, NEW YORK

Mr. COPELAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 12360, to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937.

This bill was objected to two or three days ago by the Senator from Pennsylvania when it was reached on the calendar. He wishes to offer an amendment to the bill; and since it has to be amended and go back to the House for action, and in view of the shortness of the time, it should be considered now.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. What is the nature of the request—that the unfinished business be temporarily laid aside?

Mr. COPELAND. Yes; so that Calendar 909 may be considered.

Mr. McNARY. So that if it leads to unusual debate the unfinished business may be resumed?

Mr. COPELAND. Of course.

Mr. McNARY. I have no objection, if it takes that form.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. REED. Mr. President, it was I who objected to this bill when it was reached on the calendar last Monday. It seemed to me that, compared with the rental now being paid, the upset figure here, the limiting figure, was excessive, and that we would be buying the land on about a 2 per cent basis.

I have since consulted the Treasury, and have also been approached by representatives of the present owners of the property, and they have cleared up my misunderstanding. I find that it is proposed to acquire a considerable amount of property, more than is covered by the present lease.

The building now on the land is worth somewhere around two and a half million dollars apparently. The restorations and repairs and remodeling that would be required would cost somewhere between half a million and a million dollars, the Treasury's estimate being higher than those of the owners. That accounts for perhaps $3,000,000.

Sixty thousand square feet of land are involved, and I am told that three of the most reputable appraisers of New York have estimated the value of that land as being about $200 a square foot. I have no method of knowing whether that is moderate or inadequate or excessive. I am sure the Senator from New York himself does not wish to pose as a real-estate expert.

Mr. COPELAND. Certainly not.

Mr. REED. If that is a reasonable estimate, then this is not an unreasonable limiting figure; but that will have to depend on negotiations and investigations to be carried on by the Treasury Department.

Mr. COPELAND. As provided in the bill?

Mr. REED. As provided in the bill. I do feel, however, that even on the figures submitted by the owner, the limiting figure is about a million dollars too high, and therefore I move to amend the bill on page 2, line 22, by striking out "$15,500,000" and inserting in lieu thereof "$14,500,000."

I am advised that those who have been urging the bill will not contest that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized to enter into a contract to purchase on behalf of the United States the parcel of land with the building thereon located in the city, county, and State of New York, bounded by the westerly line of Lexington Avenue, the southerly line of Forty-fifth Street, a line parallel with and distant 275 feet, more or less, westerly of the westerly line of Lexington Avenue and a line parallel with and distant 220 feet 9½ inches, more or less, southerly of the southerly line of Forty-fifth Street, for a post-office building and/or for other governmental purposes, subject to the exception and reservation to the New York Central Railroad Co., its successors and assigns, of the perpetual rights of exclusive use for railroad station, terminal, and other purposes of the railroad company, its successors and assigns, of the subsurface of said parcel to be specifically defined in the instrument of conveyance with the necessary ventilating shafts; and subject also to exceptions and reservations for purposes of light, air, and support in favor of said subsurface and the southerly and westerly adjoining premises, all as may be agreed upon in advance by the respective parties to the conveyance of title to the United States: *Provided, however*, That the total limit of cost to the United States of such parcel of land and building, including the cost of any necessary remodeling of said building, shall not exceed the sum of $14,-

500,000 and interest: *Provided further*, That the contract of purchase, if made, shall provide for the conveyance to the United States of title to said property on or prior to January 1, 1933, and for the payment of the agreed purchase price of said property on June 30, 1937, except that the Treasury Department, at its election, may pay any part of the agreed purchase price prior to said date, and except that commencing on the date of the conveyance of title to said property to the United States and continuing until January 1, 1934, there shall be paid each month to be applied on account of the agreed purchase price a sum not in excess of the aggregate monthly rental now paid by the Post Office Department for the spaces occupied by the Post Office Department in said building and in the adjacent buildings to the north and south, and except that commencing on January 1, 1934, and continuing to the date of the full payment of the agreed purchase price there shall be paid each month, to be applied on account of the agreed purchase price as aforesaid, a sum not less than one-twelfth of the product arrived at by multiplying the aggregate square-foot area of the spaces now occupied by the Post Office Department in said building and in the adjacent buildings to the north and south, by a rate per square foot to be agreed upon by the owner and the Secretary of the Treasury, not in excess of $2.50 per square foot and not less than the average rental per square foot now payable by the Post Office Department under the present leases of the spaces occupied by the Post Office Department in the said building and in the adjacent buildings to the north and south: *Provided further*, That any appropriations made or hereafter made to the Post Office Department for the payment of rent under the leases now in effect and hereinbefore mentioned shall, upon the conveyance of title to the United States, be available to the Secretary of the Treasury for the aforesaid monthly payments on account of the purchase price: *Provided further*, That the Treasury Department at the date of its payment of the full purchase price shall pay interest upon the unpaid balances of said purchase price to be computed from the date of the conveyance of title to said property to the date of the payment of the full purchase price at a rate not in excess of 4 per cent per annum to be agreed upon by the owner and the Secretary of the Treasury: *And provided further*, That all other terms and conditions in connection with the purchase of said property shall be in the discretion of the Secretary of the Treasury.

PURCHASING POWER OF THE DOLLAR

Mr. BORAH. Mr. President, day before yesterday, when the calendar was being called, Order of Business 809, House bill 11499, for restoring and maintaining the purchasing power of the dollar, was reached, and the Senator from Pennsylvania [Mr. REED] objected to its consideration. I wonder whether the Senator from Pennsylvania would be willing to permit this bill to be passed and go to conference. It is a substitute for what is known as the Goldsborough bill. It provides for a very limited expansion of the currency. The Committee on Banking and Currency reported to strike out all after the enacting clause and to insert this language:

That notwithstanding any provisions of law prohibiting bonds of the United States from bearing the circulation privilege, for a period of five years from the date of enactment of this act all outstanding bonds of the United States heretofore issued or issued during such period shall be receivable by the Treasurer of the United States as security for the issuance of circulating notes to national banking associations, and upon the deposit with the Treasurer of the Untied States by a national banking association of any such bonds, such association shall be entitled to receive circulating notes in the same manner and to the same extent and subject to the same conditions and limitations now provided by law in the case of 2 per cent gold bonds of the United States bearing the circulation privilege; except that the limitation contained in section 9 of the act of July 12, 1882, as amended, with respect to the amount of lawful money which may be deposited with the Treasurer of the United States by national banking associations for the purpose of withdrawing bonds held as security for their circulating notes, shall not apply to the bonds of the United States to which the circulation privilege is extended by this act and which are held as security for such notes. Nothing contained in this section shall be construed to modify, amend, or repeal any law relating to bonds of the United States which now bear the circulation privilege.

SEC. 2. As used in this act, the word "bonds" shall not include notes, certificates, or bills issued by the United States.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Of course, I do not want to take the time from the bill now pending, if there is going to be any debate; but unless the bill goes to conference shortly, we can not hope to do anything this session. I think it an exceedingly important matter.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. REED. Mr. President, reserving the right to object, this is what this bill would mean: There were outstanding at the close of the last fiscal year, that is, one year ago today, $8,201,000,000 worth of Liberty bonds, unmatured, and there were outstanding $4,552,000,000 worth of Treasury bonds, a total of $12,753,000,000 worth of Liberty and Treasury bonds.

It is true that only about one billion of them are held by the banks which would be given the circulation privilege, but every one of that $12,700,000,000 worth of bonds would be available for issues of new circulation, if they were acquired, as many of them would be, by the banks.

The bill proposes an inflation of the currency based on nothing but Government promises, which is beyond anything contemplated in either the Goldsborough bill, the Patman bill, or any other of the inflationary bills that have been introduced. I feel so sure that its effects would be hopelessly devastating upon the currency situation of the United States that I am reluctantly compelled to say no to the Senator's request.

Mr. BORAH. Mr. President, upon to-morrow I will undertake to move that this be taken up. I will not stop to argue it now. I can not do so at length, since I can not ask for further time.

Mr. REED. At this point I would like to put into the RECORD a letter from the Secretary of the Treasury with regard to a proposed issue of 2 per cent new bonds to bear the circulation privilege. While that does not relate to this much larger proposal carried in the bill referred to by the Senator from Idaho, it does discuss the effect of any issue of new bonds having the circulation privilege, and I ask that it be printed in the RECORD at this point.

Mr. ROBINSON of Arkansas. What is the amount of the issue to which the Senator is now referring?

Mr. REED. The Secretary does not state in his letter. He speaks of a proposal offered on the floor of the Senate to authorize the issuance of 2 per cent bonds bearing the circulation privilege. That was an amendment, as I recall it, which was offered by the Senator from Oklahoma [Mr. THOMAS], although I am not absolutely certain as to that.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, June 24, 1932.

MY DEAR SENATOR: I understand that a proposal has been offered on the floor of the Senate to authorize the issuance of 2 per cent bonds bearing the circulation privilege, for the purpose of financing the additional operations of the Reconstruction Finance Corporation.

Apparently it is intended by this proposal to make possible a large volume of Treasury borrowing at a lower rate of interest than could be employed in the sale of long-term Government securities on a purely investment basis. Presumably it is expected that the sale of bonds bearing the circulation privilege would result in an increase in the amount of currency in circulation with a beneficial effect on prevailing economic conditions. The suggested provision for the issuance of additional currency is in my opinion unnecessary and would unsettle our existing currency system.

Under the operation of the Federal reserve system the volume of currency in circulation is determined by the currency needs of the country, which in ordinary times depend largely upon such factors as the volume of retail trade, pay rolls, etc. The currency facilities of the Federal reserve system are entirely adequate to the country's needs. Currency has been made available in volume sufficient not only to meet the demands of business but to meet the unusual currency demand which has been experienced during the past year and a half as a result of hoarding. At the present time there is about $5,505,000,000 of currency in circulation. This total is about $770,000,000 larger than a year ago and about $1,080,000,000 larger than at the end of June, 1929. The Federal reserve banks are in a position to meet still further demands for additional currency, if necessary. Our interest at this time is not in the addition of more currency to amounts already in circulation but rather in the return flow of idle funds from hoarding back into active employment in the banking system.

Since the organization of the Federal reserve system the issue of United States Government obligations bearing the circulation privilege has been opposed by the Treasury for the reason that the Federal reserve act set up the mechanism by which the total

volume of currency in circulation is currently adjusted to changing needs. Under that legislation responsibility for providing for the currency requirements of the Nation has been centered in the Federal reserve system, and the country's currency has been made available chiefly through the currency operations of the Federal reserve banks.

The Treasury is opposed to the issuance of additional securities bearing the circulation privilege, on the ground that further provision for the issuance of currency is unnecessary; it believes that resort to this device in order to reduce the rate on the proposed security issue would be unjustified and harmful.

Very truly yours,

A. A. BALLANTINE,
Under Secretary of the Treasury.

Hon. DAVID A. REED,
United States Senate.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

Mr. HAWES. Mr. President, I do not believe this amendment is necessary. I think the committee covered that situation with very great care. But I shall not object to the amendment as the Senator has revised it.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I thank the Senator from Missouri for his consideration. I am particularly happy about it because one of my unkind critics a few hours ago on the floor of the Senate said that none of my amendments was offered with the slightest expectation that it would ever get into the bill. I have now offered three, and two of them are in the bill, so I am doing better than Schmeling did to Sharkey, anyway.

Mr. HAWES. Mr. President, no amendment which the Senator has offered, which tries to inject his own peculiar philosophy into this bill, has been put into the bill.

Mr. VANDENBERG. Mr. President, I now want to turn to page 27, section 5, of the bill, which relates to the transfer of property and rights to the Philippine Commonwealth. I had an amendment printed last night dealing with this subject, but I want to take the liberty of changing its wording somewhat, because I think the wording as originally proposed could be improved. But I think the Senate will have no difficulty in following me as I read it.

Mr. BINGHAM. To what copy of the bill is the Senator referring?

Mr. VANDENBERG. To House bill 7233, before the reprint.

On page 27, line 7, before the verb "designated," I move to insert the words "or may be hereafter."

Mr. PITTMAN. What section is that?

Mr. VANDENBERG. Section 5, page 27, dealing with the transfer of property and rights to the Philippine Commonwealth. I am moving on line 7, preceding the word "designated," to insert the words "or may be hereafter," and in the same connection, and to be considered en bloc, because they are related, in line 12, preceding the word "government," to insert the word "independent," and to strike out the words "the Commonwealth of," so that the section would read as follows:

SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as has heretofore been, or may be hereafter, designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the independent government of the Philippine Islands when constituted.

This raises two points, and I can submit them very briefly.

Mr. REED. Mr. President, before the Senator gets to that, the last point raised by the Senator was with regard to our obligation on these Philippine bonds, and it has taken some time to find it, but we have finally located the opinion of the Department of Justice to which the Senator referred. Perhaps it might be wise to put it in the CONGRESSIONAL RECORD in connection with the discussion of the amendment which was last adopted.

Mr. VANDENBERG. I most certainly think it would be; and I wish the Senator would indicate now, for the information of the Senate, who rendered the decision and when.

Mr. REED. The decision was rendered by Henry M. Hoyt, Solicitor General, and approved by P. C. Knox, Secretary of War, and is dated "Department of Justice, December 26, 1903." I ask unanimous consent that the entire opinion may be placed in the RECORD in connection with the discussion of the last amendment which was adopted, and for the information of the Senate at this moment I would like to read two sentences:

The pledge of the faith and credit of the Philippine Government, covering the due application of the proceeds of the loan and the maintenance of the sinking fund, rests, then, upon authority explicitly conferred by the national power; and while in the strict and legal sense the faith of the United States is not pledged as a guaranty for the payment of the loan, or for the due use of the proceeds or the observance of the sinking-fund requirements, the entire transaction is to be negotiated under the auspices of the United States, and by its recognition and aid. The assumption is, therefore, conclusive and necessary that the terms of the statute as to the application of the moneys realized from the sale of the bonds, and as to all moneys realized from disposition of the lands, and as to the sinking fund so created, will be strictly followed.

The PRESIDING OFFICER. Without objection the request of the Senator from Pennsylvania is granted.

The opinion is as follows:

PHILIPPINE LAND-PURCHASE BONDS

The issue and form of bonds proposed by the Secretary of War for carrying out the provisions of sections 63, 64, and 65 of the Philippine civil government act of July 1, 1902 (32 Stat. 706, 707), are in strict conformity with the statute and are legal in all respects.

DEPARTMENT OF JUSTICE,
December 26, 1903.

SIR: In your letter of December 24 you cite sections 63, 64, and 65 of the Philippine civil government act of July 1, 1902, and state that under that legislation the Philippine Government has agreed to purchase certain large parcels of land owned by religious orders or other associations, and, for the purpose of providing funds to acquire such lands, is about to borrow money and to issue $7,200,000 of registered 4 per cent bonds redeemable at the pleasure of said government after 10 years from the date of issue and payable 30 years from said date. You inclose a draft of the proposed bond, and request an opinion upon the legality of the issue and of the form of bond.

The law in question (32 Stat., 706, 707) provides:

"SEC. 63. That the government of the Philippine Islands is hereby authorized, subject to the limitations and conditions prescribed in this act, to acquire, receive, hold, maintain, and convey title to real and personal property, and may acquire real estate for public uses by the exercise of the right of eminent domain.

"SEC. 64. That the powers hereinbefore conferred in section 63 may also be exercised in respect of any lands, easements, appurtenances, and hereditaments which, on the 13th of August, 1898, were owned or held by associations, corporations, communities, religious orders, or private individuals in such large tracts or parcels and in such manner as in the opinion of the commission injuriously to affect the peace and welfare of the people of the Philippine Islands. And for the purpose of providing funds to acquire the lands mentioned in this section said government of the Philippine Islands is hereby empowered to incur indebtedness, to borrow money, and to issue, and to sell at not less than par value, in gold coin of the United States of the present standard value or the equivalent in value in money of said islands, upon such terms and conditions as it may deem best, registered or coupon bonds of said government for such amount as may be necessary, said bonds to be in denominations of $50 or any multiple thereof, bearing interest at a rate not exceeding 4½ per cent per annum, payable quarterly, and to be payable at the pleasure of said government after dates named in said bonds not less than 5 nor more than 30 years from the date of their issue, together with interest thereon, in gold coin of the United States of the present standard value or the equivalent in value in money of said islands; and said bonds shall be exempt from the payment of all taxes or duties of said government, or any local authority therein, or of the Government of the United States, as well as from taxation in any form by or under State, municipal, or local authority in the United States or the Philippine Islands. The moneys which may be realized or received from the issue and sale of said bonds shall be applied by the government of the Philippine Islands to the acquisition of the property authorized by this section, and to no other purposes.

"SEC. 65. That all lands acquired by virtue of the preceding section shall constitute a part and portion of the public property of the government of the Philippine Islands, and may be held, sold, and conveyed, or leased temporarily for a period not exceeding three years after their acquisition by said government on such terms and conditions as it may prescribe, subject to the limitations and conditions provided for in this act: *Provided*, That all deferred payments and the interest thereon shall be payable in the money prescribed for the payment of principal and interest of the bonds authorized to be issued in payment of said lands by the preceding section and said deferred payments shall bear interest at the rate borne by the bonds. All moneys realized or received from sales or other disposition of said lands, or by reason thereof, shall constitute a trust fund for the payment of principal and interest of said bonds, and also constitute a sinking fund for the payment of said bonds at their maturity. Actual settlers and occupants at the time said lands are acquired by the government shall have the preference over all others to lease, purchase, or acquire their holdings within such reasonable time as may be determined by said government."

The proposed form of bond is as follows:

"The government of the Philippine Islands is indebted unto ———— or assigns, in the sum of $1,000.

"This bond is issued in accordance with the provisions of section 64 of an act of Congress entitled 'An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes,' approved July 1, 1902, and an act of the Philippine Commission, No. ————, enacted ————, and is redeemable at the pleasure of the Philippine government after February 1, 1914, and payable February 1, 1934, with interest from the date hereof at the rate of 4 per cent per annum, payable quarterly on the first days of May, August, November, and February of each year. Both principal and interest are payable at the office of the Treasury or of the subtreasuries of the United States, in gold coin of the United States of the present standard value, and are exempt from the payment of all taxes or duties of the government of the Philippine Islands or any local authority therein or of the Government of the United States, as well as from taxation in any form by or under State, municipal, or local authority in the United States or the Philippine Islands."

It is evident at the outset, on the face of the proposed bonds, that they will be issued in general "in accordance with the provisions of section 64." This is an assurance by the responsible authorities that the conditions of the law have been and will be fully observed. The express terms of the bond show strict compliance with all the statutory conditions which the obligation itself must or naturally would incorporate and enumerate. And your letter states that the contract for the purchase of the lands relates to large tracts or parcels held under the defined ownership "in such manner, as in the opinion of the commission [the Philippine Commission] to seriously affect the peace and welfare of the people of the Philippine Islands."

It is to be observed that the bonds must be sold at not less than par value, in gold coin of the United States of the present standard value, or the equivalent in value of the money of the Philippine Islands. Conformity to this further condition is manifestly and necessarily contemplated by yourself and the authorities of the Philippine government.

It is further to be observed that the law explicitly restricts the application of the proceeds of the loan to the purpose of the acquisition of the property authorized and creates a trust and sinking fund for the payment of the principal and interest of the bonds. As with Government and municipal loans in general, similarly authorized and conditioned, the reliance of purchasers of the bonds for protection and security is upon the statutory grant of authority and upon the credit and responsibility of the governmental obligor supported by its property and assets. In this case the lands to be acquired will constitute by express enactment a portion of the public property of the Philippine government, and all moneys realized from disposition of the lands will form a sinking fund for the bonds. The pledge of the faith and credit of the Philippine government, covering the due application of the proceeds of the loan and the maintenance of the sinking fund, rests, then, upon authority explicitly conferred by the national power; and while in the strict and legal sense the faith of the United States is not pledged as a guaranty for the payment of the loan or for the due use of the proceeds or the observance of the sinking-fund requirements, the entire transaction is to be negotiated under the auspices of the United States, and by its recognition and aid. The assumption is, therefore, conclusive and necessary that the terms of the statute as to the application of the moneys realized from the sale of the bonds, and as to all moneys realized from disposition of the lands, and as to the sinking fund so created, will be strictly followed.

I have the honor thus to suggest, outside your precise query, that I see no reason for any legal doubt of the adequacy or extent of the protection and security given to the purchasers of the bonds; and on the whole case, and in response to your particular inquiry, I have the honor to say that I am clear in the opinion that the issue of bonds, and the form of bond proposed, are in strict conformity with the statute, and are legal in all respects.

Very respectfully,

HENRY M. HOYT, *Solicitor General.*

Approved:

P. C. KNOX,
The Secretary of War.

Mr. VANDENBERG. I thank the Senator for his contribution.

Mr. PITTMAN. Mr. President, may I comment on the decision just referred to by the Senator from Pennsylvania?

The PRESIDING OFFICER. Does the Senator from Michigan yield for that purpose?

Mr. VANDENBERG. I yield.

Mr. PITTMAN. I thoroughly concur in the opinion and have held that view throughout in the preparation of the pending bill. No matter what bill we pass, whether it is the substitute of the Senator from Michigan or the substitute reported by the committee, we can not shake off the moral obligation by a declaration that we have not any. We have a moral obligation in the Philippine Islands until they become independent. We have more of a moral obligation over their finances when we insist now, always have insisted, and will in this bill insist upon supervising their fiscal affairs. Therefore I never would have voted and I did not vote for the Senator's amendment for two reasons. No one contends that we have any legal obligation, so it is not necessary to put it in the bill, and the declaration that we have not any moral obligation is untrue.

Mr. VANDENBERG. Mr. President, returning to section 5 on page 27 of my pending amendment, which I shall very briefly discuss, the section as drawn and as now pending in the Hawes-Cutting bill—and I particularly would like to have the attention of the chairman of the committee to this phase of the discussion, if I may—absolutely confines any subsequent property rights of the United States to land or property which has heretofore been designated by the President of the United States for military and other reservations of the Government, and so forth. The point I submit——

Mr. HAWES. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. No; not now. I will yield in a few moments.

The point I want to submit particularly to the judgment of the Senator from Connecticut, because of his great familiarity with this phase of the problem, is whether in a contemplated ultimate separation, which is 17 years remote, we should foreclose ourselves as a matter of right to any subsequent choice or designation or selection of other or alternative military or other reservations for the Government of the United States in the years to come. Would we not be wholly within our rights and infinitely more within our wisdom if we retain for ourselves a right of subsequent designation instead of limiting ourselves completely and totally to designations heretofore made? Before the Senator answers, perhaps, if he will permit me to amplify very briefly what I have said, he will be in accurate possession of my thought.

This section also undertakes to make this property transfer when the Commonwealth of the Philippine Islands is instituted, which is to say at the beginning of the 17-year period. In other words, we are transferring property rights from the United States to the tentative Commonwealth of the Philippine Islands before we know whether the Commonwealth ultimately will graduate into permanence and before we know whether in the absence of that ultimate permanence the property may not revert to us. In the climax, however, of the relationship between the Commonwealth of the Philippine Islands and the Government of the United States, assuming that the entire program has been a success and that the adventure is developing satisfactorily, and assuming that the ultimate plebescite is favorable and 17 years from to-day the flag of the United States may be taken down and the flag of the Philippine Republic may be raised, is it not possible that at that distant day, 17 years hence, instead of a naval or military reservation, let us say, at Cavite, instead of, let us say, a military reservation upon Corregidor, which is related almost exclusively to the defense of the city of Manila, suppose we should prefer a

different and a concentrated base elsewhere in the Philippine Islands? Should we not have at least an unforeclosed opportunity to make a subsequent expansion or trade in the property which is to be transferred and therefore should not the transfer await the successful establishment of the Philippine Republic so that the problem can be dealt with conclusively at the conclusion of the entire situation? I shall be very happy to have the observations of the Senator from Connecticut, who I know is intimately familiar with this phase of the problem.

Mr. BINGHAM. Mr. President, there is a great deal of reason and logic in what the Senator from Michigan has said. At the same time, I think the Members of the Senate should remember that we are offering to the Philippine people a new form of government with certain provisos in it. We are asking them to call a constitutional convention to adopt the constitution which we propose, which will undoubtedly be debated. If I were a member of that convention and the amendment offered by the Senator from Michigan should prevail, I would certainly fight as hard as I could against the adoption of any such constitution containing such a provision which might give the President of the United States at any future time, before we had finally secured independence, the right to make reservations of hundreds of thousands of additional acres of land which at the present moment belong to the United States Government.

I think that before the act goes into effect it would be wise for the President to make all reservations which he thinks, looking as far ahead as one can, are or may be needed for the protection of our interests in the Philippines and the Far East. It is my information that such has already been done. But whether it has been done or not, it may be done before the act becomes a law, and it will not become a law until the act has been accepted by concurrent resolution of the Philippine Legislature.

I think the amendment offered by the Senator from Michigan opens the door to abuse and would serve very justly to frighten the Filipino people. I hope it will not be adopted, either as to the "or may be hereafter" or as to the independent government. I think when the independent government is set up, if there should be anything needed in the Philippines for a military or naval station for the United States, that the Philippine government would be only too glad by treaty to make an arrangement whereby it could become the property of the United States.

Personally I should dislike very much to see any additional land acquired. I think at the present time, with the harbor of Cavite, with the great fortress at Corregidor and its adjacent fortresses, with the marine base and some of the military camps, we have sufficient to protect our interests in the Far East. That is one reason why I have been willing to support the bill. But I do not believe it would be fair to the Filipino people to ask them to vote for a constitution that left the door wide open for the President virtually to set aside a large part of the island of Mindanao, for instance, which at the present time belongs to the Government of the United States, as a reservation for the use of the United States.

Mr. HAWES. We now have approximately 800,000 acres which belong to the Government, which it seems to me would be ample for any purpose.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Connecticut a question?

Mr. BINGHAM. Certainly.

Mr. VANDENBERG. Can he indicate to me where the title to Malacanan and the Government property occupied by the Governor General in Baguio resides? Where is that title?

Mr. HAWES. The title is in the Philippine government.

Mr. BINGHAM. I thought the title to Malacanan and the governor's palace at Baguio was in the Government of the United States, and that it was land reserved for the use of the Governor General and for the United States in the future. Is my understanding incorrect?

Mr. HAWES. It was purchased and the building completed by the Philippine government and paid for by it.

Mr. BINGHAM. Therefore it does not belong to the United States?

Mr. HAWES. That is my understanding.

Mr. BINGHAM. It was my understanding in the committee that it was the proposal of the Senator from Missouri and others who are interested in the matter that the high commissioner should reside at Malacanan.

Mr. HAWES. That is correct.

Mr. BINGHAM. That is still the case, is it not?

Mr. HAWES. Yes.

Mr. BINGHAM. The matter is merely that at the end of the period of United States occupation Malacanan should then go back to the Philippine government?

Mr. HAWES. That is all.

PRESIDENT'S STATEMENT ON ECONOMY LEGISLATION

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I yield.

Mr. ROBINSON of Arkansas. Mr. President, the President has signed the economy bill. When he did so, he issued a statement expressing two grounds of regret in connection with the measure.

The President said:

> First, it falls far short of the economies proposed by the Cabinet and other executive officers of the Government; many items of their proposals, which were in turn recommended by committees on economy of the two Houses, failed of passage—

And so forth.

In view of the recent history of this measure the President's statement is astonishing. It will be recalled that a press announcement quoted the President as having said additional economies to those carried in the bill were necessary in an approximate amount of from $150,000,000 to $200,000,000, although during the debate on the economy bill members of the Economy Committee complained that they were being hampered in their action by the activities of members of the Cabinet, some of whom were sending out messages inviting propaganda against provisions in the bill. It was also affirmed here that if the members of the President's Cabinet would just keep their hands off and let the committee work out the problem without interference and without the exercise of undue influence from the Cabinet, better results than were in prospect could be secured.

Two weeks ago and more, when the statement already referred to was attributed by the press to the President, the Senator from Pennsylvania, assuming to speak with the authority of the Chief Executive, said that the President had not declared the Budget out of balance, had not asserted that an additional amount of $150,000,000 or $200,000,000 must be provided, either by way of taxes or by economies. Whereupon I presented to the Senate a resolution, as follows:

> Whereas the President, with the assistance of the members of his Cabinet and the heads of the independent offices and commissions, is in better position within the short time before Congress adjourns to ascertain in what departments, bureaus, commissions, and independent offices a further reduction of governmental costs can be brought about and how it may be done: Now, therefore, be it
>
> *Resolved*, That the President is requested to confer with the members of his Cabinet and the heads of all bureaus, commissions, and independent offices, upon the best way to bring about said reduction in appropriations, and to submit to Congress for its consideration specific suggestions covering each item that the President recommends as a suitable way and place to accomplish such reduction in the appropriations for the fiscal year beginning July 1, 1932.

The resolution was adopted in the form in which it has just been read. It may be recalled that one expression in the preamble was eliminated because of the declaration by the Senator from Pennsylvania that it attributed to the President a statement which the Senator from Pennsylvania declared the President had not made. Nevertheless, upon the assumption that the President was not entirely satisfied with the economies proposed, this resolution was adopted. The President was invited to take such advice as he saw fit from his Cabinet members, the heads of bureaus, boards, and commissions, and to send specific or definite recommen-

dations to the Senate to enable this body to make additional and necessary economies.

The resolution was adopted without a dissenting vote. It was agreed to on the calendar day June 14, 1932, while the economy bill was yet under consideration. Ample opportunity has been afforded the Chief Executive to supply the information and to make the suggestions for which the resolution calls. The President has totally failed to give any recognition to that resolution; he has exercised his prerogative and right to decline to reply to it.

It is not impressive, Mr. President, in view of the record I have recited, when the President declares that the economy bill "falls far short of the economies proposed by the Cabinet and other executive officers of the Government."

This is peculiarly important, in view of the fact that, as has already been stated, the Cabinet members interfered with the Economy Committee in the performance of their duties by bringing pressure to induce the committee to eliminate items of economy.

Reduction of the cost of government is an important subject. I think we all feel a measure of disappointment that greater results have not so far been attained, but I want the country to know that the Executive has not only had full opportunity to make definite suggestions for further reductions in Federal expenditures but that he has been invited to do so by the Senate of the United States in a resolution unanimously adopted. He has made no definite suggestions and contents himself with the declaration that he is disappointed.

There is another statement in the press report which is attributed to the President to the effect that the bill contains some provisions which will impose "unnecessary hardships on Government employees in minor matters." I agree with that. There is particularly one such provision now in mind, and it ought to be corrected just as soon as is practicable. The Senator from Connecticut has offered a resolution intended to accomplish that purpose. The important point is that the President himself and his Cabinet members and other executive offices under his control are largely responsible for the results which admittedly are in a measure disappointing.

Mr. COPELAND. Mr. President——

Mr. BINGHAM. Mr. President, will the Senator from New York yield to me for a moment, in order that I may make a brief statement on the subject to which the Senator from Arkansas has referred?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Connecticut?

Mr. COPELAND. I yield.

Mr. BINGHAM. Mr. President, I am very glad to learn from the President's statement that he agrees with the Senator from Arkansas and myself that there are some features of the so-called economy bill which will cause hardships, and I hope that we may, in the near future, provide some means of alleviating that condition. There is on the table at the present time a joint resolution which would repeal a portion of the bill and would alleviate the unnecessary suffering which will be caused, in the name of economy but for some other reason, on married persons in the Government service.

May I say a word further, Mr. President, out of sympathy for the President of the United States, because there was one matter that he personally did bring before the Economy Committee which was appointed largely at the instance of the Senator from Arkansas, consisting of three Senators from each side of the aisle? At the first meeting which we had with the President at the White House he suggested, if given the power, there was one thing he could do and could do promptly, and that was to consolidate various bureaus in many different departments connected with public works. He suggested that there should be a director of public works as the head of an independent executive department and that various agencies of the Government dealing with matters which in many countries come under a ministry, known as the minister of public works or the secretary of public works, be consolidated. That was a definite proposal which he made.

It was approved, my recollection is, by the House. It was approved also by the Economy Committee and reported to the full Senate Committee on Appropriations. There was no measure which we reported from the subcommittee to the full committee which caused more immediate explosion on the part of various members. It illustrates, in a way, the fact that the President is at great disadvantage when he does submit a definite proposal for consolidation. I regret most heartily, and sympathize with the position taken by the Senator from Arkansas, that the President has not seen fit to recommend other consolidations, but here is one that he did recommend specifically.

What happened in the full Committee on Appropriations I think will cause even the Senator from Arkansas to smile. In the first place, two Senators stated that they were so much interested in the question of the improvement of rivers and harbors and in flood control that they could not for the moment think of taking jurisdiction of flood control on the Mississippi River and river and harbor improvements from under the very able control of the Chief of Engineers of the United States Army; that the officer who occupied that position and those under him were, in their view, so intimately acquainted with the problems concerned with that part of the public works program that it would never do to put them under a separate executive department of public works.

Scarcely had they concluded their protests when two other Senators joined in a protest that the great reclamation projects, which were under a very able official in the Interior Department, could not possibly be taken from under his direction and placed under a new director of public works, who probably had never seen a reclamation project and would not know what to do with one if he did see it, and who would be certain to ruin it if he had the chance. Therefore they must insist that the reclamation projects be not included in this new executive department. Whereupon another Senator said that the forest trails and matters connected with surveying the public lands could not be taken from under the very able hands of the particular department where they now rested and be placed under any new director of public works. Another Senator's voice was raised to say that in so far as public buildings were concerned he was quite sure that the supervising architect of the Treasury was much the best person to have charge of the erection of public buildings.

So when the Senators got through their various protests all there was left of that considerable section of the bill was a director of public works at a salary of $10,000 a year, and I took upon myself the responsibility of moving that the item providing for him be stricken out of the bill because there would be $10,000 for a man with nothing to do.

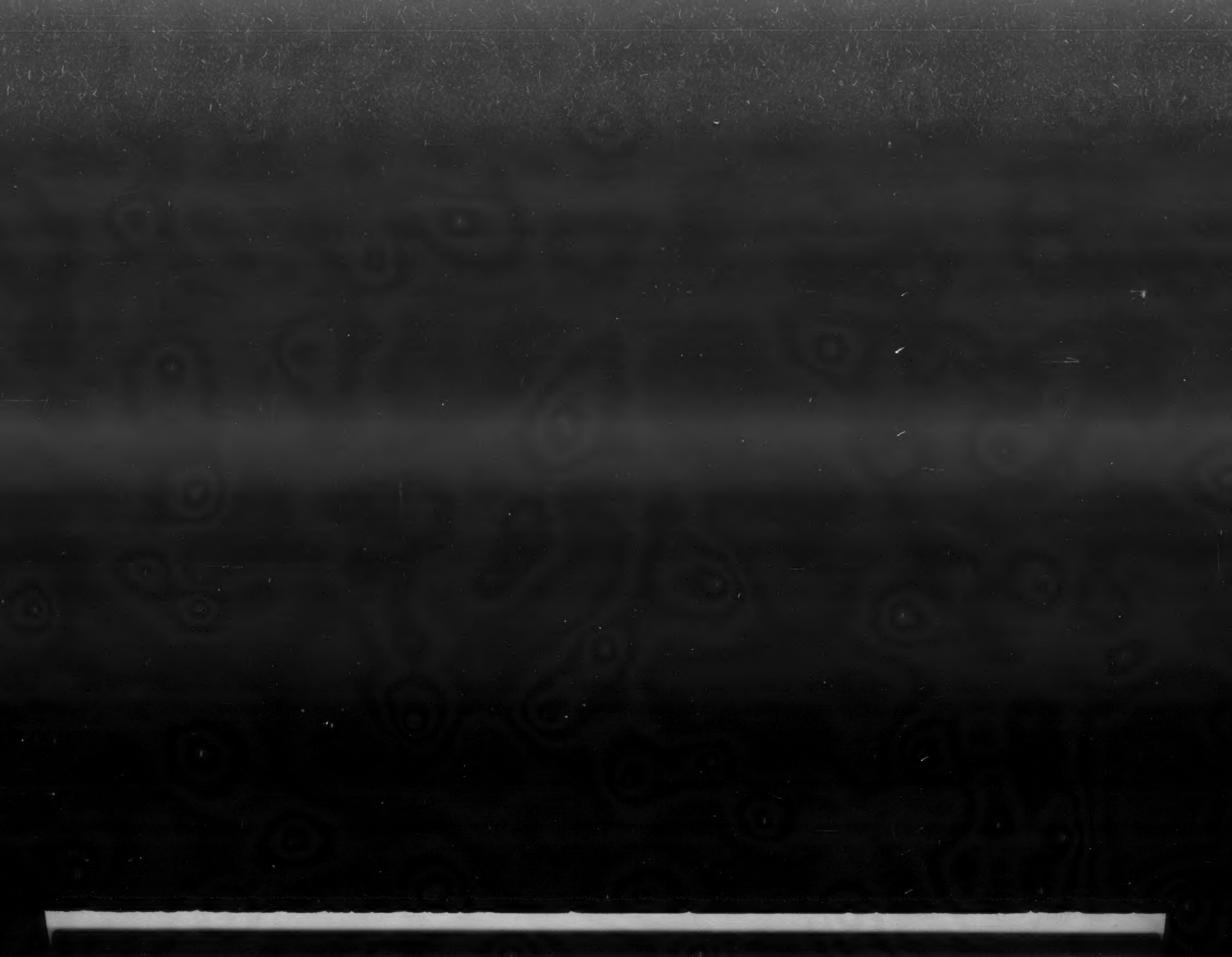
What I have stated, Mr. President, indicates some of the objections raised to the proposal; and although, as I said, I regret extremely that the President has not seen fit to indicate other consolidations that could be made, there is an instance of a consolidation which he did suggest and as to which he wished authority to take immediate action, but which met with so much opposition upon the part of so many different Senators that it could not be put through the Senate Committee on Appropriations.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I do.

Mr. ROBINSON of Arkansas. The subject matter under discussion—namely, economies in Government expenditures—is not limited to any one feature or to any one proposal. It gives opportunity for very broad consideration. It extends to every sphere of Federal activity; and the mere fact that there was no agreement as to a single proposal or suggestion that was thought to make possible some economies is no justification whatever for not proceeding with the matter in the practical, business way contemplated by the suggestion in the resolution.



It also might be added that one large loss in savings resulted from the incorporation in the bill of the furlough plan in preference to the straight salary-reduction proposal which the committee had submitted. After coming to the Senate and delivering an impressive message urging support of the economy committees in their very conscientious action as comprehended in their report, the President sent his secretary to the Senate to exert influence against the passage of that feature of the report, resulting in a loss of many million dollars.

I wanted these facts to be made clear.

Mr. COPELAND. Mr. President, may I ask the Senator from Connecticut what is the present status of his resolution regarding the married women?

Mr. BINGHAM. I introduced it day before yesterday, and it is lying upon the table, and may be taken from the table, of course, at any time.

Mr. ROBINSON of Arkansas. Of course, it would not apply, now that the bill has been signed.

Mr. BINGHAM. Yes, Mr. President; I changed it. As originally introduced, it was a concurrent resolution directing the Clerk of the House to make changes in the bill. As soon as the bill had gone out of the possession of the Congress I introduced a joint resolution repealing that section of the bill relating to inarried persons.

Mr. ROBINSON of Arkansas. That, of course, is the proper course. I had not been advised that the Senator had introduced his joint resolution, which, of course, is the effective and proper way in which to handle the matter.

Mr. BINGHAM. And that is upon the table. It did not seem necessary to refer it to a committee, because the matter had been so fully discussed.

Mr. ROBINSON of Arkansas. No.

Mr. BINGHAM. It may be taken from the table whenever the Senate is willing to do so; and, in accordance with the interview just given out by the President, it would undoubtedly meet with his approval.

Mr. COPELAND. Why does not the Senator put it on its passage at once?

Mr. BINGHAM. I should be very glad to ask unanimous consent that it might be immediately considered, but I doubt very much whether that consent would be granted. In order, however, to show my entire good faith in the matter, I ask that the pending legislation be temporarily laid aside, and that the Senate joint resolution to which reference has been made may be considered at this time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Connecticut?

Mr. McNARY. I shall have to object.

The PRESIDING OFFICER. Objection is made.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form of government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. COPELAND. Mr. President, there is pending now an amendment offered by the Senator from Michigan [Mr. VANDENBERG] to section 5 of the pending bill. This section, and its amendments as well, offer only another reason why I can not be enthusiastic over the legislation which we have before us.

When we give the Filipinos their independence I hope we will give the Filipinos their independence. Of course, I am aware that in Cuba we retained certain land as a naval station; did we not, may I ask the Senator from Missouri?

Mr. HAWES. A naval base; yes.

Mr. COPELAND. I presume the purpose involved here is a similar thing; and yet, after all, the very fact that while we are talking about alienating sovereignty and giving them independence we have so many strings tied to our proposed action shows that it certainly is not a generous deed that we contemplate. Under present conditions, with sovereignty intact and limited to the United States, of course, we can do what we like in the Philippines. There is no doubt about that. When, however, we dispose of them—using the word now in the sense used by the Senator from Utah [Mr. SMOOT] a little while ago in reading from the Constitution—I hope we will do it so generously and fully and completely that we will give the sovereign people of the Philippines the same control over their country that we have over ours.

When I was interrupted and left the floor a couple of hours ago, I was attempting to answer the question raised by the Senator from Utah. I had called the attention of the Senator from Utah to the statement made by Mr. Justice Malcolm to the effect that it is probable that the provision of the Constitution giving to Congress the power to dispose of territory applies to land as one kind of property; that it is equivalent to the word "land."

In 14 Peters (39 U. S.) is a case where the court passed is the case of United States against John P. Gratiot and others; and, of course, it goes back a long time—to 1840. It seems that under the authority of the President of the United States a license for smelting lead ore was given to these men for the period of a year, and the syllabus, on page 526, says:

> The words "dispose of" the public lands, used in the Constitution of the United States, can not, under the decisions of the Supreme Court, receive any other construction than that Congress has the power, in its discretion, to authorize the leasing of the lead mines on the public lands in the territories of the United States. There can be no apprehension of any encroachments upon State rights by the creation of a numerous tenantry within the borders of the States from the adoption of such measures.

At page 537 the court, in its opinion, said:

> This act establishes a land office and makes provisions for the disposal of the lands of the United States referred to in the title of the act; and, among other things, the fifth section declares as follows: "That the several lead mines in the Indiana territory, together with as many sections contiguous to each as shall be deemed necessary by the President of the United States, shall be reserved for the future disposal of the United States. And any grant which may hereafter be made for a tract of land containing a lead mine which had been discovered previous to the purchase of such tract from the United States shall be considered fraudulent and null; and the President of the United States shall be, and is hereby, authorized to lease any lead mine which has been or may hereafter be discovered in the Indiana territory for a term not exceeding five years."

That is the end of the quotation. The opinion of the court continues:

> That the mines now in question lie within the territory referred to in the act of Congress and are the property of the United States is not denied. And the Constitution of the United States (Art. IV, sec. 3) provides "That Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

Now, here is the answer from the court to the question raised by the Senator from Utah:

> The term "territory," as here used, is merely descriptive of one kind of property, and is equivalent to the word "lands." And Congress has the same power over it as over any other property belonging to the United States. * * * If such are the powers of Congress over the lands belonging to the United States, the words "dispose of" can not receive the construction contended for at the bar; that they vest in Congress the power only to sell and not to lease such lands. The disposal must be left to the discretion of Congress.

Further, in One hundred and eighty-second United States Reports, at page 314, is a quotation I wish to make from Mr. Chief Justice White in the case of Downes against Bidwell. I am sure I need not discuss the nature of the case. It is one of the so-called insular cases, which had to do with the relationship of our country to various possessions formerly Spanish ceded to us by the treaty of peace, and they relate largely to customs matters.

This case of Downes against Bidwell was a very remarkable case. I doubt if there is another like it in the entire history of our courts. It will be recalled that it is one of the insular cases. This particular one involved the question whether merchandise brought into the port of New York from Puerto Rico was exempt from the same duty required to be levied upon like imports of merchandise imported from foreign countries.

All of the Justices took part in the case. The remarkable thing about it, however, is that no one opinion was rendered in which a majority of the court concurred. As I have said, I doubt if there is any other such case.

The court divided into five groups. Mr. Justice Brown announced the conclusion and judgment of the court. In this judgment of affirmance, Mr. Justice White, Mr. Justice Shiras, and Mr. Justice McKenna concurred. Mr. Justice Gray concurred in the judgment of affirmance, and in substance agreed with the opinion of Mr. Justice White, but in addition rendered an opinion of his own. There were two groups of dissenters. Mr. Chief Justice Fuller was among these. With him concurred Mr. Justice Brewer and Mr. Justice Peckham. Mr. Justice Harlan concurred in the dissenting opinion of the Chief Justice and gave additional reasons for his dissent.

Because of the divided court, the opinion of a single group in this case on the collateral questions could not be considered conclusive. As a matter of fact, however, only one of these groups discussed at any length the question involved in what is meant by the "territorial clause" or disposing clause of the Constitution. What Mr. Justice White stated, however, is so illuminating that we may well take the time to rehearse his words and study their meaning. I am sure the Senate will be interested to study anew the opinion of this great Chief Justice. It has an important bearing upon the matter at issue. His words and the authority of his name are so significant that we may well consider what he says. On page 314 of United States Supreme Court Reports, volume 182, I find this language:

> All the confusion and dangers above indicated, however, it is argued, are more imaginary than real, since, although it be conceded that the treaty-making power has the right by cession to incorporate without the consent of Congress, that body may correct the evil by availing itself of the provisions of the Constitution giving to Congress the right to dispose of the territory and other property of the United States. This assumes that there has been absolute incorporation by the treaty-making power, on the one hand, and yet asserts that Congress may deal with the territory as if it had not been incorporated into the United States. In other words, the argument adopts conflicting theories of the Constitution and applies them both at the same time. I am not unmindful that there has been some contrariety of decision on the subject of the meaning of the clause empowering Congress to dispose of the territories and other property of the United States, some adjudged cases treating that article as referring to property as such and others deriving from it the general grant of power to govern territories. In view, however, of the relations of the territories to the Government of the United States at the time of the adoption of the Constitution, and the solemn pledge then existing that they should forever "remain a part of the Confederacy of the United States of America," I can not resist the belief that the theory that the disposing clause relates as well to a relinquishment or cession of sovereignty as to a mere transfer of rights of property is altogether erroneous.
>
> Observe again the inconsistency of this argument. It considers, on the one hand, that so vital is the question of incorporation that no alien territory may be acquired by a cession without absolutely endowing the territory with incorporation and the inhabitants with resulting citizenship, because, under our system of government, the assumption that a territory and its inhabitants may be held by any other title than one incorporating is impossible to be thought of. And yet to avoid the evil consequences which must follow from accepting this proposition, the argument is that all citizenship of the United States is precarious and fleeting, subject to be sold at any moment like any other property. That is to say, to protect a newly acquired people in their presumed rights it is essential to degrade the whole body of American citizenship.
>
> The reasoning which has sometimes been indulged in by those who asserted that the Constitution was not at all operative in the territories is that, as they were acquired by purchase, the right to buy included the right to sell. This has been met by the proposition that if the country purchased and its inhabitants became incorporated into the United States, it came under the shelter of the Constitution, and no power existed to sell American citizens. In conformity to the principles which I have admitted it is impossible for me to say at one and the same time that territory is an integral part of the United States protected by the Constitution, and yet the safeguards, privileges, rights, and immunities which arise from this situation are so ephemeral in their character that by a mere act of sale they may be destroyed. And, applying this reasoning to the provisions of the treaty under consideration, to me it seems indubitable that if the treaty with Spain incorporated all the territory ceded into the United States, it resulted that the millions of people to whom that treaty related were, without the consent of the American people as expressed by Congress, and without any hope of relief, indissolubly made a part of our common country.

Mr. McNARY. Mr. President, will the Senator be kind enough to yield for the purpose of allowing me to make a motion for a recess?

Mr. COPELAND. I could hardly resist such a request on the part of the Senator from Oregon. I will be glad to yield to him for that purpose, and will resume my discussion of this very interesting opinion of the Supreme Court when I can get the floor to-morrow.

Mr. ROBINSON of Arkansas. Mr. President, I am wondering whether it is not practicable to enter into an agreement touching this bill. I desire to ask unanimous consent that after the Senator from New York shall conclude his address no Senator shall speak more than once nor longer than 10 minutes on the bill or any amendment.

Mr. McNARY. Mr. President, I am wondering about the propriety of making a proposal of that kind with so few present. It would be better to propose it in the morning, after we have a roll call.

Mr. ROBINSON of Arkansas. We do not require a roll call for this kind of an agreement.

Mr. COPELAND. I should have to object anyway, Mr. President.

The PRESIDING OFFICER. The Senator objects.

NOTIFICATION OF THE PRESIDENT OF CONFIRMATION OF GARDNER COWLES, SR.

Mr. ROBINSON of Arkansas. Mr. President, the nomination of Mr. Cowles to be a member of the Reconstruction Finance Corporation was delayed at my suggestion for several days. Only one executive session has since been held. I am disposed to ask unanimous consent, as in executive session, that the President be notified of the confirmation of that nomination, in view of all the circumstances.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES. Mr. President, as in legislative session, I desire to state that I understand that it would probably be impossible to get a quorum at this time of the day. I have a conference report on the Commerce, Labor, Justice, and State Departments appropriation bill. There is one amendment in disagreement, the Senate conferees being unable to get an agreement from the House. They absolutely refuse to recede. So that I shall make a motion to recede from the Senate amendment to-morrow morning at 10 o'clock, instead of making it to-night. I do not like to take that action, but I feel that the circumstances make it really imperative that we should recede from the amendment of the Senate, if the Senate will so vote.

Mr. ROBINSON of Arkansas. Mr. President, is the Senator prepared to state the nature or substance of the amendment that is in disagreement?

Mr. JONES. I have no hesitancy in doing that. A provision was put into the bill designating $200,000 as the amount to be set aside under the appropriation for air-navigation purposes, for the northern line between the Twin Cities and Puget Sound. The conferees agreed to $50,000, instead of $200,000. The House, however, rejected that by quite a decisive vote on yesterday, and the House conferees have taken that action practically as an instruction. Our conferees have to-day reluctantly decided to recede from our amendment. I want to say, however, that this recession will increase the appropriation as the bill passed the Senate by $200,000, and will restore the amount in the bill as it passed the House and came to the Senate.

SUSPENSION OF ASSESSMENT WORK ON MINING CLAIMS

Mr. ODDIE. Mr. President, on yesterday I introduced Senate Joint Resolution 188, which was passed by the Senate promptly and sent to the House, which has to-day passed it. It has gone to the White House and the President has just signed it. This removes all doubt as to the question of the validity of the original resolution passed on June 6, 1932. To show the necessity for this resolution I ask that there be placed in the RECORD a letter on the subject from the Secre-

tary of the Interior and the solicitor of the department to the Speaker of the House of Representatives dated to-day, June 30, 1932. I congratulate Congressman ENGLEBRIGHT for the efficiency and speed he has shown in initiating and expediting this resolution:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, June 30, 1932.

Memorandum for the Secretary.

Joint resolution, Public, No. 23, Seventy-second Congress, approved June 6, 1932, suspends the necessity of performing annual labor or improvements from July 1, 1931, to July 1, 1932. Some question has been raised in the Eastern States as to whether this legislation does not leave a hiatus from the end of the fiscal year ending June 30, 1932, to the end of the year for performing annual labor on mining claims, which is 12 o'clock meridian on July 1, 1932, and it is feared that during this brief period suspension will not be in force and claims might be relocated.

In my opinion the purpose of the act clearly indicated that Congress meant to relieve from the necessity of performing this work during the year ending at noon July 1, 1932. However, it should be remembered that this department can not prevent claim jumpers from physically relocating or attempting to relocate claims on the theory that the resolution does not cover the entire year. However, whatever might be the ultimate outcome of attempted relocation the department can not prevent the relocators from bringing suits in the courts, subjecting the present owners of mining claims to long and expensive litigation. To remove any possible doubt and to obviate the trouble and expense which would result from such relocations, I suggest that you advise the House of Representatives to enact Senate Joint Resolution 188 which was passed by the Senate yesterday. This resolution when enacted will remove all possibility of doubt of attempted relocation and ensuing litigation.

E. C. FINNEY, *Solicitor.*

Approved and recommended to the attention of Speaker GARNER of the House of Representatives.

RAY LYMAN WILBUR, *Secretary.*

JUNE 30, 1932.

RECESS

Mr. McNARY. I move that the Senate take a recess until to-morrow at 10 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock p. m.) took a recess until to-morrow, Friday, July 1, 1932, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 30, 1932

The House met at 12 o'clock noon.

Rev. Benjamin Wiltshire Meeks, superintendent Washington district of the Baltimore conference, Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, our Father, in the midst of the day's work we pause for meditation and for worship. We pray that we may hear again the inner voice speaking in our own hearts and may give to that voice a conscious response. We remember that Thou art the source of all light and truth and love, and so we who have so often placed ourselves at the disposal of the world's fingers to play upon would in this hour come before Thee that Thy spirit might touch the strings of our hearts and awaken within us new insights into truth and new sympathies for our fellow men. We pray Thee for our world, O Father, with all of its feverish unrest, its passion for freedom, its eagerness for things, and its eager, though often unexpressed, longing for Thee. We remember that we are a people composite, made from all the nations of the earth, and yet under the guidance of Thy grace and Thy love we have learned to live and serve together; but now doubt and fear and perplexity have bewildered us. Thou knowest how hard it is for us when the night is upon us to believe that the morning shall yet break. Therefore we pray that Thou shalt give to our leaders wisdom and courage and sympathetic understanding and a realization that they are the ministering servants of the Most High God, so that all their deeds and words and acts may be begun, continued, and ended in Thee. We pray that upon them and upon us there may come the true spirit of discernment and understanding, so that we may see duty more clearly, that we may seek to live by truth and to establish our common life on the eternal foundations of righteousness and love. Send us out into the great but disturbed generations where no man need waste his life to find our tasks in the service of self-denial to Thee and of sympathetic understanding with our fellow men and to make our world a better place for Thee to raise Thy children in. To this end may the spirit of Him who came not to be ministered unto but to minister be upon us. We ask in His name and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 308. An act to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the secretary;

H. R. 650. An act for the relief of Joe Andrews Co.;

H. R. 756. An act for the relief of R. L. Wilson;

H. R. 1279. An act for the relief of Frank Kanelakos;

H. R. 1931. An act for the relief of Ned Bishop;

H. R. 3536. An act for the relief of Viola Wright;

H. R. 3693. An act for the relief of William Knourek;

H. R. 3812. An act for the relief of the estate of Harry W. Ward, deceased;

H. R. 3845. An act for the relief of Charles L. Barber;

H. R. 3961. An act for the relief of Catherine Bell;

H. R. 3992. An act for the relief of Anna A. Hall;

H. R. 4056. An act for the relief of Emma Shelly;

H. R. 4885. An act for the relief of Kenneth G. Gould;

H. R. 5053. An act for the relief of Clyde Sheldon;

H. R. 5561. An act for the relief of Oscar R. Hahnel;

H. R. 5998. An act for the relief of Mary Murnane;

H. R. 7498. An act to amend Act No. 4 of the Isthmian Canal Commission entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 7501. An act to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914;

H. R. 7502. An act to regulate the carrying and keeping of arms in the Canal Zone;

H. R. 7504. An act to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone;

H. R. 7505. An act to provide for the protection of birds and their nests in the Canal Zone;

H. R. 7507. An act to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone;

H. R. 7509. An act to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials;

H. R. 7510. An act to punish persons deported from the Canal Zone who return thereto;

H. R. 7511. An act to regulate the operation of street-railway cars at crossings in the Canal Zone;

H. R. 7512. An act to amend section 5 of the Panama Canal act;

H. R. 7513. An act to provide for the appointment of a public defender for the Canal Zone;

H. R. 7516. An act in relation to the keeping and impounding of domestic animals in the Canal Zone;

H. R. 7517. An act to provide for the transportation of liquors under seal through the Canal Zone;

H. R. 8398. An act for the relief of John H. Day;

H. R. 8818. An act to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes";

H. R. 8980. An act to provide for the sale of a portion of the site of the post office and customhouse building in Newark, N. J., to the city of Newark for use as a public street;

H. R. 8981. An act to provide for the sale of an easement for a railway right of way over the post office and customhouse site at Newark, N. J.;

H. R. 9331. An act for the relief of Octavia Gulick Stone;

H. R. 11638. An act to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; and

H. R. 12202. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 21 and 39 to the bill (H. R. 9349) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes"; further insists on its amendment No. 132 to said bill, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. HALE, Mr. MOSES, Mr. MCKELLAR, and Mr. BROUSSARD to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 12443) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. SMOOT, Mr. HALE, Mr. KENDRICK, and Mr. HAYDEN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 188. Joint resolution amending the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 772. An act to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska;

S. 1030. An act for the relief of John A. Pearce; and

S. 2242. An act granting six months' pay to Louis Soluri.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 10884. An act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians;

H. R. 12202. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands; and

H. J. Res. 443. Joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 772. An act to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska;

S. 1030. An act for the relief of John A. Pearce; and

S. 2242. An act granting six months' pay to Louis Soluri.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 29, 1932, present to the President, for his approval, bills of the House of the following titles:

H. R. 1133. An act to provide for the relinquishment by the United States of certain lands to the city of Coeur d'Alene, in the county of Kootenai, in the State of Idaho;

H. R. 2606. An act for the relief of Edward Christianson;

H. R. 2633. An act for the relief of William R. Cox;

H. R. 4233. An act for the relief of Enza A. Zeller;

H. R. 5007. An act for the relief of Marie E. McGrath;

H. R. 5062. An act to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners;

H. R. 5595. An act for the relief of Harry Manning Lee;

H. R. 7308. An act for the relief of Amy Turner;

H. R. 10829. An act relating to the naturalization of certain women born in Hawaii; and

H. R. 11452. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes.

EXTENSION OF REMARKS

Mr. SNELL. Mr. Speaker, I ask unanimous consent that each Member may have from now until the time of the printing of the last RECORD in which to extend his own remarks and in order that there may be no misunderstanding I mean that if I individually want to extend my own remarks on two different subjects I may do it in two different extensions.

The SPEAKER. That is the rule. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman modify his request so as to permit Members to have this right within seven calendar days after the adjournment of this session?

Mr. SNELL. I do not know when the last RECORD will be printed. It may be within five days or seven days after the adjournment of the session. I have no objection to such a limitation. I understand from the gentleman from South Carolina that the last RECORD will be printed within five or seven days after the adjournment of the session.

Mr. STAFFORD. It may be printed two months after the close of the Congress, and it is usually one month. I suggest that the gentleman make it seven calendar days.

Mr. SNELL. I will make it 10 days.

The SPEAKER. The gentleman from New York asks unanimous consent that each Member of the House may have 10 days in which to extend his own remarks after the adjournment of this session. Is there objection?

Mr. LAMBERTSON. Mr. Speaker, reserving the right to object, I do not want to be arbitrary or unfair, but it does seem to me that when we are trying to economize this is one of the places where we can set an example. It is my notion that matters which are placed in the RECORD by way of extension of remarks or speeches made on the floor are intended to influence legislation. When the session is over there is no such excuse left, and any remarks placed in the RECORD after the close of the session are placed there purely for political purposes.

My observation two years ago, after the close of the short session, was that there were speeches put in the RECORD which men would not have had the temerity to make in the faces of their colleagues or even extend such remarks in the RECORD when they could be answered. I think it is a bad practice to allow these extensions after the House has adjourned when there is no excuse for it, but it is the tradition here——

Mr. SNELL. Will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. SNELL. I agree to a certain extent with what the gentleman has said. Of course, it is up to the conscience of each individual Member as to what he will put in the RECORD, and that is something you can never control.

Mr. COLE of Iowa. Will the gentleman accept an amendment making a charge of $1 an inch, which is the usual advertising rate?

Mr. LAMBERTSON. That is in line with what I say, because these extensions are purely political. I was surprised that the watchdog of the RECORD should make this request, particularly at a time when we are trying to economize. Every page in the RECORD costs the Government nearly $60.

Mr. UNDERHILL. Will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. UNDERHILL. The gentleman from Massachusetts has followed a definite policy which has met with the general approval of the House; and that policy, of course, has saved a great deal of space in the RECORD, and thereby saved a great deal of money. However, the gentleman from Massachusetts does not desire to curtail the rights or privileges of any Member of the House, although he is in hearty sympathy with what the gentleman has said.

Mr. LAGUARDIA. Will my colleague yield?

Mr. LAMBERTSON. Yes.

Mr. LAGUARDIA. I want to point out that in part what the gentleman says is absolutely correct, but there are many subjects in which the gentleman from Kansas is deeply interested and in which I am interested, like banking matters, the stock exchange, interest rates, reports, and facts, which neither the gentleman from Kansas nor myself could get across through the daily press, so that this is the only medium we can use and give the people of the country the information.

Mr. LAMBERTSON. We have been here seven months, and the most we have done is to talk. Has not everybody had his chance?

Mr. LINTHICUM. Will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. LINTHICUM. I want to ask the gentleman from New York whether under his request Members may embody more than one subject in a speech, or must they carry the different subjects in separate extensions?

Mr. SNELL. Either way.

Mr. STEVENSON. Will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. STEVENSON. I want to call attention to the fact that this request was made yesterday and granted.

Mr. SNELL. It was not granted yesterday.

Mr. STEVENSON. I understood it was.

The SPEAKER. Is there objection?

Mr. LAMBERTSON. Mr. Speaker, reserving the right to object, it seems to me that if we did the right thing there should not be any extensions of remarks after adjournment. There ought to be a rule that the day before the last day of the session should be the last day on which there could be extensions of remarks, and they should be printed so they could be seen by every Member of this House before this House adjourns. To my mind that is the way it ought to be done, from the little experience I have had here. If the Members want to throw this wide open and permit the extension of hundreds of speeches for purely political purposes and disregard the taxpayers of the country, all right. Let tradition have its way. I yield to the desire of my minority leader, Mr. SNELL, and to our Speaker.

Mr. SANDLIN. Mr. Speaker, I ask for the regular order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SCHAFER. I object.

THE REVENUE LAW

Mr. STEVENSON. Mr. Speaker, I call up a privileged resolution, House Resolution 276, from the Committee on Printing

The clerk read as follows:

House Resolution 276

Resolved, That 10,000 additional copies of the slip law (Pub., No. 154, 72d Cong.), an act to provide revenue, to equalize taxation, and for other purposes, be printed for the use of the House Document Room.

The resolution was agreed to.

AMELIA EARHART PUTNAM

Mr. HILL of Alabama. Mr. Speaker, I submit a conference report on the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I call up conference report on the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 17, 28, and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 6, 7, 8, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, and 52, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"The offices of surveyors of customs (except the surveyor of customs at the port of New York) and appraisers of merchandise (except the appraiser of merchandise at the port of New York), 21 in all, with annual salaries aggregating $102,000, are hereby abolished. The duties imposed by law and regulations upon surveyors and appraisers of customs, their assistants and deputies (except the surveyor and the appraiser, their assistants and deputies, at the port of New York) are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$410,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$27,800,220"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44,

and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert "$19,460,000"; and the Senate agree to the same.

The committee of conference have not agreed on amendment numbered 9.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
M. H. THATCHER,
Managers on the part of the House.

TASKER L. ODDIE,
REED SMOOT,
GEO. H. MOSES,
E. S. BROUSSARD,
PARK TRAMMELL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

On Nos. 1, 2, 3, 4, and 5, relating to the general price limitation on purchases of typewriters: Confines the limitation to "standard" typewriting machines, as proposed by the House bill; strikes out the authority inserted by the Senate making the limitation apply to "portable desk models"; fixes the maximum price limitation on 10-inch correspondence models at $60, as proposed by the Senate, instead of $70, as proposed by the House; and restores the House language requiring purchase of machines distinctively quiet in operation to be made only on the written order of the head of the department or establishment concerned in such purchase.

On No. 6: Appropriates $640,000, as proposed by the Senate, instead of $770,000, as proposed by the House, for purchase of distinctive paper for United States securities.

On Nos. 7, 8, and 10, relating to the Customs Service: Appropriates $22,000,000, as proposed by the Senate, instead of $22,700,000, as proposed by the House; fixes the limitation upon personal services in the District of Columbia at $480,000, as proposed by the Senate, instead of $494,470, as proposed by the House; and restores the House provision, stricken out by the Senate, abolishing the offices of comptrollers of customs, surveyors of customs, and appraisers of merchandise (except the appraiser at the port of New York), 29 in all, with annual salaries aggregating $153,800, modified so as to exempt from abolishment the offices of the comptrollers of customs and the office of surveyor of customs at the port of New York, and to reduce the number of offices to be abolished to 21 with annual salaries aggregating $102,000.

On Nos. 11 and 12, relating to the Federal Farm Loan Bureau: Appropriates $950,000, instead of $1,011,500, as proposed by the House, and $911,500, as proposed by the Senate, and adjusts the limitation on personal services in the District of Columbia at $410,000, instead of $430,000, as proposed by the House, and $387,000, as proposed by the Senate.

On Nos. 13 and 14, relating to the Bureau of Industrial Alcohol: Appropriates $4,525,000, as proposed by the Senate, instead of $4,725,000, as proposed by the House, and fixes the limitation on personal services in the District of Columbia at $354,320, as proposed by the Senate, instead of $369,320, as proposed by the House.

On Nos. 15 and 16, relating to the Bureau of Narcotics: Appropriates $1,525,000, as proposed by the Senate, instead of $1,625,000, as proposed by the House, and makes available $203,120, as proposed by the Senate, for personal services in the District of Columbia, instead of $216,120, as proposed by the House.

On Nos. 17 to 24, inclusive, relating to the Coast Guard: Appropriates $20,640,000, as proposed by the House, instead of $18,240,000, as proposed by the Senate, for pay and allowances; appropriates $1,950,000, as proposed by the Senate, instead of $2,250,000, as proposed by the House, for fuel, etc.; appropriates $1,970,000, as proposed by the Senate, instead of $2,140,000, as proposed by the House, for outfits, ship chandlery, etc.; appropriates $520,000, as proposed by the Senate, instead of $525,000, as proposed by the House, for repairs to stations, etc.; appropriates $140,000, as proposed by the Senate, instead of $170,000, as proposed by the House, for coastal communication lines; appropriates $255,000, as proposed by the Senate, instead of $260,000, as proposed by the House, for contingent expenses; appropriates $2,100,000, as proposed by the Senate, instead of $2,300,000, as proposed by the House, for repairs to vessels; and adjusts the total.

On No. 25: Appropriates $6,430,000, as proposed by the Senate, instead of $6,535,000, as proposed by the House, for the Bureau of Engraving and Printing.

On Nos. 26, 27, 28, and 29, relating to the Public Health Service: Appropriates $5,680,000, as proposed by the Senate, instead of $6,000,000, as proposed by the House, for pay of personnel and maintenance of hospitals; appropriates $420,000, as proposed by the Senate, instead of $500,000, as proposed by the House, for maintenance of the quarantine service; appropriates $350,000, as proposed by the House, instead of $400,000, as proposed by the Senate, for prevention of epidemics; and appropriates $300,000, as proposed by the House, instead of $3,000,000, as proposed by the Senate, for rural sanitation.

On Nos. 30, 31, and 32: Provides, as proposed by the Senate, for the assay offices at Carson City, Nev., Boise, Idaho, Helena, Mont., and Salt Lake City, Utah; and appropriates $1,339,670, as proposed by the Senate, instead of $1,415,000, as proposed by the House, for salaries and expenses of operation of all mints and assay offices.

On Nos. 33, 34, 35, 36, 37, 38, 39, and 40, relating to public buildings: Strikes out, as proposed by the Senate, the appropriation of $100,000 contained in the House bill for remodeling and extending completed and occupied public buildings; appropriates $475,000, as proposed by the Senate, instead of $1,000,000, as proposed by the House, for repairs to public buildings; appropriates $600,000, as proposed by the Senate, instead of $775,000, as proposed by the House, for mechanical equipment of public buildings; appropriates $150,000, as proposed by the Senate, instead of $190,000, as proposed by the House, for vaults and safes for public buildings; appropriates $2,740,000, as proposed by the Senate, instead of $2,750,000, as proposed by the House, for general expenses; appropriates $1,940,000, as proposed by the Senate, instead of $2,200,000, as proposed by the House, for furniture for public buildings; appropriates $3,501,500, as proposed by the Senate, instead of $3,901,500, as proposed by the House, for operating supplies; and makes available $682,880, as proposed by the Senate, instead of $694,880, as proposed by the House, for salaries in the office of the Supervising Architect.

POST OFFICE DEPARTMENT

On Nos. 41 and 42, relating to contingent expenses: Appropriates $8,500 for telegraphing, and makes $2,500 immediately available, as proposed by the Senate, instead of an appropriation of $6,000, as proposed by the House; and makes the appropriation for miscellaneous expenses available for the purchase of a new passenger automobile for the Postmaster General, as proposed by the Senate.

On No. 43, relating to the transportation of foreign mail by steamship: Strikes out, as proposed by the Senate, the limitation in the House bill prohibiting the use of the appropriation for payment on ocean mail contract No. 56 awarded to the Seatrain Co., and also strikes out the House limitation prohibiting the use of the appropriation for the purpose of

awarding, after March 1, 1932, an ocean mail contract under the merchant marine act of 1928 to, or for extending or increasing an ocean mail contract now held by, any person, firm, corporation, or association which directly or indirectly, through any associate, affiliate, subsidiary, or holding company, or otherwise, operates, as owner, agent, or charterer, any foreign-flag ships in competition with any American-flag ships.

On No. 44: Appropriates $19,460,000, as proposed by the Senate, instead of $19,000,000, as proposed by the House, for domestic air mail transportation, and eliminates the language inserted by the Senate designating the routes upon which the additional $460,000 is to be expended.

On Nos. 45 and 46: Appropriates $516,000, as proposed by the Senate, instead of $505,000, as proposed by the House, for transmission of mail by pneumatic tubes in New York City, and fixes the annual rate per mile to be paid at not to exceed $19,500, as proposed by the Senate, instead of $18,500, as proposed by the House.

On No. 47: Strikes out, as proposed by the Senate, the limitation in the House bill respecting the filling of vacancies.

On Nos. 48 and 49: Corrects section numbers.

On No. 50: The House bill contains a section requiring that the Secretary of the Treasury in the case of the Treasury Department and the Postmaster General in the case of the Post Office Department, in the expenditure of appropriations, shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States notwithstanding that such articles may cost more, if such excess of cost be not unreasonable. The Senate has modified this section by requiring that in giving effect to it special consideration be given to the domestically manufactured article where the raw material of which the article is made is grown in the United States; and the House has accepted the Senate amendment.

On Nos. 51 and 52: Corrects section numbers.

AMENDMENT IN DISAGREEMENT

On No. 9: Making available $6,000 of the appropriation for the Customs Service for the construction of gates at the international boundary across the highway at the port of San Ysidro, Calif.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
M. H. THATCHER,
Managers on the part of the House.

Mr. BYRNS. Mr. Speaker, the conferees met last night and agreed upon this report. It is a complete report signed by the 10 conferees representing the Senate and the House. I have not had an opportunity to prepare a formal statement with reference to the appropriations carried.

I may say that as agreed upon, the bill carries $250,308,158 for the operations of the Treasury Department, and $805,939,675 for the Post Office Department, or a total of $1,056,247,833.

This is $48,000,000 less than was appropriated for the present fiscal year. I am speaking now in round figures. It is $27,000,000 less than the estimates. It is $3,000,000 less than the amount carried in the bill as it passed the House.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. STAFFORD. I notice one item where the committee, if I am not erroneous in my assumption, has departed from a policy that Congress has heretofore adopted in paying for pneumatic-tube service in New York City. The Senate amendment provided that the rate of pay per mile should be $19,500. The rate as carried in the House bill is $18,500. Ever since this service was adopted, the maximum rate has been $19,000 per mile.

Mr. BYRNS. Nineteen thousand five hundred dollars.

Mr. STAFFORD. The gentleman from Tennessee states that the maximum rate has been $19,500. I am only relying on my memory, and I have not studied this matter for many, many years, not since I was a member of the Post Office Committee nearly 20 years ago; but my impression is that the maximum rate, as provided in the original law, is $19,000 per mile.

Mr. BYRNS. No; if the gentleman will permit, the original law provided for $18,500, but there was a proviso giving the contractor and the Government the right to appeal to the Interstate Commerce Commission prior to October 22, I think, following the passage of that law for a revision of the rate. It provided that in no event should the contract carry more than $19,500 per mile. Thereupon the contractor took the matter to the Interstate Commerce Commission and the Interstate Commerce Commission allowed the full amount provided of $19,500, and this has been the amount of the contract for the past 10 years.

Mr. STAFFORD. If the gentleman will permit, I am quite certain of my position as to this. When the law was originally passed providing for pneumatic-tube service in the five large metropolitan cities, namely, New York, Boston, Philadelphia, St. Louis, and Chicago, the rate was fixed without right of review by the Interstate Commerce Commission.

Mr. BYRNS. That may be true.

Mr. STAFFORD. I can not say what law may have been passed in the last decade, and particularly during that period of time when I was out of Congress. So if the gentleman says that under existing law the Interstate Commerce Commission has the right to review the rate and place the limit up to $19,500 and the conference committee has adopted that rate, of course there is no basis for my position and no reason for my rising and criticizing the matter.

Mr. BYRNS. I did not intend to be so understood. I may say that 10 years ago when this contract was made the law provided that it should be at the rate of $18,500 a mile, but gave both contracting parties the right to appeal to the Interstate Commerce Commission for a revision, with a limitation that the maximum should not be higher than $19,500. This applied only to the 10-year contract. So they have been drawing $19,500 for the past 10 years under that contract, which expires to-day.

Mr. STAFFORD. What is the basis for the House committee recommending not in excess of $18,500?

Mr. BYRNS. What actuated the House committee, and the House, I take it, in passing the bill carrying $18,500, was the fact that the law originally provided for that. It was a matter of lengthy discussion in conference, and we thought we could fix it at $18,500, because the cost of everything has gone down, and if $19,500 was a sufficient sum in the past, $18,500 would be reasonable for the future.

Mr. STAFFORD. And there has been no addition to the original equipment—the machinery is static, and the investment has been there for 20 years.

Mr. BYRNS. The reply to that was that there has been a new station established in New York and some additional improvement which justified the $19,500.

Mr. LaGUARDIA. Will the gentleman yield? I do not know anything about the reasonableness of the amount or the politics back of the tube ownership, but I do want to say that the tubes are absolutely indispensable in the city of New York.

Mr. STAFFORD. There is no denying that fact. I made an investigation of that, and it is the one city where it can be defended.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SNELL. I see in amendment No. 44 it appropriates $19,460,000, instead of the $19,000,000 as proposed by the House. Is that the subject that we had up in the House the other day?

Mr. BYRNS. No. The Senate put on two amendments. The gentleman knows that the House bill carried $19,000,-

000, and the Senate put on an amendment carrying $375,000 for the purpose of establishing night flying between Salt Lake and San Diego, and $85,000 for the route extending from Charlotte down through Georgia to some other cities. That made a total of $460,000.

Mr. SNELL. And you have agreed to both?

Mr. BYRNS. No. The final result of another extended discussion was the allowance of the appropriation of $460,000, and leaving the matter wholly, as all other appropriations are, with the Postmaster General.

Mr. COLTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COLTON. I would not like to have that statement that night air mail between Salt Lake City, Utah, and San Diego, Calif., is not needed, go unchallenged. Much mail is going another way which ought to go this route, and will go if this service is restored. It is a question of going around the "U" instead of across the top of it. This is the logical mail route for Chicago, Omaha, Denver, and all that section for mail going west.

There is a decided need for this service. Personally, I have no information at all as to how this additional money is to be used, but I feel that on this great transcontinental line there is absolute need for the night service.

Mr. BYRNS. We have decided to leave that entirely with the Postmaster General.

Mr. EATON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. EATON of Colorado. In addition to what the gentleman from Utah [Mr. COLTON] says, I am quite surprised to hear the chairman of the committee say that there is no need for this night flying between San Diego and Salt Lake City. Two months ago, or three months ago, when the matter was under consideration before, I directed attention to what it meant, not only so far as Salt Lake City is concerned, but for all the air mail between Salt Lake City and Chicago. This is what has happened. When they took off the night flying on the first of January, of course the air mail continued for a few days, and then it was found that without night flying there was absolutely no saving in time in the air mail between the western coast and all places from Salt Lake City on, east of Omaha. As far as Denver is concerned, which is a metropolis, the incoming mail was from 1,000 to 1,500 pounds a day; it dropped to about 30 or 40 pounds a day. There has been promise after promise that the matter would be considered. There is a fight between some of the air lines that seem to be given consideration by the Post Office Department. The air mail depends upon the development of speed, and it is absolutely impossible without the night flying, starting from the western coast, to save time in coming easterly. I can go by train from Washington to Denver as fast as I can go by the current air lines. I can come East by the transportation lines in the air faster, but going West, because of the waits and the non-night flying, I can go just as fast by train. A similar situation has been created by stopping the night flying of mail East from the Pacific coast by way of Salt Lake City. If you are going to make air mail of any avail whatsoever, between or starting at the Pacific coast, and the whole Rocky Mountain region down to the Missouri River, you have to start your mail by night flying, starting on the western coast, Los Angeles, San Diego, and San Francisco, and in the nighttime, coming east, to gain the time which will result in a saving over mail by rail. The gentlemen in the Post Office Department know that. What they are doing now is trying an experiment and they say to you that there is not now enough air mail. There is not. Anyone who sends mail by air, any business man, pays for it in order to get speed, and all that is left now from the air mail are the little letters that people are sending home with a 5-cent stamp on.

Mr. BYRNS. Of course the gentleman understands that my statement is based on information I have received. I know nothing about the matter myself.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SCHAFER. There are two points that I would like to obtain information upon. Why did the House managers have to accept the Senate reduction to $22,000,000 in the appropriation for the Customs Service, a service which is a revenue-producing one? Is it contemplated to abolish or consolidate some of the old-established customs districts if this conference report is agreed to?

Mr. BYRNS. Not so far as I know. The reason which actuated the conferees in accepting that amendment was the fact that it was specifically recommended by the Secretary of the Treasury. He notified the Senate by letter that this, among certain other reductions, could be made in his department; and, of course, as he is the head of the department and said he did not need more money, we accepted the amendment.

Mr. SCHAFER. Why did the House managers not concur in the Senate amendment making the appropriation for the Coast Guard $18,240,000 instead of $20,640,000, in these days of economy, when the Coast Guard is not a revenue-producing agency of the Government?

Mr. BYRNS. That is under the head of pay and allowances. It was the contention of the Secretary of the Treasury, and I think abundantly justified, that if you eliminated $2,000,000 from this appropriation it would destroy the whole service.

Mr. SCHAFER. The gentleman well knows that since we made the Coast Guard a prohibition-enforcement agency the total appropriation for the Coast Guard has increased over 300 per cent. Three times as much is appropriated for the Coast Guard since it was made a prohibition-enforcement agency; and in these days, when the people are indicating their opposition to the prohibition law, and in these days of economy, why can we not cut out this useless prohibition branch of the Coast Guard service if the gentleman is really for economy?

Mr. BYRNS. I understand, so far as the prohibition enforcement is concerned, that that takes 40 per cent or 50 per cent of the total appropriations for the Coast Guard, but the Coast Guard is a great service, and we must not look at it solely from the standpoint of the enforcement of prohibition. It saves human lives and is engaged in many other activities with which the gentleman is familiar. We do not want to destroy that service, and this was for pay and allowances. If they do not need it for that purpose, it will not be so expended.

Mr. SCHAFER. The gentleman has been on the Committee on Appropriations for a long time, and he knows that prior to 1924 we had a small annual appropriation for the Coast Guard, and that since you made a prohibition-enforcement unit out of it you have trebled the annual appropriation. Now, in these days of economy, why can we not reduce some of that Coast Guard prohibition-enforcement personnel and save some money for the taxpayers?

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. GREEN. In order to ask the gentleman relative to State health cooperation, whether in the gentleman's opinion the existing service now being rendered by the Federal Government for rural sanitation and health work will be curtailed by this, or will they be able to carry on this service?

Mr. BYRNS. I take it that the appropriation which is carried in this report for next year will undoubtedly have the effect of curtailing that work, because the gentleman will understand they have been working under what might be called a very large emergency appropriation. This goes back to $300,000.

Mr. GREEN. Of course, the emergency drought relief work is about over. I was wondering if the rural health sanitation work would probably be able to go along as it had before. Did that come out of the committee's proceedings?

Mr. BYRNS. I just stated I did not think it would be carried on to the same extent as it has been, because they

have been using an emergency appropriation. This report does not provide for an emergency appropriation.

It provides for $300,000, the amount that was in the bill when it passed the House. Heretofore they have had an emergency appropriation to care for conditions growing out of the floods on the Mississippi River and the drought which swept certain sections of this country. Those causes brought about this emergency appropriation. Of course, I know it is said this is an emergency appropriation that was proposed in the Senate on account of economic conditions, but, of course, the economic situation can not be taken into consideration in a regular annual appropriation bill. I have been one of the most ardent supporters of rural sanitation in Congress. Those in the Public Health Service know that, but when we are proposing a relief bill, as we propose to pass, that ought to be earmarked and placed in that bill and not made a part of the regular annual appropriation. We have done it with nothing else, and, as much as I am in favor of rural sanitation, I am not in favor of making that distinction.

Mr. GREEN. The $300,000 that is embraced in the bill would enable the work to go on normally as it did before the emergency appropriation?

Mr. BYRNS. Yes.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HILL of Alabama. Were those emergency appropriations carried in a regular appropriation bill or in a deficiency bill?

Mr. BYRNS. In the deficiency bill.

Mr. HILL of Alabama. But the Senate did put in an item of $3,000,000 for this item of rural sanitation and, as I understand, the conferees took that out.

Mr. BYRNS. Yes; for the reasons I have just explained.

Mr. HILL of Alabama. And, of course, there will be no opportunity for this House to vote for the reinstatement of that item in the bill?

Mr. BYRNS. Not unless the House desires to vote down this report and make it impossible to pass it in time for the next fiscal year. I hope the House will not do that.

Mr. HILL of Alabama. I know that the gentleman has been one of the stanchest and best friends of rural sanitation, as far as cooperation on the part of the Federal Government is concerned. I am only sorry, however, that the gentleman did not give the House an opportunity to vote on that item.

Mr. BYRNS. I should like very much to have done that, but of course the gentleman understands that I am in a position where I am expected, and properly so, to do what I can to conserve public money; and, regardless of my personal view on any particular activity, I will not stand here, whether it is in my own State or some other State, and advocate a thing purely because of my own personal views.

Mr. HILL of Alabama. Although I strongly agree with the gentleman, I realize it takes intestinal fortitude for the gentleman to take the position which he does.

Mr. BYRNS. I thank the gentleman.

Mr. GLOVER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. GLOVER. As I remember, the appropriation was $2,000,000 for 21 States last year. This $3,000,000 applies to the entire United States for health work, does it not?

Mr. BYRNS. Yes.

Mr. GLOVER. Now, with the condition we have prevailing in this country, with the small appropriation that is left for rural health work, when there are 28,000 men now in Washington in a camp, and when so many men throughout the United States are being cared for by the Red Cross and other activities, to preserve life, and where disease is likely to break out, does the gentleman really believe it is safe to cut this appropriation to that extent and leave the entire United States at the mercy of the ravages of disease? We have taken care of animals; we have taken care of hog cholera; we take care of every disease that destroys other property, but when it comes to the health of our people are we to surrender on the question of economy? Is it economy to risk the health of our people on account of the little sum that might be saved?

Mr. BYRNS. Now, may I say to the gentleman that the appropriation that is recommended in this report is not a cut of the appropriation made for rural sanitation. It is the same amount that has been allowed. It is true that in 1931—and the gentleman will remember it was for the fiscal year 1931—$2,000,000 was appropriated as an emergency appropriation on account of the drouth situation which prevailed in the gentleman's State and many other States. That money was not all expended in 1931. Part of it came over to the present fiscal year. I am not able to give the exact figures, but it was expended in 1931 and a part of it expended in this year. Now, there is no drouth. There has been no situation brought to the attention of the House, showing that an emergency appropriation was needed for drought relief or flood relief which would have justified an additional appropriation of $3,000,000 for the year 1933.

The records show that public health throughout the United States to-day is better than it has ever been, and it is the boast of the Public Health Service that this is true. We are very happy that it is so. So your committee felt, when we are doing all we can to hold down appropriations to the lowest possible minimum, that there could be no justification for providing for an emergency appropriation in this, the regular annual appropriation bill, of $3,000,000 for this particular service, as much as I would personally like to see it done.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. CHINDBLOM. In this discussion, as occurs so often, it seems to me, some of the Members are proceeding upon a mistaken theory that it is the duty of the Federal Government to provide for all of these local necessities. Why should the Federal Government make appropriations for rural sanitation in the States at all? In my opinion, only in cases of extreme emergency, where it appears the States are not able for some extraordinary reason to do their own work and take care of their own people and their own necessities, should such work be done by the Federal Government.

Once we start an appropriation of this kind in an emergency, as we did in 1931, the next time an item of this kind comes up in an appropriation bill, Members of the House from the sections of the country which were benefited by the emergency legislation will try to continue the emergency appropriation, to increase it and to enlarge the functions and the purposes for which the appropriation was originally made. Unless the Members of the House and of the other body sometime begin to realize that the Federal Government can not do everything the States ought to do, we will never reduce the expenses of the Federal Government. [Applause.]

Mr. DYER. The Federal Government is spending a lot of money trying to keep people dry. It might better spend that same money trying to keep them well, for in this they would get more results.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HILL of Alabama. Can the gentleman tell us how much money there is in State funds that have been appropriated, contingent upon a matching with Federal funds, that can not be expended because there will be no Federal funds available?

Mr. BYRNS. I am sorry I have no information on that.

Mr. HILL of Alabama. It is a considerable amount of money, is it not?

Mr. BYRNS. I really do not know. I may say to the gentleman it has never been brought to my attention.

Mr. EATON of Colorado. Will the gentleman yield on another subject?

Mr. BYRNS. I yield.

Mr. EATON of Colorado. My attention has been directed to amendment No. 10, which is shown by the conference report to have resulted in there being replaced in the bill the

sentences concerning the comptrollers of customs, surveyors of customs, and appraisers of merchandise at customhouses. As the bill went from the House those offices were abolished, except at the port of New York.

In Colorado we have a customhouse. The official in charge is also the custodian of a lot of property, but I do not remember that we have an official called a "surveyor of customs." The official in charge is called the "collector of customs." He has a whole force in connection with the customs office, and another force for the work in his custodial capacity.

Can the gentleman tell me what change is going to be made in the customs office; first, as far as customs is concerned; and second, as far as custody and care of Government property is concerned? There is between four and five million dollars' worth of property out there, the United States mint, the customhouse, one or more old buildings, all of which are under the collector of customs as the general custodial officer.

Mr. BYRNS. Only that if this provision of the bill is adopted it will serve to abolish all the surveyors of customs except one in New York City. It will also serve to abolish all of the appraisers except one, who is in New York City. It retains seven comptrollers, who are presidential appointees.

Mr. EATON of Colorado. Can the gentleman clear this up? Do these surveyors, comptrollers, and the other officers the gentleman named operate under the collector of customs, or is the collector of customs a subordinate officer to any of those having the titles the gentleman is speaking of?

Mr. BYRNS. No. They are all presidential appointments, and, therefore, they all claim to be, and doubtless are, of equal rank. There is always in these offices some question, as the gentleman knows, as to the jurisdiction of this and the jurisdiction of that.

Now, the collectors of customs do all this work with civil-service employees, and the information of the committee is that the surveyors are entirely useless except in the city of New York where the surveyor has about 1,300 men under him, so the Secretary of the Treasury states, and where he is badly needed. But, in all other sections the surveyor of customs is not needed. Some of these offices have been carried along for 150 years.

The Secretary of the Treasury thought the comptrollers were necessary because they really do the auditing in their various districts. Therefore they have been retained, although the House cut them out as the bill passed the House.

So the bill does not disturb the present situation in the least except to eliminate these officials who are unnecessary and admitted to be so by the department itself.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. CHINDBLOM. What about the appraisal of property in the ports outside of New York City?

Mr. BYRNS. That will be done as heretofore by the collectors of customs. They have civil-service employees under them whose duty it is to make appraisals of property.

The appraiser is merely sort of a figurehead.

Now, to illustrate this, let me say we have 300 ports in this country now and only 14 appraisers. If we need an appraiser in a port we ought to have 300 instead of 14.

At San Francisco and New Orleans vacancies occurred a few years ago and there were some differences about the appointments.

The gentleman may be familiar with one of them. Some differences arose about the appointments and those places were held vacant for two or three years, and my information is they would be vacant to-day if certain distinguished gentlemen who are not members of this body had not gotten busy and insisted upon some appointments being made.

Mr. BEEDY. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BEEDY. I think the gentleman in responding to inquiries made by the gentleman from Colorado unintentionally used the phrase "surveyors of customs" when he meant to refer to appraisers, at least, the gentleman used that phrase and made the statement that the final result of this appropriation bill, as far as it affects these officers, surveyors, and appraisers, was this, that we are right back where we started, with the exception of the fact that the surveyor and appraiser of customs had been exempted in New York. The gentleman did not mean that, did he?

Mr. BYRNS. Yes.

Mr. BEEDY. This statement of the managers says that the only exception now made from the original provision as the House sent the bill to the Senate is that it excepts the appraiser at the port of New York.

Mr. BYRNS. And the surveyor.

Mr. BEEDY. But the statement does not say that.

Mr. BYRNS. That is what the report does.

Mr. EATON of Colorado. That is shown on page 1 of the report.

Mr. BEEDY. I am referring to page 1 of the statement.

Mr. BYRNS. The appraiser was excepted in the bill as it passed the House. What the conferees have done has been to add the surveyor.

Mr. BEEDY. The report on the first page differs from the statement of the managers on the third page. What I can not understand is this: If these officers are all useless, why do we expect them in the port of New York?

Mr. BYRNS. I will give the gentleman the statement and justification made by the Secretary of the Treasury. The gentleman knows that the greater portion of our imports come in through New York. The Secretary of the Treasury says that the surveyor alone has 1,700 men under him out upon the piers when these ships come in, and they are coming in, as the gentleman knows, constantly. He says that the surveyor is needed in the city of New York on that account but no such condition prevails in any other port in the country. The same is true as to the appraiser.

Mr. BEEDY. In other words, it is contended that the appraisers and surveyors in all these other ports of the United States have no men under them and are mere fixtures.

Mr. BYRNS. Well, if they have any under them, they are really under the collector of customs, and he can look after them.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LINTHICUM. When the bill left the House it left out appraisers and surveyors. I understand the Senator from Maryland, Senator GOLDSBOROUGH, introduced an amendment which was inserted on the Senate side. That has come before the conference, and what has the conference done with that proposition?

Mr. BYRNS. The conference, as I have just said, has agreed to eliminate all the surveyors of customs except the one who is stationed in New York. The Senate has agreed with the House in eliminating all the appraisers except one, who is also located in New York, and the House conferees agreed to the restoration of the seven comptrollers.

Mr. LINTHICUM. The appraisers and surveyors are now out of the bill as it was when it left the House? Is that correct?

Mr. BYRNS. As the bill left the House it had one appraiser in New York City. It carries no more as reported here. It had no surveyors. Now it carries one surveyor at New York City. It had no comptrollers, but the conferees have restored seven comptrollers.

Mr. THATCHER. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. THATCHER. I want to ask the gentleman if it is not a fact that the action which has been taken is in exact accordance with the recommendation of the Secretary of the Treasury?

Mr. BYRNS. The gentleman is correct. I think we have acted in all these matters in accordance with the recommendation of the Secretary of the Treasury.

Mr. BEEDY. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BEEDY. The gentleman stated to the gentleman from Maryland that the conferees have now excepted a surveyor and what other officer?

Mr. BYRNS. And an appraiser.

Mr. BEEDY. In addition to the original provisions of the bill as it left the House?

Mr. BYRNS. Yes.

Mr. BEEDY. Is the evidence as to the necessity of these officers any different to-day than it was when we had the original hearings?

Mr. BYRNS. I said to the gentleman that the House excepted the appraiser in the city of New York, but it did abolish the office of surveyor. That office has been restored by the conferees.

Mr. BEEDY. I really do not understand the situation. I wish the gentleman would explain it further.

Mr. BYRNS. Let me state this to the gentleman, and I think this tells the story: The amount of customs receipts which come in through the New York City port is $204,937,612.66. The nearest in amount which was collected at any other port was at Philadelphia, and the amount of receipts at the Philadelphia port was $29,286,573.15, and next to that comes the city of Boston with something over $23,000,000.

Now, here is one port bringing in $204,937,000, the great percentage of our customs receipts, which I think tells the story as to why some exception should be made with reference to these two positions.

Mr. BEEDY. If the gentleman will permit. Here is the point I am in doubt about. This inspector at New York has 1,700 men under him, but irrespective of how many men he has under him, if he is a useless officer, as is held to be the case at every other port, why keep him there? The collector of customs could take care of these 1,700 men, and the point, as I see it, and I may be entirely wrong, is that these surveyors and these inspectors have a specific duty to perform that the collector of customs can not perform and ought not be expected to perform, and regardless of the volume of imports coming into any one port, I understand there is a good deal of evidence to justify the contention that these men ought not to be dispensed with in the interest of so-called economy.

Mr. BYRNS. I may say to the gentleman——

Mr. BEEDY. What does this inspector in New York do that we could not get along without, since we are going to let all the rest of them go?

Mr. BYRNS. The surveyor in New York has 1,700 men under him, and I take it, if he is the kind of man he ought to be and that the President evidently thought he was when he was appointed, he is a pretty busy man.

Mr. LAGUARDIA. Yes; he is a good man. I happen to know that he is a good man and a busy man.

Mr. BEEDY. They are all good men. The inspector and appraiser in my port of Portland, Me., are good men and have worked hard through the years.

Mr. BYRNS. Since the gentleman has mentioned his port, let me call attention to the situation in Portland.

Mr. BEEDY. Yes; I wanted the gentleman to do that.

Mr. BYRNS. The customs receipts or duties collected at the Portland (Me.) office or port amount to only $158,055.18. Portland has had up to this time an appraiser at a salary of $3,800 and a surveyor at a salary of $3,200, in addition to the regular collector of customs, and there is only collected there $158,000 a year. The gentleman, I am sure, will agree that there is no sense in continuing these offices, and this is only a sample of the other offices throughout the country.

Mr. BEEDY. Of course, if there is not any sense in continuing them, I do not want them continued; but the thing that staggers me is that throughout all these years we have never discovered that these men were unnecessary until now. I think it is a sad commentary on the efficiency of government, if that is the fact.

Mr. BYRNS. The gentleman must give the House and the Congress and the Secretary some credit for having found it out even at this late date.

Mr. LINTHICUM. The gentleman stated there are seven comptrollers retained. Are any of them at the Baltimore port?

Mr. BYRNS. I think one of them is in the gentleman's city.

Mr. LINTHICUM. Well, that will be some little advantage, anyhow. Is the gentleman positive about that?

Mr. BYRNS. Yes; I am.

Mr. CHINDBLOM. I only have one question with reference to amendment No. 44, concerning which there has been some discussion, and which relates to special provisions for air mail service. In the routes between Salt Lake City and San Diego, Calif., and between Charlotte, N. C., down to Augusta, Ga., the action proposed by the conferees is that the House recede from its disagreement and agree to the Senate amendment with an amendment inserting in lieu of the matter contained in the amendment simply the sum $19,460,000. I presume this is on the theory that the other language would be legislation?

Mr. BYRNS. No.

Mr. CHINDBLOM. We had a similar situation yesterday, I may say, in the conference report on the State, Justice, Commerce, and Labor bill, where there was a special provision for a route in the northwest between the Twin Cities and the Northwest.

Mr. BYRNS. No; it was not on the theory it was legislation. Personally, I was opposed to the increase, I will say to the gentleman, and I think I can say the same thing for some of my fellow conferees, although they can speak for themselves, of course. The gentleman knows how these things come up in conference and how we must sometimes accept some items which we really do not favor but on which a compromise is entirely justified. I am sure the gentleman has done this many times. This was not done because it was legislation but because it has been the uniform practice to make these appropriations in lump sums and leave to the discretion of the Postmaster General the question as to where the money can best be used. The reason I opposed the appropriation on yesterday was because neither the Postmaster General nor the Department of Commerce had requested, nor had the Budget approved, the appropriation that was asked.

Mr. CHINDBLOM. But inasmuch as the legislation as now existing provides for a lump-sum appropriation, it would seem to me that a provision in an appropriation bill specifically designating certain air routes might be considered legislation.

Mr. BYRNS. It would be legislation; and if it were continued, it would finally resolve itself into pork-barrel legislation.

Mr. CHINDBLOM. And then it would have to come back to the House for separate action; but now, since the conference report agrees to the increase of the amount from $19,000,000 to $19,460,000, which difference is the exact amount that is required for these two routes, will not this increased amount be used for these two routes?

Mr. BYRNS. I do not think that would have the slightest influence on the Postmaster General because the conferees had nothing in their minds with reference to where it should be applied; that is up to him.

Mr. RAMSEYER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. RAMSEYER. I would like to know the total appropriated for the Post Office Department and how much less than the Budget estimate.

Mr. BYRNS. The total amount as reported was $805,939,675.

Mr. RAMSEYER. That is the amount carried in the conference report?

Mr. BYRNS. No. The amount carried in the conference report is $805,000,000. That makes a difference of $8,000,000.

Mr. RAMSEYER. You have increased it a little.

Mr. BYRNS. We have not increased it over the Budget estimate. The Budget estimate was $814,000,000, and the total carried in this bill is $805,000,000.

Now, Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, I ask the attention of the House to a matter of very great importance. I can do no more when I find any wrongful expenditure of public funds to obtain and collate the facts, get them in form, and present them to the House. When I present the facts to the House I have fulfilled my duty. If the House sanctions any wrongful act the responsibility is yours and not mine.

With reference to this Seatrain contract, I have not only got my facts and figures absolutely correct, but I have them from the official records. I first presented them to the Committee on Appropriations, and then I presented the facts to the House, and as a result of that the House approved of an amendment prohibiting the expenditure of any money or any appropriation for ocean mail contracts awarded to the Seatrain Co.

Yesterday, in the independent offices appropriation bill, the House approved of a similar limitation, prohibiting the use of any funds authorized for a loan to any corporation under the provisions of the merchant marine act, which loan is based upon any postal contract which is not approved by the Comptroller General. Surely there can be no objection to that. No objection, of course, from honest contractors.

I want to say that the members of the House committee were, I believe, sympathetic to my amendment to prevent the wrongful payment of public funds under this shady and irregular contract.

Gentlemen, this matter is not in my State, it does not involve anyone in my State, and I do not know a single person connected with it. I believe when a Member obtains information in the course of his official legislative duties regarding improper use of public funds it is his duty to bring it before the House. That is what I have been doing for the last 14 years. That is what I have done in this instance concerning the Seatrain Co. postal contract.

Now, I want to say that this contract is not regular. When I say it is irregular, I am very mild and moderate in my description of it. The contract will not receive the approval of the Comptroller General, and I am confident that payment by the Postal Department to the contractor of any money will only result in litigation and waste of public funds.

When the matter was before the House I gave the information I had. I told the membership of the trick and deception in the specifications which permitted only this Canadian company operating one ship built in England with an English mortgage and operated under the English flag, to bid. I informed the House, as I informed the committee, of the questionable validity of this curious and unique contract. I informed the House of the attitude of the Comptroller General and of his correspondence with the Postmaster General. The House, as I have stated, approved an amendment prohibiting the payment of funds under this contract. Since that time the beneficiaries under the contract have resorted to all sorts of underhanded methods to becloud the issue. I do not know who the individuals are forming the Canadian company and now for the sake of a subsidy reincorporating into an American company and boasting of their American citizenship. Personally I can not have much confidence in a group of men who will go to England to build a ship and then operate it under the British flag in order to pay less wages, have a smaller crew, feed their crew less, and thereby compete with decent, reputable ship operators owning and operating American ships under the American flag with an American crew, paying the American standard of wages.

There has been a great deal of misstatement made by the beneficiaries of this questionable contract. They went so far as to circularize the Members of the Senate, in stating that the House had approved of the amendment on a misstatement of facts. That statement is vicious and malicious and deliberately made in order to derive profit and gain from a questionable and sly transaction. Anyone who makes a false statement in order to obtain money or a thing of value is guilty of larceny under the penal law of the United States and of every State in the Union.

The Seatrain corporation and their low-grade local shyster lobbyist, who can be only a filthy denizen of the back alleys, have repeatedly stated that their contract has never been questioned by the comptroller. When they stated that, they knew they were telling a deliberate lie, but willfully did so in the hope that they could prevent interference by legislative prohibition with their shady contracts and thereby derive the benefits of the contract they wrongfully obtained. Now, I have here a carbon copy of the letter from the Comptroller General to the Postmaster General on which I based my charges. The letter speaks for itself.

Here is the letter from the comptroller. I read from the comptroller's letter of November 10, 1931, not to me but to the Postmaster General. I will put the entire letter in the RECORD. Now, gentlemen, the existence of this letter was denied by the beneficiaries of the contract, and the flat statement was made in writing by this company that the contract has not been questioned by the comptroller.

Whatever may be the administrative responsibility under the statutes in question—

Says the comptroller—

it is the duty and responsibility of this office to see that appropriated moneys are expended in accordance with the law and the terms of the appropriations. You will, of course, realize that the letter of October 31, 1931, does not constitute a reply to my letter of October 24, 1931, and this office must inform you that no charges against appropriated funds will be approved for payment to the Overseas Railways (Inc.) under the contract you report as having been awarded until there have been presented the facts requested in my letter of October 24, 1931, and such facts are shown to bring the contract within the terms of the statutes.

The SPEAKER pro tempore (Mr. WOODRUM). The time of the gentleman from New York has expired.

Mr. BYRNS. Mr. Speaker, I yield the gentleman three minutes more.

Mr. LAGUARDIA. The comptroller continues:

Further, it must be satisfactorily explained why a contract was entered into with the Overseas Railways (Inc.), as you have reported in your letter of October 31, 1931, when the only bid received, as reported in your letter of October 19, 1931, was from Seatrain Lines (Inc.), and the facts must be submitted showing the nationality of these corporations and the nationality or registration of the ships which are to be put into operation under the contract.

Mr. Speaker, bear in mind this is an official letter signed by the Comptroller General to the Postmaster General. Why was the bid made by one company, and awarded to another? I will tell you why. It was because the bid was made by a Canadian corporation owning a British-built ship and operating the ship under the British flag, and later they had to reorganize and form an American corporation before they could get the contract under the law. The ship at the time was flying the British flag, and I have photographs in my files showing that recently, within the last few months, after this contract had been awarded, the ship was changed from British registry to American registry, and yet it is intended to pay under this contract $2,379,374 in loans to build two more ships for this company in addition to several thousand dollars annual subsidy. If these operators were really interested and honestly concerned in American shipping, why did they incorporate in Canada, build the ship in England, and operate under the British flag? I appeal to the chairman of the Committee on Appropriations that we should not recede in our provision, that we should insist upon putting in a limitation. This contract is not regular. We should not stand idly by and see public funds dissipated in this way. I have given you the facts, and I can not do any more.

Here is the complete letter from the Comptroller General:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, November 10, 1931.

The honorable the POSTMASTER GENERAL.

SIR: By letter dated October 24, 1931, this office invited your attention to section 405 (a) of the merchant marine act prescribing the qualifications as to nationality, etc., of vessels for the carrying of the United States mails under said act and to sections

406 and 407 of the merchant marine act with respect to the advertisement and awarding of contracts to the lowest bidder for the carrying of the mails. You were requested to inform this office, in effect, as to the nationality or registration of the Seatrain within the requirements of section 405 (a) of the aforesaid merchant marine act and to report why there should not be delayed until after the Interstate Commerce Commission had passed on the petition of the Florida East Coast Car Ferry Co. to operate ships between New Orleans and Habana the advertisement and letting of contracts for contract mail service between the two ports.

You have replied in letter of October 31, 1931, in pertinent part, as follows:

"It is believed that under the specifications the question of the Seatrain's eligibility is not at this stage material. The advertisement fixes the capacity and speed of the vessels to be operated and requires the construction of two new ships within two years from the beginning of the contract term, and provides that service on the route shall begin at a date optional with the contractor not later than one year from the date of the award of the contract. Under these conditions the ineligibility of the Seatrain would in no sense disqualify its owners from receiving the contract, but would simply put them under the necessity of having at least one of the new vessels ready for operation at the beginning of the contract term, or within one year from the date of the award. It is considered, therefore, that the questions which you have asked in the present connection may properly be left for subsequent determination.

"The second point raised by your letter has to do with the need for the early inauguration of the proposed service. You ask why the letting of a contract for this service should not be postponed until the Interstate Commerce Commission has disposed of the request of the Florida East Coast Co. for authority to inaugurate service between New Orleans and Habana. And you conclude with what I understand to be a suggestion that, upon a settlement of this matter favorable to the Florida Co., the department should redraft its specifications in such a way as to permit that company to bid.

"Upon further consideration of this part of your inquiry I am sure that you will agree with me that questions relating to the need for the service, the character of the service, and the specifications for the service are for determination by those agencies of the Government which by law or Executive order are charged with responsibility for the administration of the various phases of the merchant marine act. The specifications issued in this instance were approved, in substance, by the Shipping Board, the Secretary of the Navy, and the President's Merchant Marine Committee, as well as by this department, as best meeting the public necessities which are involved. I can not assent to their modification simply in the interest of a private corporation. And, since the corporation in question has declined to signify its intention or willingness to submit a bid under the present specifications, should it subsequently become eligible to do so, there would seem to be no reason for further postponing a disposition of the matter. Accordingly, I have this date awarded a contract under the advertisement of August 26 to the Overseas Railways (Inc.)."

Whatever may be the administrative responsibility under the statutes in question, it is the duty and responsibility of this office to see that appropriated moneys are expended in accordance with the law and the terms of the appropriations. You will, of course, realize that the letter of October 31, 1931, does not constitute a reply to my letter of October 24, 1931; and this office must inform you that no charges against appropriated funds will be approved for payment to the Overseas Railway (Inc.) under the contract you report as having been awarded until there have been presented the facts requested in my letter of October 24, 1931, and such facts are shown to bring the contract within the terms of the statute.

Further, it must be satisfactorily explained why a contract was entered into with the Overseas Railways (Inc.), as you have reported in your letter of October 31, 1931, when the only bid received, as reported in your letter of October 19, 1931, was from Seatrain Lines (Inc.), and the facts must be submitted showing the nationality of these corporations and the nationality or registration of the ships which are to be put into operation under the contract.

Respectfully,

J. R. McCARL,
Comptroller General of the United States.

Mr. BYRNS. Mr. Speaker, I yield one minute to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, I regret that the conferees receded on the Senate amendment striking out the provision which was inserted when the bill was under consideration in the House forbidding the award, after March 1, 1932, of ocean mail contracts to companies operating foreign-flag ships in competition with American-flag ships. That proposition has several times passed the House. It is absolutely American; it is sound, as everyone is bound to concede; and yet this has been defeated through the influence of two or three foreign-flag lines; and I want to observe that it is a deplorable situation when two or three concerns, un-American in their practices and affiliations and in competition with American lines, can influence legislation in the American Congress and prevent the enactment of a provision which is not only in the interest of the American merchant marine but which would save the American taxpayers millions of dollars.

Mr. LAGUARDIA. And they just imported a gentleman from Germany named Lederer, who is the umpire and sole arbitrator of the whole shipping industry, including these subsidized ships.

Mr. DAVIS. Yes; and I wish I had time to review the real facts in connection with this, together with some recent happenings, to show you what is taking place under the influence of those companies who defeated this provision. Of course, I realize that the House conferees were up against a difficult proposition, and know that most of them were in favor of the provision in question, which was eliminated at the other end of the Capitol.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that my time be extended for five minutes in order that I may yield to the gentleman from Indiana.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Speaker, in answer to the arguments put forth by the gentleman from New York [Mr. LAGUARDIA] and the gentleman from Tennessee [Mr. DAVIS] with reference, first, to the Seatrain contract, and next, with reference to the amendment offered by the gentleman from Tennessee that requires contracts to be let only to vessels flying the American flag, I wish to say to the gentleman from Tennessee that he has before his committee at the present time a bill the purpose of which is to regulate the matter that he is trying to foist on this appropriation bill. It is not right to put upon an appropriation bill legislation of the character offered by the gentleman from Tennessee and such as is embodied in his amendment. If he is so anxious that this legislation be enacted into law, why does he not report a bill so that it could be considered upon its merits? He told us when he made his speech on this subject and when this amendment was offered that he had a bill before his committee which embodied all and more, too, than was in the amendment.

Mr. DAVIS. Mr. Speaker, will the gentleman yield?

Mr. WOOD of Indiana. For a question.

Mr. DAVIS. We did report out and had passed through the House unanimously such legislation. This was put on there to fix the date after March 1, because if we waited on the other, the awards would all be made, and it would be too late.

Mr. WOOD of Indiana. That does not answer the question at all. I say it is bad practice, and in nine cases out of ten it results not only in confusion but in injustice.

With reference to what is said by the gentleman from New York [Mr. LAGUARDIA] concerning the Seatrain contract, when the Seatrain matter first came up I was still chairman of the Committee on Appropriations. I felt that the matter ought to be postponed until a further investigation could be had. I wrote a letter to the Shipping Board and asked that the contract for the loan be not then let. It was let. I based my opposition to it and my request upon a letter that had been written by the Secretary of Commerce, Mr. Lamont. Mr. Lamont, immediately after he was notified of the letter that I had written to the Shipping Board not to let the contract, wrote me a letter and came to see me personally, and he said that his only object in writing the letter was for a delay until he could investigate, and now, having investigated it, he was thoroughly satisfied that the contract was regular and that it should be let to the Seatrain people. Here is the predicament that we are in with reference to the Seatrain proposition. The contracts have been let, not only for the carrying of the mail but loans have been made for the purpose of building ships, and they have two of these ships now 75 per cent completed. Suppose this transaction should be stopped to-day, what would be

the result? It would result in a suit immediately in the Court of Claims for the purpose of enforcing the rights they have under the contract, and the only way that it could be defeated would be by showing that there was fraud in the letting of that contract. There is but one thing for us to do, no matter how much we may be of opinion that the comptroller should pass on these things in advance—and I am not disposed to disagree with that proposition—but this has gone too far, and the country is committed by the Postmaster General, who had the right to make this contract, and, of course, the Government is liable under this contract.

There is another thing that I want you to bear in mind. We are trying to get away from here. Everything in this report was not agreeable to me. It was not agreeable to the other conferees, but time is of the essence, and if we are to complete these appropriation bills and not have continuing resolutions, we can not waste much more time. So I ask the Members of the House to concur in this report and vote in favor of its adoption.

Mr. BYRNS. Mr. Speaker, I move the previous question.

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LAGUARDIA. Are we to have an opportunity to insist upon House amendment No. 43?

Mr. BYRNS. No. The conference report must be voted either up or down.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were ayes 70 and noes 13.

So the conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 9: Page 11, line 20, insert: "*Provided further*, That not to exceed $6,000 of this appropriation is hereby made immediately available for the construction of gates at the international boundary across the highway at the port of San Ysidro, Calif."

Mr. BYRNS. Mr. Speaker, I move that the House recede and concur in the amendment.

The motion was agreed to.

On motion by Mr. BYRNS a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

SUSPENSION OF ANNUAL-ASSESSMENT WORK ON MINING CLAIMS

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 188), amending the joint resolution providing for the suspension of annual-assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932.

The Clerk read the Senate joint resolutions, as follows:

Resolved, etc., That the joint resolution providing for the suspension of annual-assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932, be, and the same is hereby, amended to read as follows:

"That the provision of section 2324 of the Revised Statutes of the United States which requires on each mining claim located, and until a patent has been issued therefor, not less than $100 worth of labor to be performed, or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States, including Alaska, during the year beginning at 12 o'clock meridian July 1, 1931, and ending at 12 o'clock meridian July 1, 1932."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. PATTERSON. Mr. Speaker, reserving the right to object, I will not object, because of the explanation made by my colleague, the gentleman from Utah [Mr. COLTON]; but could there not be some way when these bills are called up in this way for us to have notice, so that we may look into them? It is hard to tell the meaning of a bill, many times. I understand this is an emergency matter to correct a bill that has already passed, and I will not object to it; but it seems a little unfair to have these bills called up when those of us who are charged with the responsibility of looking into them do not have time to look into them.

Mr. SCHAFER. Reserving the right to object, will the gentleman from Montana briefly explain the bill? I will not allow any bill to be considered by unanimous consent unless we have a brief explanation of it.

Mr. EVANS of Montana. I will be pleased to explain the matter.

The law provides that on all mining claims annual-assessment work shall be done, and it shall be done between 12 o'clock noon on the 1st day of July of one year and 12 o'clock noon on the 1st day of July of the following year. The House undertook to suspend the operation of that law for a period of one year. Unfortunately, in drawing that bill, which was passed and which was signed by the President, we provided for suspension for the fiscal year, and the fiscal year not corresponding with the year beginning at 12 o'clock noon on July 1 and ending at July 1 the next year, it leaves a hiatus of 12 hours in each year. It therefore became apparent that some people would take advantage of that 12 hours and, as we call it, jump claims.

Mr. SCHAFER. This is just to correct a clerical error?

Mr. EVANS of Montana. To correct a clerical error entirely.

Mr. SNELL. Will the gentleman yield?

Mr. EVANS of Montana. I yield.

Mr. SNELL. As I understand it, if this is not done there might be innumerable lawsuits filed.

Mr. EVANS of Montana. There would be innumerable lawsuits filed, because between 12 o'clock to-night and 12 o'clock to-morrow there would be a thousand claims jumped.

Mr. SNELL. It must be signed by the President to-day?

Mr. EVANS of Montana. It must be signed by the President to-day, because the time expires at noon to-morrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Senate joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks by including at this point a letter from the Secretary of the Interior on this matter.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The letter referred to is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, June 30, 1932.

Memorandum for the Secretary.

Joint Resolution, Public, No. 23, Seventy-second Congress, approved June 6, 1932, suspends the necessity of performing annual labor or improvements from July 1, 1931, to July 1, 1932. Some question has been raised in the Western States as to whether this legislation does not leave a hiatus from the end of the fiscal year ending June 30, 1932, to the end of the year for performing annual labor on mining claims, which is 12 o'clock m. on July 1, 1932, and it is feared that during this brief period suspension will not be in force and claims might be relocated.

In my opinion the purpose of the act clearly indicated that Congress meant to relieve from the necessity of performing this work during the year ending at noon July 1, 1932. However, it should be remembered that this department can not prevent claim jumpers from physically relocating or attempting to relocate claims on the theory that the resolution does not cover the entire year. However, whatever might be the ultimate outcome of attempted relocation, the department can not prevent the relocators from bringing suits in the courts, subjecting the present owners of mining claims to long and expensive litigation. To remove any possible doubt and to obviate the trouble and expense which would result from such relocations, I suggest that you advise the House of Representatives to enact Senate Joint Resolution 188, which was passed by the Senate yesterday. This resolution, when enacted, will remove all possibility of doubt of attempted relocation and ensuing litigation.

E. C. FINNEY, *Solicitor.*

Approved and recommended to the attention of Speaker GARNER of the House of Representatives.

RAY LYMAN WILBUR, *Secretary.*

JUNE 30, 1932.

LEAVE OF ABSENCE

Mr. ARENTZ. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. CABLE] be excused from attendance because of illness.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

AGRICULTURAL RELIEF AND WASTE IN GOVERNMENT

Mr. CROWE. I ask unanimous consent to extend my remarks on two different subjects.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROWE. Mr. Speaker, ladies and gentlemen of the House, it is entirely useless and unnecessary for anyone to make statements concerning whether we are or whether we are not in the midst of a crisis and panic in this country. We frequently hear the statement that this crisis is world-wide, which is largely true and which has largely been true of other great panics of this country in the past; but, according to late figures and estimates, conditions in general are much worse in the United States than in any of the other nations. In fact, some of the actions of our Government have tended to increase the unemployment and stress in this country and have helped to relieve it in many of the nations of Europe and other countries.

In that respect I need only to call your attention to the Hawley-Smoot tariff law, which went into effect something over two years ago. That tariff act was not passed with the intention of raising revenue in the main. It was intended to be a barrier to shut out the goods of other nations, nations who owe us large sums of money and who could pay the same in merchandise but could not pay it in cash. What is the result? The result is that some 70 other nations of the earth have boosted their tariff rates in retaliation in the last two years, and as a consequence our export trade which was $1,129,000,000 the first three months in 1930 is reduced to $459,000,000 the first three months of 1932. In other words, for every $5 worth of goods shipped from the United States to foreign markets in 1930 we are shipping $2 worth now, and every month finds our foreign trade dwindling more and more toward the vanishing point. Canada, our best customer and friend, has increased her protection, has set up bars against us, and in other ways is discouraging the purchase of goods from the United States. England, our second largest market, has been closed to us, because we drove her in desperation to abandon her time-honored policy of free trade.

Further losses and disadvantages that have come to us on account of the enactment of this Hawley-Smoot-Hoover-Grundy tariff law have been that more than 1,000 factories have been established in other nations. The enormous sum of $1,500,000,000 has been spent by manufacturers of the United States who have been driven to establish factories in the various countries of Europe and elsewhere, thereby employing foreign workmen instead of Americans. When the goods produced by these manufacturers were made in the United States by workmen of the United States and shipped to the nations of the world, bringing in return millions in gold and merchandise desired in this country, that created a flow of trade and an exchange of commodities which is always a necessary factor toward the promotion of good times. Accordingly, one of the factors which will help restore this country to normal conditions will be to write a new tariff law which will be equitable and scientifically adjusted so that we can again rebuild trade with other nations and once more enjoy an exchange of business with the nations of the earth.

THE FARMER

With the farmers in red ink and going into bankruptcy, as they have been doing for the last 10 years, it is as impossible to have a good healthy condition of prosperity in this country as it is to lift one's self up by his own boot straps.

Many things have been told the farmers to do and not to do. The Secretary of Agriculture advised plowing under one-third of the crops. President Hoover, I am informed, while a Cabinet member, stated that the farmers should raise less and eat more. Then the Secretary of Agriculture, Mr. Hyde, further stated in an address before the Rotary Club in Washington that there is cultivated thirty or forty million acres of land more than is needed. At the same time we are bringing into cultivation at an enormous expense millions of acres of land by the building of Hoover Dam. That dam, of course, is to be used for power as well as the creation of more acreage. Something more has to be done for the farmer than giving him high-sounding phrases. All of the products the farmer sells are lower than they have been for 50 years. Land is far lower—if it has any value to-day—than it has been at any time during the past 50 years. Everything the farmer buys is approximately 100 to 200 per cent higher than the cost prices of 15 to 50 years ago. I refer to such essential things as machinery, clothes, shoes, taxes, and so forth.

The facts are that if this country survives, or is to continue for an indefinite period as a free country, with its motto, "A government of the people, for the people, and by the people," the farmer must be given relief, and it must be more than high-sounding phrases, and he must have an opportunity to pay off the mortgages which are to-day eating at the vitals of practically every farmer in the United States. Just what the solution is must be worked out by a Congress and a President who are in sympathy with the farmer, as well as by State legislatures, governors, and on down to the lowest official. A solution, if it means anything and accomplishes anything, must come from those who have the farmers' interest at heart.

The Secretary of the Treasury and others have attempted to throw numerous scares into Congress. One has been the scare of high income-tax rates. The Secretary of the Treasury says that there are scarcely any large incomes left; that the large incomes have dried up. If they have, why should he worry about that?

I am sure the farmers of my district, and of the entire United States, for that matter, are not going to be worried about paying income taxes for the next two years. I am of the opinion that Mr. Mills, Secretary of the Treasury, is more worried about his friends on Wall Street, the international bankers, and the New York Stock Exchange and other exchanges, than he would have us believe. Indications are that some or all of those agencies have reaped hundreds of millions of dollars in the sale of worthless bonds and securities of Europe and other countries, and have made plenty of money. I recommend that those institutions have a thorough investigation.

I consider the first thing to be done is to reduce the property taxes and not merely 10 per cent or 20 per cent but to reduce them either by revaluation or by tax rate, so that the farmer and the home owner will not be required to longer pay sums which are driving them into bankruptcy. In my opinion, the tax of the farmer and the small-home owner should be reduced by at least one-half. To be sure, that will come within the duties of the State and local taxing units, but I am sure that the farmer and owner of real estate of all kinds are going to demand drastic tax relief. Many farms are to-day assessed at $10,000, which you could not find a buyer for, either at private sale or public auction, at one-half that amount, and all other farms in proportion.

EXTRAVAGANCE AND WASTE

The expense of operation of the Government of the United States has grown by leaps and bounds. In fact, between the years of 1928 and 1932, it increased more than $1,000,000,000, the increase amounting to about 33 per cent. When things were at the highest peak, when real estate was at the highest ever known in the history of our country, property was bought by the Government in Washington, for which enormous prices were paid, and now while the country is in the midst of a great panic, the commission in Washington has only one thought apparently in mind and that is to speed the improvements in Washington and vicinity, instead of slowing up here and spreading some of this work out over the country in order to clothe and feed many who are

hungry and in rags. They are drawing from every nook and corner of the United States, every town and village, money to beautify Washington, and it is not likely that one out of twenty people in my district will ever see this city, and this is true in other districts of our country. It is true Washington should be beautiful, being the Capital City of this great Nation, but such work should have been let in times of depression when things were in decline, when grounds could have been bought at fair prices, and when beautifying could have been done and used up surplus labor, but instead of that the major parts of the grounds were purchased at the high peak of prices. I can not agree with the enormous layout and expenditures in Washington, when we have hundreds of towns and cities over our country where public buildings and improvements are needed. Why not divide the work up and spread it out all over the country? Washington does not seem to know that the United States is in the midst of a panic. The powers that be seem determined to move on, recklessly spending money.

DEPARTMENT OF AGRICULTURE

In the year of 1910 the Department of Agriculture received an appropriation of something over $17,000,000. In 1932 this same department had appropriated to it $247,000,000. Anyone can easily figure that there are many millions of waste in that department, and the same is true in practically all of the departments of the Government. Why does not Congress change these things? They will be changed when both the House and the Senate and the President want to reduce expenses of the Government, and when we have removed from office those who are bent on expansion of the activities of the Government.

BUREAU OF THE BUDGET

For several years we have had a Budget committee whose duty it was to go over each and every committee and to reduce every possible bit of waste. This committee is directly responsible to the President. If anyone wants to know why the expenses of the Government were not reduced more this session of Congress than they were, let him ask the Budget committee why they did not reduce the various bureaus, commissions, and so forth, more than they did. Ask them why they did not put a stop to the lobbying by the numerous bureaus, bureau chiefs, and others, when the various appropriations were being debated on the floor of the House. In the face of all this, this Congress has, according to figures compiled, reduced the expenses of the Government, under the year just closed, $840,379,933.09, which is in itself an outstanding performance and merits the Nation's approval.

I have given my thoughts and efforts to find out everything that I possibly could about each and every bill that was brought before the House. I always attempt to determine what is best for the people of my district and what is best for my country. I try to find out, and do find out, in every instance on which side I should cast a vote that will be to the best interest of the common people, my constituents, and my country, and after doing so, I vote that way. I stand upon that record.

Having grown up on a farm and since that time having spent many years in business, the waste and extravagance of the Government are appalling to me. Accordingly, I have voted, and shall continue to vote at every opportunity, to reduce the waste of our Government.

USE OF INDIANA LIMESTONE AS THE NATION'S BUILDING STONE

Mr. CROWE. Mr. Speaker, in these hectic days all branches of the Government, as well as all private endeavor, is bent toward economy. Economy is the watchword; it is in everybody's mind, which is as it should be.

Even in days of economy and when going through our most serious crisis certain things are bought and consumed. A large percentage of the volume of good times continue to be used when times are hard; however, the watchword is economy.

The Government usually is accredited with being short on saving. The Federal Government is often looked upon as a good spender. This is often a mistaken idea. The Government is a buyer of good merchandise. It attempts to have its work well done. Many times these factors are not taken into consideration by the casual observer.

The Federal Government has need for many public buildings, both in Washington and in every State in the Union. It reaches out to the many kinds of building material to be had.

To-day more than heretofore they are considering price, of course, coupled with quality.

INDIANA LIMESTONE

Indiana limestone is found to be one of the best, if not the best all-around building stone, or building material, to be found anywhere. The stone is soft when quarried, is easily worked, hardens with age, and whitens, weathering beautifully.

Many State houses, memorials, and other public buildings have been built of this stone in all parts of the United States, as well as in Alaska, Canada, Mexico, and other countries. It has been said that the sun never sets on Indiana limestone. The Federal Government has used the stone in building many fine buildings here in Washington and out over the country. One of the newest and finest Federal buildings being the Department of Commerce Building in Washington, which is said to be the largest office building in the world. It is built of Indiana limestone from the hills of southern Indiana.

The Indiana limestone belt covers several counties, the principal ones being Lawrence, Monroe, Owen, and Washington Counties. The industry has many splendid firms, quarries, and mills, some of which cater to small buildings, and others large enough to handle the largest jobs to be found anywhere.

One of my committees is Public Buildings and Grounds, and this committee brings me in contact, more or less, with the public-building program of the Government. Living in the Indiana limestone belt I am greatly interested in this business, and I use every possible lead to give any service possible to the industry as a whole.

In discussing the use of Indiana limestone as a building material with the Treasury Department, I found the industry by its efficiency and fair dealing, its ability to take care of all jobs from the smallest to the largest, has forced itself in a position, so that it does not have to take a back seat, but is abundantly able through its numerous operators to handle any and all jobs in a highly satisfactory manner. This material comes in contact, of course, with all kinds of building material, particularly the various building stones.

The industry has grown to such proportion that they can pay heavy freight and go into fields of stone far inferior to Indiana limestone and yet compete in price and even underbid in many cases.

An outstanding example of its quality and endurance is a building known as the Hamers Mill, in Lawrence County, Ind., situated in Spring Mill State Park. This old 3-story mill of scabbled limestone, built in 1815, is now 117 years old, is in a perfect state of preservation. The old scabble marks look as if the master hand had made them but yesterday. It has been estimated that this stone will only erode one sixty-fourth of 1 inch in 100 years, which assures its quality as to life of wear.

The point has been frequently raised as to whether Indiana limestone is in a class and quality suitable to be used by the Government. Also does it have class and color, and will it present elegance and a striking appearance. What people and communities use it?

For modern usage I refer you to such edifices as Calvary Church, Pittsburgh; Trinity Building, New York City; Masonic Temple, Detroit, Mich.; Grand Central Terminal group, New York City; Tribune Tower, Chicago, Ill.; and many statehouses and other beautiful structures covering the

entire country. All this augmented by many Federal buildings, hundreds of them in the United States, including, of course, the masterpiece in Washington, D. C., the Department of Commerce Building. For color, the beautiful buff, the gray with its aristocratic charm, and the variegated, with its gorgeous mixed colorings; all of which whiten and increase in beauty and charm as the years go by, and makes this oolitic limestone the choicest of building stone to be had anywhere.

WILL IT LAST?

Striking examples are to be found in the localities from which the stone is taken, abutments and buildings ranging from 50 to 100 or more years of age are in a perfect state of preservation. To the skeptical I refer you to Europe and other nations of the earth. In many parts of Europe are to be found structures hundreds of years of age of the identical stone, which formed ages ago when the ocean covered those countries, as it no doubt once covered those southern Indiana hills, and the deposits of billions and billions of minute animals make up these vast deposits of this splendid building stone in the rugged hills of southern Indiana. This deposit is seen to stand out for centuries in Europe in many beautiful structures.

But the first and oldest usage of this oolitic stone that geologists have any knowledge of is in Egypt in the construction of the Great Sphinx, the pyramid of Gizeh, the main parts of the temples Abydos, and the Sun Temple of Anbsir.

Beautiful limestone buildings mellowed by age are found throughout all European countries. Most of the Gothic cathedrals, now well preserved, are made from oolitic limestone, including St. Paul's, of London.

Geologists are responsible for statements that the same fine, lasting deposits of oolitic limestone found in Europe and Egypt are found in the rugged hills of southern Indiana, now known as Indiana limestone.

In fact, Egyptians used a similar limestone in the building of their fine temples, tombs, and other structures that have endured the ages. Eternity was the aim of the Egyptians. Present life was hardly to be considered; hence the use of oolitic limestone, which, no doubt by their tests, convinced them it would conform to their desires.

Strange to say, however, geologists assert that the limestone of Egypt is a much later formation, less strong, and less pure than Indiana limestone.

Accordingly, summed up in few words, I say Indiana limestone is the Nation's building stone, because it is durable, beautiful, dignified, and economical.

THE TARIFF

Mr. COLTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD to include a short table issued by the Tariff Commission showing what has been done under the flexible provision of the tariff act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. COLTON. Mr. Speaker, Congress is near adjournment. We are face to face with another general election. The great national issues that may come before the voters begin to take definite form. The tariff, the historical issue between the two political parties, comes to the foreground. As in the past the tariff is one of the most important issues before the American people. It has never, in fact, been so important as at this time.

The Republican Party now as in the past stands on the protective tariff. We believe the markets of this great country of ours should be conserved for American agriculture, industry, and labor. We believe that the wages of labor in this country should be protected by limitation of immigration and by the limitation of competition in this market by limiting imports of foreign goods produced by cheap foreign labor. We believe that American capital invested in American industry and agriculture, which pays the taxes to run the Government of this country, is entitled to protection from destruction by imports of foreign commodities produced at much lower wages and living standards than maintain in the United States.

As President Hoover has recently said, there never has been a time in the more than 300 years of the history of this country when the protective-tariff policy of this country was more essential to our well-being. The protective tariff in these times of depression has prevented a tremendous influx of foreign-made products and has kept thousands and millions of men and women employed in the United States who without the tariff would have been thrown out of employment because the products which they make or grow would have been brought in from foreign countries rather than produced or grown here by American citizens.

The value of the Republican protective-tariff policy is becoming so generally recognized in these United States that even the Democratic Party no longer dares to take an open stand against it, while many of its leaders, directly and indirectly, are advocating it. Though for political reasons they refuse to admit it, they did in practical effect accept the Republican protective-tariff policy in 1928 as the best means of safeguarding domestic labor, industry, and agriculture. Furthermore, most of the leading countries of the world, even free-trade England, have adopted the protective tariff as a means of reestablishing national prosperity.

THE HAWLEY-SMOOT ACT

The tariff act of 1930 has been of tremendous value to this country during the past two years. It has prevented greater disaster from the depression that is upon us as a result of the destructions, dislocations, and disorganizations of the World War. The rates of duty established by the Congress in the act of 1930 were levied for the most part to give to American producers an opportunity to sell in the markets of the United States on an equal competitive basis with like or similar articles imported from foreign countries.

The rates in that Republican tariff act are not excessive. The average rate on dutiable and free imports was increased from 14 per cent under the Fordney-McCumber Act to an average of 15.8 per cent under the Hawley-Smoot Act, and a good part of this increase in percentage results from the lower prices of the later period rather than from increased rates in the act of 1930. Furthermore, using only comparable dutiable items the average rate was increased only 3 per cent or from 38 to 41 per cent, calculated on the basis of 1928 imports and 1928 prices to eliminate the variation in prices and imports. And finally, 68 per cent of the total imports enter free of duty under that act.

Such a tariff policy is liberal for it gives to foreign producers an opportunity to sell their products on an equal and competitive basis in the principal market or markets of the United States. Such tariff rates do not exclude nor are they intended to exclude imports from foreign countries.

On the other hand, such rates are levied for the purpose of protecting domestic producers so that they may continue in business in the United States and make a reasonable profit when they operate efficiently. This American tariff policy which has been established in this country for the greater part of the last hundred years has been largely responsible for the country's great growth, development, and prosperity, and for the satisfactory life that has been achieved in the United States.

This bicentennial year, when we are celebrating the two-hundredth anniversary of the birth of the first President of the United States, George Washington, is a fitting time to rededicate the national policy of protective tariffs that was initiated by the first President when the first revenue measure was passed by the Congress of the United States and signed by President George Washington. That was a protective tariff act.

Conditions existing then among the nations of the world may be compared with conditions existing now, in that the desire of individual nations is to become individually self-sufficing units for their own protection and preservation in a world of competition for trade. With all the nations of the world now striving to balance their budgets and to protect

their home industries and to develop their own production of all important, essential commodities, it is vital that this great Nation of ours guard its American tariff policy so that we may not become the victims of international competition. If we were to throw down our national tariff barriers during this crisis, such a calamity would overtake our farm and factory workers as it would be impossible to describe. We think we have many unemployed at present. The number would be multiplied manyfold were the tariff barriers to be lowered at this critical time.

FLEXIBLE TARIFF PROVISIONS

The tariff act of 1930, with its rates adjusted rather nicely in most cases to equalize the differences in costs of production in the United States and in the principal competing countries, has been a magnificent stronghold for this country during the two years of its existence. With the breadth of view and the wisdom that characterize the general features of that act there is provided also in the flexible tariff provisions the means of adjusting any rates that may be out of line with the general declared American protective-tariff policy that governed the fixing of the individual rates of the act.

The provisions of that new flexible tariff were so well conceived and so specifically defined that for the first time in the history of this great country of ours we have what accurectly, are advocating it. Though for political reason they rately may be called a scientific tariff. It is probably the first scientific tariff that has ever been established in any country in the world. The method of its operation is simple and effective.

Section 336 of the tariff act of 1930 provides that the Tariff Commission shall make investigations of any rates of duty that are out of line with the tariff policy set up in the act and that it shall report its findings to the President, specifying such changes as are necessary to accomplish the purpose of the act.

The President is authorized by the act to proclaim such changes as are specified by the Tariff Commission. The President has no authority to make any changes other than those specified by the Tariff Commission in its reports to him. He must follow the findings of the commission or make no changes whatever.

This arrangement gives new power and authority to the Tariff Commission. And more so than any other time in the history of the Tariff Commission that body is now functioning as a scientific, fact-finding body, with real efficiency and with the expedition of the cases that come before it.

In the first year of the commission's operation, after it was reorganized by President Hoover and confirmed by the Senate, the commission completed 39 reports to the President covering 72 commodities under section 336. Rates of duty were increased on 12 commodities, decreased on 17, and on 39 there were no changes. These adjustments covered an important part of the dutiable items of the act.

The imports for consumption of the products covered by these 39 investigations of the Tariff Commission constituted 13.5 per cent of the total value of all dutiable imports. The value of the imports of all the items investigated amounted to $197,600,000. The value of the imports of the 12 commodities on which the duties were increased amounted to $17,400,000. The value of the imports of the 17 items on which the duties were decreased was $43,600,000. The value of the imports of the commodities investigated and covered in reports to the President and on which no changes in rates were specified by the commission or proclaimed by the President was $136,500,000.

It is apparent from these figures that only a few of the rates in the tariff act of 1930 were out of line or needed investigating. Furthermore, nearly all of the adjustments made in the rates, whether up or down, were relatively small. These facts show that Congress had carefully adjusted the rates in the act of 1930.

The complete list of the individual investigations completed by the Tariff Commission between June 18, 1930, and November 30, 1931, are shown in table below and prove beyond question the great value of the flexible-tariff provision in the tariff act of 1930, and the excellent work of the newly reorganized Tariff Commission under those provisions. It also shows conclusively the niceness with which the rates were adjusted by the Congress in the act of 1930. These thorough scientific investigations by the Tariff Commission have in most cases substantiated the judgment of the Congress in levying the rates fixed in the act.

List of commodities investigated under section 336 of the tariff act of 1930 and reported upon to the President by the Tariff Commission between June 18, 1930, and November 30, 1931, showing the values of comparable imports for consumption in 1929

Commodity	Value of comparable imports for consumption
A. Increases:	
Woven-wire fencing and netting	$153, 545
Fourdrinier wires and cylinder wires	321, 704
Bells	17, 153
Dried eggs	5, 158, 620
Hemp cordage	74, 804
Peas, green or unripe	1, 124, 206
Boots and shoes, McKay sewed	10, 595, 694
Total	17, 445, 726
B. Decreases:	
Pigskin leather	326, 122
Wood flour	148, 155
Sewed hats	2, 260, 907
Maple sugar and maple sirup	2, 279, 939
Wool felt hats and wool felt hat bodies	9, 633, 781
Tomatoes, prepared or preserved	9, 947, 113
Cherries, sulphured or in brine	3, 341, 925
Edible gelatin, valued at less than 40 cents a pound	689, 295
Bentwood furniture	908, 661
Organs	182, 002
Olive oil, in packages less than 40 pounds	9, 998, 207
Peppers, in their natural state	205, 417
Eggplant, in its natural state	219, 973
Cylinder, crown and sheet glass	2, 184, 595
Feldspar, crude	241, 852
Boots and shoes, turn or turned	1, 069, 466
Total	43, 637, 410
C. No changes:	
Ultramarine blue	$1, 285
Wool floor coverings, n. s. p. f	1, 970, 155
Smokers' articles	241, 145
Pig iron	2, 398, 587
Hides and skins	59, 710, 209
Cheese, except Cheddar and Emmenthaler	14, 855, 575
Olive oil, in bulk	5, 755, 263
Tomatoes in their natural state	3, 288, 208
Beans, snap or string, green or unripe	189, 671
Lima beans	226, 661
Cucumbers in their natural state	96, 470
Okra	137, 299
Pineapples	2, 091, 879
Pans	343, 735
Crin vegetal, Spanish moss, flax, tow	686, 092
Cement	1, 929, 929
Lumber and timber	36, 520, 119
Gauge glass tubes	69, 398
Feldspar, ground	131
Boots and shoes, other than McKay sewed and turn, or turned	5, 360, 936
Total	136, 492, 747
Total all items	197, 575, 883
Per cent of total dutiable imports	13. 5

December, 1931.
For details concerning each commodity see list below.

THE ACT OF 1930 IS JUST TO AGRICULTURE

The Republican tariff act of 1930 has been a great benefit to agriculture. Calculations based upon 1928 imports show that approximately 68 per cent of the increase of total duties made in the act of 1930 as compared with the act of 1922 is on imports of agricultural raw materials and as compensatory duties on industrial products made from such raw materials, and only 32 per cent of the total increase in duties was on industrial products. This is true even though the compensatory duties for agricultural raw materials included in the calculation are for only the products directly made from such agricultural raw materials, and not those compensatory duties for agricultural raw materials that enter into more remote finished products which in part at least may be made from the intermediate finished articles. For example, the duty on flaxseed is calculated as being compensated for in the duty on linseed oil, but the calculation of compensatory duties does not include such products as

paint and linoleum that are made in part from linseed oil. The duty on hides is deducted from the duty upon leather, but a deduction was not made from the duties on shoes for the duties on hides or on leather. This calculation shows clearly that the major part of the increases in the tariff rates put into the act of 1930 as compared to the rates in the act of 1922 were put there to protect the farmers of the United States. This is a broad, wholesome tariff policy for this country to adopt and is in keeping with the general Republican policy of preserving the markets of the United States as far as that is practicable and profitable for the producers of the United States.

DEMOCRATS HAVE NO TARIFF POLICY

While the Republican Party now as always adheres to its well-defined and well-known tariff policy of protecting the domestic markets for the domestic producers, the Democratic Party has no well-defined tariff policy. In fact, it is impossible to determine what the Democratic Party actually does believe about the tariff. Their party platforms have changed so greatly during the past 20 years that no one now can say what the Democratic Party really believes about the tariff.

The leaders of the party are divided on the issue. They have been unable to formulate a tariff policy upon which even they could agree. And during this, the first session of the Seventy-second Congress, the Democratic leaders have shown their absolute impotence in handling tariff matters.

Now we find the Democrats adopting a plank in their platform at Chicago in 1932 which goes back to their old position. They declare for a competitive tariff for revenue. Whatever that means—and nobody knows—it certainly eliminates the protective tariff again from their platform. In vain we ask, what is their stand on the tariff now? No one knows.

Furthermore, they have proved to the world their insincerity in criticizing the Republican tariff act of 1930. Some of the leaders of the Democratic Party in this House and in the other Chamber and in speeches outside of these Chambers of Congress have during the past two years vehemently and vociferously attacked the Hawley-Smoot Act, charging that the rates of that act were "too high," "unjust," and "exorbitant," and that they should be adjusted. They have been careful, however, to make their charges in general terms, and they have not specified individual rates that are too high. Nor have they passed resolutions requesting the Tariff Commission to make investigations for the purpose of adjusting the specific rates which they think are too high. Yet they well know that any rates that are out of line can be readily adjusted by the Tariff Commission if they are in fact too high.

Their insincerity is further shown by their own tariff bill, H. R. 6662, which they introduced and passed in this session of Congress but which President Herbert Hoover had the good sense and wise judgment to veto and prevent from being fastened upon this country.

That bill was nothing but a tariff subterfuge. After all the leaders of the Democratic Party had fought against the rates of the tariff act of 1930, one expected that the Democratic majority in the lower House of Congress where tariff bills must originate would proceed at once when Congress convened to adjust the rates in the Hawley-Smoot Act, which they claim are "unjust," "unfair," "extreme," "exorbitant," "extremely high," "prohibitive," "embargo tariffs." The American people were entitled to know and are now entitled to know what rates of duty, according to the Democratic tariff policy, the Democrats deem are too high. Naturally the people expected the Democratic Party to indicate something of the nature of their tariff beliefs when they assumed control of this House, but the Democrats deceived them.

Our Democratic friends apparently think that they can win this coming election by tariff generalities, and that they can attract voters by such subterfuge political gestures as are in the tariff provisions of the Democratic tariff bill which they passed during this session. But, my friends, you can not deceive the American people in that way. You can not expect the American voters to buy such a "pig in the poke." The American people are not going to buy a "cat in the bag" in the election next fall. The average voter is not so stupid as you may think.

The American workmen and farmers are not ignorant of your failure to state clearly your position on these tariff rates. I want to tell you now, if you do not already know it, that during this coming campaign you will be forced to state what you expect to do with the specific rates of the tariff act before you will be entitled to any consideration whatsoever by the farmers, laborers, and manufacturers of this country interested in those specific rates. You can not get by with the general statement that you will fix things up. You will have to state specifically what rates you expect to adjust and how you expect to adjust them and what your general tariff policy will be, which of your many policies you are going to follow if elected—free trade, tariff for revenue only, competitive tariff, or tariff to equalize costs of production at home and abroad, or a protective tariff.

The Republicans and the American people know why you Democrats did not attempt to adjust the tariff rates in your tariff bill of this session, H. R. 6662. You can not agree among yourselves about rates. Some of your party leaders are free traders; some of them believe in tariffs for revenue only; and some are protectionists. When you began to discuss rates you found that each of you wanted protection for the products grown in your own districts. At the same time you wanted free trade for the products grown in districts other than your own. Those were your selfish, individualistic tariff demands.

Everyone in this country knows that. In other words, you were so selfish and inconsistent in your tariff views that you despaired of ever agreeing even among yourselves on a system of tariff rates for the country as a whole, and you failed completely in your conferences where you attempted to devise a tariff policy for use in this session of Congress and in the coming national campaign. For that reason you can not hope to obtain the confidence of the voters of this country. For that reason if for no other, in my opinion, you will be defeated in the coming election.

The average voter in this country is an intelligent person. Ours is a representative government. Voters want and have a right to know what the views of their representatives are on these tariff matters in a specific way, not in some secret, hidden, mysterious, underhanded way. Your Democratic tariff bill forfeits any claim you may make to frankness with the American people. Your inconsistencies warrant your repudiation by the American people, and I predict that you will be repudiated in November, 1932.

THE DEMOCRATIC TARIFF PROPOSAL

Now let us see what kind of a smooth, suave, and elusive tariff maverick your Democratic tariff bill is. After all of the loud-mouthed criticisms that you Democrats have heaped upon the Hawley-Smoot Tariff Act, what have you proposed in this Congress by way of changes in that act?

In your tariff bill you do not suggest a single change of rates. You do not suggest a single transfer from the free to the dutiable list or from the dutiable to the free list. You do not suggest even one little change in the 15 schedules of the dutiable list nor in schedule 16, the free list. You do not even suggest the change of as much as a comma or a semicolon. Apparently you accept as satisfactory all of the rates fixed in the Hawley-Smoot Act.

You do not suggest a single change in the administrative provisions of the act.

There is only one provision of the special provisions, or Title III, of the Hawley-Smoot Act which you propose to change. Of the 41 sections in Title III, covering the special provisions of the Hawley-Smoot Act, you propose to change only one section—section 336 of that act. What a mountain of labor to bring forth something even worse than a mouse.

In other words, after all of your vicious attacks on the Hawley-Smoot Act, the Republican tariff, you apparently accept it all and approve it all except one small section covering 2½ pages out of the 194 pages of the printed act.

and the one and only change which you propose to make in the Republican tariff act is in the so-called flexible-tariff provision.

According to your own admission, by your own official acts, you approve of over 99 per cent of the Hawley-Smoot act, and disapprove of only one of the 654 sections of that act. I have never seen a better demonstration of devastating inconsistency than that exhibited by the Democratic Party with respect to its tariff policy.

On the stump and in the press individually you Democrats have viciously attacked the Hawley-Smoot Act, but collectively in Congress by your official acts you approve all of its 654 sections with the exception of one lone section, that now providing for adjustment of rates to equalize costs of production in the United States and abroad by presidential proclamation after, and only after a thoroughly scientific investigation is made by the efficient and well-trained body of experts which make up the United States Tariff Commission.

Your attempts to look the voters in the face this fall and to criticize the Hawley-Smoot Act will be an amusing spectacle. The voters will be skeptical of your sincerity and will be inclined to say that you are hypocritical unless you clarify your tariff policy before you attempt to go before them and ask for their support. So far you have made such a mess of your tariff policy that at present no one can even state it or understand it.

Even in the changes that you have proposed to the one section of the tariff act which you have attempted to revise you have shown your usual inconsistency. In the first place you propose to take away from the President of the United States the power to proclaim changes in the tariff rates in accordance with the changes specified by the Tariff Commission after thoroughly investigating and reporting to him the changes required to equalize the differences in costs of production in the United States and in the principal competing foreign countries. By your proposed change you would thus destroy the fine flexibility of section 336. You would make it impossible to effect changes in rates to meet changes in economic conditions, and yet you claim to believe that it is desirable to provide for such changes in rates from time to time between general tariff revisions.

You propose that the Tariff Commission shall make its investigations and reports to the Congress and that the Congress shall then consider the proposals and decide whether or not to make the changes in rates specified in the reports of the Tariff Commission. You suggest this change knowing that the history of the tariff in Congress shows that Congress would not approve the adjustment of a single rate of duty at any one time, and that there would be no possibility of the Congress ever adjusting a single rate of duty, even if it were to save an important and necessary domestic industry.

You well know that the minute the tariff question was opened up for discussion on the floor of the Congress, and one rate of duty alone was up to be adjusted, even if it was upon recommendation of the Tariff Commission, that the representatives of every other industry in the country would be after an adjustment of the rates of duty on their products, and that Congressmen and Senators from the respective districts and States in which those industries were located would demand consideration for their particular industries, and that as a result of such demands from every section of the country general tariff revisions would result. It has always been brought about in that way whenever the subject of tariff rates has been opened up by Congress.

This proposal of the Democrats would destroy the excellent provisions of the Hawley-Smoot Act that are working so efficiently and effectively and would substitute for it this unworkable provision of the Democratic tariff bill. This is true in spite of the provision in the Democratic bill that no amendment to the recommendations of the Tariff Commission shall be considered either in the House of Representatives or in the Senate which is not germane to the items included in the report of the commission. It is obvious that the duty on hides, for example, may be considered germane to the duty on boots and shoes. The duty on leather may be ruled to be germane to the duty on saddles and harness and boots and shoes. The duty on cattle may be termed germane to the duty on hides, boots and shoes, and leather. Likewise what may be considered germane may be extended ad infinitum and include every item of the tariff act. The result would be the destruction of the fine provision for flexibility now in the Hawley-Smoot Tariff Act.

Subsection 3 of the proposed amendment in the Democratic tariff bill to the flexible provision of the Hawley-Smoot Act, changing the Republican tariff, provides for a consumers' counsel. This consumers' counsel is to hold an office in the legislative branch of the Government to be known as the office of consumers' counsel of the United States Tariff Commission. He is to be appointed by the President by and with the advice and consent of the Senate. You propose that he shall represent the consuming public in any proceeding before the Tariff Commission and that he shall present evidence and arguments to support the supposed special point of view of the consumers of this country.

Now, let me ask you why we have a Tariff Commission? Does not the Tariff Commission represent the consumers of this country as well as the producers of this country? There are 6 members of the Tariff Commission—3 Democrats and 3 Republicans. Do you Democrats suppose that the point of view of the consumers of this country is not taken into consideration by the Tariff Commission? Such a conception of the commission seems to me to be quite ridiculous and without any foundation whatever.

Members of the Tariff Commission take an oath of office to perform their duties under the Constitution of the United States. They know that they must guard the public interests of this country. Are the public interests different from the consumers' interests? Everybody knows they are not.

Furthermore, do you not know that the consumers of this country are producers? Certainly they are. We all have to work to eat. Are the interests of the consumers of this country different from the interests of producers of this country? They are the same people. Unless one produces, one does not have the wherewith to consume. One must produce to earn money with which to purchase goods for consumption.

Thus only the extremely few so-called idle rich, who produce nothing with their own labors, may be considered in one narrow sense to be especially represented by the proposed consumers' counsel, for only they may be thought in any way to have an interest separate and distinct from the interests of the producers. And even the idle rich have a producer's interest, and consequently a consumer's interest, because they have to manage their funds and investments in order to obtain the income from them which gives them the purchasing power with which they become consumers.

It is obvious, therefore, that the duties which are specified in the Democratic tariff bill for the consumers' counsel are already being performed by the members of the Tariff Commission. To provide an additional counsel, with a salary of $10,000 carried in that bill, and to provide for the expenditure of large sums of money for experts to make investigations and to prepare reports for this consumers' counsel is an absolute waste of the public's money. And this at a time when this Government has had to reach out and levy over a billion dollars of new taxes in order to balance its Budget.

The consumers'-counsel provision of the Democratic tariff bill is a duplication of the work of the Tariff Commission itself, and it is an absolute waste of public money and would accomplish absolutely nothing that is not now already being accomplished by the United States Tariff Commission, which it is proposed to continue in operation in the Democratic tariff bill.

This measure drafted by the Democrats is an attempt to fool the average citizen into believing that the consumers' counsel will be some sort of a special representative and pleader of the cause of the average citizen of this country, and that he would be able to accomplish wonderful things

in behalf of the man in the street that are not now being accomplished by the present excellent system for tariff adjustments. This Democratic proposal is a snare and a delusion. It is deceptive in its purposes, and when the average man in the street understands the real significance of the proposal you can rest assured that he will condemn it and repudiate the Democratic perpetrators of this terrible hoax.

Democrats will find that the man in the street has sufficient knowledge to see through such flimsy camouflage, and if he does not do so now he will do so by the time he casts his ballot this fall. The people of this country are surprised that you Democrats should expect to get away with any such a misleading proposal as your consumers'-counsel provision of your proposed tariff amendment. You can not do it, gentlemen, for the average citizen has too much intelligence to be misled by such insincere gestures.

The danger of one other section of your proposed tariff amendment should be pointed out. You propose in subsection 4 for the calling of an international economic conference by the President of the United States for the purpose of—

(a) Lowering excessive tariff duties and eliminating discriminatory and unfair trade practices and other economic barriers affecting international trade; (b) preventing retaliatory tariff measures and economic wars; and (c) promoting fair, equal, and free trade between nations, but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence, or in any way affects the revenue of the United States must first be approved by the Congress of the United States.

That subsection further provides that—

The President be, and is hereby, authorized and requested, at as early a date as may be convenient, to proceed to negotiate with foreign governments reciprocal trade agreements under a policy of mutual tariff concessions. Such agreements shall not become operative until Congress by law shall have approved them.

The United States has already participated in a number of economic conferences to "eliminate discriminatory and unfair trade practices," "prevent economic wars," and "promote fair, equal, and free trade and commercial relations among nations." Little or nothing has been accomplished by such conferences. Those conferences have made recommendations, written resolutions, but almost no practical accomplishments have resulted from their activities. Either the conferees have failed to agree upon steps that should be taken, devastating reservations to the various proposals have been made by the individual nations, or governments have failed to approve the activities or agreements of their conferees. Why drag the President of the United States to such conferences? No good could come of it, and there is always the danger in it of having all the countries who owe us money combine against us in such conferences.

The Republicans agree that all nations should adopt tariff and other policies that will promote fair and equal trade and commercial relations between nations, and that all unfair and discriminatory trade practices should be abolished. We propose, as far as possible, through our State Department and through the provisions of the Hawley-Smoot Tariff Act, especially sections 337 and 338, which are special provisions to handle unfair methods of competition and unfair practices in import trade and discriminations by foreign countries against the commerce of the United States, and by economic conferences of special representatives of our Government with other governments, to accomplish those results.

But to invite foreign countries into conferences with the United States for the purpose of discussing the lowering of our tariff duties as provided in subdivision (a) of this subsection 4 and to promote "free trade" as suggested in this amendment, is to invite and encourage foreign countries against whose industries our tariff rates have been put up as barriers, to criticize those tariff rates and the Government of the United States for its protective-tariff policy. That part, therefore, of this subsection 4, put in effect, would result in a betrayal of the best interests of the United States no less disastrous than if it had been conceived with treasonable intent rather than in the ignorance of the best interests of America that has always characterized Democratic tariff proposals.

When the voters of this country who are overwhelmingly in favor of the American protective-tariff policy realize what you Democrats have attempted to do by that provision of your proposed tariff amendment, they will give you such a rebuke as you have never had before. You have merited that rebuke by your attempt to join hands with foreign governments to force a reduction in the American protective-tariff rates. You can not avoid being called to task for that dangerous proposal. Your threatening proposal is a matter of record, and the American people are going to be told about that vicious proposal against the American farmers, laborers, and manufacturers.

Furthermore, your provision for the negotiation of reciprocal trade agreements under a policy of mutual tariff concessions would revolutionize our present international trade policy of fair treatment for all nations and special favors to none. It would substitute in lieu of our fine present policy special tariff concessions to each nation and thereby discriminate against all others in some or in many ways.

The United States has had some experience with reciprocal trade agreements. The Casson and Argol treaties and agreements proved to be complete fiascos and were never made effective by Congress. Congress repudiated all of them. Congress would not approve, even if they were proposed now, reciprocal treaties or agreements that might be negotiated with each of the many countries of the world with which we have international trade and commerce.

Furthermore, it is contrary to good public policy in addition to being contrary to our established international trade policy. Our present policy of fair treatment for all and special privileges to none is a much wiser and far more advantageous policy for this great diversified country of ours than the policy proposed in the Democratic tariff amendment of special trade and tariff concessions to each of the many countries with whom we trade.

Just imagine the mess we would get into in attempting to negotiate special treaties with each country. Would Massachusetts, for example, want its rates reduced on boots and shoes and textile manufactures in a trade with France or Germany for lower duties on wheat from the Northwest and cotton from the South and on other agricultural products from the West and South? Would Pennsylvania want the duties reduced on iron and steel and manufactures thereof in reciprocal trade agreements with Great Britain or Japan in a trade for reduced duties on meats, milk products, and automobiles exported to Great Britain and Japan? A mere statement of these questions illustrates the thousands of complications and dangers of misunderstanding and conflict that would be incurred in any attempt to apply this proposed provision of the Democratic tariff amendment.

The people of the United States will not permit it to be adopted or put into practice. If they should do so, they would soon find themselves in another world war, where they would be left practically alone, with all the other great nations of the world allied against them. This would be the natural consequence of the proposed Democratic tariff policy, because the United States market is by far the biggest and most important market in the whole world and all the other nations of the earth are striving by every means available to them to gain for their products as much as possible of this great American market.

The Democratic Party must answer to the American people in the coming campaign for this monstrous proposal by which the fair and just historical American international trade policy would be thrown away for the dangerous policy of bickering and bargaining contained in this proposed amendment. The American people have had enough of conflict. The destructive gloom of the last war is not yet forgotten, and no one who sees this Democratic proposal in its true light will agree that it should be substituted for the present fair, equal, and friendly foreign-trade policy of this country.

Mr. President and Members of Congress, the great Republican Party, to which I have the honor to belong, challenges the Democratic Party to take this tariff issue before the voters of the Nation in the coming national election. We shall take it before the Nation. Each party must stand on its record. We have no fear of the outcome.

When the average voter understands the proposals of the Democratic Party to abolish our traditional and eminently successful Republican protective tariff and our present eminently successful foreign-trade policy, they will vote to maintain the Republicans in power in this Nation and throughout the States and to thus maintain the protective tariff and our splendid American foreign-trade policy.

FOREIGN TARIFFS NOT RETALIATORY AGAINST UNITED STATES TARIFF

Tariffs in most countries of the world have been increased since the World War. International trade has expanded greatly in the past 10 years in spite of or because of the general upward tariff trend. Decreases in customs duties by any country have been comparatively few and unimportant. However, tariff duties have not been the most decisive factor in determining the volume of trade carried on with a given country. The extent to which tariffs have restricted imports has depended more on the buying power of the importing country, on the producers' costs of production, and on the importers' profit margin.

In most countries of the world duties have been increased much more on manufactured articles than on agricultural products. As has been shown, however, the greater part of the increase in the duties collected under the Republican tariff act of 1930 were on agricultural products and compensatory duties for the rates on those agricultural products. Throughout the rest of the world, however, duties on raw materials are comparatively low and the cases in which they have been raised are not numerous. In a few countries, however, agricultural rates especially have been raised. Generally speaking, the upward trend of tariff rates in countries other than the United States has been due in the majority of cases wholly to the imposition of higher rates on manufactured articles.

The Democratic Party in the United States has attempted to mislead the people of the United States into believing that the Republican tariff of 1922 is responsible for the beginning of the erection by the other countries of the world of these high tariff walls. The facts belie their charges. The charge is not true, as is easily and satisfactorily proved by an examination of the records of tariff adjustments as reported by the United States Department of Commerce.

Immediately after the World War, even before the United States passed the emergency tariff act of 1921, nearly all European tariffs were increased. France, Germany, and Great Britain had increased their customs duties before the Congress of the United States had passed the tariff act of 1922, or even before the emergency tariff act of 1921. It is obvious, therefore, that other countries of the world rather than the United States are responsible for the present trend of increased tariff rates. The United States is not responsible for beginning the raising of these barriers. European countries began immediately after the war to establish themselves as independent, self-sufficing, commercial and industrial units by erecting higher tariff walls.

Since 1922 the countries of Europe, Asia, and South America for their own reasons have increased their tariffs several times, but there is no evidence showing that these increases in tariff rates were retaliatory against the United States tariff act of 1922.

It is equally true that the increased tariff rates of foreign countries since the passage of the tariff act of 1930 are not in retaliation for the increased rates of the United States tariff act of 1930. Careful observation will prove to the satisfaction of any reasonable man that such increases in foreign tariffs have been for the purpose of fostering industry and prosperity in foreign countries. There have been numerous and conspicuous increases of import duties by foreign countries on export products of the United States since the passage of the tariff act of 1930. Such increases, however, have not been more numerous than they have been over like periods in years preceding the passage of the United States tariff act of 1930.

Furthermore, examination of the changes made by foreign countries in their tariffs will show that in most cases the increased duties levied by those foreign countries were not directed exclusively or even primarily against the United States. This is made plain by the fact that the increased rates have applied equally, or even more heavily, against the same articles imported from other countries. And in most cases the articles subject to the increased duties of foreign countries are imported in larger quantities from some country other than the United States. It is apparent, therefore, that such duties were not increased in retaliation for the duties imposed by the United States. The countries of Europe have built up tariffs against each other as have the countries of South America. Most of the countries have needed additional revenue to balance their budgets and have for this reason been forced to increase their tariffs in order to raise additional revenue.

Furthermore, in times of depression when international confidence wanes and is at low ebb, nations desire to become more self-sufficing and naturally withdraw more to themselves where they can manage and control their own affairs rather than spread out over the whole world. The present depression, which is the result of the terrible destruction of the implements of production and the frightful dislocation of the elements of labor that were brought about as a result of the World War, is largely responsible for this lack of confidence which has resulted in increased tariff barriers. This tendency toward increased tariffs throughout the world, as stated above, began in Europe after the World War. The United States was compelled by force of circumstances to fall in line with this tendency or be the victim of the other countries of the world in the wild scramble for markets for their products.

OUR PROTECTIVE TARIFF SHOULD BE MAINTAINED, NOT LOWERED TO HELP FOREIGNERS

The Democratic Party would now have us believe that it is for the best interest of this country to lower our tariffs and thus make it possible for foreign countries to sell more goods in the United States. Does anyone in the United States believe that if the United States were to proceed forthwith to lower its tariff rates that any other country in the world would follow suit and lower its tariff rates? No one who has traveled abroad or who knows anything about conditions in other countries is gullible enough to believe any such nonsense.

If the United States were to lower its tariff barriers after the election of 1932, every country in the world would make an immediate scramble to capture this great and marvelous market in the United States. They would immediately proceed to increase their manufactures and production of agricultural products for this market. Their production would increase and their exports to this country would increase, and such imports into the United States would force the closing of more American factories and the abandonment of more American farms and would greatly increase misery and unemployment in this country. Any man with any practical sense knows that this would be the result.

For that reason it is imperative not only that the American protective tariff system be maintained but that such adjustments be made from time to time under the flexible provision of the tariff act of 1930 as are found to be necessary in order to protect domestic producers in our own markets and to encourage the development of new industries in this country that have reasonable prospects for success. Only in this way will we ever be able to work ourselves out of the present depression and to hold our own against the extreme competition which the products of the United States are subjected to not only in foreign markets but are subjected to within the boundaries of this country itself.

There is no use of attempting to glibly pass the buck from one country to another, each country blaming the other for the increased tariff barriers. Historical chronology shows

that the European countries began this competition in so-called high protective tariffs, and the United States was forced by the circumstances to fall in line in order to save itself from the destructive competition of its foreign competitors.

The Republican Party is delighted to go to the bat in this coming election on the tariff issue. The Democrats have been very solicitous of the foreign trade of the United States. They have argued that the tariff act of 1930 is responsible for the decrease in our foreign trade. As a remedy they urge that we lower our tariff barriers to permit greater foreign imports and to permit foreign governments thus to repay their debts to us. What a betrayal of the interests of America. In effect, our Democratic friends argue that American farmers and American laborers should quit work and go hungry to permit laborers in Europe and Asia to go back to work manufacturing and growing products to send into the United States for consumption here in lieu of the home-produced articles. The effect of their argument about the debts is that the American taxpayers should take over these foreign debts and pay them themselves in order that the foreigners may have more money to buy more goods in the United States and more money to build up greater armaments. And that the United States should continue to conduct their affairs for the further profit and pleasure of foreigners and of the foreign governments.

All the Republican Party desires is that this point of view be made known generally throughout the United States, and we shall rely with entire confidence on the answer of the American voters next November. Let the Democrats argue the cause of the foreigner. Republicans are interested primarily in America and in Americans. We believe in "America for Americans." This country and its resources we maintain are our own, for our own use, and we do not owe anybody else for them nor are we obliged to see that all the rest of the world prospers first and we last.

The exports of the United States amount to only 5 or 6 per cent of the total trade of the United States. Both imports and exports, or our total foreign trade, amount to but 9 or 10 per cent of the trade that goes on within the boundaries of the United States. The Republican Party is far more interested in the 90 per cent of our trade and commerce than it is in the 9 or 10 per cent which constitutes our foreign trade.

The Democratic Party may ask the support of foreigners interested in the United States markets. Internationalists, primarily interested in foreign investments, may contribute to the Democratic campaign funds and help the Democratic Party out a great deal if the Democratic Party will lower our tariffs; but the Republican Party is interested primarily in those persons who carry on the 90 per cent of the trade and commerce that goes on within the boundaries of the United States, not to the exclusion of the other 9 or 10 per cent that constitutes the international trade but knowing that if the 90 per cent of our trade prospers the other 9 or 10 per cent is bound to prosper.

The Democratic Party will have to answer to the American citizens for its facetious solicitude for the citizens of foreign countries at the expense of the well-being of the American farmers, laborers, and manufacturers. The responsibility rests upon the Democratic Party for fallacious and destructive propaganda in this country and we feel certain that the American voter will show his vigorous disapproval of the Democratic attempt to sell out our American interests to foreigners. To the Republicans must go the credit for our present warm and fine official international relations.

The United States is on friendly terms with all the countries of the world. The tariff act of 1930 has not created ill will toward the United States. The treaty status of this country with other countries is favorable to the United States. At the present time the United States has commercial treaties or agreements in effect with 44 countries, assuring the products of the United States more favorable tariff treatment than is accorded to similar products of any other country. These 44 countries include most of the important commercial countries of the world. Some of these treaties make specified exceptions to "most-favored-nation" treatment. Our treaty with England assures the most-favored-nation treatment only in the "European territory of Great Britain." The United States makes an exception of its commerce with Cuba, the Panama Canal Zone, and any territory or possession of the United States. Spain excepts its trade with Portugal. Portugal excepts its trade with Spain and Brazil.

With 19 countries with which the United States has no treaties nor agreements our products receive the same tariff treatment as similar products imported from all other foreign countries. Only three countries—Canada, France, and Salvador—give more favorable tariff treatment to other foreign countries than to the United States. These discriminations against the foreign commerce of the United States are really unimportant when compared with the fair treatment given this country by these same three countries with respect to most of our exports to those countries.

It is important to remember these broad, general facts which show the splendid, friendly relations enjoyed at the present time by the United States in its contacts with other countries under the provisions of the Republican tariff act of 1930, the so-called Hawley-Smoot Act. These facts show that the criticisms of the Democrats are quite unwarranted and without factual foundation. They are like so many other of their criticisms of the Republican tariff policy—they are meaningless generalities which will not stand up under a searching analysis of the facts as they actually exist.

The Republican tariff policy has not created animosity toward this country, but our tariff has been the envy of every country in the world. Most countries have observed the success of the Republican tariff policy in bringing prosperity to the United States and have adopted the protective-tariff policy in their attempts to obtain for themselves and their respective countries the blessings that have been obtained through that policy by the United States.

There is no ground for anxiety about the peace between the United States and other countries being upset by the Republican tariff policy. Such policies have been responsible for bringing the United States up to its present powerful position among the nations of the world, where we command their respect and admiration. They may envy us our advantages; they may and undoubtedly do desire to take them away from us if they can. Failing this, they will adapt themselves and their trade to our tariff and other standards.

The mutual advantages of trade between countries are too great to be thrown away for the sake of sentiment. No foreign country wants to incur the enmity of the United States. No foreign country wants to lose its share of this great American market. No other market in the world is able to purchase and pay for as large a volume and variety of imported products. It is unreasonable to think that any foreign country wants a tariff war with the United States, and we know that this country, at least that part of it represented by the great majority of the citizens who are Republicans, knows that this country does not want a tariff war with any other country.

We also know that we are not going to let any foreign country put anything over on us if we can prevent it. We shall stand up for our rights. That is the traditional American policy, always sponsored by the grand old Republican Party.

International commercial rivalry is keen. All countries are striving for business, and they are using all the resources at their command to get it. Not only are they using such instruments as the tariff, commercial treaties, aggressive foreign-sales policies, cartels, and international banking facilities, but every other legitimate means to further their own interests, often at the expense of competing nations.

In spite of these intense commercial rivalries and in spite of the almost terrifying competition for international trade that is bound to come as confidence is restored and business revived, yet the peace of the world at the present time is sound and it is not in danger of being upset soon. Certainly the tariff and commercial policies of the United States are among the least offensive of all when compared with the

tariff and commercial policies of other countries of the world.

There is no reason to and no one should expect the United States to play Santa Claus to all the rest of the world, even if our Democratic opponents do suggest it. When the citizens of the many nations throughout the world understand the comparative liberality of the American tariff and trading policy they can have but admiration rather than criticism for this country.

The equal and fair treatment accorded all nations by the United States promotes good will. Our treaties give all nations most-favored-nation treatment. Two-thirds of all the imports into the United States from all countries enter free of duty, and on the one-third of our imports the rates of duty are moderate and all ad valorem rates are assessed on the foreign value. Furthermore, the administration of the law applies to all countries alike.

No other country in the world permits citizens of foreign countries to present their own tariff cases in person before such a tribunal as we have established in our Tariff Commission. Such facts when known generally throughout the world will give to the United States first place among the nations granting fair, just, and liberal treatment in their tariff and trade relations with other countries.

For these policies the Republican Party is largely responsible. We are proud of our record. The achievements of the Republican tariff policy are largely responsible for making us what we are, the greatest nation on the face of the earth.

GOVERNMENT EXPENDITURES

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMNECK. Mr. Speaker, much has been said during this session of Congress as to governmental expenditures and the possibilities of reducing the same. A great deal of false information has been sent out all over the country by influential business interests as to how much expenditures have increased since 1927. The blame for the great increase in expenditures has been placed largely upon the shoulders of the present Congress.

In order that the Members of Congress and the country should have the real facts I have prepared a statement which will show the actual expenditures for 1927, 1931, 1932, and the appropriations for 1933. In the 1933 figures used I have given the figures in the appropriation bills as passed by the House in the legislative and War Departments. All other figures used are those in the appropriation bills as finally approved by the Senate. I have estimated the public-debt requirement at $1,000,000,000. The totals in the 1933 figures amount to $4,144,236,458, from which must be deducted the savings in the economy bill, estimated to amount to $150,000,000. This would make the net appropriations for 1933, $3,994,236,458. [Applause.]

By comparing the figures in the following table it will be seen that this Congress has reduced governmental expenditures for 1933 under those of 1932 by over $840,000,000. No previous Congress has ever made such a record. Further reductions no doubt can be made by reorganizing governmental departments, by elimination of duplications in governmental activities, and by use of greater care in State-aid appropriations. The table follows:

	1931 expenditures	1932 expenditures	1927 expenditures	1933 appropriations	Decrease 1933 below 1932
Economy bill					$150,000,000.00
Legislative	$23,978,412.68	$28,785,036.94	$19,678,325.13	$20,214,869.00	8,571,167.94
Executive and independent offices	1,309,454,991.39	1,318,962,723.58	583,423,629.43	982,187,041.00	336,775,682.58
Department of Agriculture	296,865,944.69	289,925,550.95	156,287,304.95	175,408,814.00	114,516,736.95
Department of Commerce	61,477,117.63	54,436,592.95	30,939,749.02	39,557,908.00	14,878,674.95
Department of the Interior	71,500,359.20	69,765,342.13	302,281,550.54	45,533,672.00	24,231,670.13
Department of Justice	44,835,003.16	51,489,201.00	24,819,057.70	45,996,000.00	5,493,201.00
Department of Labor	12,181,885.62	15,565,450.00	9,921,644.26	12,920,770.00	2,644,680.00
Navy Department	354,071,004.10	358,269,823.63	318,909,096.28	318,673,991.00	39,595,832.63
Post Office Department	803,008,583.00	842,912,129.86	714,628,189.20	805,939,675.00	36,972,454.86
State Department	16,024,646.48	18,730,573.34	16,584,936.10	13,663,792.00	5,066,781.34
Treasury Department	295,208,333.00	261,704,977.68	289,293,030.76	250,308,158.00	11,396,819.68
War Department	489,241,835.68	445,910,938.02	369,114,121.75	392,586,146.00	53,324,792.02
District of Columbia	48,368,647.61	45,811,888.00	37,856,501.00	41,245,622.00	4,566,266.00
Public debt	1,051,641,704.49	1,016,946,300.00	1,306,574,422.96	1,000,000,000.00	16,946,300.00
Unclassified	625,457.56	15,398,873.01	448,920.63		15,398,873.01
Total	4,878,483,926.29	4,834,616,391.09	4,180,760,479.71	4,144,236,458.00	840,379,933.09
Receipts	3,759,799,488.00	2,829,257,200.00			
Less economy bill				150,000,000.00	
Deficit	1,118,684,438.29	2,005,359,191.09		3,994,236,458.00	

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a table which will illustrate my idea.

Mr. SCHAFER. Mr. Speaker, reserving the right to object, and I shall not object providing the gentleman will insert with the table a statement showing just where the Democratic Party is going to cut an additional billion dollars a year from the expenditures of the Federal Government.

Mr. LAMNECK. I have never claimed that could be done.

Mr. SCHAFER. The gentleman's party in convention yesterday promised to do so. About half the expenditures of the Federal Government are interest and sinking fund on the Democratic war debt and for the care of the veterans of the Democratic World War, leaving about $2,000,000,000 for other purposes, and yesterday the gentleman's party promises to cut off another billion each year. I would like to know the way in which that can be done so it will appear in the table in the RECORD.

Mr. LAMNECK. The gentleman can not ask me to do that, because I never claimed it could be done.

Mr. SCHAFER. Then I shall not object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROHIBITION

Mr. DYER. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DYER. Mr. Speaker, on yesterday the Democrats in their national convention at Chicago adopted their platform on prohibition, which, in part, says:

> We favor the repeal of the eighteenth amendment.
>
> To effect such repeal, we demand that the Congress immediately propose a constitutional amendment to purely representative conventions in the States called to act solely on that proposal.
>
> Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible.

Now, this House is controlled by the same party, and we are in session. I, therefore, call upon the Speaker and the Democrats of the House to act upon the mandate of their

party and pass the repeal resolution now before we adjourn. The Democrats can do this. They have a majority and control the Judiciary Committee, where several repeal resolutions are now pending, and where also many bills are pending to amend the prohibition enforcement act, authorizing the manufacture and sale of a 2.75 per cent beer. Unless the Democratic House, the Speaker, and its Democratic Members will do this, then we must agree that the action of the Democratic Convention yesterday was just "molasses to catch flies" and a scheme to corral the wet votes so the party can get into office; and that when they are in we will have but a repetition of what took place in this session, when we had a chance to consider the question of repeal and a modification of the enforcement act, and a majority of the Democrats voted against it.

We know what the vote was then of the Members of the solid Democratic South, as well as many other Democratic Members. In my judgment, if a majority of the people vote for the Democratic ticket on the theory that it means the end of prohibition, they will be greatly deceived. To prove this charge, I need only to call your attention to the action of the present House. If the next House, chosen at the November election, is Democratic, they will do the same thing upon prohibition they did in the present one—nothing. They will ignore their national platform and vote upon this question as they have in the past.

I mean, of course, a majority of them, and it is the majority that organizes and controls legislation, both in the Judiciary Committee, where this legislation originates, as well as the Democratic caucus and the House itself. It is my sincere belief that there will be no repeal or modification until the Republicans are in control of both branches of Congress. To prove this, I cite the vote of the Democrats when we had prohibition up recently.

On March 14, 1932, the House of Representatives of the United States Congress, by a vote of 227 to 187, declined to discharge the Judiciary Committee from consideration of the Beck-Linthicum resolution which proposes to amend the Constitution of the United States so as to allow the various States to permit the manufacture and sale of intoxicating liquors within their borders. The Democrats who voted against this proposition were as follows:

Steagall, Jeffers, Patterson, Oliver, Allgood, Almon, Huddleston, and Bankhead, of Alabama; Driver, Fuller, Wingo, Ragon, Parks, Miller, and Glover, of Arkansas; Green, Yon, and Owen, of Florida; Parker, Cox, Crisp, Wright, Ramspeck, Rutherford, Tarver, Brand, Wood, Vinson, Lankford, and Larsen, of Georgia; Parsons and Keller, of Illinois; Greenwood, Crowe, Canfield, Gillen, Larrabee, and Ludlow, of Indiana; Ayres, of Kansas; Moore, of Kentucky; Sandlin, Wilson, Kemp, and Overton, of Louisiana; Rankin, Doxey, Whittington, Busby, Collins, and Hall, of Mississippi; Romjue, Lozier, Milligan, Hopkins, Dickinson, Johnson, Nelson, Cannon, Barton, and Fulbright, of Missouri; Morehead, Norton, and Shallenberger, of Nebraska; Warren, Kerr, Abernethy, Pou, Clark, Doughton, Bulwinkle, and Weaver, of North Carolina; Disney, Hastings, Cartwright, McKeown, Swank, Johnson, and McClintic, of Oklahoma; Haines, of Pennsylvania; Hare, Dominick, McSwain, Stevenson, Gasque, and Fulmer, of South Carolina; McReynolds, Mitchell, Byrns, Eslick, Browning, Cooper, and Davis, of Tennessee; Patman, Dies, Sanders, Rayburn, Sumners, Johnson, Briggs, Garrett, Cross, Lanham, Williams, Thomason, Blanton, and Jones, of Texas; Bland, Lankford, Burch, Woodrum, Fishburne, and Flannagan, of Virginia; Hill, of Washington; Hornor, of West Virginia.

It will thus be seen that on the Beck-Linthicum resolution, 114 Democrats, a majority of its membership in the House voted "no."

On May 23, 1932, we voted upon the question of 2.75 per cent beer. The Democrats who voted against this were as follows:

Almon, Bankhead, Hill, Huddleston, Jeffers, McDuffie, Patterson, and Steagall, of Alabama; Driver, Fuller, Glover, Miller, Parks, Ragon, and Wingo, of Arkansas; Taylor of Colorado; Brand, Cox, Crisp, Lankford, Larsen, Parker, Ramspeck, Tarver, Vinson, Wood, Wright, and Mobley, of Georgia; Gillen, Greenwood, and Ludlow, of Indiana; Keller, Rainey, and Parsons, of Illinois; Green, of Florida; Ayers, of Kansas; Carden, Cary, Gilbert, Gregory, Moore, and Vinson, of Kentucky; Sandlin and Wilson, of Louisiana; Goldsborough, of Maryland; Busby, Ellzey, Collins, Doxey, Hall, Rankin, and Whittington, of Mississippi; Barton, Dickinson, Fulbright, Johnson, Lozier, Nelson, and Romjue, of Missouri; Morehead and Norton of Nebraska; Bulwinkle, Clark, Doughton, Lambeth, Pou, Warren, and Weaver, of North Carolina; Kniffin, Polk, Underwood, and West, of Ohio; Cartwright, Disney, Hastings, Johnson, McKeown, and Swank, of Oklahoma; Stull, of Pennsylvania; Dominick, Fulmer, Gasque, McSwain, and Stevenson, of South Carolina; Blanton, Briggs, Cross, Dies, Garrett, Johnson, Jones, Lanham, Patman, Sanders, Sumners, Thomason, and Williams, of Texas; Browning, Byrns, Cooper, Davis, Eslick, and McReynolds, of Tennessee; Bland, Burch, Fishburne, Flanagan, Montague, Smith, and Woodrum, of Virginia; Hill, of Washington; Hornor and Smith, of West Virginia.

We find that the total number of Democrats to vote against this proposition of 2.75 per cent beer were 113, which is a majority of the Democratic Members of the House.

Most of the Democrats who thus indicated their opposition to the repeal of the eighteenth amendment, or to the modification of the enforcement act so as to have 2.75 per cent beer, will be in the next Congress, because they come from rock-ribbed Democratic States. Will these gentlemen change their position upon this question? So far, I have not heard any of them rise in their places in this House and make a statement to that effect. I submit, therefore, that if the people of the Northern, Eastern, Western, and Middle States desire to get rid of prohibition, their hope lies in voting for the Republicans for the Senate and the House of Representatives.

Mr. Speaker, while I am on the subject of the Democratic National Convention, I would like to add a word of commendation for the women delegates to both the Democratic and Republican National Conventions in voting most generally, along with the men delegates, to rid the country of this curse.

It has been slanderously said that the women of America are responsible for the prohibition law. To add insult to injury, it has been said that as long as the nineteenth amendment remains in the Constitution the eighteenth amendment will not be repealed. I use the word "slanderously" advisedly. To attribute to American womanhood responsibility for the enactment and perpetuation of a law that has dragged the honor of this Nation through the slime of corruption and degradation, that has uprooted respect for law and authority of government, and has brought upon us the stigma of being incomparably the most criminal nation on earth is one of the most vicious and unjust slanders that could fall from human tongue.

Throughout the ages women have fought for the honor and integrity of their sex; for the purity of their children; and for the inviolatibility of their homes. To charge them with responsibility for the prostitution of their Government is to charge them with a lack of intelligence and patriotism. They are as much concerned with the honor of the Republic as they are with the honor of their firesides.

To the mothers of America is entrusted the educational and moral training of the children, and they would be recreant to their duty if they failed to use the ballot box to give the youth and the homes of the land the protection of sound and practical legislation.

Prohibition is an attempt to substitute the authority of government for the motherhood of America in the moral training of the young. It is an attempt to do, by an act of Congress, only what can be done at the family fireside. It is an attempt to legislate morality into the human race by statute.

St. Paul, the wisest of the Bible philosophers, wrote to the Galatians, "for if righteousness come by the law, then Christ is dead in vain." You may substitute the prohibition law for the philosophy and teachings of Christ, if you wish, but

you will find it as true to-day as when St. Paul wrote it, that righteousness does not come by law. You will substitute the law of force and the jail for the love, the kindness, devotion, and watchful care of mother, if you adhere to the prohibition standard, but I make the assertion that you can not develop real manhood and real womanhood by the yardstick of law—backed up by the compulsion of the policeman's club and the prison.

Let us put under the microscope of critical analysis the result of 10 years' effort to substitute an act of Congress for the wisdom of the mothers of America in the development of the character of our citizens and the perpetuity of our republican form of government. Let us see whether an attempt to legislate wholesale abstinence into the American people has produced better results, from the standpoint of the home and the Government, than the teaching of temperance at the family fireside.

SAVANNA-SABULA BRIDGE CO.

Mr. ARNOLD. Mr. Speaker, I call up the bill (S. 4874) to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa, now on the Speaker's table, and ask unanimous consent for its present consideration.

The Clerk read the title of the bill.

Mr. PATTERSON. Mr. Speaker, reserving the right to object, may we have the bill read? If this is a private toll bridge, I shall object.

The Clerk read as follows:

Be it enacted, etc., That in order to facilitate the construction, maintenance, and operation of a highway, connected with the bridge across the Mississippi River at Savanna, Ill., authorized by section 2 of the act of Congress of June 10, 1930 (Public, No. 330, 71st Cong.), between Savanna, Ill., and Sabula, Iowa, there is hereby granted to the Savanna-Sabula Bridge Co., a corporation, its successors and assigns, a right of way or easement for highway purposes not exceeding 325 feet in width over lands of the United States in section 8, township 84 north, range 7 east, fifth principal meridian, in Jackson County, Iowa, reserved or acquired for the purposes of the Upper Mississippi River Wild Life and Fish Refuge, said right of way or easement being located as shown on "Plan of bridge site and new roadway for Savanna-Sabula Bridge project, November 16, 1931," attached to and made a part of a certain agreement entered into on the 23d day of December, 1931, between the said Savanna-Sabula Bridge Co. and E. C. Hotchkiss, acting superintendent Upper Mississippi River Wild Life and Fish Refuge, pursuant to a certain permit issued to the said Savanna-Sabula Bridge Co. by the Secretary of Agriculture and the Secretary of Commerce November 30, 1931, to construct, maintain, and operate the aforesaid highway over the aforesaid lands of the United States in the Upper Mississippi River Wild Life and Fish Refuge: *Provided*, That there is reserved to the United States in perpetuity, control of all game, fur-bearing animals, wild birds, and other wild life on the right of way or easement herein granted, and such right of way or easement shall at all times be subject to regulations prescribed under authority of the Upper Mississippi River Wild Life and Fish Refuge act of June 7, 1924 (U. S. C., title 16, ch. 8): *Provided further*, That in consideration of the granting of this right of way or easement no toll or other charge shall be exacted by the grantee, its successors or assigns, from any of the officers and employees of the United States, including their vehicles, for traversing the aforesaid bridge, or the highway or approach thereto or the right of way or easement hereby granted, while on official duty: *And provided further*, That said right of way or easement shall not be used, except by special permission of the Secretary of Agriculture, for any purpose other than the construction, maintenance, and operation of said highway, including the fencing of said right of way and diversion of the water in the adjacent stream: *Provided further*, That the grantee shall at all times permit officers and employees of the Department of Agriculture and the Department of Commerce, of the United States, when in discharge of their official duties in relation to said Upper Mississippi Wild Life and Fish Refuge, free and unobstructed access to, through, and over said highway.

SEC. 2. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Savanna-Sabula Bridge Co., its successors and assigns; and any corporation or person to which or to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. PATTERSON. Mr. Speaker, I withdraw the reservation of objection.

Mr. MAPES. Mr. Speaker, reserving the right to object, has a similar bill been considered by any House committee?

Mr. ARNOLD. An identical bill was considered by the Committee on Agriculture of the House and reported unanimously. That bill is now on the calendar.

Mr. MAPES. And it is an identical bill?

Mr. ARNOLD. It is an identical bill; yes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CLOSING VIRGINIA AVENUE

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12768) to authorize the closing of a portion of Virginia Avenue SE., in the District of Columbia, and for other purposes.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order to permit the consolidated use of certain properties now owned and/or being acquired by the Washington Gas Light Co. and more particularly for the purpose of providing for the immediate construction of a gas holder and certain other important and beneficial improvements by the Washington Gas Light Co., and further, to protect the approaches to the Anacostia Park and to provide for future and adequate access thereto, the Commissioners of the District of Columbia be, and they are hereby, authorized to close and abandon for highway purposes all that part of Virginia Avenue comprised within the area lying between the east line of Thirteenth Street SE., the south line of M Street SE., and the north line of Water Street SE.: *Provided*, That the written consent of the owners of all the property in square east of 1025 and square south of 1048 abutting on portion of highway herein authorized to be closed shall first be obtained.

SEC. 2. The Commissioners of the District of Columbia be, and they are hereby, further authorized to permit the Washington Gas Light Co. to use certain portions of the part of Virginia Avenue herein provided to be closed and abandoned, and the Director of Public Buildings and Public Parks of the National Capital be, and he is hereby, authorized to permit the said company to use certain portions of United States reservations Nos. 129 and 130, aggregating in all approximately 57,000 square feet of area: *Provided*, That said use shall be permitted only so long as the Washington Gas Light Co. or its successors continue the manufacture or distribution of gas for municipal and general consumption at its so-called east station, now located south of Virginia Avenue and between Twelfth and Fourteenth Street SE.: *And provided further*, That the portions of Virginia Avenue and of United States reservations Nos. 129 and 130 permitted to be used shall first be approved by the National Capital Park and Planning Commission and the same shown on a plat prepared by the surveyor of the District of Columbia, approved by the Commissioners of the District of Columbia, and ordered by said commissioners recorded in the office of said surveyor.

SEC. 3. In consideration of the use of said portions of Virginia Avenue and of said portions of United States reservations Nos. 129 and 130, the Washington Gas Light Co. shall convey and/or quitclaim to the United States and guarantee title against all claimants, except the United States, the following-described properties in squares east of 1025 and south of 1048.

(a) In square east of 1025, beginning at a point in the northwest corner of square east of 1025 at the intersection of the east line of Thirteenth Street and the south line of Virginia Avenue; thence south along said east line of Thirteenth Street a distance of 20 feet; thence due east to an intersection with the south line of Virginia Avenue; thence in a northwesterly direction along the south line of Virginia Avenue to the point of beginning.

(b) In square south of 1048, beginning at a point in the northeast corner of square south of 1048 and at the intersection of the south line of I Street and the west line of Fourteenth Street SE.; thence south along the west line of Fourteenth Street to the north line of Water Street; thence along the north line of Water Street to an intersection with the north line of Virginia Avenue; thence west along the north line of Virginia Avenue to a point on the north line of Virginia Avenue 160 feet due west of the west line of Fourteenth Street extended; thence by a line in a northwesterly direction making an angle of 60 degrees with the south line of M Street SE., to a point 30 feet due south of the south line of said M Street; thence parallel with and 30 feet south of said south line of M Street to the east line of United States reservation No. 129; thence along said east line of United States

reservation No. 129 to the south line of M Street SE.; thence along said south line of M Street to the point of beginning.

SEC. 4. The Director of Public Buildings and Public Parks of the National Capital is hereby authorized to accept for the United States title to the foregoing lands in squares east of 1025 and south of 1048 and to certify to the Commissioners of the District of Columbia receipt of satisfactory conveyance and/or title before said commissioners shall authorize the use by the Washington Gas Light Co. of the portion of Virginia Avenue as hereinbefore provided.

SEC. 5. The conveyance and/or quitclaim to the United States of the foregoing lands shall constitute full consideration for the use by the Washington Gas Light Co. of said approximately 57,000 square feet of land within the part of Virginia Avenue provided to be closed and within United States reservations Nos. 129 and 130. The use of this land under the conditions set forth shall in no way affect the title to this property now owned in fee and so retained by the United States.

SEC. 6. The Washington Gas Light Co. shall bear the expense of removing from said portion of Virginia Avenue herein authorized to be closed any and all surface material, sewer, or water-pipe lines, or any other public-service improvements located within said area, and shall relocate the same as directed by the Commissioners of the District of Columbia, and said closing shall be subject to such easements other than for highway purposes over said area to be closed as the said commissioners shall deem expedient in the public interests.

With the following committee amendments:

Page 4, line 9, strike out "60" and insert "55."
Page 4, line 11, strike out "30" and insert "40."
Page 4, line 12, strike out "30" and insert "40."
Page 4, after line 17, insert:
"SEC. 4. This exchange of properties shall take effect only when approved by the Commissioners of the District of Columbia, the Director of Public Buildings and Public Parks, and the Public Utilities Commission of the District of Columbia."
Page 4, line 23, strike out the figure "4" and insert the figure "5"
Page 5, strike out lines 6, 7, and 8, down to and including the word "of" in line 9, and insert the words:
"Upon the certification provided for in section 4 the conveyance and/or quitclaim to the United States of the foregoing lands, together with such other compensation as shall be agreed upon by the parties named in section 4, shall constitute full consideration for the use by the Washington Gas Light Co. of."
Page 5, line 6, strike out the figure "5" and insert the figure "6."
Page 5, line 21, strike out the figure "6" and insert the figure "7."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PATTERSON. Mr. Speaker, reserving the right to object, I would like to have the gentleman from Virginia make some explanation of this bill.

Mr. SMITH of Virginia. Mr. Speaker, this is a bill that comes from the Committee on the District of Columbia as an emergency measure. It comes to you approved by the Public Utilities Commission of the District, the District Commissioners, and the National Capital Park and Planning Commission. The purpose of the bill is to close a certain street and permit the gas company to use that street in the neighborhood of its present gas tanks. The emergency feature of the measure arises from this cause: It was discovered during the past winter that the capacity of the gaslight plant in the District of Columbia had so nearly been reached that it is seriously feared that unless a new gas tank is erected immediately that during the coming winter there will be danger of a serious shortage of gas for illuminating and cooking purposes.

There is, of course, objection to the erection of gas tanks anywhere, and that was the reason this measure came to you so late, because until last week the Public Utilities Commission did not make any determination, as I understand it, as to the location of this tank.

Mr. SNELL. Will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. SNELL. Is that practically all this bill does?

Mr. SMITH of Virginia. It closes a street.

Mr. PATTERSON. It closes Virginia Avenue.

Mr. SMITH of Virginia. A portion of Virginia Avenue, with the consent of the property owners. It permits the gas company to erect its tank upon that street but reserving the fee in the Government, and also permits it to use two other small parcels of Government land, but in return for that use the gas company conveys to the Government in fee simple certain other lands which the officials consider more desirable for their purposes.

Mr. SNELL. Is this agreeable to all the commissioners?

Mr. SMITH of Virginia. It is recommended by the commissioners, by the Utilities Commission, and the Park and Planning Commission.

Mr. PATTERSON. A recommendation by the Public Utilities Commission does not seem to me to be a strong recommendation.

Mr. SMITH of Virginia. Of course, we must rely upon some governmental agency to perform these functions.

Mr. STAFFORD. Will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. STAFFORD. The bill shows that the gaslight company is to give certain lands in return for the lands that the Government gives to them. I am concerned as to the value of the lands that they give to the Government and the lands the Government gives in exchange. What has the gentleman to say as to the comparative values of the exchange of properties?

Mr. SMITH of Virginia. I will say that all of the properties are located in close proximity. In the land which the gas company is to get the use of there are something like 5,000 square feet, while in the lands specified to be conveyed to the Government in fee simple there are something like 3,200 square feet. There are less square feet that the Government will get in fee simple than the gas company will get the use of, but the bill contains a provision to the effect that there shall be such further consideration in the way of exchange of lands as the National Capital Park and Planning Commission shall require. In other words, there is to be additional land, and some discretion is to be left in this Government agency.

Mr. STAFFORD. Is this property located in the so-called Buzzards Point district?

Mr. SMITH of Virginia. No. It is near the Anacostia River where the present gas tanks are. There are three gas tanks in that location now.

Mr. STAFFORD. This will be erected in the immediate vicinity of the three existing gas tanks?

Mr. SMITH of Virginia. Yes.

Mr. STAFFORD. The gentleman believes the Government's interests are properly safeguarded?

Mr. SMITH of Virginia. I am convinced of that, else I would not present the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

DEPARTMENTS OF STATE AND JUSTICE APPROPRIATION BILL

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, with a Senate amendment, insist on the disagreement of the House to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection?

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, yesterday I asked the gentleman from Alabama [Mr. OLIVER] about the action of the Senate in reducing the appropriations 10 per cent and especially as to this bill, inquiring whether or not in reducing the amount, they applied an equal amount of what they expected to save by reason of the furlough plan or the pay-cut plan. This morning I received a telegram which requested me to get some information from the Department of Justice as to the meaning of a circular which had reached the Federal judges in St. Louis. The circular announced that the messengers of the Federal judges had been furloughed indefinitely. I

called up the Department of Justice and was informed by an assistant to the Attorney General that the circular applies throughout the United States, and that over 300 Federal judges would be deprived of their messengers by reason of the reduction in the appropriation. Can the gentleman say whether that is going to apply generally throughout the various departments included in this bill?

Mr. OLIVER of Alabama. I am advised that there will be a number of employees furloughed. I do not know how many nor for what length of time.

Mr. COCHRAN of Missouri. There are over 300 in this list alone and the furlough referred to starts to-night, and the furlough, according to the information I have received, will be for at least one year. This supports my contention that thousands of Government employees are going to lose their positions. I insisted that regardless of what plan was adopted employees would lose their positions. This was denied by some, but I insisted then and I insist now you can not reduce the annual appropriation bills over $800,000,000 and retain all the employees now on the roll. I am not discussing the merits of the reductions; I am simply showing that my previous contention appears to be correct.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER appointed the following conferees:

Messrs. OLIVER of Alabama, GRIFFIN, CANNON, WOODRUM, SHREVE, and TINKHAM.

THE TARIFF

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and in doing so I may find it necessary to use some excerpts and figures from the Tariff Commission and the Department of Commerce, and I, therefore, ask unanimous consent to include them in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CROWTHER. Mr. Speaker, the Democratic Party during the past 24 years has advocated no less than four different types of tariff—for revenue only, a scientific tariff, a competitive tariff, and a semiprotective tariff in 1928 comprise the list.

At the Chicago convention in June, 1932, they declared for a competitive tariff for revenue, the word "only" being discarded, as was Gov. Al Smith, who was their ideal leader in 1928, and who declared that the policy of protection was part of his platform. Both Smith and Raskob notified the business world and the wage earners that they had nothing to fear from the Democratic policy on tariff. In 1928 the Democratic platform stated that "Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of the American laborer, must be the extreme measure of every tariff rate." This promise to American labor has also been thrown into the discard and is conspicuous by its absence in the 1932 platform.

Ever since the Hawley-Smoot bill became a law the Democratic Party has made it their attack objective and have fairly exhausted their vocabulary in their endeavor to coin new denunciatory epithets. In the press and on the platform they notified the American people that when they come in power they would so drastically reduce its "unconscionable rates" that it would be unrecognizable. That threat, or promise, whichever you choose to call it, was also thrown into the discard. Not a single attempt was made to reduce the rates, and no member of the party has introduced a tariff bill that would serve to inform the people of this country as to what rates the Democrats believed should be applied to imports of industrial and agricultural products. Instead the bally-hoo artists employed by Mr. Raskob and Mr. Shouse declared the tariff wholly responsible for the depression, in spite of the fact that the export trade of the United States had fallen off in exactly the same proportion as that of the other nations of the world.

DEPRECIATED CURRENCY

Due to the fact that 25 nations have either gone off the gold standard or depreciated their currency by reducing their silver coins to 500 fine, the Treasury will lose fully $125,000,000 in customs revenue this year. For example, the landed cost of an article valued at a pound sterling and carrying an ad valorem duty of 50 per cent under the gold standard would have been $4.86, the value of the pound plus $2.43, the tariff duty of 50 per cent which would amount to $7.29. With Great Britain off the gold standard, the pound is now $3.68, the duty $1.84, or a total of $5.52, a $1.77 loss in landed cost, which is, of course, an added handicap to the American producer of a similar article. The loss of tariff revenue to the Treasury is 59 cents, or 24 per cent. The same percentage of loss occurs when any foreign goods are imported from a country that has gone off the gold standard.

RISE IN COMMODITY PRICES?

The economic theory is that when a nation debases its currency that of a necessity commodity prices must rise. However, this is not a hard and fast rule, as the following statement will illustrate. It is from the American Tariff League Bulletin of May, 1932:

DEPRECIATED EXCHANGE AND IMPORTS INTO THE UNITED STATES

The purpose of this article is to bring up to date as far as possible the material presented in the March issue of the Monthly Bulletin relating to the imports of selected commodities from several of the more important countries that have abandoned the gold standard. In the March Bulletin we presented statistics of imports from eight countries covering the first three or four months after the abandonment of the gold standard. This brought the record through either December, 1931, or January, 1932. In this issue we have the figures of imports from these same eight countries for the first quarter of the current year. This record also shows the percentage change in the volume and unit value of imports over the corresponding quarter of 1931. To facilitate comparison with the earlier study we have retained the same list of commodities used there. We have also added an analysis of imports from Japan for the first quarter of 1932. Japan abandoned the gold standard in December, 1931, and therefore was not included in the earlier study.

One other interesting point that appears in these summaries is the behavior of the wholesale prices in several of the countries on a depreciated basis. In several instances while there was a rise in the internal price level immediately following the abandonment of gold, this tendency seems to have been at least temporarily arrested. All commodity price indexes quoted below are taken from the April 25 issue of Commerce Reports and have been converted by them to a 1926 base.

Imports from Sweden for the first quarter of 1932 were approximately 10 per cent greater than for the first quarter of 1931. The krona was quoted at a discount of approximately 26 per cent for the month of March. Wholesale prices hovered between 73 and 74 per cent during the quarter against a low of 71.8 in September. Eight items show increases in volume of imports as against three decreases. Unit values declined in all cases.

Imports from Sweden, January 1 to March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
Wood pulp:				
Sulphite, unbleached	133,666 tons	$4,909,091	+45	−18
Sulphite, bleached	19,544 tons	792,274	+5	−21
Sulphate, unbleached	99,421 tons	3,005,434	+84	−20
Standard newsprint	40,099,029 pounds	860,492	+36	−6
Steel bars	1,370,936 pounds	70,579	−32	−18
Wire rods	4,033,497 pounds	134,888	+84	−9
Flat wire and steel strips	322,850 pounds	78,506	+79	−20
Antifriction bearings	14,361 pounds	6,011	−46	−9
Matches	506,285 gross boxes	177,208	+7	−1
Cattle hides	3,100 pieces	8,506	+80	−71
Iron ore		0	−100	

Imports from Japan for the first quarter of 1932 were approximately 25 per cent less than for the first quarter of 1931. The exchange was quoted at an average discount of 35 per cent for March. Wholesale prices, reported at a level of 54.9 in November, stood at 58.5 in December and 63.2 for both January and February. Fifteen commodities in our sample were reported in greater volume during the first quarter of 1932 than in 1931, while imports of 14 commodities declined. Unit values declined in 28 cases out of the total of 29 items reported.

Imports from Japan, January 1 to March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
INCREASES				
Mink fur, undressed	332,149 skins	$289,912	+129	−3
Bristles, sorted, etc	64,136 pounds	99,830	+55	−9
Tea	5,416,110 pounds	671,379	+40	−29
Camphor:				
Natural, crude	609,786 pounds	186,180	+176	−20
Natural, refined	531,201 pounds	200,972	+102	−22
Pyrethrum or insect flowers	2,976,729 pounds	332,159	+190	+6
Cotton floor coverings	1,855,034 square yards	189,936	+44	−35
Silk waste, n. s. p. f	607,018 pounds	27,670	+20	−66
Straw hats, not blocked or trimmed	4,475,620 hats	724,519	+90	−53
Chinaware, household	755,145 dozen	214,202	+11	−28
Earthenware, household	202,030 dozen	71,270	+1	−28
Electric lamps, metal filaments	12,481,613 lamps	218,617	+164	−38
Menthol	114,375 pounds	257,431	+5	−19
Brushes:				
Tooth	319,010 dozen	77,744	+133	−36
Other toilet	168,029 dozen	44,062	+43	−36
DECREASES				
Tuna fish, fresh or frozen	245,179 pounds	17,470	−9	−2
Crab meat, sauce and paste	861,282 pounds	285,553	−48	−21
Coney and rabbit fur, undressed	30,476 pounds	21,440	−73	−47
Soybean-oil cake and oil-cake meal	1,099,495 pounds	9,887	−20	−27
Beans, dried	392,635 pounds	6,536	−99	−36
Rapeseed oil	194,752 gallons	61,933	−4	−26
Lily bulbs	634,962 bulbs	19,460	−5	−38
Raw silk	16,271,134 pounds	32,149,113	−3	−25
Broad silks:				
Not Jacquard, narrow	50,800 square yards	17,920	−47	−31
Not Jacquard, wide	4,380,498 square yards	443,199	−3	−42
Silk handkerchiefs, plain	55,177 dozen	37,189	−27	−32
Tissue paper, light weight	130,650 pounds	52,998	−14	−34
Electric lamps, carbon filament	34,010 lamps	735	−97	−37
Solid imitation pearl beads	54,533,214 inches	49,430	−30	−18

Imports from the United Kingdom were nearly 40 per cent less for the first quarter of 1932 than in 1931. The pound was quoted at an average discount of 25 per cent for March, but the average discount for the quarter was 28 per cent. The wholesale price index, which rose from 67 in September to 71.8 in November, declined during the quarter from 71.5 in January to 70.6 in March. Imports of 18 commodities increased in comparison with decreases recorded for 26. Unit values decreased for 43 of the 44 items.

Imports from the United Kingdom, January 1 to March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
INCREASES				
Leather boots and shoes, men's and boys'	46,424 pairs	$162,503	+70	−43
Leather gloves, women's and children's	13,064 pairs	10,856	+77	−27
Cotton yarns, bleached, dyed, etc	319,174 pounds	191,133	+1	−35
Cotton cloth, bleached	617,377 square yards	113,767	+52	−43
Cotton velvets and velveteens	5,887 square yards	2,471	+1,034	−46
Jute woven fabrics	151,690 pounds	26,765	+2	−34
Broad silks, not Jacquard	57,575 square yards	61,009	+236	−48
Broad silks, Jacquard	3,250 square yards	4,520	+19	−53
Cement, hydraulic	18,268,800 pounds	37,837	+169	−43
Gauge glass tubes	12,555 dozens	3,731	+27	−62
Pipes and tubes, iron and steel	456,829 pounds	26,946	+32	−48
Toilet soap, not Castile	80,296 pounds	21,752	+39	−34
Toilet brushes except toothbrushes	718 dozens	5,169	+17	−31
Calf, kip, side leather	2,242,807 square feet	151,777	+7	−34
Goat and kid leather	41,566 square feet	8,827	+68	−39
Wool noils	713,326 pounds	315,683	+15	−26
Tissue paper, lightweight	141,405 pounds	55,581	+5	−25
Coal-tar colors, etc	39,437 pounds	42,873	+36	+11
DECREASES				
Whole calf and kip upper and lining	189,591 square feet	25,956	−20	−55
Cotton cloth, unbleached	1,072,977 square yards	119,012	−11	−43
Cotton cloth printed, etc	679,467 square yards	154,049	−34	−41
Cotton hosiery	8,807 dozen pairs	23,126	−48	−20
Cotton handkerchiefs, embroidered	20,413 pounds	32,595	−46	−31
Flax, hemp, etc., yarns	228,491 pounds	94,790	−41	−27
Flax, hemp, etc., thread and twine	46,938 pounds	34,907	−10	−29
Worsteds, lightweight	27,117 square yards	9,063	−39	−25
Worsteds, heavyweight	174,679 square yards	118,045	−37	−45
Woolens	499,715 square yards	266,457	−29	−37
Silk handkerchiefs, not embroidered	1,640 handkerchiefs	1,194	−49	−53
Tracing cloth	258,498 square yards	104,637	−27	−23
Hanging paper	29,712 pounds	4,991	−70	−22
Chinaware, household	4,083 dozen	22,044	−69	−32
Earthenware, household	204,330 dozen	189,953	−13	−37
Tiles	42,717 square feet	7,912	−23	−23
Pig iron	700 tons	8,428	−22	−31
Structural shapes	297,352 pounds	12,915	−81	−51
Iron and steel card clothing	11,661 square feet	11,090	−39	−31
Razors and parts	62,690 pieces	9,162	−68	+167

Imports from the United Kingdom, January 1 to March 31, 1932—Continued

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
DECREASES—continued				
Antifriction bearings	18,818 pounds	$11,084	−21	−42
Iron oxide and hydroxide pigments	570,156 pounds	18,087	−14	−36
Linen handkerchiefs, not embroidered	4,706,195 handkerchiefs	199,060	−14	−20
Wool rags	308,145 pounds	63,801	−19	−9
Wool hosiery	18,013 dozen pairs	52,538	−35	−50
Steel pens, plain or carbon	54,076 gross	15,980	−6	−28

Imports from Norway for the first quarter of 1932 were valued at about 45 per cent less than for the first quarter of 1931. The krone was quoted at an average discount of 27 per cent for the month of March. The wholesale price index for January and February was approximately 5 per cent higher than for September, which was the lowest month prior to the gold suspension. An equal number of items showed increases and decreases. Seven out of eight items decreased in unit value.

Imports from Norway, January 1 to March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
Wood pulp:				
Sulphite, unbleached	5,049 tons	$157,791	+14	−27
Sulphite, bleached	13,436 tons	571,408	+47	−25
Standard newsprint	8,822,325 pounds	188,906	−32	−16
Dried and unsalted fish	158,987 pounds	13,529	−36	−29
Sardines	10,383,780 pounds	847,386	+123	−37
Calfskins, wet salted	17,230 pieces	10,420	−78	+2
Manganese alloys	1,671,525 pounds	32,922	+8	−64
Aluminum scrap and alloy	1,504,877 pounds	218,058	−3	−14

Imports from Canada during the first quarter of 1932 were approximately 30 per cent under the corresponding quarter of 1931. The Canadian dollar was quoted at an average discount of slightly more than 10 per cent for the month of March as against a discount of 15 per cent for January. The wholesale price index for the quarter stood at 69 with only fractional changes. Imports of 12 items increased in volume over the corresponding quarter of 1931 in contrast with 29 for which decreases were recorded. Unit values decreased for 35 of the 41 items.

Imports from Canada, January 1 to March 1, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
INCREASES				
Cattle	2,237 head	$69,346	+73	−18
Pork, ham, shoulder, bacon	637,098 pounds	136,152	+85	−37
Cheese	38,506 pounds	7,771	+7	−27
Lobsters, not canned	961,710 pounds	183,686	+46	−32
Calfskins, wet salted	295,263 pounds	15,356	+68	−51
Patent leather	134,802 square feet	27,143	+91	−17
Maple sugar and sirup	1,066,385 barrels	209,220	+98,457	+8
Wood pulp, sulphite, bleached	42,656 tons	2,362,440	+6	−19
Pork, pickled, salted, etc	157,454 pounds	33,295	+10	−34
Dried, unsalted fish	22,218 pounds	4,438	+7	+86
Shingles	242,474 M feet	521,546	+7	−23
Sodium cyanide	2,846,884 pounds	239,193	+8	+32
DECREASES				
Fresh beef	94,115 pounds	8,107	−9	−34
Cream	21,486 gallons	41,958	−20	+24
Fresh-water fish	11,299,743 pounds	851,331	−11	−12
Whole calf and kip upper and lining	389,342 square feet	101,551	−22	−13
Beaver fur, undressed	4,057 pieces	46,201	−62	−27
Mink fur, undressed	36,946 pieces	205,053	−3	−30
Cattle hides			−100	
Wool waste			−100	
Binding twine	31,249 pounds	1,872	−59	−39
White potatoes	8,038,351 pounds	56,677	−92	−44
Flaxseed	184,270 bushels	174,478	−50	−27
Logs of fir, etc	17,260 M feet	141,135	−32	−27
Telegraph poles	35,245 poles	121,226	−63	−21
Boards, planks, deals	44,347 M feet	850,800	−34	−15
Laths	38,480 M feet	109,597	−47	+11
Pulpwoods	78,233 cords	636,857	−60	−18

Imports from Canada, January 1 to March 1, 1932—Continued

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
DECREASES—continued				
Wood pulp:				
Mechanically ground	34,381 tons	$710,652	−1	−20
Sulphite, unbleached	16,886 tons	613,525	−43	−30
Sulphate, unbleached	4,426 tons	205,958	−59	−27
Sulphate, bleached	5,646 tons	609,928	−4	
Standard newsprint	765,881,397 pounds	19,033,319	−12	−13
Pulpboard in rolls	4,031,847 pounds	87,412	−36	−19
Bituminous coal	5,447 tons	10,596	−40	−45
Ferromanganese	4,783,000 pounds	194,861	−27	−8
Aluminum scrap and alloy	744,484 pounds	102,183	−54	−4
Brass, old	620,616 pounds	22,313	−55	−38
Nickel and alloys	4,938,577 pounds	1,175,138	−38	−5
Acetic acid	3,290,620 pounds	174,086	−23	+5
Calcium cyanide	19,856 tons	471,201	−24	−27

Imports from Finland for the first quarter of 1932 were 25 per cent above 1931. The currency was quoted at an average discount of 36 per cent for March. The wholesale price index for January was 94, dropping in February to 93. A low of 79 was established in September. This is by far the greatest increase reported in wholesale prices for any of the countries under consideration. Imports of six items increased in volume as against one decrease. Unit values declined for five.

Imports from Finland, January 1 to March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
Wood pulp:				
Sulphite, unbleached	23,868 tons	$962,774	+15	−8
Sulphite, bleached	3,743 tons	159,153	+122	−21
Sulphate, unbleached	15,648 tons	512,173	+297	0
Standard newsprint	20,731,364 pounds	395,106	+13	−18
Calf skins, wet salted	82,915 pieces	39,865	+124	−61
Paperboard, pulpboard, n. s. p. f.	2,104,850 pounds	25,437	−5	−47
Matches	35,210 gross boxes	10,022	+3	+1

Imports from British India were off approximately 30 per cent for the first quarter of 1932 in contrast with the first quarter of 1931. The rupee was at an average discount of 25 per cent for March and 28 per cent for the quarter. The wholesale price index for British India (Calcutta) was 65.6 for January and February and 63.5 for March. This is a maximum increase of 6½ per cent over the low of September. Imports of seven commodities increased as compared with six decreases. All unit values declined.

Imports from British India, January 1–March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
Tea, pounds	4,483,616	$962,006	+22	−37
Pepper, black, do	1,946,396	192,549	−38	−6
Goat and kid skins, pieces	1,987,296	594,447	+22	−47
Shellac, pounds	4,538,732	761,275	+95	−9
Castor beans, do	9,751,090	208,816	+21	−15
Cotton, short staple, do	2,396,408	160,223	−37	−8
Jute, unmanufactured, tons	16,764	1,093,540	−9	−21
Jute butts, do	361	14,328	−92	−45
Jute burlaps, pounds	80,926,013	4,397,228	−14	−28
Jute bags or sacks, do	15,013,509	604,253	+27	−22
Carpet wools, in grease, do	1,480,838	142,019	+222	−37
Paraffin and wax, do	5,297,600	149,833	+58	−26
Pig iron, tons	9,808	95,654	−36	−15

Imports from Portugal were off approximately 2 per cent in the first quarter. The currency was at an average discount of nearly 26 per cent for March. Two of the three commodities represented by the sample increased, one declined.

Imports from Portugal, January 1 to March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
	Pounds			
Sardines packed in oil, etc	2,421,373	$242,878	+212	−48
Cork, unmanufactured	4,467,645	138,207	−24	−13
Cork waste, shavings, etc	6,301,000	105,729	+242	−33

Imports from Denmark were off nearly 25 per cent from 1931. The krone was at a discount of 25 per cent for March. A maximum increase in the wholesale price index of 9 per cent over the low of August and September was recorded in February but decreased to below 8 per cent in March. Imports of two items increased and one decreased. All unit values declined.

Imports from Denmark, January 1 to March 31, 1932

	Volume	Value	Per cent change from 1931	
			Volume	Unit value
	Pounds			
Butter	42,993	$17,080	+27	−36
Cheese	199,671	35,775	+24	−23
Hydraulic cement	10,454,351	19,288	−69	−43

You will observe from the above records that unit prices have fallen from 2 to 86 per cent. Under these circumstances it is of material advantage to the countries who are off the gold standard to ship their merchandise to the United States. The result is disastrous to American producers and American labor is the victim.

DEMOCRATIC PROMISES

In spite of the ardent declarations for protective tariff made by the Democratic Party in 1928, they are still violently opposed to the policy of a protective tariff, which is primarily for the purpose of keeping the home market for American producers and their employees. The Democratic newspapers and those who speak from the platform never lose an opportunity to slam the tariff. But when a tariff bill is being written, then every Democrat interested in the success of his business takes the first train for Washington and asks his Congressman to see that proper rates of protection for his manufactures is placed in the tariff bill. Then after the bill becomes a law, the fireworks begin. From that moment the tariff is blamed for everything that happens in this country. That we have suffered from severe depression nobody can deny, but to say that it is because of our having a tariff law is as foolish and wide of the mark as if the Democrats laid the blame at the door of the League of Nations. To be sure, our exports have fallen off, not so much in volume as in dollar value, but they have fallen off to exactly the same degree in the other nations of the world. Democrats say that we placed a tariff wall so high that Europe could not send us her goods. The fact is that there are too many European goods on the American store counters and shelves right now. Glassware and pottery are coming from Europe in spite of the tariff rates which the Democrats say are too high. Cotton and woolen textiles, gloves of leather and cotton, silks and satins, brushes of every type, cutlery, typewriter supplies, handkerchiefs, chemical glassware and chemicals, coated paper and paperboard, steel pens and mechanical pencils, and a host of industrial products too numerous to list here are all being offered for sale in sufficient quantities and at a price that kills the demand for American-made goods.

Hotels and private homes serve food on dishes made in Japan, England, Germany, and Bavaria, while the potteries of New Jersey, New York, Ohio, and West Virginia are running part time.

Instead of being too high the tariff is too low, because wage reductions in European countries have materially reduced production costs which enable them to undersell the American producer even after they pay the tariff. Repeal the tariff, say the Democrats. Amen, answer the international bankers, and we are for the cancellation of the war debts as well. I am with you, shouts the importer; I have no pay rolls here; I send American money to Europe; I have very few employees and I have no factory and machinery to be taxed, and I make my money by selling foreign goods to Americans, and the price tag is as high as we can make it and hold the trade. There you are, American citizens. How do you like this procedure of the Democratic Party, indorsed by importers and the international bankers, who have loaned European countries more money than

would pay our war debt to-day? Why not be loyal to labor in this country? Why not try and buy all the necessities and luxuries we can that are made in the United States? To keep American labor employed you must purchase the commodities that they produce. Perhaps you did not think of it when you bought your oriental rug and your English china. Think it over.

ANOTHER ANGLE OF THE TARIFF ARGUMENT

When you stop and think over the fact that the international bankers have loaned to European nations the vast sum of $15,000,000,000, you will realize why they are constantly advocating the reduction of tariff rates and urging Congress to cancel the war debts. Their argument is that these foreign debtors can pay only in goods. They want the American people to open the gates for the entrance of a flood of merchandise that would paralyze American industry and tear down the American wage earners' standard of living. Where is the money to come from to repay Liberty loan bonds? They evidently intend that the American people shall also carry that burden. I am not in favor of canceling the war debts; nor am I in favor of revising the tariff downward. The record shows that we can consume 90 per cent of all that we produce in this country, and it is of vital importance that we protect our home markets and not worry quite so much about distribution of the remaining 10 per cent.

We want tariff enough to keep the world abroad from adding to our present overproduction surplus. We need American factories at full speed again. It is pure unadulterated buncombe to talk about foreigners not buying our goods because we have a protective tariff. Foreigners do not buy American goods because they love us but because they need the goods, and they will keep on buying them for the same reason.

WITHOUT RHYME OR REASON

Never in the history of the country has there been so intensive a drive against the policy of protective tariff. Without rhyme or reason, it is paraded by the economists as the horrible example of our governmental system, and the college professors still preach the doctrine of free trade to the student bodies in our great universities. All the nations of the world have raised their tariff walls since the World War, and their system permits them to make changes at very short notice; yet every time they make a change in rates it is heralded by the press as another evidence of retaliation against the Hawley-Smoot bill.

The free-trade eternal triangle, composed of the Democratic Party, the importers, and the international bankers, is planning through extensive propaganda to make a drive for the cancellation of the war debts and either revision downward or repeal of the present tariff.

In the Democratic platform of 1928 their demand was for—

> Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of Government. The actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of the American laborer, must be the extreme measure of every tariff rate.

This was their attitude in 1928; but from the moment the hearings commenced until the final passage of the bill they repudiated their promises and lost no opportunity to bludgeon the policy of protective tariff. Whether or not their ardent protestations in behalf of tariff legislation during the campaign of 1928 were solely for political advantage I shall leave to you for decision.

Leading Democratic Members of the House and Senate attacked the policy of protective tariff, making grave charges against what they termed "protected and special interests," and in the next breath they demanded duties on long-staple cotton, salt cake, oil, rice, hides, lumber, and, in fact, all products of the farm, mine, and mill produced in their individual States. Never has there been so sickening an exhibition of inconsistency by Democratic near statesmen as during the period when the Hawley-Smoot bill was under consideration.

In spite of the tirade against the bill and the loose talk about unconscionable rates, the fact is that considering the reductions in rates made by the Tariff Commission since the bill became law, the present average rates are lower than they have been for many years.

The statement that the present tariff is unconscionably high is without foundation or fact. The public is fed up on declarations of this character, which are issued purely as political propaganda. Two-thirds of our imports from foreign countries are admitted free of duty. One-third are on the dutiable list. In the writing of the Hawley-Smoot bill only one-third of the rates on dutiable commodities were changed, and they were not all raised by any means.

In the Republican national platform of 1908 you will find the following:

> In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries.

This last sentence in the statement is the meat in the coconut, and just so long as we base the allocation of rates or their change by the Tariff Commission on a basis of the difference in production costs here and abroad, with no consideration of the "reasonable profit to American industries," then we are departing from our fundamental policy of a protective tariff and subscribing to the doctrine of a competitive tariff.

The newspaper and magazine criticism of the tariff consists largely of the blanket charge that it has been the chief cause of the depression. They offer no substantiating evidence, but merely point to the decrease in imports and exports. Our exports and imports have fallen in almost exact ratio with those of the other nations of the world, due to their lack of purchasing power as well as our own.

If the Hawley-Smoot tariff law had not been on the statute books, this country would have been flooded with cheaply produced merchandise from every quarter of the globe; and bad as our present condition is, it would have been so much worse under free trade that we should have seen our industrial and agricultural workers brought to the level of the foreign group who barely exist.

During the first full year's operation of the present tariff law the imports of finished manufactures accounted for 25 per cent of the total imports into this country. During the preceding year the figures were 23 per cent. So that the percentage of imports into this country accounted for by finished manufactures actually increased in spite of all the predictions made by the opposition that the new tariff act would result in a virtual embargo on immense quantities of manufactured imports.

The error made by the opponents of tariff policy is that they have failed to realize that a drop in foreign trade when expressed in dollar value may result fully as much from a decline in the unit value of commodities as from a shrinkage in the volume imported. For example: Our raw-silk importations went down 36 per cent in value as compared with the preceding year, but the volume of imports was greater by 5 per cent. Coffee importations went down 24.8 per cent by value but were 10 per cent greater by volume in pounds. Standard newsprint paper went down 13 per cent in value but only 10 per cent in volume. Sugar went down 29 per cent in value but only 9.7 per cent in pounds. Crude rubber shows a drop of 51 per cent in value but only 9 per cent in volume, so that the quotation by decreasing dollar values of imports is not fairly stating the exact situation. Yet this type of misleading propaganda is being scattered broadcast all over the country by the importers and the Democrats.

In the discussions as to the causes of this period of depression which has seriously affected agricultural and industrial prosperity the critics have all laid great stress upon the evil effects of the present tariff law known as the Hawley-Smoot bill. Democratic orators have made the welkin ring with their vociferous denunciations of this tariff law and without offering the slightest evidence point to it as the primary cause of the business depression.

The fact that our exports have decreased very considerably is not conclusive evidence that retaliatory tariffs by foreign countries have shut out our merchandise. The whole world is involved in this depression, and the purchasing power of foreign nations has shrunk in the same ratio as it has in this country.

We have had five periods of depression and unemployment during the last 50 years, and this is the first really severe one that has occurred during a Republican administration. During our past periods of depression, however, the rest of the world was in fairly good shape and our recovery was not long delayed.

As a matter of fact, the actual decline in our foreign trade has not been anything like as great as has been heralded by the opponents of tariff policy. Dr. Julius Klein, Assistant Secretary of Commerce, in a recent statement said:

> There is scant evidence of any drastic embargo on American wares in foreign markets. In 19 representative countries all over the world, comprising most of our leading customers, our share in their imports was almost exactly 20 per cent. Our proportion in the trade of the same markets from 1924 to 1927 averaged 20.7 per cent. It certainly would require a considerable amount of deliberate distortion to conjure out of these figures any conclusion as to the alleged devastating "reprisals" against American wares.

FREE IMPORTS ALSO DECLINED

The fact that our imports of duty-free goods have fallen off more than our imports of dutiable goods is proof enough that the tariff is not responsible for any decline. On the other hand, there is abundant evidence that without the protection of high duties domestic business and prices would have declined even more than they have during the past year. The Hawley-Smoot tariff has not made business good but it has kept it far better than it would have been without it.

WHAT OUR PEOPLE OUGHT TO KNOW

The people of the United States ought to know that ad valorem duties are not added to the retail price of goods produced in their own country but that tariff duties are paid at the customhouse on the value of the imported articles, the value being the invoice price to the American importer.

The high price you pay for imported goods is not so much a tariff penalty as it is an importer's profit. Once more I urge you to buy goods made in the United States of America.

I wonder if the folks in the United States realize just how fair we have been in writing the Hawley-Smoot bill. The internationalists have bemoaned our tariff rates, and yet we have provided a method by which they can secure a hearing before the Tariff Commission if they feel that rates are unduly high. Do you know that a national of a foreign country or a corporation may file a protest with their ambassador and that he may present it to the State Department who in turn will send it to the Tariff Commission? No other nation in the world offers us this method of being heard on their tariff rates. We can file no protests and there is no tribunal before which an American manufacturer may be heard. Our law states that the commission shall investigate the differences in cost of production of any domestic article and of any like or similar foreign article, upon application of any interested party. Plainly that language does not confer that privilege upon American citizens alone but gives the competing foreigner the same privilege. Just a word regarding the importance of restrictive immigration which should go hand in hand with the policy of protective tariff.

IMMIGRATION VERSUS TARIFF POLICY

As a new country we believed in encouraging immigration until within the last decade the tide of immigration rose to more than a million a year. Congress then deemed it wise to make our immigration more selective and to reduce the number of immigrants to a total that can be readily assimilated. Organized labor favored this restrictive legislation since the labor market was becoming glutted and American standards of living seriously threatened. Sane labor leaders to-day agree that if this restrictive legislation is beneficial when applied to men it should apply to their handiwork as well, and that we should not cripple our industries and deliberately create unemployment by permitting the importation of vast quantities of commodities produced abroad by these potential immigrants under conditions with which American labor can not compete. Every day's labor we import takes the price of a day's labor from the income of the American wage earner.

THREE TARIFF PROVISIONS

There are three definable tariff positions: A tariff for revenue only, allocating duties so low as to give the foreign manufacturer an appreciable advantage in our markets and increase importations to displace American-made goods. Second, a competitive tariff which lays duties that will exactly equalize the cost of production here and abroad and give the foreign producer an equal chance to supply the needs of our people. Third, a protective tariff that will allocate such duties as will keep the American market for the American producer, permit the payment of decent wages, and maintain the American standard of living.

This is the policy that has been instrumental in making us the greatest of all nations, and if the Hawley-Smoot bill had not been enacted into law we should have seen our markets flooded with foreign merchandise and the existing depression would have been far more disastrous in its results.

Our people are very soon going to awake to the fact that the policy of real protection to American industry has been sidetracked for a makeshift policy of competitive tariff. When they come to a full realization of the evils that may result, we shall hear from them in no uncertain terms, and their message will be a demand to return to the protective policy.

The Republican Party demands a continuance of high living standards for our workers, payment of the war debts, a continuation of restrictive immigration, and the maintenance of the policy of a protective tariff.

MORE PROTECTION NEEDED

Remembering how steadily the Southern States send men to Congress to vote against all protective tariff bills, it is interesting to note in the Charlotte (N. C.) Observer of recent date the most earnest plea that Congress and the administration come to the rescue of the mining industry in North Carolina with higher duties on imported ores. The Observer declares that—

> Competing foreign mills have played havoc with domestic producers and forced them to close their mines.

The copper-mining industry in North Carolina, it declares, is headed for extinction unless Congress does something. Foreign copper can be laid down in this country, the Observer says, for less than the cost of production at American smelters.

But it is not in North Carolina alone, nor in behalf of the mining industry alone, that protests are being heard against the inadequate tariff rates of the Hawley-Smoot law. The manufacturers of paper protest that their industry is menaced by the increasing importations of pulp, wood pulp, and paper; American sugar manufacturers are complaining that importations of foreign refined sugar threaten their industry; manufacturers of steel protest against dumping of foreign steel products on the American market, pointing to the fact that there was a 50 per cent increase in iron and steel imports in March as compared with February, and calling attention to official reports which show that in 1931 more than 45,000 tons of flat rolled steel and 369,943 tons of all classes of steel were imported, and that due to this importation 237,130 men lost work in the United States.

And so the protests come rolling in with increasing volume, not only from producers of raw materials but from manufacturers of a score of products, who declare that the duties carried in the Hawley-Smoot tariff law are wholly inadequate to preserve them from devastating foreign competition.

One reason for the present inadequacy of these rates is the fact that so many of our trade competitors have gone off the gold standard and are consequently able now to buy materials and obtain labor with cheap money. In Finland, for example, manufacturers of pulp from which paper is made can buy for $1 that which would have cost them $1.40 under the gold standard. And so it goes all over Europe. As a

result of depreciated currency in these countries our tariff rates virtually have been reduced from 30 to 40 per cent. In almost innumerable lines of manufacture they are no longer protective at all, to say nothing of being extortionately high, as Democratic leaders have persistently charged. If this condition continues much longer American manufacturers in many lines will be forced into bankruptcy, for it is not possible for them to compete with cheap foreign labor costs and at the same time face the deflated currency differential in favor of imported goods of 30 to 40 per cent.

There never was any justification for criticism of the Hawley-Smoot bill on the score that it afforded too much protection. With world conditions as they are now, with depreciating currencies in 25 countries, and with vast accumulations of manufacturing goods as well as raw materials all over the world seeking an outlet at any price, it is too plain for demonstration that the rates in the law are too low rather than too high.

RECESS

Mr. POU. Mr. Speaker, I ask unanimous consent that the House stand in recess, subject to the call of the Speaker.

The SPEAKER. The gentleman from North Carolina [Mr. POU] asks unanimous consent that the House stand in recess subject to the call of the Speaker. Let the Chair say that if this request is granted, the Chair will have the bells rung 15 minutes prior to the time of calling the House together. Is there objection?

There was no objection.

Accordingly (at 2 o'clock p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4.45 o'clock p. m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8694. An act to amend section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), and for other purposes.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12360. An act to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4912. An act to protect copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes.

The message also announced that the Senate disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes; further insists upon its amendments to said bill, except amendment numbered 9, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ODDIE, Mr. SMOOT, Mr. MOSES, Mr. BROUSSARD, and Mr. TRAMMELL to be the conferees on the part of the Senate.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 650. An act for the relief of Joe Andrews Co.;

H. R. 756. An act for the relief of R. L. Wilson;

H. R. 1279. An act for the relief of Frank Kanelakos;

H. R. 1931. An act for the relief of Ned Bishop;

H. R. 3536. An act for the relief of Viola Wright;

H. R. 3693. An act for the relief of William Knourek;

H. R. 3812. An act for the relief of the estate of Harry W. Ward, deceased;

H. R. 4885. An act for the relief of Kenneth G. Gould;

H. R. 5053. An act for the relief of Clyde Sheldon;

H. R. 5561. An act for the relief of Oscar R. Hahnel;

H. R. 5998. An act for the relief of Mary Murnane;

H. R. 7498. An act to amend Act No. 4, of the Isthmian Canal Commission entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 7501. An act to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914;

H. R. 7502. An act to regulate the carrying and keeping of arms in the Canal Zone;

H. R. 7505. An act to provide for the protection of birds and their nests in the Canal Zone;

H. R. 7509. An act to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials;

H. R. 7510. An act to punish persons deported from the Canal Zone who return thereto;

H. R. 7511. An act to regulate the operation of street-railway cars at crossings in the Canal Zone;

H. R. 7512. An act to amend section 5 of the Panama Canal act;

H. R. 7513. An act to provide for the appointment of a public defender for the Canal Zone;

H. R. 7516. An act in relation to the keeping and impounding of domestic animals in the Canal Zone;

H. R. 7517. An act to provide for the transportation of liquors under seal through the Canal Zone;

H. R. 8398. An act for the relief of John H. Day;

H. R. 8981. An act to provide for the sale of an easement for a railway right of way over the post-office and custom-house site at Newark, N. J.; and

H. R. 10022. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 188. Joint resolution amending the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution and bills of the House of the following titles:

H. J. Res. 443. Joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski;

H. R. 10022. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 10884. An act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians; and

H. R. 12202. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, with Senate amendments, insist on the disagreement of the House to the Senate amendments and agree to the conference asked by the Senate.

Mr. SNELL. Reserving the right to object, will the gentleman yield for a question?

Mr. BYRNS. I yield.

Mr. SNELL. What is in disagreement at the present time?

Mr. BYRNS. I really do not know. I understand that possibly the rural sanitation proposition is in disagreement. I do not know of anything except that, and I hope the House will permit the conferees to get together.

Mr. SNELL. And we will have to wait and see what the conferees will do, because we ought to pass the bill to-night.

Mr. BYRNS. We ought to; yes.

Mr. LAGUARDIA. Will this now open up other matters?

Mr. BYRNS. It opens up every amendment.

Mr. STAFFORD. Other than amendment No. 9.

Mr. BYRNS. Except the one that we adopted, amendment No. 9, as the gentleman from Wisconsin suggests.

Mr. LAGUARDIA. Under a reservation of objection, and, of course, I shall not object, because this is the last day of the fiscal year and I understand the situation, may I appeal to the gentleman from Tennessee [Mr. BYRNS] and the conferees of the House to protect the House and the United States Treasury, and also to stand for proper and clean administration of the merchant marine act, and to insist upon the amendment which would prohibit the payment of any money to the Seatrain Co. Let me point out to the gentleman that not one cent has yet been paid, no mail has been carried by this ship and the ship has only recently been changed from British registry to American registry. It was a British ship and the money was lent by British capital to build the ship. I spoke to the Comptroller General to-day, and he is still of the same opinion as he was when he wrote the Postmaster General that on the facts he now has he would not approve any vouchers under the contract. The defense made by the gentleman from Indiana, it seems to me, speaks for itself. The only statement he could make was that we would have litigation, and we certainly will have litigation, civil and perhaps penal, unless we stop payments under this contract.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNS, ARNOLD, LUDLOW, WOOD of Indiana, and THATCHER.

GRAND CENTRAL STATION POST OFFICE AND OFFICE BUILDING

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12360) to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 23, strike out "$15,500,000" and insert "$14,500,000."

Mr. STAFFORD. Mr. Speaker, reserving the right to object, when this bill was under consideration, virtually by unanimous consent, last Saturday, after reading not only the report but the hearings, I was inclined to reduce the amount that is authorized for the purchase of the Grand Central Post Office Station from $15,500,000 to $12,500,000. The statement, however, was made on the floor, and I am taking the floor now for the purpose of repeating the statement, that this was simply the maximum amount and that it was not intended that it should be used as a criterion for the Post Office Department to pay such maximum amount. The Senate has now cut down the appraised value of the land and the building from $15,500,000 to $14,500,000, and I want the RECORD to show that by adopting this amendment we do not place ourselves in the position of indicating that this is the amount we intend the Postmaster General shall pay for this property, but that we wish him to make the very best agreement possible. Because, in my opinion, the property should be bought for many millions less than $14,500,000.

Mr. COOPER of Tennessee. That is true. This is simply a maximum amount authorized in the bill, specifically providing that the Secretary of the Treasury is authorized to enter into negotiations for the purchase of the building, and the Post Office Department officials and the Treasury Department officials both believe that they will be able to purchase the building for much less than the amount fixed by the Senate.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

SECOND DEFICIENCY BILL

Mr. BYRNS. Mr. Speaker, I present a conference report on the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, and I ask unanimous consent for its immediate consideration. I also ask unanimous consent that the statement be read in lieu of the report.

Mr. LAGUARDIA. I reserve all objections until after the statement is read.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 20, 21, 22, 23, and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, 27, 28, 31, 32, 33, 35, 38, 39, 40, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, and 72, and agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$50,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In

lieu of the matter inserted by said amendment insert the following:

"General and Special Claims Commissions, United States and Mexico: The unexpended balance of the appropriation for the General and Special Claims Commissions, United States and Mexico, for the fiscal year 1932 shall remain available for the same purposes until June 30, 1933."

And the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 23, 30, 34, 37, and 42.

JOSEPH W. BYRNS,
EDWARD T. TAYLOR,
WILL R. WOOD,
Managers on the part of the House.

W. L. JONES,
REED SMOOT,
FREDERICK HALE,
JOHN B. KENDRICK,
CARL HAYDEN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12443) submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

SENATE

On Nos. 1 to 5, inclusive: Appropriates for expenses of the Senate in the amounts proposed by the Senate amendments as follows: $10,000 for payment to the widow of the late Senator Harris of Georgia; $600 for payment for extra services rendered the Committee on Pensions; $25,000 for miscellaneous items for the fiscal year 1932; and reappropriates the unexpended balance in the appropriation for folding speeches and pamphlets.

HOUSE OF REPRESENTATIVES

On Nos. 6 to 15, inclusive: Appropriates for expenses of the House of Representatives, as proposed by the Senate, as follows: $2,000 each to Everett Kent, William R. Coyle, and Peter C. Granata, and $750 to J. Earl Major, for expenses incurred in contested-election cases; $25,000 for expenses of special and select committees; and $10,000 for payment to the widow of the late Representative Eslick of Tennessee; and makes textual corrections in the bill.

ARCHITECT OF THE CAPITOL

On Nos. 16, 17, and 18: Reappropriates for the fiscal year 1933 the unexpended balance of an appropriation for the fiscal year 1932 for fire protection in the Senate wing of the Capitol and in the Senate Office Building; appropriates $6,000 as proposed by the Senate, for emergency repairs to machinery of elevators in the Senate Office Building; and makes $14,000, as proposed by the Senate, available for equipment, etc., for the House Office Building.

EXECUTIVE OFFICE

On No. 19: Appropriates $2,500, as proposed by the Senate, for the purchase of an oil portrait of former President Coolidge for the Executive Mansion.

DEPARTMENT OF COMMERCE

On Nos. 20, 21, and 22: Strikes out the appropriations inserted by the Senate, aggregating $120,000, for expenses of the President's Organization on Unemployment Relief.

INTERIOR DEPARTMENT

On Nos. 24, 25, and 26, relating to the Bureau of Indian Affairs: Reappropriates, as proposed by the Senate, an unexpended balance of $19,840 for payment to and/or cooperation with an irrigation district under the Crow Indian irrigation project, Montana; appropriates $65,000, as proposed by the Senate, for replacement and repair of buildings and equipment destroyed by cyclone at the Oglala Indian boarding school, South Dakota; and appropriates $50,000, instead of $100,000, as proposed by the Senate, for relief of indigent Indians.

On Nos. 27, 28, and 29, relating to the Reclamation Service: Reappropriated, as proposed by the Senate, the unexpended balance of the 1932 appropriation for the Kennewick Highlands unit of the Yakima project, Washington; appropriates $7,000,000, as proposed by the Senate, instead of $2,000,000, as proposed by the House, for the Boulder Canyon project; and strikes out the paragraph, inserted by the Senate, for refunding to certain lessees $5,000 of funds heretofore collected under leases in connection with the Klamath project, Oregon and California.

DEPARTMENT OF LABOR

On No. 31: Appropriates $1,000, as proposed by the Senate, for refund, as authorized by law, to Pasquale Mirabelli.

NAVY DEPARTMENT

On Nos. 32 and 33: Appropriates $891.82, as proposed by the Senate, instead of $266.26, as proposed by the House, for payment of damage claims certified to Congress under the law.

STATE DEPARTMENT

On Nos. 35 and 36: Reappropriates, as proposed by the Senate, the unexpended balance of the appropriation for the Commission on Construction of Highways, United States and Canada; and reappropriates, as proposed by the Senate, the unexpended balance of the appropriation for the General and Special Claims Commission, United States and Mexico, modified so as to eliminate the proviso included in the Senate amendment, the convention extending the life of the commissions having been signed.

TREASURY DEPARTMENT

On Nos. 38 and 39: Continues available during the fiscal year 1933, as proposed by the Senate, the appropriation for the fiscal year 1932 for the establishment of a Coast Guard station at or near Port Orford, Oreg.; and includes the provision inserted by the Senate increasing the limitation under the Supervising Architect's office for the transportation of personal effects of field engineers and inspectors from $4,500 to $6,000.

WAR DEPARTMENT

On Nos. 40, 41, and 43: Appropriates $21,949.01 for printing and binding for the fiscal year 1931, as proposed by the Senate; strikes out the appropriation of $6,400, inserted by the Senate, to complete acquisition of land at Camp Bullis, Tex.; and provides, as proposed by the Senate, that the appropriation of $15,000 for cemeterial expenses shall be available until June 30, 1933.

JUDGMENTS AND AUTHORIZED CLAIMS

On Nos. 44 to 53, inclusive: Appropriates $23,626.74, as proposed by the Senate, instead of $19,482.86, as proposed by the House, the increase being allowed to provide for the payment of claims for damages for loss to privately owned property certified to Congress after the bill had passed the House.

On Nos. 54 to 62, inclusive: Appropriates for judgments of United States courts in the amounts proposed by the Senate amendments in order to provide for the payment of judgments certified to Congress after the bill had passed the House.

On Nos. 63 to 67, inclusive: Appropriates $2,196,047.65, as proposed by the Senate, instead of $1,002,897.97, as proposed by the House; the increase allowed is for payment of judgments of the Court of Claims certified to Congress after the bill had passed the House.

On Nos. 68, 69, 70, 71, and 72, relating to audited claims: Appropriates for audited claims, as proposed by the Senate, in order to include settlements certified to Congress after allowance by the General Accounting Office after the bill had passed the House.

AMENDMENTS IN DISAGREEMENT

The committee of conference reports in disagreement the following amendments:

On No. 23: Providing $50,000 for the purchase of sheep for the Jicarilla Indians, New Mexico.

On No. 30: Appropriating $70,000 for flood protection in the Palo Verde Valley, Calif.

On No. 34: Relative to the ratification of a contract under the Bureau of Yards and Docks, Navy Department.

On No. 37: Appropriating $40,000 for an international monetary conference.

On No. 42: Authorizing the Secretary of War to dispose of the United States Army transport *Merritt*.

JOSEPH W. BYRNS,
EDWARD T. TAYLOR,
WILL R. WOOD.
Managers on the part of the House.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, this is a deficiency bill, and there is nothing imperative that it must be passed during the present fiscal year.

Mr. BYRNS. Let me say to the gentleman that it carries an appropriation for veterans, which is very important.

Mr. LAGUARDIA. The gentleman knows that there is one item there that is in very sharp disagreement with some of the Members. That is the reappropriation for the Mexican Claims Commission. There is not a thing in the world they can do until December. They have not done anything for a year.

We have paid $2,000,000 out for salaries, and they have settled only about 16 or 17 cases. I submit that in this day, when we are reducing salaries, eliminating officers, that this crowd employed under this provision ought to be made to go out and earn an honest day's work. They have not done an honest day's work for the last two or three years.

Mr. BYRNS. I will say to the gentleman that there is a very sharp disagreement between the gentleman and the State Department. Our Government renewed the convention or treaty with Mexico on June 18. The State Department says that under these circumstances it wants to go to work and clean up the claims which the people are entitled to have disposed of.

The convention agreement expired last fall, if I remember correctly, and had not been renewed, and they could not do anything in the meantime. Now they have renewed it and they want to go to work. This is a reappropriation of what Congress has heretofore appropriated. It is not a new appropriation.

Mr. LAGUARDIA. The extension agreement has not been ratified by the Senate, neither has it been ratified by the Mexican Congress. The Mexican Congress will not be in session until we go there. That is not the reason they have not renewed it.

On yesterday I called attention to this situation, thinking it might be in the State Department appropriation bill.

Mr. BYRNS. I suspect the gentleman from New York has been talking with the same man that has talked to me.

Mr. LAGUARDIA. I do not know to whom the gentleman refers, but if he refers to the American commissioner, he would not touch a cent of the salary.

Mr. BYRNS. I do not know who has been talking to the gentleman, but I know who has been talking to me on the subject. Here is the situation. There are over 6,000 of these claims.

Mr. LAGUARDIA. Since 1868.

Mr. BYRNS. That are pending before this commission. Last fall the convention agreement or treaty expired, and the Comptroller General held that the money which Congress had appropriated could no longer be used for the purpose of investigating these claims. That convention agreement has been put into effect and was renewed on June 18. The State Department says that with these claims pressing, in which people are interested, widows and other people, what it wants to do is to take the money already appropriated—no new appropriation—and proceed to gather the evidence and have it ready and dispose of them promptly. Congress approved this appropriation a year ago. It made an appropriation for that specific purpose. You have your convention agreement now, which enables the Comptroller to ratify the expenditures, and why we should not proceed, I can not understand.

Mr. LAGUARDIA. The gentleman knows that any treaty that is extended must be ratified, that the extension agreement has not been ratified, that the Mexican Government can not ratify it because their Congress is not in session, and that the Senate of the United States has not ratified it. There are 6,000 claims pending, it is true, and if they proceed at the rate they are going, it will take them 10,000 years to finish the 6,000 cases. The gentleman knows that in the last deficiency appropriation bill we had an appropriation to close up the commission.

Mr. TABER. And is it not a fact that we appropriated $50,000 in the deficiency appropriation bill last winter to go ahead and complete the indexing and filing of these claims and wind it all up?

Mr. LAGUARDIA. That is my understanding.

Mr. BYRNS. That was upon the theory that the convention had not been signed. We did not know that it was going to be signed, and all that material was down there, and the Secretary of State and his assistant felt it would be a loss to this Government, because it was needed for future reference in inquiries made about these claims; and, therefore, some money should be appropriated, as he thought and we believed, for the purpose of collecting that material and preserving it.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. STAFFORD. How much will be used out of this unexpended balance if this authorization is revived?

Mr. BYRNS. There is about $200,000 in the appropriation. I do not know whether it will all be used or not.

Mr. STAFFORD. I believe that they have had an appropriation of about $360,000 a year.

Mr. BYRNS. Yes.

Mr. STAFFORD. A year ago I took occasion to criticize the extravagant waste of this appropriation, so far as the work that was really accomplished when the regular appropriation of $360,000 was under consideration.

I called attention to the fact that that appropriation had been carried for years, and yet no settlement had been made, and that it was costing the Government more in maintaining this wasteful and extravagant commission than any other commission in the history of the Government.

Mr. TABER. It has been going on for at least 10 years, and they have decided very few cases.

Mr. LAGUARDIA. Under the circumstances, if unanimous consent is granted, will the gentleman agree to let this matter go to the House for its judgment?

Mr. BYRNS. Oh, it is in the conference report. I can not make that agreement with the gentleman. If the House wants to reject it, then it can reject the whole report.

Mr. LAGUARDIA. All right. Can we have 20 minutes on a side upon it?

Mr. BYRNS. I will be very glad to yield 20 minutes to the gentleman.

Mr. LAGUARDIA. I do not want the 20 minutes, but there are members on the gentleman's committee who know more about it than I do.

Mr. BYRNS. I will be glad to yield to the gentleman. I hope we can dispose of it shortly.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. LAGUARDIA. With the understanding that we will have debate and go to the bat on the proposition, I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, this bill as it passed the House carried $15,404,250.79. As it passed the Senate it carried $22,878,769.61, an increase of $7,474,518.62. As it has been agreed upon in conference the bill carries $22,682,369.61.

I wish to say to the House that the principal increase in this bill consists of $5,000,000, which was placed on by the Senate for Boulder Dam, and some judgments amounting to $3,000,000.

That is all I care to say. I will be glad to yield to the gentleman from New York.

Mr. TABER. Will the gentleman yield five minutes to me?

Mr. BYRNS. I will be glad to yield to the gentleman.

Mr. TABER. Mr. Speaker, amendment 36 provides for the reappropriation of the items appropriated for the fiscal year 1932 for the General and Special Claims Commission, United States and Mexico.

This commission has done no work for practically a year. It never did do any efficient work. They have had several claims presented to them, but they have not disposed of 5 per cent of the number of claims that have been presented to them. It is simply a waste of money.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. TABER. I yield.

Mr. CHINDBLOM. When the gentleman says that the commission has not disposed of more than 5 per cent, does not the gentleman mean that they have not determined more than 5 per cent?

Mr. TABER. That is just so. They have not considered more than 5 per cent; they have not even held hearings on more than 5 per cent, almost a negligible number. On the fingers of two hands I could almost count all the cases they have considered in the 10 years of their existence. It is an item that the Congress ought to be ashamed to put into an appropriation bill. [Applause.] We ought to cut it out and we ought to cut it out right now. The only way to cut it out is by voting down the conference report. I do not think we will have any trouble in getting an agreement if we cut out this item. We can instruct the conferees to go back and recede with an amendment cutting out this appropriation. There is absolutely no excuse in the world for spending this money and keeping this commission on the pay roll. Last winter when the deficiency bill was being considered there was an item brought over from the Senate, brought back by our conferees, calling for $50,000 to close up the files of this commission, which died practically a year ago and which has not done anything since, because those files, as I understand, are over in the State Department, locked up. It seems absolutely ridiculous for us to spend this money.

Mr. CHINDBLOM. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. CHINDBLOM. Is it not a fact that the reason the work was stopped at that time was because the agreement with Mexico had expired and we did not have a new agreement?

Mr. TABER. Oh, that was one reason.

Mr. CHINDBLOM. And that was the main reason.

Mr. TABER. But they never did anything in the line of real work in getting the job done.

Mr. CHINDBLOM. I may say to the gentleman I know something personally about the work of the commission, and I think this indictment, with all deference, is quite unfair. Does the gentleman take the position that citizens of the United States, having claims in Mexico for the outrageous losses which they have sustained there, shall be deprived from now on of any opportunity to have those claims presented?

Mr. TABER. I would not be in favor of that if we had an efficient commission that would go on and do the business; but as long as we are going to have a commission that will not do 5 per cent of its job in 10 years I think we ought to stop and stop right now.

Mr. CHINDBLOM. Instead of stopping the appropriation, then, let us do something looking toward getting a different organization, but certainly we should not deny to the citizens of the United States a chance to get a settlement of their claims in Mexico.

Mr. TABER. Let us stop appropriating money and wait until the convention is signed and we have an efficient commission that will clean up the job presented, and let us consider it then.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. TABER. I yield.

Mr. LaGUARDIA. In direct reply to what the gentleman from Illinois [Mr. CHINDBLOM] said, with the exception of the claim of the Illinois Central, which was the largest claim, and 16 minor claims, none of the American claims has been considered, and I make the charge that they have purposely not been considered, by reason of the personnel, not of the American commission, and I make that charge without any reservation whatever, and I invite an investigation of the whole dirty mess.

The SPEAKER pro tempore (Mr. WOODRUM). The time of the gentleman from New York [Mr. TABER] has expired.

Mr. BYRNS. I do not know whether anybody in favor of this report desires any time or not.

Mr. MICHENER. Will the gentleman yield for a question?

Mr. BYRNS. I yield.

Mr. MICHENER. Now, the gentleman has heard the charges against the inefficiency or the lack of accomplishment by this commission. What has the gentleman to say as to whether or not this is an efficient commission?

Mr. BYRNS. I will just say, in the first place, that such a charge carries one against the entire State Department administration which is in charge of this matter, including the Secretary of State and his assistants. I can not subscribe to what the gentleman has said with reference to it. They inform me that they are proceeding with all dispatch and that if it had not been for the interruption which occurred last October these claims would be far on the way to final determination now. The gentleman appreciates, I am sure, the difficulties and delays incident to dealing with the Mexican Government during the past several years.

Mr. MICHENER. Previous to October what was the record of the commission as to efficiency and accomplishment?

Mr. BYRNS. My information is from those in charge that the investigation was conducted efficiently and that every effort was made to determine these claims and finally settle them.

I want to say this to the gentleman, that the man who is in charge of these claims, a resident of the District of Columbia, is one of the most competent and one of the most efficient who could have been selected. His reputation is that of a gentleman of the highest character and a gentleman of the highest standing, and he was appointed by the Secretary of State to do this work.

Mr. MICHENER. What is the gentleman's name?

Mr. BYRNS. Colonel Bouvé. There is no man of higher character than Colonel Bouvé.

Mr. MICHENER. The charges that have been made here are very serious.

Mr. BYRNS. I want to say to the gentleman that a gentleman formerly connected with this commission called on me. I asked him if he had not been formerly connected with the commission. He admitted he had, but he went on to say that had nothing whatsoever to do with his criticism of the work. Yet I am told, and I make this statement on information only, he was an applicant for reappointment to the place he lost.

Here is the proposition, I may say to the gentleman: There are 6,000 claims of Americans involved. These involve about $500,000,000. A gentleman told me a while ago that a poor old widow in his district had a claim. There are other widows who have claims.

Now, if you are going to vote down this report, I take it you will by that act indicate that these claims of American citizens are not going to be considered. I do not think we can afford to put ourselves in such a position.

I want to say to my friend, the gentleman from Michigan, if he has not confidence in the Secretary of State and in the State Department to see that this work is properly done, I have. [Applause.]

Mr. MICHENER. So far as the gentleman from Michigan is concerned, I know nothing about the matter. I am asking the gentleman, who should know something about the matter.

Does the Secretary of State ask for this appropriation?

Mr. BYRNS. Why, certainly, the State Department has asked for it. I do not think the Secretary of State individually asked it, but his department asked it.

Mr. MICHENER. There is a vast difference between the State Department and the Secretary of State.

Mr. BYRNS. The Assistant Secretary of State, Mr. Carr, has asked it.

Mr. MICHENER. Yes; that is true. Very often the employees in a department go on forever, and the head of the department oftentimes does not know all the details of a matter.

Now, if the Secretary of State has made a statement in reference to this matter, or has personal knowledge, I should like to know it. If it is just a departmental matter that has reached the gentleman from Tennessee, about which the Secretary has no personal knowledge, then I think it is hardly fair——

Mr. BYRNS. I may say this, I have never talked to the Secretary of State personally about the matter, but I have talked with Assistant Secretary Carr, whom every man on this floor knows.

I say, and say unhesitatingly, that I do not believe there is a higher-minded, more patriotic, more loyal, and more efficient officer of the Government than Assistant Secretary Carr, of the State Department. [Applause.] I am willing to trust him, because he is in direct supervision of this matter, to see to it that this appropriation is properly expended.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. CHINDBLOM. There are some facts connected with the work of this commission which are unfortunate and perhaps should not be very greatly discussed here. The truth is that the first organization proved unfortunate; and after some cases had been heard in Mexico City by the first commission that was established, we found it was to the interest of the people of the United States not to proceed with the organization as it then existed. A change was subsequently made in the personnel of the commission, and after considerable delay and disturbance it became possible to take up the work of the commission, and my information is that since that time, and until the commission expired, the commission was going forward and doing capable and successful work.

Mr. BYRNS. That is true. I do not think it is fair to hold the commission responsible for the delays which have been referred to when, as we all know, there have been frequent changes in the Government of Mexico. It seems to me some consideration should be given to that fact.

Mr. KLEBERG. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. KLEBERG. I will ask the distinguished chairman of our Appropriations Committee whether or not he has reason to believe that the Secretary of State knew his department requested this appropriation? I ask that question in answer to the interrogation of the gentleman from Michigan [Mr. MICHENER], when he asked the distinguished chairman as to whether or not the Secretary of State asked for this appropriation. Would it not be naturally assumed that if the Department of State were to come to the chairman of our Appropriations Committee with a request that the money be reappropriated that he not only sanctioned the request of his department but he added his own request to it? I ask the chairman that question because I am new in this procedure.

Mr. BYRNS. Undoubtedly we must assume that. This matter was presented to the Budget, the Budget has recommended it, and the President has sent it here as a part of his estimates. He has asked the Congress to make this reappropriation of the unexpended balance, and I hold a copy of that Budget in my hand.

Mr. KLEBERG. I will ask the gentleman if the committee in reaching its decision to reappropriate this fund did not take into consideration the very evident difficulty under which the commission labored in the investigation of these claims in Mexico, and would it not be reasonable to assume that obstacles would be placed in the path of those who were attempting to unearth evidence that would tend to show the liability of Mexico to our Government in the payment of damages to certain of our citizens? Would it not be natural to assume that Mexico would place every possible obstacle in the path of those who were investigating in behalf of the United States and our citizens?

In my district there are a number of claims. It so happens that in the southern end of the State, and outside of my district, in the district that our Speaker represents, every bit of land comes down from the Crown of Spain, through Mexico, and its titles then through the Republic of Texas up to date. The early history of this section after Texas joined the Union up until as late as 1916 and 1917 is marked by sporadic raids by Mexican outlaws and bandits from Mexico. You will find that the depredations of certain bandits, such as Katarino Garza and Cortina, deprived cattlemen of the south and southwestern portion of Texas not of small numbers of cattle but of entire herds. I here refer to the claims of several ranchmen who have small holdings, who have no means, who have lost considerable property and money which was stolen and taken to Mexico. They, as American citizens, are involved in these claims, as well as larger ranchers. The principle involved is whether or not we should consider it too burdensome an expense to reappropriate these funds for the express purpose of protecting the property of American citizens on American soil or, more properly, to the end that they recover at least in part the value of their property.

Mr. BYRNS. I now yield to the gentleman from Texas [Mr. JONES].

Mr. JONES. I just want to supplement what my distinguished colleague has said by stating that I know personally of a number of legitimate claims for real and substantial damage along the lines suggested by my colleague.

I do not know about the merits of this particular controversy; but if this small appropriation will hasten the settlement of these claims for actual losses, I think it should be made because there are a number of such cases. Some of them are by people in my section, but more of them are from people in other sections of the State. Some of these people have been ruined by these losses, at least they are entitled to a day in court, and their claims should be paid if some arrangement can be made for their payment.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. SHREVE].

Mr. SHREVE. Mr. Speaker, I just want to say a word. For a number of years Colonel Bouvé has appeared before the committee of which I had the honor of being chairman for a number of years and which is now presided over so ably by the distinguished gentleman from Alabama [Mr. OLIVER]. This gentleman has appeared before our committee in the interest of this very subject, and I may say to the House that I have never had a man before the committee that I trusted more implicitly, and I believe him to be honest and am satisfied he is doing everything that can be done, but I may say to you that it is a very different problem to do business south of the line from doing business north of the line. You have got to get the people down there in the right frame of mind and then you have to make your arrangements and finally some day you will come together and have an agreement.

I remember a year ago when I was at El Paso, I was over on the other side and I met the distinguished president of that Province. He told me then, "Mr. SHREVE, we are anxious to have these claims settled just as speedily as possible, but you know we are having considerable difficulty on our side in coming to agreements, but I want to say to you that the work is going to be done."

We should not lose the services of the very man who is now doing this work. I understand the situation the gentleman from Texas has described, and I agree with him fully because our observation and study of the situation proves just what the gentleman has said. There are many small claims and they are going to be adjusted just as quickly as

possible, but it would be wrong for us now to tear down this organization and lose the evidence that has been gathered or have it down in the State Department and then after a while put on some new men as commissioners, when I can say that the man now in charge is doing all that it is possible for any one man to do.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, there are gentlemen on the Committee on Appropriations who have the facts. The gentleman from New York [Mr. TABER] has given this matter a great deal of consideration and has made an impressive statement to the House.

This commission has been in existence since 1923, nine years, and in the nine years only 150 cases out of over 6,000 claims have been settled. Of the claims settled only one was a large or important case.

Let the RECORD show right now that if this money is authorized that I have warned the House there will not be one single, solitary case determined between now and the time when we come back in December. It is simply a wilful waste of about $200,000 of public funds. The matter should be left in abeyance until December.

Mr. SIMMONS. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. SIMMONS. It is my understanding the question is not whether we want these claims settled or not. Everybody wants the claims settled. The representatives of the other governments concerned, however, have failed to cooperate and function with the American commission, and if we appropriate this money now there is no commission that has authority to hear these claims or to settle them, and it means simply the employment of the American commission waiting for Mexico to act some time in the future. Is not this the situation?

Mr. LAGUARDIA. Absolutely nothing will be done this year. That is why I urge withholding the appropriation until then. There are two sets of claims, one arising out of the revolution of 1868, which are mixed claims of nationals of one country against the other country, and the other arising out of the disturbance from 1910 to 1920 in Mexico, most of the claimants being American nationals. There has been little or no consideration given to this latter class of claims.

The gentleman from Tennessee is correct when he says there are 6,000 claims pending, and in nine years 150 have been settled. Now, figure out how long it is going to take at that rate to settle all of them.

Mr. SIMMONS. And if this money is appropriated, there will still be 6,000 claims pending next December?

Mr. LAGUARDIA. Certainly. All that will be done is pay salaries out of this money. Gentlemen, this is not the first time I have, in my humble and feeble way, sought to bring matters of this kind to the attention of the House. If you do appropriate this money, I warn the House not a single, solitary claim will be settled between now and January 1. I can not repeat this too many times. Go ahead and throw away $250,000 if you care to do so.

Mr. BYRNS. Does not my friend understand that this money is proposed to be devoted to getting the evidence and preparing these claims and that this is work that has to be done before the claims can be settled and failure to make this appropriation would mean a delay of six months?

Mr. LAGUARDIA. Mr. BYRNS, they have been doing that for nine years. We had 60 people down in Mexico one whole winter preparing claims and not a single claim heard. There is quite a story to that which some day will come out.

Mr. KLEBERG. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. KLEBERG. I dislike to interrupt my colleague; but I would like to ask him the question whether he has ever tried to get a Mexican to admit something that was detrimental either to him or to Mexico.

Mr. LAGUARDIA. That is why we have a mixed claim. That is just my complaint. We have appropriated and spent for this commission in nine years over $2,000,000, and have gotten no results. Does the gentleman know anything about that?

Mr. KLEBERG. No; but I may say——

Mr. LAGUARDIA. Let us investigate the condition of the commission. I invite an investigation of it. There will be some startling international revelations and some shocking domestic facts disclosed. I urge an investigation of the activities of the commission, its activities, its personnel, yes, its pay roll, and all about it. Let us investigate what United States citizens got for the $2,000,000 spent to date—and then appropriate more, if necessary, in December.

Mr. KLEBERG. I am not worried about the investigation of the commission. What I am worried about is the continuation of the commission, so that the decision on these claims can go forward.

Mr. LAGUARDIA. They can not function between now and December. The convention has not been ratified by either the United States or Mexico.

All I can do in this matter is to call the attention of the House to the facts. This has been going on for nine years. There have been two treaties, and the last one expired nearly a year ago. The new treaty has not been renewed, only an extension agreement. I will submit a proposition to the gentleman from Tennessee. Let us make the money contingent upon the ratification of the extension by both countries.

That will be fair. It must eventually be ratified. The commission can not function until then. The new agreement with Mexico must be ratified by the Senate. "Oh, no," is the answer, "that would take off the pay roll the 60 pets who went to Mexico last fall and stayed there all winter and did not take up a case." I am not on the Committee on Foreign Affairs, neither am I on the Appropriations Committee. I am but one of the 435 Members of this House. I can only urge my colleagues to stop this unnecessary waste of funds.

May I ask the gentleman from Tennessee how it was that this proposition originated in the Senate?

Mr. BYRNS. For the reason that when the bill passed the House there was no information that there had been a convention treaty signed. As a matter of fact, we knew it was in conference, but they had not secured such an agreement. As I stated a moment ago, the convention was not signed by both countries until June 18. It would not have been included in the Senate if it had not been signed.

Mr. LAGUARDIA. The gentleman from Tennessee does not contend that the signing of the convention is a renewal of the treaty. That is where the rub comes in. It takes two to make a contract, and it takes two to make a treaty; both sides will have to ratify it.

Mr. BYRNS. Both countries have signed it.

Mr. LAGUARDIA. Why does not the Senate ratify it? The gentleman does not claim that the Senate has ratified it.

Mr. BYRNS. I do not.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CHINDBLOM. The suggestion has been made that the money should not be available until the Mexican Government ratifies the treaty. I think that would be unwise. We are always expected to act first, and if we are going to wait until they act they might not act at all. In fact, I think there would be more force in having us act first. We are asking something from the Mexican Government. We are trying to obtain a settlement for claimants—citizens of the United States.

Mr. LAGUARDIA. This is a mixed-claims commission; there are claims against the United States.

Mr. CHINDBLOM. Yes; but we know that our interest in the matter is in getting settlements for our people against Mexico.

Mr. LAGUARDIA. Let me read a statement by a gentleman on the floor yesterday. Yesterday I pointed out the lack of activity of this commission, and the gentleman from Alabama [Mr. OLIVER]—and there is no harder worker, no more conscientious worker on the Appropriations Committee than that gentleman—said:

I may say that the gentleman from Pennsylvania [Mr. SHREVE], who was previous chairman of this subcommittee, and a most worthy chairman, very carefully considered that matter, and the committee felt that there should be no further appropriation carried at present. I concluded some time ago that they were spending too much money for the results obtained.

That is what the gentleman from Alabama [Mr. OLIVER] said yesterday.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. OLIVER of Alabama. The tribute paid to the American member of the commission by Mr. SHREVE I agreed to, but the gentleman from Pennsylvania will recall that we have often complained of the delay incident to the disposition of cases as well as the manner in which some cases were disposed of. This was due, however, largely to the failure by the other country to cooperate and to the further fact that the commission was slow in organizing. Attention was called to the large amount of money being spent in the preparation of cases, and under the guidance of the gentleman from Pennsylvania [Mr. SHREVE] we corrected some of the abuses.

There is substantial ground for complaint, such as the gentleman from New York [Mr. LAGUARDIA] has made, and I trust the State Department will not permit any further expenditures to be made until assured that the commission is prepared to dispose of cases with reasonable dispatch.

Mr. LAGUARDIA. Does not the gentleman believe that this reappropriation could well lie over until December?

Mr. OLIVER of Alabama. I would say it might be a mistake at this late day to take such action, since the adoption of a conference report is involved.

Mr. LAGUARDIA. I was guided by the gentleman's judgment yesterday on the subject.

Mr. OLIVER of Alabama. I hope that the State Department will not permit any of this money to be expended until the matters to which the gentleman from New York [Mr. LAGUARDIA] has called attention have been carefully examined and assurance given that the business before the commission will be efficiently disposed of, free from the criticism which in a large measure is amply justified by reports submitted to our committee.

Mr. LAGUARDIA. I submit here a brief but concise memorandum giving a sketchy history of the commission and a résumé of the facts I have referred to:

MEMORANDUM—THE MEXICAN-AMERICAN ARBITRATION

Two arbitration conventions were concluded between Mexico and the United States in 1923. The general scope of the arbitration covered by these treaties was to cover all claims or controversies between the two countries since 1868, the date of the last general arbitration between them. The arbitration treaties were the bases of the restoration of relations between the two Governments which had been suspended for a long time and intermittently suspended since the outbreak of the revolution against General Diaz.

Since 1923 the Government of the United States, acting through its legal representatives, has presented but two cases for hearing by the commission created under the so-called "special convention" or treaty which dealt with American claims arising during the so-called revolutionary period, namely, between 1910 and 1920.

During the same period American representatives have presented only about 150 claims before the so-called general commission, which dealt with all other claims, including claims of Mexico against the United States.

On two occasions there were vacancies in the position of presiding commissioner. Instead of a prompt filling of the vacancies, the matter was neglected, so that on each occasion there was approximately a delay of a year.

When the two conventions expired in the past, the United States delayed steps for their renewal so that the Mexican Senate could not act on them in time to have the work proceed without interruption.

Congress has each year made liberal appropriations for the work and been given to understand that it was proceeding, as have American claimants. Up to date Congress has appropriated approximately $2,000,000.

Only the very smallest and least important cases have been presented, with a single exception, in which, however, Mexico did not contest the case on the merits.

Both conventions expired last summer; that is, about a year ago. All three commissioners on the general commission which was sitting in Washington left the city. A few Mexicans with the Mexican agent left Washington for Mexico with their records. The American agency had a force of about 60 people. Under orders from the Department of State, the American agency records were closed. The commission's records were also closed.

An appropriation was then obtained from Congress during the present session under the first deficiency bill. It was explained that this sum was to be used to close the records and index them. This would, of course, necessitate opening the closed records so that they could be closed again. If they had to be indexed, that work must have been neglected since 1923, in spite of the fact that out of the thousands of cases pending only about 150 had been argued. To do this work (certainly not very difficult work) a large force was retained, with salaries ranging from $12,000 downward.

If the conventions should be renewed in the near future, in spite of the fact that they lapsed a year ago, the renewals, like other renewals in the past, would have to be acted upon by the Mexican Senate. This can not take place until next fall.

If any convention is in any way altered, instead of being simply renewed, for which the Senate of the United States has already given authorization, then the altered convention will, of course, have to be submitted to the Senate.

If the waste of money is not continued at the present time, but stopped on July 1, then an investigation can be made to determine why this great and extremely difficult enterprise has been debauched; why cases have not been tried; why there have been constant, deliberate delays; and, in short, what influences have been at work to bring about this amazing wreck of the work.

The item of page 34 of the second deficiency bill as passed by the Senate does not show that the amount is about $250,000. It refers to an unexpended balance but does not reveal that the reason the money was not expended is that about a year ago the Comptroller General ruled that the fund had lapsed, since the arbitration agreements lapsed, and the work stopped. No work of the arbitration has been done for a year. No case has been argued for more than a year. Since the work can not be resumed for a long time, so far as the presentation of cases is concerned, why should there be an appropriation now?

Mr. BYRNS. Mr. Speaker, I yield two minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Speaker, I want to make this suggestion. Since the Congress has a great deal of important work to do and should not adjourn for some time if we are going to keep faith with the people and carry out some of the promises made by conventions, I believe the proper solution of this pending matter is to have the Committee on Expenditures make an adequate and careful investigation of this commission, and then, if we find that everything is not as it should be and that changes should be made, we can recommend curative legislation. There is no sense in becoming hysterical. I notice in reading the press reports that the Democratic Party is still claiming to be against the Hawley-Smoot tariff bill. Under the Constitution tariff measures must originate in the House of Representatives. The Democrats have control of the House, and they have a majority of members on the Ways and Means Committee, by which tariff legislation must be considered under the rules of the House. The Democrats have been in control of the House and the Ways and Means Committee for many months, and they have not even reduced the tariff on aluminum pants buttons one-half of 1 per cent. The only tariff rates which these self-styled patriotic Democratic opponents of the Smoot-Hawley tariff bill have passed or recommended were to place embargo tariffs on oil, copper, lumber, and coal.

The Democratic platform plank denouncing the tariff rates of the Hawley-Smoot bill is therefore a promise intended to fool the American people and catch votes. The intelligent American voters will not fall for your false tariff promises in view of the record of the Democratic Party, which has had control of the House, in which tariff legislation must originate, during this session of Congress.

Mr. BYRNS. Mr. Speaker, in addition to what I have already said, I might say that I do not know the name of even a single claimant who is involved in this investigation. So far as I know there is certainly no one from my own State. I do not know where any one of them lives; I know nothing about it. I have no interest in this, but I take this position. There are some 6,000 claimants, some of them widows, some of them people who need to be paid, who feel that they have just claims against the Mexican Government, who have appealed to our Government to see that they are given justice. In order to do that it is necessary to investigate, collect the evidence, brief it, and put it in proper shape

to be presented to the proper tribunal. That is all this appropriation means.

If we put it off until next January or February, gentlemen can see that these claimants will be denied that much longer getting what they believed to be their just rights. Having a year ago made this appropriation, and having made it for the purpose of having this very work done, the work having been stopped in the fall by reason of the expiration of the convention treaty, and the treaty having been renewed on June 18 last, and as we are only requested to make a reappropriation and not a new appropriation, it seems to me there can be no reason why justice should not be done to these claimants, and this evidence collected so that they can have their just rights determined. These are the claims of American citizens which are being investigated against the Mexican Government. Of course, the Mexican Government is not particularly interested in expediting these claims. I think some consideration should be given this commission on that account.

Mr. COLTON. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COLTON. I have had some experience in investigating some of these claims. A number of the claimants live in my district. The evidence required to be gathered is of the most technical nature. This is not an American court. As gentlemen know, the court is made up of a representative from our Government, one from the Mexican Government, and the third usually from one of the Latin American Republics. I have heard of several cases that have been presented and lost. They were lost upon the ground that the evidence had not been prepared in a very careful manner and in a technical way. The commission has been extremely technical, and it is therefore necessary to prepare the evidence with great care.

I can say from the investigation of at least one case recently that I believe Colonel Bouvé and associates are trying their best to get the evidence prepared in such a way that it will meet the requirements of the commission, and the delay has been largely in the interest of the American claimants, so that their claims will not be thrown out as soon as considered because of lack of evidence which the commission requires. I hope the report will be approved.

Mr. ALMON. And may I say, Mr. Speaker, that I know of one case whose claim has been pending a long while and he is becoming very much discouraged. I sincerely hope this money will be reappropriated.

Mr. WILLIAMSON. Mr. Speaker, we have a considerable number of claimants in South Dakota. The claims are legitimate and ought to be allowed at the earliest possible moment. I hope the conference report will be approved.

Mr. BYRNS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were ayes 106 and noes 24.

So the conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 23: On page 21, after line 15, insert:
"Industry among Indians: Not more than $50,000 of the appropriation of $475,000 contained in the Interior Department appropriation act, fiscal year 1933, for encouraging industry and self-support among Indians, is hereby made available for the purchase of sheep for the Jicarilla Indians, New Mexico, to replace losses occasioned by reason of storms during the winter of 1931 and 1932: *Provided*, That expenditures hereunder shall be reimbursed to the United States from future accruals to Jicarilla tribal funds: *Provided further*, That purchase of sheep under this authorization may be made without compliance with the requirements of section 3709 of the Revised Statutes."

Mr. BYRNS. Mr. Speaker, I move that the House recede and concur in the amendment.

Mr. Speaker, since this has not been published, for the information of Members I will state that this appropriation is made for the purpose of purchasing sheep to replace certain losses belonging to the Jicarilla Indians in New Mexico. The statement in the Budget is to the effect that last winter this Indian Reservation, as well as other reservations in Arizona and New Mexico, was visited by a series of blizzards, accompanied by heavy falls of snow, and more than 70 per cent of the sheep possessed by these particular Indians were lost. The sheep industry is the principal means of self-support among these Indians. This appropriation is made in order to replace those losses and will, of course, be reimbursed to the United States out of the Indian fund.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 30: On page 27, after line 17, insert:
"Palo Verde Valley, Calif., flood protection: For the protection of the Palo Verde Valley, Calif., from overflow and destruction by Colorado River floods, to be expended under the direction of the Secretary of the Interior for the purpose of repairing and reconstructing the levee system on the Colorado River in front of the said Palo Verde Valley, fiscal year 1933, $70,000, or so much thereof as may be necessary."

Mr. BYRNS. Mr. Speaker, I move to recede and concur with an amendment, which I have sent to the desk.

The Clerk read as follows:

Mr. BYRNS moves that the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum named in such amendment insert the sum "$50,000."

Mr. STAFFORD. Mr. Speaker, I ask the gentleman to yield me some time.

Mr. BYRNS. Mr. Speaker, I yield the gentleman from Wisconsin 10 minutes.

Mr. STAFFORD. Mr. Speaker, the proposal is not a deficiency appropriation. It seeks to provide, as amended, $50,000 for irrigation work to the Palo Verde Valley in California because of threatened floods. Those floods have taken place. The local irrigation district has provided for the emergency, and now we are to provide $50,000 to reimburse the private irrigation district, upon whom the burden of dyking the walls along the Colorado River should fall. The argument in favor of this proposal is that some years back they built a dam on the Colorado River that has caused the accumulation of a lot of sediment. It is agreed that with the completion of the Boulder Dam there will be no threatened overflow that will in any wise invade this irrigation district.

This is merely a proposal to lift the burden of protecting the irrigation district from the local irrigation district and imposing it upon Uncle Sam; no more, no less. If this proposal had been made two months ago, there might have been some ground for it, but even then there was no basis for it. The only basis for it is the threatened floods. Any person who is acquainted with conditions there knows that the peak of the flood takes place around the fore part of June. That has passed. The danger is no more. The damage from a break in the dikes at 10 places has been repaired. The damage has been repaired by the local irrigation district.

This is nothing more than to relieve the local irrigation district of that expense and to transfer it to Uncle Sam. It is another instance of go-getting Johnson, of California, trying to impose something on the United States Government. It is another instance of the gold-diggers of California trying to get something for a local improvement out of the Treasury. It should be rejected because there is no need for it now. It was originally proposed that it should be $70,000. Even the proponents now confess the weakness of their case and propose to make it $50,000. I ask that the entire amendment be rejected.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Speaker, there has been some misstatement of facts, unintentionally, of course, by the gentleman

who has just preceded me. This is not an irrigation-district question at all. It is a flood problem, and it is simply a question of whether the United States Government, in good morals, ought to take care of a situation which it itself has created. Laguna Dam was built by the Government for the Yuma reclamation project in Arizona. That dam raised the river a maximum height of 20 feet. The Colorado River began immediately thereafter to reestablish for itself a new gradient, or slope, upstream, which would be sufficient to enable it to perform the functions of nature, that of carrying its water and its silt down to the sea.

That resulted in raising in front of this Palo Verde Valley the bed of the Colorado River between 6 and 7 feet. The facts I am stating are vouched for by the Government engineers who went out and made a study and report under a resolution adopted by Congress last session directing the Secretary of the Interior to make the study and determine what the obligation of the United States Government was. Their estimate was that the United States Government ought to expend $70,000 to raise the levee in front of this valley 3 feet, because it is the obligation of the Government to right the wrong it had done in directing this flood menace upon this valley. To save themselves the people of the valley have spent every dollar they could get up to $2,000,000, and to-day they are bankrupt and unable to do anything more to take care of themselves.

The first flash of 90,000 feet of water to come down this year broke their levee in two places and inundated 10,000 acres, which they were finally able to wall off at the lower part of the valley.

The Weather Bureau predicts that a much greater runoff will come within the near future, and it is to save the valley against complete destruction that the Budget, after consultation with the President of the United States, sent up to the Senate this item in order that the United States Government might do the thing it ought in good conscience to do, remedy the injury that is already done these people.

This is not a continuing appropriation. It is merely to take care of the situation during this year. Government engineers say this will take care of it up until the time Boulder Dam is completed, which will control the river and regulate its size and prevent floods thereafter.

It would be an iniquitous and an immoral thing for the Government, having created this dangerous situation, having directed this menace upon this little community, to then turn its back upon them and refuse to do anything to right the wrong it has already done. I hope the amendment is adopted. [Applause.]

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee to recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 34: Page 32, after line 3, insert:

"BUREAU OF YARDS AND DOCKS

"The contract by the United States of America represented by the Chief of the Bureau of Yards and Docks, acting under the direction of the Secretary of the Navy, and M. H. Golden, an individual of the city of San Diego, Calif., for improvement of a motion-picture exchange, involving the erection of a building at the naval operating base, San Diego, Calif., dated January 6, 1932, is hereby legalized from the date of its execution for the purpose of authorizing payments thereunder from the appropriation, 'Contingent, Bureau of Yards and Docks, 1932,' notwithstanding section 12, title 41, United States Code."

Mr. BYRNS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. BYRNS moves that the House recede from its disagreement from the amendment of the Senate No. 34 and agree to the same with an amendment, as follows:

In the matter inserted by such amendment strike out the following: "Section 12, title 41, United States Code," and insert in lieu thereof the following: "Section 3733 of the Revised Statutes of the United States (U. S. C., title 41, sec. 12)."

Mr. LaGUARDIA. Will the gentleman yield for an inquiry on another matter in the bill not pertaining to this subject?

Mr. BYRNS. I yield.

Mr. LaGUARDIA. I am greatly interested, as the gentleman knows, in the question of direct relief.

I understand the Senate had inserted in the bill an item for the President's Emergency Unemployment Committee, or whatever the name of the organization may be. If we are going to appropriate $100,000,000 for direct-relief distribution by the President, it occurred to me the machinery that was built up by this committee and their contacts in the various communities would be very useful at this time. I inquired about it and they stated they are prepared to do just that kind of work, that their work has been fact finding, coordinating, and advisory. Unless some money is appropriated they will go out of existence, will they not?

Mr. BYRNS. Yes; they will go out of existence; but if the money is appropriated for the purpose indicated by the gentleman, the President will be in a position, if he wishes, to employ this organization.

Mr. LaGUARDIA. If he needs it.

Mr. BYRNS. If he needs it.

Mr. LaGUARDIA. Out of this appropriation.

Mr. BYRNS. Out of the appropriation which would be placed in his hands.

Mr. LaGUARDIA. Is the gentleman sure there is no question as to that, that he could do so?

Mr. BYRNS. That is my understanding if the money is voted. I do not know what the conference committee will report.

Mr. LaGUARDIA. Something will be done eventually.

Mr. BYRNS. I understand the proposition is to place a certain amount of money in the President's hands without any limitation. That would enable him to employ this organization.

Now, Mr. Speaker, just a word in explanation of this amendment. A Mr. Gobel, of San Diego, was given a contract for the erection of a building under the mistaken apprehension of the Bureau of Yards and Docks that payment could be taken out of maintenance. The comptroller later held it was not payable out of that particular appropriation. About $8,000 is due the man who has done the work, and this provision is simply to legalize the action and permit the money to be paid out of the appropriation from which it was originally intended to be taken.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 37: On page 34, after line 23, insert:

"International Monetary Conference: For the expenses of participation by the United States in an international monetary conference, including silver, to be held during the year 1932, and for each and every purpose connected therewith, including transportation and subsistence or per diem in lieu thereof (notwithstanding the provisions of the subsistence expense act of 1926, amendments thereof, or regulations prescribed pursuant thereto); personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract, if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes; rent of offices and rooms; purchase of necessary books and documents; printing and binding; official cards, entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified; and such other expenses as may be authorized by the Secretary of State, fiscal year 1932, to remain available until June 30, 1933, $40,000."

Mr. BYRNS. Mr. Speaker, I move that the House recede and concur.

Mr. BRIGGS. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BRIGGS. Is this an appropriation in pursuance of the resolution which recently passed the House?

Mr. BYRNS. I do not think any resolution has been passed.

Mr. BRIGGS. Is this an independent conference?

Mr. BYRNS. This is an independent conference.

Mr. BRIGGS. Previously authorized?

Mr. BYRNS. No; I do not think it has been authorized. I will say to the gentleman I am not very partial to this conference; in fact, I am not very partial to any of these international conferences, because they do not accomplish very much as a rule.

However, the Senators were very much interested in this and we agreed to bring it back. The President must call this conference, and there is some question as to whether or not it will ever be held, because, of course, the President will not call it unless it is indicated by those governments that will be interested that they will accept his invitation and attend. I think there is a very serious question as to whether this conference will ever be held.

Mr. BRIGGS. Does the gentleman think as much as $40,000 is going to be necessary or would half that amount be sufficient?

Mr. BYRNS. It is to be held in London, probably; and if that is so, no doubt this sum would be necessary. It is a very modest sum compared to some appropriations that have been made.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. EATON of Colorado. It is my understanding, notwithstanding the statement just made by the gentleman from Tennessee, that this money is to be available not merely for a conference that may be called by the President but for use in connection with a conference that has either been called or intimated by Great Britain will be called. My understanding is that the thing in controversy here was whether or not the appropriation should be limited to a monetary conference where the subject of silver should be discussed or whether the money should be made available for a conference to discuss economic conditions generally. It is my further understanding that as you have now modified this provision it is limited to a monetary conference that must discuss the subject of silver and that it is not dependent upon a call by the President of the United States.

Mr. BYRNS. That modification was made by the Senate. The gentleman may be correct in his statement. My information was that this conference has not yet been called, and the statement was made that there was a strong possibility it might not be called for the reasons I have stated.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. STAFFORD. It seems rather strange that we are appropriating money for something up in the air.

Mr. BYRNS. We have been doing that for a long time.

Mr. STAFFORD. There has been no international monetary conference proposed. We passed through the House, upon the report of the Committee on Coinage, Weights, and Measures, an act suggesting that the President call an international conference to deal with industrial and monetary problems. This authorization will not be available for that purpose. Neither will it be available for the purpose which has more or less been agreed to by the administration, of having our Government become a member of the conference called by Great Britain. This is merely a make-believe, and of no consequence at all. It neither does one thing nor the other. I would like to have the gentleman strike out the word "monetary," so that the administration may have funds whereby it may attend the British conference that was called to consider industrial matters as well as monetary matters. This will not cover it. This is meaningless.

I had hoped the gentleman would propose an amendment to strike out the word "monetary" so as to make the money available for that conference, with which the President has sympathy, called by the British Government, an international industrial conference, which could consider monetary matters as well. Up to the present time no proposal has been made by any government of the world to have an international monetary conference. This is just meaningless. I had hoped the gentleman would strike out the word "monetary" so as to make the money available for the purpose of sending representatives to the conference called by Great Britain. This is nothing but a sham, a camouflage with a silver lining.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee to recede and concur.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 42: Page 41, after line 5, insert:
"Authority is hereby granted the Secretary of War to sell or otherwise dispose of, in accordance with law and regulations, the U. S. Army transport *Merritt*."

Mr. BYRNS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. BYRNS moves that the House recede from its disagreement to Senate amendment No. 42 and concur in the same.

Mr. BYRNS. Mr. Speaker, I will say for the benefit of the House that this old ship or transport is over in the Philippine Islands. It has been laid up since 1924, and is costing about $200 a month. It is proposed to sell it and stop this expense and get whatever money it will bring.

The motion to recede and concur was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that on to-morrow it shall be in order to consider business on the Consent Calendar, commencing where the last call left off, subject, of course, to privileged business.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I do not know whether we will be ready to file it or not; but, as a matter of precaution, I ask unanimous consent that if we can agree upon a report on the Treasury and Post Office appropriation bill that the House conferees may have until 12 o'clock to-night to file such report.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, does not the gentleman wish to incorporate in his request the same privilege for the conferees on the War Department appropriation bill, if, perchance, they agree on a report?

Mr. BYRNS. I am not in charge of that bill, and I can not make any request about it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate (except No. 9) to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 17, 28, and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 8, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, and 52, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"The offices of surveyors of customs (except the surveyor of customs at the port of New York) and appraisers of

merchandise (except the appraiser of merchandise at the port of New York), 21 in all, with annual salaries aggregating $102,000, are hereby abolished. The duties imposed by law and regulations upon surveyors and appraisers of customs, their assistants and deputies (except the surveyor and the appraiser, their assistants and deputies at the port of New York) are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$410,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$27,800,220"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "$19,460,000"; and the Senate agree to the same.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
Managers on the part of the House.

TASKER L. ODDIE,
REED SMOOT,
GEO. H. MOSES,
E. S. BROUSSARD
(Except amendment 29),
PARK TRAMMELL
(Except amendment 29).
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate (except No. 9) to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

On Nos. 1, 2, 3, 4, and 5, relating to the general price limitation on purchases of typewriters: Confines the limitation to "standard" typewriting machines, as proposed by the House bill; strikes out the authority inserted by the Senate making the limitation apply to "portable desk models"; fixes the maximum price limitation on 10-inch correspondence models at $70, as proposed by the House, instead of $60, as proposed by the Senate; and restores the House language requiring purchase of machines distinctively quiet in operation to be made only on the written order of the head of the department or establishment concerned in such purchase.

On No. 6: Appropriates $640,000, as proposed by the Senate, instead of $770,000, as proposed by the House, for purchase of distinctive paper for United States securities.

On Nos. 7, 8, and 10, relating to the Customs Service: Appropriates $22,000,000, as proposed by the Senate, instead of $22,700,000, as proposed by the House; fixes the limitation upon personal services in the District of Columbia at $480,000, as proposed by the Senate, instead of $494,470, as proposed by the House; and restores the House provision, stricken out by the Senate, abolishing the offices of comptrollers of customs, surveyors of customs, and appraisers of merchandise (except the appraiser at the port of New York), 29 in all, with annual salaries aggregating $153,800, modified so as also to exempt from abolishment the offices of the comptrollers of customs and the office of surveyor of customs at the port of New York and thereby reduces the number of offices to be abolished to 21 with annual salaries aggregating $102,000.

On Nos. 11 and 12, relating to the Federal Farm Loan Bureau: Appropriates $950,000, instead of $1,011,500, as proposed by the House, and $911,500, as proposed by the Senate, and adjusts the limitation on personal services in the District at $410,000, instead of $430,000, as proposed by the House, and $387,000, as proposed by the Senate.

On Nos. 13 and 14, relating to the Bureau of Industrial Alcohol: Appropriates $4,525,000, as proposed by the Senate, instead of $4,725,000, as proposed by the House, and fixes the limitation on personal services in the District of Columbia at $354,320, as proposed by the Senate, instead of $369,320, as proposed by the House.

On Nos. 15 and 16, relating to the Bureau of Narcotics: Appropriates $1,525,000, as proposed by the Senate, instead of $1,625,000, as proposed by the House, and makes available $203,120, as proposed by the Senate, for personal services in the District of Columbia, instead of $216,120, as proposed by the House.

On Nos. 17 to 24, inclusive, relative to the Coast Guard: Appropriates $20,640,000, as proposed by the House, instead of $18,240,000 as proposed by the Senate, for pay and allowances; appropriates $1,950,000, as proposed by the Senate, instead of $2,250,000, as proposed by the House, for fuel, etc.; appropriates $1,970,000, as proposed by the Senate, instead of $2,140,000, as proposed by the House, for outfits, ship chandlery, etc.; appropriates $520,000, as proposed by the Senate, instead of $525,000, as proposed by the House, for repairs to stations, etc.; appropriates $140,000, as proposed by the Senate, instead of $170,000, as proposed by the House, for coastal communication lines; appropriates $255,000, as proposed by the Senate, instead of $260,000, as proposed by the House, for contingent expenses; appropriates $2,100,000, as proposed by the Senate, instead of $2,300,000 as proposed by the House, for repairs to vessels; and adjusts the total.

On No. 25: Appropriates $6,430,000, as proposed by the Senate, instead of $6,535,000, as proposed by the House, for the Bureau of Engraving and Printing.

On Nos. 26, 27, 28, and 29, relating to the Public Health Service: Appropriates $5,680,000, as proposed by the Senate, instead of $6,000,000, as proposed by the House, for pay of personnel and maintenance of hospitals; appropriates $420,000, as proposed by the Senate, instead of $500,000, as proposed by the House, for maintenance of the quarantine service; appropriates $350,000, as proposed by the House, instead of $400,000, as proposed by the Senate, for prevention of epidemics; and appropriates $300,000, as proposed by the House, instead of $3,000,000, as proposed by the Senate, for rural sanitation.

On Nos. 30, 31, and 32: Provides, as proposed by the Senate, for the assay offices at Carson City, Nev.; Boise, Idaho; Helena, Mont.; and Salt Lake City, Utah; and appropriates $1,339,670, as proposed by the Senate, instead of $1,415,000, as proposed by the House, for salaries and expenses of operation of all mints and assay offices.

On Nos. 33, 34, 35, 36, 37, 38, 39, and 40, relating to public buildings: Strikes out, as proposed by the Senate, the appropriation of $100,000 contained in the House bill for

remodeling and extending completed and occupied public buildings; appropriates $475,000, as proposed by the Senate, instead of $1,000,000, as proposed by the House, for repairs to public buildings; appropriates $600,000, as proposed by the Senate, instead of $775,000, as proposed by the House, for mechanical equipment of public buildings; appropriates $150,000, as proposed by the Senate, instead of $190,000, as proposed by the House, for vaults and safes for public buildings; appropriates $2,740,000, as proposed by the Senate, instead of $2,750,000, as proposed by the House, for general expenses; appropriates $1,940,000, as proposed by the Senate, instead of $2,200,000, as proposed by the House, for furniture for public buildings; appropriates $3,501,500, as proposed by the Senate, instead of $3,901,500, as proposed by the House, for operating supplies; and makes available $682,880, as proposed by the Senate, instead of $694,880, as proposed by the House, for salaries in the Office of the Supervising Architect.

POST OFFICE DEPARTMENT

On Nos. 41 and 42, relating to contingent expenses: Appropriates $8,500 for telegraphing, and makes $2,500 immediately available, as proposed by the Senate, instead of an appropriation of $6,000, as proposed by the House; and makes the appropriation for miscellaneous expenses available for the purchase of a new passenger automobile for the Postmaster General, as proposed by the Senate.

On No. 43, relating to the transportation of foreign mail by steamship: Strikes out, as proposed by the Senate, the limitation in the House bill prohibiting the use of the appropriation for payment on ocean mail contract No. 56 awarded to the Seatrain Co., and also strikes out the House limitation prohibiting the use of the appropriation for the purpose of awarding after March 1, 1932, an ocean mail contract under the merchant marine act of 1928 to, or for extending or increasing an ocean mail contract now held by any person, firm, corporation, or association which directly or indirectly, through any associate, affiliate, subsidiary, or holding company, or otherwise, operates, as owner, agent, or charterer, any foreign-flag ships in competition with any American-flag ships.

On No. 44: Appropriates $19,460,000, as proposed by the Senate, instead of $19,000,000, as proposed by the House, for domestic air mail transportation, and eliminates the language inserted by the Senate designating the routes upon which the additional $460,000 is to be expended.

On Nos. 45 and 46: Appropriates $516,000, as proposed by the Senate, instead of $505,000, as proposed by the House, for transmission of mail by pneumatic tubes in New York City, and fixes the annual rate per mile to be paid at not to exceed $19,500, as proposed by the Senate, instead of $18,500, as proposed by the House.

On No. 47: Strikes out, as proposed by the Senate, the limitation in the House bill respecting the filling of vacancies.

On Nos. 48 and 49: Corrects section numbers.

On No. 50: The House bill contains a section requiring that the Secretary of the Treasury in the case of the Treasury Department and the Postmaster General in the case of the Post Office Department, in the expenditure of appropriations, shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles may cost more, if such excess of cost be not unreasonable. The Senate has modified this section by requiring that in giving effect to it, special consideration be given to the domestically manufactured article where the raw material of which the article is made is grown in the United States; and the House has accepted the Senate amendment.

On Nos. 51 and 52: Corrects section numbers.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
Managers on the part of the House.

ACTION ON PROHIBITION

Mr. DE PRIEST. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DE PRIEST. Mr. Speaker and Members of the House, I shall only occupy a short period of your time. I want to take this opportunity, as Congress will be adjourning shortly sine die, to express my appreciation of the courteous treatment that I have received since I have been in Congress from the Democratic Members. I came here with some misgivings as to what might happen. I want to say that I am more than pleased.

But I want to call the attention of the majority Members to one or two things. During this session of Congress they have had control, and we have had several gestures here. The first was the so-called tariff bill to take away the power of the President. The next was the Patman bonus bill. That was a puny gesture, for everyone knew that the Government could not pay it at this time.

The next was the so-called Garner "pork barrel" bill. Everyone knows that that bill will never become a law.

Now, I want the Democrats to make good, and the only chance they have, since there has been a failure of most things, is that the Democratic convention at Chicago adopted a repeal plank and they ask for immediate modification of the Volstead Act. I want to say that there are enough Members on the Republican side to join with you Democrats to immediately modify the Volstead Act. [Applause.]

Mr. BLACK. Bishop Cannon would not let your President sign a modification act.

Mr. DE PRIEST. He will sign it, and we will have the same President after the next election. [Applause.]

If you are on the square, you have the committees, you have the House, and you can bring in a bill that will modify the Volstead Act, and we will help you pass it. [Applause.] If we had the House, and our convention had hog-tied us as your convention has hog-tied you, we would proceed immediately. Have you the courage to do it?

[Here the gavel fell.]

APPROPRIATION BILLS

Mr. SNELL. Mr. Speaker, I want to ask the majority leader about the three appropriation bills that have not yet passed—the Treasury and Post Office, the Agriculture and the War Department bills. Two of them are here on the Speaker's table. The normal, natural procedure would be to take those bills up now and do what we can with them.

Mr. RAINEY. The gentleman does not want them taken up to-night. We can do it to-morrow.

Mr. SNELL. The current appropriations expire at 12 o'clock to-night.

Mr. STAFFORD. There have been instances in the history of Congress where they have gone over two days without any resolution being passed for the interim.

Mr. SNELL. We have two bills on the Speaker's table. Why not act on them?

Mr. RAINEY. Two of those bills are still in conference.

Mr. LAGUARDIA. Under our Constitution no department can properly function unless it has authority from Congress and an appropriation, and after 12 o'clock to-night the Department of Justice could not properly function.

Mr. SNELL. And the Secretary of War ought to shut down every improvement on rivers and harbors. I do not know that he would do it.

EXTENSION OF REMARKS—THE APPEAL FOR VOTES

Mr. DE PRIEST. Mr. Speaker and Members of the House, the Democratic Party has had control of this Congress since the 7th day of last December. They have not offered one piece of constructive legislation with any hope of final enactment. All legislation they have offered has been of the type to appeal to the popular sentiment to get votes, and not to try to better the conditions of the Amer-

merchandise (except the appraiser of merchandise at the port of New York), 21 in all, with annual salaries aggregating $102,000, are hereby abolished. The duties imposed by law and regulations upon surveyors and appraisers of customs, their assistants and deputies (except the surveyor and the appraiser, their assistants and deputies at the port of New York) are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$410,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$27,800,220"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "$19,460,000"; and the Senate agree to the same.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
Managers on the part of the House.

TASKER L. ODDIE,
REED SMOOT,
GEO. H. MOSES,
E. S. BROUSSARD
(Except amendment 29),
PARK TRAMMELL
(Except amendment 29).
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate (except No. 9) to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

On Nos. 1, 2, 3, 4, and 5, relating to the general price limitation on purchases of typewriters: Confines the limitation to "standard" typewriting machines, as proposed by the House bill; strikes out the authority inserted by the Senate making the limitation apply to "portable desk models"; fixes the maximum price limitation on 10-inch correspondence models at $70, as proposed by the House, instead of $60, as proposed by the Senate; and restores the House language requiring purchase of machines distinctively quiet in operation to be made only on the written order of the head of the department or establishment concerned in such purchase.

On No. 6: Appropriates $640,000, as proposed by the Senate, instead of $770,000, as proposed by the House, for purchase of distinctive paper for United States securities.

On Nos. 7, 8, and 10, relating to the Customs Service: Appropriates $22,000,000, as proposed by the Senate, instead of $22,700,000, as proposed by the House; fixes the limitation upon personal services in the District of Columbia at $480,000, as proposed by the Senate, instead of $494,470, as proposed by the House; and restores the House provision, stricken out by the Senate, abolishing the offices of comptrollers of customs, surveyors of customs, and appraisers of merchandise (except the appraiser at the port of New York), 29 in all, with annual salaries aggregating $153,800, modified so as also to exempt from abolishment the offices of the comptrollers of customs and the office of surveyor of customs at the port of New York and thereby reduces the number of offices to be abolished to 21 with annual salaries aggregating $102,000.

On Nos. 11 and 12, relating to the Federal Farm Loan Bureau: Appropriates $950,000, instead of $1,011,500, as proposed by the House, and $911,500, as proposed by the Senate, and adjusts the limitation on personal services in the District at $410,000, instead of $430,000, as proposed by the House, and $387,000, as proposed by the Senate.

On Nos. 13 and 14, relating to the Bureau of Industrial Alcohol: Appropriates $4,525,000, as proposed by the Senate, instead of $4,725,000, as proposed by the House, and fixes the limitation on personal services in the District of Columbia at $354,320, as proposed by the Senate, instead of $369,320, as proposed by the House.

On Nos. 15 and 16, relating to the Bureau of Narcotics: Appropriates $1,525,000, as proposed by the Senate, instead of $1,625,000, as proposed by the House, and makes available $203,120, as proposed by the Senate, for personal services in the District of Columbia, instead of $216,120, as proposed by the House.

On Nos. 17 to 24, inclusive, relative to the Coast Guard: Appropriates $20,640,000, as proposed by the House, instead of $18,240,000 as proposed by the Senate, for pay and allowances; appropriates $1,950,000, as proposed by the Senate, instead of $2,250,000, as proposed by the House, for fuel, etc.; appropriates $1,970,000, as proposed by the Senate, instead of $2,140,000, as proposed by the House, for outfits, ship chandlery, etc.; appropriates $520,000, as proposed by the Senate, instead of $525,000, as proposed by the House, for repairs to stations, etc.; appropriates $140,000, as proposed by the Senate, instead of $170,000, as proposed by the House, for coastal communication lines; appropriates $255,000, as proposed by the Senate, instead of $260,000, as proposed by the House, for contingent expenses; appropriates $2,100,000, as proposed by the Senate, instead of $2,300,000 as proposed by the House, for repairs to vessels; and adjusts the total.

On No. 25: Appropriates $6,430,000, as proposed by the Senate, instead of $6,535,000, as proposed by the House, for the Bureau of Engraving and Printing.

On Nos. 26, 27, 28, and 29, relating to the Public Health Service: Appropriates $5,680,000, as proposed by the Senate, instead of $6,000,000, as proposed by the House, for pay of personnel and maintenance of hospitals; appropriates $420,000, as proposed by the Senate, instead of $500,000, as proposed by the House, for maintenance of the quarantine service; appropriates $350,000, as proposed by the House, instead of $400,000, as proposed by the Senate, for prevention of epidemics; and appropriates $300,000, as proposed by the House, instead of $3,000,000, as proposed by the Senate, for rural sanitation.

On Nos. 30, 31, and 32: Provides, as proposed by the Senate, for the assay offices at Carson City, Nev.; Boise, Idaho; Helena, Mont.; and Salt Lake City, Utah; and appropriates $1,339,670, as proposed by the Senate, instead of $1,415,000, as proposed by the House, for salaries and expenses of operation of all mints and assay offices.

On Nos. 33, 34, 35, 36, 37, 38, 39, and 40, relating to public buildings: Strikes out, as proposed by the Senate, the appropriation of $100,000 contained in the House bill for

remodeling and extending completed and occupied public buildings; appropriates $475,000, as proposed by the Senate, instead of $1,000,000, as proposed by the House, for repairs to public buildings; appropriates $600,000, as proposed by the Senate, instead of $775,000, as proposed by the House, for mechanical equipment of public buildings; appropriates $150,000, as proposed by the Senate, instead of $190,000, as proposed by the House, for vaults and safes for public buildings; appropriates $2,740,000, as proposed by the Senate, instead of $2,750,000, as proposed by the House, for general expenses; appropriates $1,940,000, as proposed by the Senate, instead of $2,200,000, as proposed by the House, for furniture for public buildings; appropriates $3,501,500, as proposed by the Senate, instead of $3,901,500, as proposed by the House, for operating supplies; and makes available $682,880, as proposed by the Senate, instead of $694,880, as proposed by the House, for salaries in the Office of the Supervising Architect.

POST OFFICE DEPARTMENT

On Nos. 41 and 42, relating to contingent expenses: Appropriates $8,500 for telegraphing, and makes $2,500 immediately available, as proposed by the Senate, instead of an appropriation of $6,000, as proposed by the House; and makes the appropriation for miscellaneous expenses available for the purchase of a new passenger automobile for the Postmaster General, as proposed by the Senate.

On No. 43, relating to the transportation of foreign mail by steamship: Strikes out, as proposed by the Senate, the limitation in the House bill prohibiting the use of the appropriation for payment on ocean mail contract No. 56 awarded to the Seatrain Co., and also strikes out the House limitation prohibiting the use of the appropriation for the purpose of awarding after March 1, 1932, an ocean mail contract under the merchant marine act of 1928 to, or for extending or increasing an ocean mail contract now held by any person, firm, corporation, or association which directly or indirectly, through any associate, affiliate, subsidiary, or holding company, or otherwise, operates, as owner, agent, or charterer, any foreign-flag ships in competition with any American-flag ships.

On No. 44: Appropriates $19,460,000, as proposed by the Senate, instead of $19,000,000, as proposed by the House, for domestic air mail transportation, and eliminates the language inserted by the Senate designating the routes upon which the additional $460,000 is to be expended.

On Nos. 45 and 46: Appropriates $516,000, as proposed by the Senate, instead of $505,000, as proposed by the House, for transmission of mail by pneumatic tubes in New York City, and fixes the annual rate per mile to be paid at not to exceed $19,500, as proposed by the Senate, instead of $18,500, as proposed by the House.

On No. 47: Strikes out, as proposed by the Senate, the limitation in the House bill respecting the filling of vacancies.

On Nos. 48 and 49: Corrects section numbers.

On No. 50: The House bill contains a section requiring that the Secretary of the Treasury in the case of the Treasury Department and the Postmaster General in the case of the Post Office Department, in the expenditure of appropriations, shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles may cost more, if such excess of cost be not unreasonable. The Senate has modified this section by requiring that in giving effect to it, special consideration be given to the domestically manufactured article where the raw material of which the article is made is grown in the United States; and the House has accepted the Senate amendment.

On Nos. 51 and 52: Corrects section numbers.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
Managers on the part of the House.

ACTION ON PROHIBITION

Mr. DE PRIEST. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DE PRIEST. Mr. Speaker and Members of the House, I shall only occupy a short period of your time. I want to take this opportunity, as Congress will be adjourning shortly sine die, to express my appreciation of the courteous treatment that I have received since I have been in Congress from the Democratic Members. I came here with some misgivings as to what might happen. I want to say that I am more than pleased.

But I want to call the attention of the majority Members to one or two things. During this session of Congress they have had control, and we have had several gestures here. The first was the so-called tariff bill to take away the power of the President. The next was the Patman bonus bill. That was a puny gesture, for everyone knew that the Government could not pay it at this time.

The next was the so-called Garner "pork barrel" bill. Everyone knows that that bill will never become a law.

Now, I want the Democrats to make good, and the only chance they have, since there has been a failure of most things, is that the Democratic convention at Chicago adopted a repeal plank and they ask for immediate modification of the Volstead Act. I want to say that there are enough Members on the Republican side to join with you Democrats to immediately modify the Volstead Act. [Applause.]

Mr. BLACK. Bishop Cannon would not let your President sign a modification act.

Mr. DE PRIEST. He will sign it, and we will have the same President after the next election. [Applause.]

If you are on the square, you have the committees, you have the House, and you can bring in a bill that will modify the Volstead Act, and we will help you pass it. [Applause.] If we had the House, and our convention had hog-tied us as your convention has hog-tied you, we would proceed immediately. Have you the courage to do it?

[Here the gavel fell.]

APPROPRIATION BILLS

Mr. SNELL. Mr. Speaker, I want to ask the majority leader about the three appropriation bills that have not yet passed—the Treasury and Post Office, the Agriculture and the War Department bills. Two of them are here on the Speaker's table. The normal, natural procedure would be to take those bills up now and do what we can with them.

Mr. RAINEY. The gentleman does not want them taken up to-night. We can do it to-morrow.

Mr. SNELL. The current appropriations expire at 12 o'clock to-night.

Mr. STAFFORD. There have been instances in the history of Congress where they have gone over two days without any resolution being passed for the interim.

Mr. SNELL. We have two bills on the Speaker's table. Why not act on them?

Mr. RAINEY. Two of those bills are still in conference.

Mr. LAGUARDIA. Under our Constitution no department can properly function unless it has authority from Congress and an appropriation, and after 12 o'clock to-night the Department of Justice could not properly function.

Mr. SNELL. And the Secretary of War ought to shut down every improvement on rivers and harbors. I do not know that he would do it.

EXTENSION OF REMARKS—THE APPEAL FOR VOTES

Mr. DE PRIEST. Mr. Speaker and Members of the House, the Democratic Party has had control of this Congress since the 7th day of last December. They have not offered one piece of constructive legislation with any hope of final enactment. All legislation they have offered has been of the type to appeal to the popular sentiment to get votes, and not to try to better the conditions of the Amer-

ican people. They have made a great hue and cry for economy. I agree with them that we should economize.

The Democrats are not the party of construction, but generally the party of destruction. In other words, let me remind you that the emblem of the Democratic Party is the donkey; the emblem of the Republican Party is the elephant. Under the conditions under which this country is now operating there is serious economic depression, and there is need of constructive legislation. This is not a job for a donkey, but a job for an elephant.

With the four years' experience Mr. Hoover has had in the White House, he is the best-prepared man to occupy his seat for the next four years in order to bring this country out of the great dilemma it is now in.

To quote from a speech delivered by one of the greatest living orators in America—I am happy to say a man of my own race—Roscoe Conkling Simmons, delivered in Chicago on June 15, I present the following:

In this city the Republican Party entered upon its matchless career. Here it anointed deathless Lincoln and accepted the infamous challenge of disunion.

Now we are met here again. We have come to reanoint the present chief of our cause and accept the challenge of despair.

The father of our faith, was said by Ingersoll, renowned in the story of gifted speech, to have been as patient as destiny. Time will again write upon the brightest page of fame. She will dip her pen in the dews of truth and beneath the story of the patience of Lincoln, which gave us the new Nation, she will write of the endurance of Herbert Hoover, which offers us the new spirit of inward conquest.

Up from the Revolution came Lincoln. His was the appointed task, and he performed it in the way appointed for the few born not to die.

Forward from the Rebellion came Herbert Hoover to perform for government as Lincoln performed for man. He is the fullest bloom of the intrepid youth of our land.

He examples the possibilities of this new state and answers the expectation of the grandest motherhood in the annals of sacrifice and struggle.

In 1880, at the convention which produced Garfield, Douglass, the forensic genius in black, invented the motto of our cause. He had measured all hopes in the flash of the sword of incomparable Grant. He himself had undergone no small suffering. He had seen the pen of Lincoln make the world over in a night and create the first empire that liberty had ever known.

He had seen your fathers, who had established this Nation above all governments, go away when Lincoln called, thousands never to return, except as they return in me who speaks to you now. He had seen my emancipator fall in death as he lifted me, and those seen with me, from the living, merciless death of fetters.

Led on by memory, urged, too, by gratitude, Douglass cried out to the convention which arose at his words: "The Republican Party is the ship; all else is the sea."

Mr. Chairman, the ship of which Douglass then spoke still sails. All else is still the sea, and now I am permitted to speak of my captain. With eye and heart I examine him. I watch him on the bridge. I note him most when most the storm is wild. Another voyage I remember.

The Captain of the vessel of eternal hope was once begged by His followers to speak to the loosened elements that shook the sea and put out the stars. With countenance fashioned by the mistakeless hand of divinity, He smiled the sea into ripples and the winds into zephyrs.

The inquiry of His astonished voyagers lives in every heart that loves and hopes. They inquired in one voice, "What manner of man is this that wind and sea obey His will?"

Around our captain now rolls the sea of circumstances, high and full and violent. The winds of a disturbed world beat upon his face. But mark him. Unwearied and unmoved he stands as if he were the last long test of manliness in man.

What manner of man is he? Without fear he rides the tempest and accepts the challenge of each mocking wind. Let others, Mr. Chairman, speak of his genius in government. I dwell upon other things. Herbert Hoover is the only hero that the bloodless war of changing opinions has produced in his century. In youth we discover the patriarch.

I speak now because I am a Republican. All I am I owe to the Republican Party. I owe the Republican Party all I hope to be. It found me in rags and clothed me in robes of citizenship. It found me dumb and taught me the language of Shakespeare. It taught me to write my name and stand where you now see me.

Behind us is a record achieved by no other political parliament in history. Above us are names that live in the precious list of the godlike: Lincoln, above the praise of man; Grant, the only soldier who never lost a battle; Garfield and Harrison, too; McKinley, the defender of the faith, and our choice one, who stood among us and reached the highest peak of moral grandeur—the first, the real, the only Roosevelt.

Not long ago I stood before the tomb of Lincoln. I sought a word from him for times that trouble and for the struggle that often almost overcomes me. As I stood there, I was heavy no longer. I saw Lincoln everywhere, in all the brightness of his immortal state. It was evening and the beauty of the twilight fell upon the grandest sarcophagus among the tombs of all the great.

He seemed to speak. He seemed to say: "I died that you might be fleet of foot. Go, go and speak to those who still gather in my name. Say that I dwell in spirit about the stout and burdened heart that now wears the Nation upon it. Say to Hoover, if by chance you see him, that once I traveled the path now trod by him. Say to him that that path was cleared by time only for the few brave enough to walk alone toward these immortal fields where you sought and found me."

Mr. Chairman, in the name of my State, Illinois, home of Lincoln, of Grant, and Logan, in the name of the millions made into men by the Republican Party, in the name of the youth of our country and the honor of the Nation, I second the nomination of Herbert Hoover.

ADJOURNMENT

Mr. RAINEY. We can attend to that to-morrow. I do not think that five minutes will make any difference.

Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p. m.) the House adjourned until to-morrow, Friday, July 1, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

623. A letter from the Secretary of War, transmitting a report dated June 28, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Gloucester Harbor and Annisquam River, Mass.; to the Committee on Rivers and Harbors.

624. A letter from the Secretary of War, transmitting a report dated June 28, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of waterway from Miami to Key West, Fla.; to the Committee on Rivers and Harbors.

625. A letter from the Secretary of War, transmitting a report dated June 29, 1932, from the Chief of Engineers, United States Army, on Licking River, Ky.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. EATON of Colorado: Committee on the Public Lands: S. 4509. An act to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain"; without amendment (Rept. No. 1737). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 12870) to establish a Federal Alcoholic Liquor Board in the Department of Agriculture to aid in putting the agricultural industry on a sound commercial basis by providing incentives to crop diversification and a market for surplus farm products; to the Committee on Agriculture.

By Mr. HARTLEY: A bill (H. R. 12871) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. EATON of Colorado: A bill (H. R. 12872) imposing upon consignors of liquid fuels the duty of making monthly reports to the Bureau of Mines in the Department of Commerce, and imposing penalties; to the Committee on Interstate and Foreign Commerce.

By Mr. GAMBRILL: A bill (H. R. 12873) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. BACON: A bill (H. R. 12874) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. LaGUARDIA: A bill (H. R. 12875) to amend section 148 of the revenue act of 1932, as amended; to the Committee on Ways and Means.

By Mr. COLTON: A bill (H. R. 12876) to grant the right to cut timber in national forests for the construction of a railroad from Craig, Colo., to Salt Lake City, Utah; to the Committee on the Public Lands.

By Mr. BACON: Joint resolution (H. J. Res. 453) proposing an amendment to the Constitution repealing the eighteenth amendment; to the Committee on the Judiciary.

By Mr. LINTHICUM: Joint resolution (H. J. Res. 454) concerning the expenses of participation by the United States in the General Disarmament Conference at Geneva and in the International Radiotelegraph Conference at Madrid; to the Committee on Economy.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DREWRY: A bill (H. R. 12877) for the relief of George R. Slate; to the Committee on Military Affairs.

By Mr. HUDDLESTON: A bill (H. R. 12878) granting a pension to Mrs. Vallie M. Lawrence; to the Committee on Pensions.

By Mr. LEA: A bill (H. R. 12879) for the relief of Peter Haan; to the Committee on Military Affairs.

By Mr. PALMISANO: A bill (H. R. 12880) granting an increase of pension to Alice M. LeCompte; to the Committee on Pensions.

By Mr. SIMMONS: A bill (H. R. 12881) granting an increase of pension to Susan A. Westbrook; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 12882) granting a pension to Thomas Johnson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8475. By Mr. AMLIE: Memorial of League of Wisconsin Municipalities, urging the passage of a $5,000,000,000 prosperity loan to municipalities; to the Committee on Ways and Means.

8476. By Mr. CLARKE of New York: Petition of Francis W. Johnston and 59 residents of Cooperstown, N. Y., protesting against cash payment of the bonus; to the Committee on Economy.

8477. By Mr. CULKIN: Petition of Edward A. Smyth and 37 other residents of Cazenovia, N. Y., urging the ending of national prohibition and the levying of taxes on the liquor traffic to relieve the present tax situation; to the Committee on the Judiciary.

8478. By Mr. PERKINS: Petition of mayor and council of borough of Bogota, N. J., appealing for protection from possible elimination from Edgewater, Bergen County, N. J., of the sugar-refining industry owing to the heavy importation of refined sugar from Cuba and other parts of the world on account of low rates of duty; to the Committee on Ways and Means.

8479. Also, petition of mayor and council of the borough of Fairview, N. J., appealing for protection from possible elimination from Edgewater, N. J., of the sugar-refining industry owing to the heavy importation of refined sugar from Cuba and other parts of the world on account of low rates of duty; to the Committee on Ways and Means.

8480. By Mr. SMITH of Idaho: Resolution adopted by the Rupert Grange, Rupert, Idaho, urging the enactment of the Swank-Thomas bill; to the Committee on Agriculture.

8481. Also, resolution adopted by the Rockland Valley Grange, Rockland, Idaho, urging the enactment of the Swank-Thomas bill; to the Committee on Agriculture.

8482. Also, resolution adopted by the Northview Grange, No. 181, Buhl, Idaho, urging the enactment of the Swank-Thomas bill; to the Committee on Agriculture.

8483. By Mr. YATES: Petition of Dr. C. H. Eldridge, of West Frankfort, urging passage of Senate bill 2793, for the regulation of busses and trucks; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, JULY 1, 1932

(Legislative day of Thursday, June 30, 1932)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ark.
Austin	Davis	Kean	Robinson, Ind.
Barbour	Dickinson	Kendrick	Sheppard
Bingham	Fess	Keyes	Shipstead
Black	Fletcher	La Follette	Shortridge
Blaine	Frazier	McGill	Smoot
Borah	George	McNary	Steiwer
Bratton	Glenn	Metcalf	Thomas, Idaho
Brookhart	Goldsborough	Moses	Townsend
Broussard	Hale	Norbeck	Trammell
Bulow	Hatfield	Norris	Vandenberg
Capper	Hawes	Nye	Wagner
Caraway	Hayden	Oddie	Walcott
Carey	Hebert	Patterson	Watson
Coolidge	Howell	Pittman	White
Copeland	Johnson	Reed	

The PRESIDENT pro tempore. Sixty-three Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Mrs. Daisy Lewis, of Lisman, Ala., praying for the passage of legislation providing a pension for children of World War veterans, which was referred to the Committee on Pensions.

He also laid before the Senate a letter in the nature of a petition from J. E. Cooke, Jr., of New Orleans, La., praying an investigation of alleged "racketeering" in the prices charged for gasoline and automobile tires, in connection with the operation of the revenue act of 1932, which was referred to the Committee on Finance.

He also laid before the Senate a telegram from John Romaszkiewicz, president of the Polish National Alliance, Chicago, Ill., relative to Senate Joint Resolution 101, designating General Pulaski's Memorial Day, which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a memorial from President Alexandroff, of the Union of the Russian Judiciary Abroad, New York City, N. Y., remonstrating against the recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a letter in the nature of a memorial signed by Jacques M. Lissovoy, commander of Chicago Post, the Russian Veterans' Society of the World War, Chicago, Ill., remonstrating against the recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also laid before the Senate memorials and telegrams in the nature of memorials from sundry citizens and organizations of the States of Indiana, Massachusetts, New York, and Pennsylvania, remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

Mr. CAPPER presented a petition of sundry citizens of Junction City, Kans., praying for the passage of legislation establishing a pension system for railroad employees, which was referred to the Committee on Interstate Commerce.

Mr. BINGHAM presented papers, numerously signed by sundry citizens of Connecticut, indorsing the petition for a redress of grievances, especially with reference to retrenchment in governmental expenditures, sent to the President

and the Congress by the National Economy Committee on May 4, 1932, which were ordered to lie on the table.

Mr. COPELAND presented a letter from Frederick C. Kronmiller, secretary of the Oneida County Bar Association, Utica, N. Y., transmitting copy of a report of a special committee selected by the association to investigate and consider proposed changes in the bankruptcy laws of the United States, which, with the accompanying paper, was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Cazenovia, N. Y., praying for the adoption of measures looking to the immediate ending of national prohibition and for the levying of taxes on the liquor traffic, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Eighth Annual Conference of the Hospital Association of New York State, favoring the repeal of all laws granting hospital and other benefits to ex-soldiers for illnesses incurred in civilian life and unrelated to war service, etc., which were referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Douglas L. Elliman, trustee for the Fifth Avenue Hospital, New York City, N. Y., praying for the repeal of all laws granting hospital and other benefits to ex-soldiers for illnesses incurred in civilian life and unrelated to war service, which was referred to the Committee on Finance.

He also presented a telegram embodying a resolution adopted by the annual convention of the New York State League of Savings and Loan Associations, held at Lake Placid, N. Y., opposing the passage of legislation for the establishment of home-loan land banks, which was ordered to lie on the table.

He also presented papers in the nature of memorials from the Brownsville Youth Center (Inc.), of Brooklyn, and the Harry Simms Youth Branch of the International Labor Defense, of the Bronx, both in the State of New York, remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (H. R. 7199) for the relief of Frank Martin, reported it with amendments and submitted a report (No. 972) thereon.

He also, from the same committee, to which was referred the bill (H. R. 7215) for the relief of May Weaver, reported it with an amendment and submitted a report (No. 966) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5211. An act for the relief of the heirs of Samuel B. Inman (Rept. No. 967);

H. R. 5276. An act for the relief of Hilda Barnard (Rept. No. 968);

H. R. 5513. An act to permit the United States to be made a party defendant in certain cases (Rept. No. 969); and

H. R. 7309. An act for the relief of Frank R. Scott (Rept. No. 970).

Mr. NORBECK, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4940) to provide temporary aid to agriculture for the relief of the existing national economic emergency, reported it with amendments and submitted a report (No. 973) thereon.

POST-OFFICE LEASES (S. REPT. NO. 971)

Mr. BLAINE, from the Select Committee on Post Office Leases, pursuant to Senate Resolutions 244 and 422 of the Seventy-first Congress, submitted a report relative to the matter of leases for post-office buildings and commercial stations and substations, etc.

Mr. HASTINGS and Mr. HEBERT submitted additional views relative to the matter of post-office leases, which were ordered to be printed in connection with Senate Report No. 971.

ATTORNEYS' FEES IN SENATORIAL ELECTION CONTESTS

Mr. BRATTON, from the Committee on Privileges and Elections, reported a resolution (S. Res. 258), as follows:

Resolved, That it is the sense of the Senate that in any contest hereafter instituted involving the right to membership in the United States Senate fees and compensation to the attorney or attorneys for either party shall not exceed $5,000.

ENROLLED BILL PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, July 1, 1932, that committee presented to the President of the United States the enrolled bill (S. 4874) to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSES:

A bill (S. 4944) granting an increase of pension to Mary L. Brimmer (with accompanying papers); to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 4945) granting a pension to Narcissa Hussey (with accompanying papers); and

A bill (S. 4946) granting a pension to Wilbern Alonzo Hussey (with accompanying papers); to the Committee on Pensions.

By Mr. BLAINE:

A joint resolution (S. J. Res. 191) to provide relief for persons temporarily in the District of Columbia; ordered to lie on the table.

AMENDMENT TO THE HOME-LOAN BANK BILL

Mr. BINGHAM submitted an amendment intended to be proposed by him to the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes, which was ordered to lie on the table and be printed.

ALTERNATE MATERIALS IN PUBLIC-BUILDING CONSTRUCTION

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 4929) to provide for the consideration of alternate materials in the construction of public buildings, which was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

REGULATION OF THE BITUMINOUS COAL INDUSTRY

Mr. HAYDEN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 2935) to regulate interstate and foreign commerce in bituminous coal; provide for consolidations, mergers, and cooperative marketing; require the licensing of corporations producing and shipping coal in interstate commerce; and to create a bituminous coal commission, and for other purposes, which was referred to the Committee on Mines and Mining and ordered to be printed.

ELIZABETH B. DAYTON

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 904) for the relief of Elizabeth B. Dayton, which was to strike out all after the enacting clause and insert:

That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Elizabeth B. Dayton as to whether she suffered an injury while employed in the United States Shipping Board some time in the year 1928 compensable under said act and after the date of its enactment, in the same manner and to the same extent as if said Elizabeth B. Dayton had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefit shall accrue prior to the enactment of this act.

Mr. COOLIDGE. Mr. President, in behalf of my colleague [Mr. WALSH of Massachusetts], I move that the Senate concur in the House amendment.

The motion was agreed to.

CLAIM OF JOSEPH E. BOURRIE CO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2570) authorizing adjustment of the claim of Joseph E. Bourrie Co., which was, on page 2, line 5, after the word "claim," to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. HOWELL. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

PRICES OF FARM PRODUCTS

Mr. NORBECK. Mr. President, I ask permission to have printed in the RECORD an article which appears in the United States Daily on the question of the prices of farm products. The heading is, "Average Price of Farm Products 52 Per Cent of Pre-War Figure." When we consider, in addition to that, the purchasing power is about half what it was before the war, we realize that the price of farm crops is not sufficient to pay for harvesting and marketing as the market stands now. I ask that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the United States Daily, July 1, 1932]

AVERAGE PRICE OF FARM PRODUCTS 52 PER CENT OF PRE-WAR FIGURE

The general average of prices paid to farmers for their products fell to another new low record June 15 when it reached 52 per cent of the pre-war level, the Department of Agriculture stated June 30 in a summary of the movement of farm prices.

All groups of farm products except fruits and vegetables declined from May 15 to June 15, the department said, dairy products leading in the drop. At 52 per cent of pre-war, the price index is now 28 points lower than a year ago, it was added. The statement follows in full text:

The general average of farm prices fell to a new record low level on June 15. At 52 per cent of pre-war, the index of prices paid farmers for 27 commodities was 4 points lower than on May 15 and 28 points below June, 1931. All subgroups in the index declined from May 15 to June 15, with the exception of fruits and vegetables, which showed an increase of 2 points due to a further seasonal advance in apple prices. Other subgroup comparisons are as follows: Dairy products, down 7 points; grains, cotton, and cottonseed, down 5 points; meat animals, down 2 points; and poultry and poultry products, down 1 point. Grain prices, and especially wheat, barley, and rye, dropped under the pressure of new-crop marketings. Egg prices advanced 0.3 cent per dozen, but a decline in prices of chickens that was much greater than the usual downward seasonal movement more than offset this advance.

Compared to a year ago, the June 15 subgroup indices showed the following declines: Meat animals, down 34 points; fruits and vegetables, down 32 points; cotton and cottonseed, down 28 points; dairy products, down 24 points; grain, down 23 points; and poultry and poultry products, down 22 points.

The farm price of hogs dropped 4.7 per cent from May 15 to June 15, averaging only $2.82 per 100 pounds for the country as a whole on the latter date. At that time the price to producers was just about one-half of the figure for June, 1931.

Although hog slaughter at eight centers declined seasonally from May to June, lard stocks increased considerably, domestic demand for pork and pork products remained poor, and foreign demand for American hog products continued very weak.

The feeding of corn to hogs was less profitable, for the country as a whole, on June 15 than a month earlier, but slightly more remunerative in Iowa. The corn-hog ratio for the United States declined from 9.8 to 9.6 during the period, while the ratio for Iowa advanced from 10.8 to 10.9. Both June 15 ratios were about 9 per cent lower than a year ago.

Beef cattle: Seasonally smaller marketings failed to increase the average farm price of all beef cattle in the United States from May 15 to June 15. Advances in market prices of the better grades were reflected in higher farm prices in Corn Belt States, but a weaker demand for feeders and a shift in marketings to grass-fed animals resulted in lower farm prices elsewhere. In consequence, the June 15 farm price average of $3.81 per 100 pounds for the country as a whole was 2.6 per cent lower than a month earlier and about 27.5 per cent lower than a year ago.

DECLINE IN PRICE OF CORN

Corn: The farm price of corn averaged 29.4 cents per bushel in the United States on June 15, or 2.6 per cent below a month earlier and approximately 45.5 per cent lower than in June, 1931. Private reports of favorable crop developments, burdensome commercial stocks, a weak market and feeding demand, lower wheat prices, and a continued decline in general business activity have all united to depress the farm price to a new low level for the period covered by the record (1908–1932).

Wheat: As the new short crop of winter wheat started to market, ample moisture supplies indicated that the forthcoming harvest would be large in the principal areas of spring wheat production, unless reduced by damage from rust and grasshoppers. Indications also pointed to a new high record carry-over of all wheat in this country on July 1, and foreign and domestic demand continued poor. The natural result was a 12 per cent reduction in the average farm price of wheat from May 15 to June 15, which brought the price to producers down to 37.3 cents a bushel as compared to 51.9 cents in June, 1931.

The shift in sales to a new crop basis was accompanied by a greater than average price decline in the Southwest since the mid-June farm price was discounted to a certain extent due to the higher moisture content of the new grain. The farm price decline in the spring wheat area was also greater from May to June than the average drop for the country as a whole, reflecting prospects for 1932 production of this type of bread grain that are better than last year.

POTATO QUOTATIONS LOWER

Potatoes: The United States average farm price of potatoes dropped from 47 to 44.4 cents per bushel during the month ended June 15. The farm price on the latter date was approximately 45 per cent under that of a year ago. Potato prices slumped drastically in South Central States from May to June as new crop shipments from Oklahoma and Arkansas increased.

The decline was also quite sharp in New England since Maine shipments of old potatoes continued unusually heavy. Prices increased in the north central division where supplies of the 1931 crop are rapidly diminishing. Little change occurred in the averages for far western and south Atlantic sections.

Cotton: With a record-breaking carry-over of United States cotton a certainty, decreased domestic consumption, a seasonal decline in exports, generally favorable weather conditions for the growing crop, and expectations of only a relatively slight reduction in acreage, broke the farm price of cotton to a new low level on June 15. At 4.6 cents per pound, prices to producers were 11.5 per cent under May 15 and about 40 per cent lower than a year ago.

Wool: A drastic decline in wool consumption, the addition of increased marketings of the 1932 clip to already burdensome stocks, and a continued weak demand accompanied the 18 per cent decline in the farm price of wool from mid-May to June 15. The average price to producers on the latter date was 7.2 cents per pound; just 5.8 cents lower than a year earlier.

Part of the decline since May 15, however, represents a shift from a nominal to an actual price level, since relatively few sales were consummated a month ago. Then, too, the reports of some correspondents may have been influenced by the advances given by cooperative marketing associations, since the total price realized by the producers has been little more than the advance during the past few years. The fact remains, however, that local wool prices are but slightly more than half the amount paid to the producer a year ago.

EGGS REACH HIGHER LEVEL

Eggs: One bright spot remains on the farm price horizon, however. This is the advance of approximately 3 per cent in the price paid producers for eggs from May 15 to June 15, which was in marked contrast to the average seasonal decline of 1 per cent between these dates during the past five years. Nevertheless, at 10.6 cents per dozen, the mid-June local market price of eggs was still about 25 per cent below a year ago.

Egg prices strengthened from May to June in response to lighter market receipts and small storage stocks. Low prices during the past few months of eggs have evidently discouraged heavy farm marketings and caused the neglect of many farm flocks during the busy harvest season. This may have relieved some of the pressure of heavy market receipts during June. It should be noted that in North Central States, where marketings have decreased considerably less than in other areas, farm prices continued to decline from May to June.

STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES. Mr. President, in the differences between the House and the Senate on the appropriation bill for the Departments of State, Commerce, Justice, and Labor there is one amendment numbered 132. I move that the Senate recede from its amendment numbered 132.

The PRESIDENT pro tempore. The question is on agreeing to the motion proposed by the Senator from Washington.

Mr. JONES. Mr. President, let me say a word. This is an amendment which the Senate put in, earmarking, it may be said, a part of the appropriation for the northern air mail route. This recession would do away with that earmarking. It would also increase the amount of the appropriation passed by the Senate by $200,000, or restore the item passed by the House in the amount of $7,553,500. That would make a couple of hundred thousand dollars more for this service, and I am satisfied the matter can be very satisfactorily worked out.

Mr. NORBECK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORBECK. What is the question pending?

The PRESIDENT pro tempore. The question is on the motion of the Senator from Washington that the Senate recede from amendment No. 132 in the bill making appropriations for the State, Justice, Commerce, and Labor Departments.

Mr. NORBECK. The motion, if agreed to, I understand, would increase the appropriation as passed by the Senate by $200,000.

Mr. President, this is a very controversial matter. It has been before the committee over which the Senator from Washington presides; it has been fought out. There were $50,000 provided in this bill for this purpose. I have sat as a conferee on the unemployment relief bill, on which there have been nine conferences. We have been trying to pare somewhere, to hold down expenses, trying to keep the Budget from being unbalanced. I do not want to vote in the case of this appropriation bill $200,000 additional, which has not had the approval of our own committee and of the Senate. I want to disagree to that item, for I believe we should practice economy.

Mr. NYE. Mr. President, I think the Senator from South Dakota does not fully understand that the amount that is now in the bill is the amount carried by the bill when it first came to the Senate from the House. When the appropriation bill was reported to the Senate there was a feature earmarking something like $200,000 for the air mail facilities in the Northwest, involving the northern transcontinental route. That earmarking has now been eliminated, but the amount involved remains just as when the bill came to the Senate from the House.

I regret, Mr. President, more than I can say that the Senate conferees have felt it necessary to recommend receding from the amendment embodying this earmarking feature. I regret it because it marks only one more failure of many which have grown out of the undertaking to win what we in the northern tier of States in the Northwest feel is only fair play.

I have caused to be hung upon the back wall of the Chamber a large map of the United States indicating all the present air mail routes in the country. I should like to call the attention of the Senate to the transcontinental routes which now appear upon that map. There is the most southerly one running through Louisiana, Texas, Arizona, New Mexico, and California. Then there is the central route, runing not much north of that, and a more northerly route running from San Francisco to Chicago, leaving the tier of States including Washington, Oregon, Idaho, Montana, North and South Dakota, Minnesota, and Wisconsin without anything resembling a transcontinental air route.

I should like to point out as well that each of the present three transcontinental air routes virtually parallels transcontinental rail mail routes. In other words, the three transcontinental rail routes are augmented by the advent of the air mail service. The northern tier of States of which I speak has four transcontinental railroads, one of them providing a fast mail service for the Government, clearly indicating, as the record reveals, that that route is the most expeditious one for certain oriental mail. The Northern Pacific, the Great Northern, the Milwaukee Railroad, and the Soo Railroad all traverse that territory—four transcontinental railroads—yet there is not a corresponding air mail route to go with them as is the case with all the other transcontinental railroads.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. NYE. I am glad to yield to the Senator.

Mr. SMOOT. I want to say to the Senator that I agree with every word he says and I have no doubt but that ultimately that route will be established. I believe it will be, and I think the action of the committee will really hasten it rather than delay it.

Mr. NYE. I am delighted that the Senator from Utah lends his voice to that thought, for I have wanted to believe that, even with this earmarking feature eliminated, we did not need anticipate a let-up in the furtherance of that northern transcontinental air route.

Mr. NORBECK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from South Dakota?

Mr. NYE. I yield.

Mr. NORBECK. If I understand correctly, it means that there are about $300,000 made available for that route without designating the route. Is that correct?

Mr. NYE. No; that can not be said to be the case, but we are hopeful that a portion of that amount is going to be made available for an air route in that section of the country.

Mr. NORBECK. Without Congress declaring itself as to a preference of the route?

Mr. NYE. That is right.

Mr. NORBECK. The Senator from North Dakota and I both realize that this is not going to make an air mail service. It is going to result in the expenditure of more money over which to fight between the two routes or three routes. The Senator's State is now pretty will served with air mail. It goes not only to Bismarck, the capital of the State, but it serves every thickly settled part of his section of the country. I will admit it is lacking transcontinental connections. My State, however, is in much worse shape in that respect, but, in view of the condition of the Treasury and of other matters, I am perfectly willing to hold up this whole thing for another year.

Mr. NYE. I can readily appreciate the attitude of the Senator from South Dakota, because in South Dakota they have had perhaps even more complaint than we in North Dakota relative to the lack of air mail service. It will be observed from the map that they have finally tried to satisfy South Dakota by giving them a line from Omaha, Nebr., to Watertown, S. Dak. I think the Senator from South Dakota all too well realizes that that is not as adequate or as satisfying a route as would be one running east and west, following the lines of business in that section of the country.

Mr. President, before me I have another map which was reproduced in the New York Times of Sunday, June 19, revealing the airway facilities which have been provided throughout the country. I can not present this map so that the entire Senate may see it; but it corresponds with the map to some extent upon the wall, leaving a wide-open space in the Northwest without any facilities for those who fly over that section whatsoever. So we feel that we are quite justified in insisting that that section of the United States shall ultimately be recognized as entirely deserving of the improvements for which we are asking.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. NYE. I yield.

Mr. VANDENBERG. I call the Senator's attention to another point on the map, to wit, the Lower Peninsula of Michigan where there is some semblance of air mail delivery at present, but where it has been absolutely impossible to get contractual recognition for one of the finest air operations in the country across Lake Michigan, which is the short approach to the great Northwest. All I am under-

taking to say to the Senator at this time is that the section of the country to which he refers is not the only section which finds itself with inadequate air service, for the case for the Lower Peninsula of Michigan can be emphasized quite as strongly as the case which the Senator makes for the area to which he refers.

Mr. NYE. Mr. President, I would hardly agree with the Senator that it can be emphasized to the same degree because there is not by any manner of means the same amount of territory involved, but a mere casual glance at that map reveals that Michigan is without such facilities as other sections of the country are enjoying.

Mr. VANDENBERG. Obviously we have less territory, but, if the Senator will permit me to say so, we have a larger population.

Mr. NYE. We understand that to be true, of course.

Mr. President, I have prepared a window for use in revealing how unbalanced the air mail facilities of the country are at this time. The window which I have drawn meets the North and South Dakota lines, the Canadian line, and reaches out into Montana and Idaho. I merely hold the window up here [indicating], that it may be observed what a large area is without any air mail facilities whatsoever. I want to call the attention of the Senate to the fact that there is not any section anywhere, including Michigan, where there is such a lack of air mail facilities. I move the window around over the map. There is not a section of the country that offers a picture such as is to be observed in the Northwest section.

I repeat that I regret that our conferees find it necessary to recommend that the Senate recede from the Senate amendment covering the matter; but in view of the general feeling, the general assurance which is to be found that our needs in the Northwest are not going to be longer ignored, and that in keeping with the times we are going to get our measure of fair play this year, I am going to refrain from doing what last evening I was sure we in the Northwest would have to do, namely, ask that the Senate insist upon its amendment.

Mr. JONES. Mr. President, that northern line, I am satisfied, will be taken care of in the very near future.

The PRESIDENT pro tempore. The Chair will state the parliamentary situation as he understands it.

The conferees did not reach an agreement with reference to amendment No. 132, and the chairman of the conferees now moves that the Senate recede from its amendment. The question, therefore, is on agreeing to the motion proposed by the Senator from Washington.

The motion was agreed to.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form of government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Michigan [Mr. VANDENBERG] to the amendment of the committee.

Mr. BINGHAM. Let the amendment be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 27, line 7, before the word "designated," the Senator from Michigan proposes to insert "or may be hereafter," so that it will read "heretofore been or may be hereafter designated by the President."

On line 12, before the word "government," insert "independent"; and in the same line strike out "the Commonwealth of," so that it will read:

Granted to the independent government of the Philippine Islands.

Mr. BINGHAM. Mr. President, there are a number of Senators here this morning who were not here when this amendment was debated yesterday afternoon. If I make any statement that is not accurate, I hope the Senator from Michigan will correct me.

The purpose of his amendment is so that whenever the President of the United States, at any time before the Philippine Islands secure their independence, decides that there should be military or other reservations made of land now owned by the United States, he can do so.

My own feeling in the matter is that that is asking too much of the Philippine Islands, and that it is only fair that whatever reservations we are going to make should be made before this bill actually goes into effect.

Therefore, Mr. President, I hope the amendment will be rejected.

Mr. ROBINSON of Indiana. Mr. President, I hope we can find some way to get out of the Philippine Islands. I should like to get clear out of the entire Orient, for the safety of 120,000,000 American people. It is freighted with trouble, loaded with dynamite.

Everyone here knows something of the Japanese situation; and I see no reason why we should not speak plainly. Theirs is an ambitious program, world-wide in scope; and anyone who has been there and has talked to them knows that they say so frankly. Certainly there is no occasion for us to load ourselves with additional responsibilities out there, or with reservations such as this, which tend further to anger a people that is easily wrought up and that always seeks an opportunity for war.

I see no possible good that could come from any such amendment.

Mr. President, there is no way in the world, under the Washington conference agreement, to fortify anything we have in the Orient. We have a small naval base there at Cavite, pitifully weak. There is not a chance in the world for that base to take care of any of our capital ships or large cruisers. The bay itself is entirely too shallow to permit the construction of a sizable drydock, even if permitted.

We have Corregidor, at the entrance to the bay, heavily armed and fortified, with a reserve of six months' provisions. Sixty miles away, far outside the bay, at Olongapo, we have the drydock *Dewey*, which can take only comparatively small ships for overhauling and refitting. These are more bases than we need, by far, since we are not permitted to make them effective.

We have 6,000 troops there, mostly natives, to garrison 7,000 islands extending north and south 1,000 miles, 600 miles east and west. That is fewer than one soldier to the island. Anyone who has examined the situation over there, or who has made the most cursory investigation, must know that a powerful army—one division, even, of some 30,000 units—could land on the west side of Luzon, the largest island and the northernmost, on which Manila, the capital, is situated, and march immediately to Manila, and take the island and take the Archipelago practically without resistance.

What do we want with more reservations there? Why further aggravate the discontent of the Orient in times like these, when we are not in any position at all even to think of war, much less to engage in war?

I submit, Mr. President, there is not one chance in ten million that the President of the United States in the next 20 years would even dream of asking for more territory in the Philippines for garrisons for security, because we can not do anything with what we have. We have no right to fortify. The status quo must prevail and continue to prevail until that treaty which issued from the Washington conference of 1921–22 is ended.

I am wondering if my friend from Michigan foresees war over there, or any attempt on our part to make war. God knows we have had enough war in this century to last us, I hope, for all time to come. This is a gesture that would only tend, to some degree at least, to arouse those forces in the Orient that seek every excuse possible to drag this country into disputation of one kind or another that might ultimately lead to war.

We need no more reservations. What would we do with them if we had them? Suppose we did reserve some coast city, if there were any—there are none in any of the islands, neither Luzon nor Samar nor Cebu nor any of the others—

what would we do with additional reserve territory there for armament purposes?

We want to get away from armament in the Philippines, in the entire Orient. The final outpost of America in the Pacific is Hawaii. There is no question about it. We have a naval base there at Pearl Harbor that is equal to any on earth; and it requires an additional expenditure of $40,000,000 to be made impregnable, as it should be, since it is the complement of the fleet out there, and the fleet is the complement of the base.

If we are going to make any reservations anywhere, let us make them in Hawaii. That is 3,500 miles from Manila—2,100 miles from California. I can not even imagine what we want with additional bases or territory for bases in the Philippines. We can not even fortify what we have, under international agreement.

So, Mr. President, the idea of adding an amendment here that would tend to hold us still more tightly, more permanently in the Philippines, rather than take us out of the Philippines, loaded with trouble for America as they are and will be throughout the years, is something I can not understand at all. I sincerely hope, therefore, that this amendment will be rejected.

I am speaking earnestly. I, like other Members of the Senate and of the body at the other end of the Capitol, feel a sense of tremendous responsibility for what may happen out there. I know everybody in America will breathe easier once we are out of far eastern difficulties, and those troubles are behind us. I only pray God that there may be no difficulty in getting out, that there may be no international complications before we are out. Finally, when we are out, we must stay out. We certainly need no additional territory.

So, Mr. President, I sincerely hope this amendment will be defeated.

Mr. COPELAND and Mr. VANDENBERG addressed the Chair.

The PRESIDENT pro tempore. The Senator from New York.

Mr. VANDENBERG. Mr. President, will the Senator permit me to make a brief comment in response to the Senator from Indiana?

Mr. COPELAND. Certainly.

Mr. VANDENBERG. Mr. President, with much that the Senator from Indiana has said I find myself in complete agreement. The sooner the successful separation could be made the better satisfied I would be. The best proof of that fact is that I should prefer to vote for the so-called King bill, contemplating independence in four years, than for the so-called Hawes-Cutting bill in its present form.

It seems to me that much that the Senator says argues directly against the so-called Hawes-Cutting bill and directly confirms or sustains the theory upon which I have been addressing myself to it.

The Senator wants us to be shorn of our perplexing oriental responsibilities. One might gather from his observation that the so-called Hawes-Cutting bill does separate us from these responsibilities with reasonable promptness. On the contrary, it complicates these responsibilities. Of course the actual fact is that there is no separation short of probably 17 years in the pending Hawes-Cutting bill; and the point I am constantly stressing is that during those 17 years these very national interests of the United States which I join the Senator from Indiana in insisting must have primary consideration are infinitely safer so long as they are in our own hands, so long as we continue to be the captains of their destiny rather than to be even partially or by proxy at the disposal or disposition of this new and tentative Philippine Commonwealth.

I have been insisting—it seems to me that this theory falls squarely within the objectives to which my able friend from Indiana addresses himself—that so long as our flag does remain in the Philippine Islands we must, in justice to our own responsibilities, retain an adequate authority to administer those responsibilities. We must not pretend to take the flag down and yet actually leave it up. The resultant complications from such an uncertain interlude might well directly precipitate the very hazards to which the Senator from Indiana refers and which we both desire to forfend.

So much for the fundamental fact.

The Senator refers to the Washington conference as delimiting our privilege of reinforcing our Philippine situation. He is entirely correct. I had an experience in the Philippines similar to what I have heard him relate respecting the pathetic impossibility of squarely meeting some of our defense necessities in that area under the terms of the Washington treaty. But, Mr. President, the Washington conference treaty will have long outlived its terminus before the expiration of the 17 or 15 or 16 years, whatever the term may be, which is included within the Hawes-Cutting prospectus for Philippine independence. The very fact that we are hamstrung to-day, as indicated by the Senator from Indiana, is a convincing and decisive reason why we should not write a contract which ties us for two decades to these same infirmities.

So far as the pending amendment, therefore, is concerned, it raises only this question: Shall the United States, contemplating 17 more years of responsibility in the Philippines under the pending bill, foreclose itself now from any subsequent decisions respecting military or naval reservations which may be necessary or preferable at some time in this subsequent period?

Mr. President, there is little more I want to say on the amendment. The Senator from Indiana refers to the fact that our reservation at Cavite is utterly inadequate to our purposes. Whether or not that is true, it is one more exhibit bearing upon the necessity, it seems to me, of the type of amendment which I have submitted. If any phase of our Philippine defensive reservations is inadequate to-day, dare we, in the face of that monitory premise, foreclose ourselves for 17 years from all opportunity to correct these inadequacies so long as we hold responsibilities in this turbulent area of the world?

I join the Senator from Indiana in wishing that we could shake ourselves completely free from hazard and exposure at that point. Even though the inevitable fact must be acknowledged that in the economic development of to-morrow the Far East offers more attractive opportunities than any other trade area on earth. We can not ignore the fact that a commercial base for the United States in the Far East may some day be worth its weight in gold. But the fundamental and initial viewpoint must not be a viewpoint which primarily consults our own material welfare. It must be primarily the precise viewpoint to which the Senator from Indiana adverts, and it is on the basis of that viewpoint that I am again insisting, with great respect, that the United States should maintain unto itself, so long as it is the sovereign power in the Philippine Islands, the right to maintain whatever implements are essential to sustain that sovereignty. To do less will be disservice to this contemplated quasi-independent Philippine Commonwealth. To do less will be, above all else, a desertion of our own American welfare and national security. To do less will not warrant peace. The best chance for peace lies in our clear maintenance of our own authority to administer our own responsibilities so long as we are sovereign in the Philippines. Peace, whether for us or for the Orient, is not encouraged by leaving us in any degree at the mercy of Filipino proxies. We must be either all the way in or all the way out of the Philippine government. There must be no twilight zone of authority.

Mr. ROBINSON of Indiana. Mr. President, I simply want to invite the attention of the Senate to subdivisions 1 and 2, on page 38, of the bill now being considered by the Senate, which safeguard all our rights in the Philippines to which the Senator from Michigan has addressed himself. Those sections read as follows:

(1) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(2) That the government of the Philippine Islands will sell or lease to the United States lands necessary for coaling or naval stations at certain specified points, to be agreed upon with the President of the United States not later than two years after his proclamation recognizing the independence of the Philippine Islands.

So there is utterly no need of any additional amendment, still further cluttering up the bill, providing that we have additional reservations in the Philippines. All we ever can require are provided for in the sections of the bill to which I have just alluded.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the junior Senator from Michigan [Mr. VANDENBERG] to the amendment of the committee.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ark.
Austin	Davis	Kean	Robinson, Ind.
Barbour	Dickinson	Kendrick	Sheppard
Bingham	Fess	Keyes	Shipstead
Black	Fletcher	La Follette	Shortridge
Blaine	Frazier	McGill	Smoot
Borah	George	McNary	Steiwer
Bratton	Glenn	Metcalf	Thomas, Idaho
Brookhart	Goldsborough	Moses	Townsend
Broussard	Hale	Norbeck	Trammell
Bulow	Hatfield	Norris	Vandenberg
Capper	Hawes	Nye	Wagner
Caraway	Hayden	Oddie	Walcott
Carey	Hebert	Patterson	Watson
Coolidge	Howell	Pittman	White
Copeland	Johnson	Reed	

The PRESIDENT pro tempore. Sixty-three Senators having answered to their names, there is a quorum present.

Mr. HAWES. Mr. President, the friends of this legislation, the Philippine independence bill, are placed at a very great disadvantage. I happen to know of five or six Senators who want to speak for the bill, who desire to discuss it at length, to bring into the discussion the human element, the question of our national promise, the question of national defense, the question of our position in the Orient. But we are almost prohibited from speaking because every Senator knows what has been going on for the last few days. Faced with adjournment within a few days, we are not presenting the cause of the Philippines in the way we would desire. But when history is written, if by any chance a vote is denied the Senate, the names of the men who have deliberately attempted to block a vote in the Senate will be part of that history.

The section which the Senator from Michigan [Mr. VANDENBERG] attempts to amend was very carefully gone over and discussed by the Senate Committee on Territories and Insular Affairs, every line of it, every word of it. The same thing was done on the House side. We have in the Philippines to-day 800,000 acres of land that belong to the United States. The amendment, opposed by all the members of the committee except the Senator from Michigan, would enlarge if possible our holdings in the Philippines. In 1922, for the purpose of reducing the building of war vessels, the United States entered into a treaty by which we can not defend the Philippines. Everyone knows that, including the Army and the Navy. We can not replace a gun of the caliber we had there in 1922 with a larger gun. We are held down to the fortifications we had at that time. The bill proposes the setting up of an autonomous government and granting the Philippines their independence within a given time, and there does not seem to be any objection to that. In the period of years the Philippines will become a free nation. Now it is proposed to increase our holdings in the Philippines, to enlarge our liability, and to upset the government of the Philippines even as it exists to-day.

Mr. President, I hope the amendment to the amendment will be defeated.

Mr. REED. Mr. President, may we have the amendment to the amendment reported?

The PRESIDING OFFICER (Mr. HEBERT in the chair). The clerk will report the amendment to the amendment for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Michigan proposes, on page 27, line 7, before the word "designated," to insert the words "or may be hereafter," and in line 12, before the word "government," to insert the word "independent," and to strike out the words "the Commonwealth of," so as to read:

SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as has heretofore been or may be hereafter designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the independent government of the Philippine Islands when constituted.

Mr. COPELAND obtained the floor.

Mr. BINGHAM. Mr. President, I hope the Senator from New York will let us vote on the amendment. While there are Senators present who have been called into the Chamber by virtue of the quorum call, will not the Senator let us vote on the amendment to the amendment?

Mr. COPELAND. Mr. President, I wish to speak to the amendment to the amendment.

Mr. HAWES. Mr. President, may I not appeal to the Senator to let us vote on the amendment to the amendment? There has been some discussion yesterday and to-day, and we have been ready for a vote. It can be disposed of in a minute or two, and then the Senator can proceed with his argument.

Mr. COPELAND. Very frankly, I wish to say something about the amendment to the amendment.

Mr. HAWES. Oh, very well.

Mr. COPELAND. I dare say I shall say other things than that, but I do want to speak about the amendment to the amendment.

Mr. HAWES. Very well.

Mr. COPELAND. Mr. President, I listened with great interest to what was said by the Senator from Indiana [Mr. ROBINSON]. I desire to comment along the same lines.

If we give freedom to the Philippines, I can not see why we need to maintain stations, certainly stations that may be considered military stations, in the Orient. Our interests in the Orient will largely dissolve and disappear if our ownership of the Philippines is disposed of as planned for in the bill. I can see how important it might be to have fueling stations in that section, but when we give freedom and independence to the Philippines, a state I hope they will achieve, I want them to have the whole grant, just as we of the United States now have the whole grant. If we free them, we ought not to widen our holdings in the Philippines with the purpose of establishing military or naval stations in the islands.

I agree, too, with the Senator from Indiana in the conviction that we ought not to be in the Philippines. I have always been sorry that we ever acquired sovereignty over the Philippines. If, with the sentiments I have in my heart to-day, I had been a Member of the Senate at the time the treaty was under consideration, I should have voted with the minority desiring to change the language of the treaty so that we might accept temporary sovereignty without complete ownership, as the treaty provided. Likewise I should have voted for the amendment which promised the Philippines independence as soon as they were fit for it.

To my mind there are many reasons why we ought never to have crossed to the other side of the world. Much trouble has come to us in consequence, and possibly more may come.

I find myself in complete mental accord with those in the Senate who desire to give independence to the Philippines. I am embarrassed by the conviction, and bound by my conscience in consequence, that we can not give a deed to the Philippines until our sovereign, the people of the United States, confer upon the Congress the power to alienate sovereignty.

A little while ago the Senator from Missouri [Mr. HAWES] said that when the history of this matter is written it will be shown that certain men interfered with the progress of

the bill. I do not know to whom he refers. If I am one, I want to say that I am entirely content to have a place in history even so humble as that. The Philippines belong to the people of the United States. We are not the agents of the people, so far as any power to alienate sovereignty is concerned. The Congress can not give a clear title to the Philippines. We have no more right to do it than the agent of the owner of lands or buildings could give deeds to those lands or buildings without the delegation of authority from his principal. Therefore, Mr. President, if I appear to be impeding the progress of the bill it is because of the conviction I hold that the Congress has no right under the Constitution to dispose of the Philippines in the way here proposed.

Yesterday, in confirmation of the position I hold, I read from the opinion of Mr. Justice White as rendered in the case of Downes *v.* Bidwell (182 U. S.). I wish to-day to continue the reading of this portion of the opinion, because we come directly to the matter to which I referred yesterday, the conference between President Washington and his Secretary of State, Mr. Jefferson, and his Secretary of the Treasury, Mr. Hamilton. I said yesterday that I was quite confident I had read this in the life of Hamilton, which I have in my library, but to which I have not access now because it is in my home. Yesterday I did read from the writings of Jefferson a very brief account of such a conversation. I find now that my information must have been gained from the reading of this particular opinion in times past, because exactly the information which I wish to convey to the Senate is found in this statement of Mr. Justice White. Therefore, continuing the reading at the bottom of page 315, I quote:

> Undoubtedly, the thought that under the Constitution power existed to dispose of people and territory and thus to annihilate the rights of American citizens was contrary to the conceptions of the Constitution entertained by Washington and Jefferson. In the written suggestions of Mr. Jefferson, when Secretary of State, reported to President Washington in March, 1792, on the subject of proposed negotiations between the United States and Spain, which were intended to be communicated by way of instruction to the commissioners of the United States, appointed to manage such negotiations, it was observed, in discussing the possibility as to compensation being demanded by Spain "for the ascertainment of our right" to navigate the lower part of the Mississippi, as follows.

Mr. President, when I quoted yesterday from Jefferson's works, while the question under discussion had to do with the right of the Congress to alienate territory, the quotation had reference to a later transaction than the one of which I am speaking to-day. The matter which I quoted yesterday from Mr. Jefferson related to the question of our right to alienate certain territory west of the Mississippi to the Indians, but the matter to which I now refer, as this quotation from Mr. Justice White indicates, related to the proposed negotiations between the United States and Spain in March, 1792.

Let me continue the quotation on page 316, but first I will remind the Senate that the question was as to whether the commissioners might consider the question of compensation which might be demanded by Spain. I quote:

> We have nothing else—
>
> Than a relinquishment of certain claims on Spain—
>
> to give in exchange. For as to territory, we have neither the right nor the disposition to alienate an inch of what belongs to any member of our Union.

I am quoting from Mr. Justice White regarding the instructions which were given to the commissioners as to boundaries with Spain. This was the instruction:

> We have nothing else—
>
> Than a relinquishment of certain claims on Spain—
>
> to give in exchange. For as to territory, we have neither the right nor the disposition to alienate an inch of what belongs to any member of our Union. Such a proposition is totally inadmissible and not to be treated for a moment.

Then Mr. Justice White proceeds:

> The rough draft of these observations was submitted to Mr. Hamilton, then Secretary of the Treasury, for suggestions, previously to sending it to the President, some time before March 5, and Hamilton made the following notes upon it.

Now we have Mr. Hamilton's statement. Mr. Justice White quotes Hamilton as follows:

> Page 25: Is it true that the United States have no right to alienate an inch of the territory in question, except in case of necessity intimated in another place? Or will it be useful to avow the denial of such a right? It is apprehended that the doctrine which restricts the alienation of territory to cases of extreme necessity is applicable rather to peopled territory than to waste an uninhabited district? Positions restraining the right of the United States to accommodate to exigencies which may arise ought ever to be advanced with great caution.

That is the end of the immediate quotation from Hamilton.

The same question has arisen—and I turn from this discussion for the moment—in connection with the Guano Island statute. It will be recalled that that statute, which is found in volume 11 of the Statutes at Large of the Thirty-fourth and Thirty-fifth Congresses, made provision for taking possession of uninhabited islands or rocks containing deposits of guano discovered by American citizens. The only argument which I have ever heard which impressed me at all regarding the right of alienation of territory is associated with this guano act, because it is provided in the act—I will not take time to read it, but the reference here will permit one who desires to do so to study it, and it is found on page 119 of the eleventh volume—that our supervision over one of these islands may be removed if we no longer consider it valuable for commercial purposes. However, that was an act of Congress, and of very small consequence, anyway, because it related wholly to unpeopled communities.

Mr. FESS. Mr. President, will the Senator from New York yield to a question?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. COPELAND. Certainly.

Mr. FESS. I think what the Senator from New York has been quoting in regard to Jefferson and Hamilton referred to the transfer by the United States to some other nation of the people inhabiting a possession of the Government. For example, if we should propose to transfer the Philippines to the possession of, say, Japan, I do not think there is any question that we would not have the right to do it. I think it would be entirely inconsistent with our view; and also I doubt whether there is any constitutional right to do it. However, if, on the other hand, it was a question of giving to the Philippines their independence, which would be transferring sovereignty to the people themselves, I doubt whether that would fall in the category referred to in the quotation of the Senator from New York from Mr. Justice White. We did that with Cuba. After taking possession of Cuba and holding for a certain time the island with its people, we then transferred sovereignty, if we ever possessed it, to the people of Cuba; and I do not think any question was raised about it. I am in considerable sympathy with what the Senator from New York has in mind, but I am wondering whether he is not putting rather a strained construction upon the decision of the court to which he is referring?

Mr. COPELAND. Mr. President, I am very much interested in the comments of the Senator from Ohio. He labors under the disadvantage, however, so far as I am concerned, of not having heard my discussion of the treaty and the reason why our possession of the Philippines is on a different basis than in Cuba. For the sake of explaining, in a word, to the Senator from Ohio—because I appreciate his interest in the matter and his thoughtful attention to it—I wish to invite his attention to the difference in the language used in the treaty as regards Cuba contrasted with that relating to Puerto Rico and the Philippines.

In aricle 1 of the treaty with Spain, which I hold in my hand, it is provided:

> Spain relinquishes all claim of sovereignty over and title to Cuba.

While, on the other hand, article 2 provides:

Spain cedes to the United States the island of Puerto Rico.

Article 3 provides:

Spain cedes to the United States the archipelago known as the Philippine Islands.

In my discussion I read from the records of the executive sessions of the Senate when the treaty of peace with Spain was under consideration. An effort was made in the Senate at that time to change the languages of articles 2 and 3, so as to have the language with reference to Puerto Rico and the Philippines identical with that as to Cuba. The Senate, by an overwhelming vote, declined to do it. So far as article 1 of the treaty is concerned, relating to Cuba, we had declared in April, before the beginning of the war, that we would not retain Cuba. In advance of hostilities, in advance of the treaty, we had pledged that we would not retain Cuba, but in the event of a successful war would turn it over to the people of Cuba. What Mr. Gorman and Mr. Vest tried to do in the treaty discussion was to have the language made identical so that we could dispose of the Philippines in exactly the same way that it was proposed to dispose of Cuba. But it was not done, so there is a very marked distinction in our relationship to the Philippines.

Mr. FESS. Mr. President, will the Senator yield to a further interruption?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. COPELAND. Yes.

Mr. FESS. I may be mistaken in the matter, because I have not given it very careful consideration. However, what we did in regard to Cuba was not the result of any particular contract but it was definitely the result of war. While in the case of the Philippines the moving cause, of course, was war, we did enter into a contract and paid Spain $20,000,000. I do not know what the payment should be called; we did not have to make it, but it appeared to be the just thing to do. So there is a relationship between us and the Philippines that is quite different from that which subsisted in the case of Cuba. Is there not an element of contract in the case of the Philippines?

Mr. COPELAND. No; the Senator is wrong about that. He has not read the record recently. The $20,000,000 that we gave Spain was in no sense a part of the consideration for our ownership of the Philippines. The $20,000,000 was to reimburse Spain for the public buildings and public roads which they had built and for which bonds were in existence. It had no relationship at all to our acquisition and ownership of the Philippines.

Mr. FESS. The Senator may be right on that. I have not looked it up recently.

Mr. COPELAND. I am sure about that.

Mr. HAWES. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield to my friend from Missouri.

Mr. HAWES. What actually happened was this:

When our commissioners were engaged in writing the Treaty of Paris we had finished our warfare in Cuba, and Dewey had demolished the Spanish fleet at Manila, but we were not actually in possession of Manila or the Philippine Islands. Our commissioners, therefore, to make this treaty binding, offered $20,000,000 to Spain for her property; and it was brought about by the fact that we did not have actual physical possession of Manila at the time the treaty was under consideration.

Mr. FESS. I thank the Senator. As I stated, it is all a matter of memory. I have not looked it up.

Mr. COPELAND. I can quite see how that would pass out of memory; and, as a matter of fact, the popular idea is that we did give $20,000,000 for the Philippines. As the Senator from Missouri has explained, that was given for a very definite purpose, to reimburse Spain for public works.

Let me advise my friend from Ohio to read carefully, at his convenience, the Fourteen Diamond Rings case in One hundred and eighty-third United States Reports. There is a very complete description there of the distinction between our ownership of the Philippines and of Cuba.

Mr. FESS. I thank the Senator.

Mr. COPELAND. I return, Mr. President, to the correspondence which took place at the instance of President George Washington between the Secretary of State and the Secretary of the Treasury.

Mr. Jefferson contended that we had no right to alienate an inch of our territory; and Mr. Hamilton asked the question whether the United States would not have the right to alienate unpeopled territory. Mr. Justice White comments as follows, One hundred and eighty-second United States Reports, page 316:

Respecting this note, Mr. Jefferson commented as follows:

The power to alienate the unpeopled territories of any State is not among the enumerated powers, given by the Constitution to the general Government, and if we may go out of that instrument and accommodate to exigencies which may arise by alienating the unpeopled territory of a State, we may accommodate ourselves a little more by alienating that which is peopled, and still a little more by selling the people themselves. A shade or two more in the degree of exigency is all that will be requisite, and of that degree we shall ourselves be the judges. However, may it not be hoped that these questions are forever laid to rest by the twelfth amendment once made a part of the Constitution, declaring expressly that "the powers not delegated to the United States by the Constitution are reserved to the States respectively?"

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. COPELAND. I do.

Mr. FESS. The Senator has misquoted the number of the amendment.

Mr. COPELAND. I was quoting from Mr. Justice White. It was really the tenth; was it not?

Mr. FESS. The tenth.

Mr. COPELAND. Yes; that was my recollection.

Mr. FESS. The twelfth has to do with the election of President and Vice President.

Mr. COPELAND. However, with this comment let us leave it as it is, because I am quoting from the decision. It goes on:

And if the General Government has no power to alienate the territory of a State, it is too irresistible an argument to deny ourselves the use of it on the present occasion. Ib.

The opinions of Mr. Jefferson, however, met the approval of President Washington. On March 18, 1792, in inclosing to the commissioners to Spain their commission, he said, among other things:

"You will herewith receive your commission; as also observations on these several subjects reported to the President and approved by him, which will, therefore, serve as instructions for you. These expressing minutely the sense of our Government, and what they wish to have done, it is unnecessary for me to do more here than desire you to pursue these objects unremittingly," etc. (Ford's Writings of Jefferson, Vol. V, p. 456.)

It is rather interesting. I will go on for a little bit:

When the subject matter to which the negotiation related is considered it becomes evident that the word "State" as above used related merely to territory which was either claimed by some of the State, as Mississippi Territory was by Georgia, or to the Northwest Territory embraced within the ordinance of 1787 or the territory south of the Ohio (Tennessee), which had also been endowed with all the rights and privileges conferred by that ordinance, and all which territory had originally been ceded by States to the United States under express stipulations that such ceded territory should be ultimately formed into States of the Union. And this meaning of the word "State" is absolutely in accord with what I shall hereafter have occasion to demonstrate was the conception entertained by Mr. Jefferson of what constituted the United States.

True, from the exigency of a calamitous war or the necessity of a settlement of boundaries, it may be that citizens of the United States may be expatriated by the action of the treaty-making power, impliedly or expressly ratified by Congress.

But the arising of these particular conditions can not justify the general proposition that territory which is an integral part of the United States may, as a mere act of sale, be disposed of. If, however, the right to dispose of an incorporated American Territory and citizens by the mere exertion of the power to sell be conceded, arguendo, it would not relieve the dilemma. It is ever true that where a malign principle is adopted, as long as the error is adhered to it must continue to produce its baleful results. Certainly if there be no power to acquire subject to a condition, it must follow that there is no authority to dispose of subject to conditions, since it can not be that the mere change of form of the transaction could bestow a power which the Constitution has

not conferred. It would follow, then, that any conditions annexed to a disposition which looked to the protection of the people of the United States or to enable them to safeguard the disposal of territory would be void; and thus it would be that either the United States must hold on absolutely or must dispose of unconditionally.

Now, Mr. President, let me skip a few words:

The theory as to the treaty-making power upon which the argument which has just been commented upon rests, it is now proposed to be shown, is refuted by the history of the Government from the beginning. There has not been a single cession made from the time of the confederation up to the present day, excluding the recent treaty with Spain, which has not contained stipulations to the effect that the United States, through Congress, would either not disincorporate or would incorporate the ceded territory into the United States.

Now, I want to show that the unwillingness to cede or relinquish sovereignty has been manifested from the very beginning. I have just quoted the argument between Jefferson and Hamilton. Yesterday I discussed a statement made to General Washington regarding territory occupied by the Indians west of the Mississippi. From the beginning it has been believed alienation of territory is impossible.

Before I speak about the Virginia convention, which I wish to do, I want to call attention to the dictionary meaning of the verb "dispose."

Speaking first of the transitive verb, Webster says the word means:

1. To distribute and put in place, to arrange, to set in order, as to dispose the ships in the form of a crescent.
Who hath disposed the whole world? (Job xxxiv, 13.)
The rest themselves in troops did else dispose. (Spenser.)

The second meaning, according to Webster, is:

2. To assign to a certain place or condition; appoint. Obsolete.
3. To regulate, adjust, settle, determine.

He quotes from Dryden:

The knightly forms of combat to dispose.
4. To deal out; to assign to a use; to bestow for an object or purpose; to apply; to employ; to dispose of.

* * * * * * *

5. To give a tendency or inclination to; make ready; prepare; adapt; especially, to incline the mind of; to give a bent or propension to; to incline; to make inclined—usually followed by to, sometimes by for, before the indirect object.

* * * * * * *

Synonyms: Set, arrange, order, distribute, adjust, regulate, adapt, fit, incline, bestow, give.

That, as I say, is the transitive verb. The intransitive verb "dispose" means:

1. To arrange or settle matters finally; to make disposition; as "man proposes, but God disposes."
2. To bargain; to make terms. (Obsolete.)
She had disposed with Cæsar. (Shakespeare.)
To dispose of. (a) To determine the fate of; to fix the condition, employment, etc., of; to direct or assign for a use.
Freedom to order their actions and dispose of their possessions and persons. (Locke.)

Now, we come to what is commonly believed to be the meaning of the word as used in the disposal clause of the Constitution—I mean the popular idea regarding it; it is found in the dictionary away down here at the bottom of the definitions:

(b) To get rid of; to put out of the way; to finish with; as to dispose of rubbish—

We would not have that apply to the Philippines!—

to dispose of the morning's mail. (c) To transfer to the control of some one else, as by selling; to alienate; to part with; to relinquish; to bargain away.
I have disposed of her to a man of business. (Tatler.)

Mr. President, the Constitution was written a long time ago, and many meanings which we now attach to words were not attached to them in those times.

Mr. FESS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. FESS. Would the limitation of the power to convey sovereignty extend to the power to secure it?

Mr. COPELAND. I can hardly hear the Senator.

Mr. FESS. If we could not convey sovereignty, could we purchase sovereignty over a people from another power?

Mr. COPELAND. Yes.

Mr. FESS. I was going to say that we did that in the case of Florida and in the case of Texas.

Mr. COPELAND. We could do that. By reason of the fact that there are certain clauses of the Constitution regarding treaty making, and so forth, we have established the practice of acquiring territory. The Senator from Ohio, who is so profound a student of history, recalls the qualms of conscience Mr. Jefferson had regarding the purchase of Louisiana.

Mr. FESS. He stated that it stretched the Constitution until it almost cracked.

Mr. COPELAND. Yes; he felt that before we could purchase Louisiana we would have to have a constitutional amendment. But he became convinced finally that that was unnecessary. In the purchase of Alaska and the Philippine Islands, we have, by treaty and agreement, acquired some other sovereign possessions in certain areas of the world.

Mr. FESS. There have been a great many cases where we have purchased territory, but, so far as I can think now, I do not recall a single case where we have actually conveyed sovereignty by contract or otherwise.

Mr. COPELAND. There is not a single instance in the history of our country.

Mr. FESS. No; I do not think there is.

Mr. COPELAND. We have adjusted boundaries where we thought we had ownership, but where the convention determined that we were mistaken, as, for instance, the Webster-Ashburton treaty, relating to the boundary between Maine and Canada, and certain boundaries in the South, on the Mississippi, the case of "Fifty-four forty or fight," and so on. We have never, except in the adjustment of boundaries, where we had a mistaken idea of ownership, ceded a single inch of American territory.

Mr. FESS. There have been many suggestions that we accept territory from certain debtors of the country in settlement of debts owed, but it is generally conceded we have no authority to do that.

Mr. COPELAND. Yes. Somebody wants us to take certain islands up near Greenland to settle our debt with England, and so forth. In the entire history of our country we have never ceded, disposed of, or alienated sovereignty over a single square inch of territory which we really owned.

After the convention of 1787 and the formulation of the Constitution, as we know it now, before its amendments were attached, it had to be submitted and was submitted to the various States for ratification, among others to Virginia. I have here a very quaint volume, written in such fine type that I can hardly read it. I find myself, in this respect only, much like George Washington. It will be remembered that after the episode of the Newburgh letters, when he assembled the troops at Newburgh, he came before them with a paper which he had prepared, an address. He laid it down and felt in his pocket for his spectacles, saying, "Soldiers, not only have I grown gray in my country's service, but I have grown blind as well."

The type of this little book is so small that I will not trust myself to read it, but I have had typed out the quotation I wish to use.

It will be recalled that in the Constitutional Convention of 1787 one of the most active members was Mr. Edmund Randolph, afterwards Postmaster General. He was extremely active in the convention. As we read Madison's Debates, we find Randolph's name occurring constantly. Likewise in the Virginia convention, Mr. Madison was present, the man known popularly as the father of the Constitution. Col. George Mason was there, and Mason was active in that Constitutional Convention of 1787.

All those men I have named, who were in the Constitutional Convention of 1787, were members of the convention of the State of Virginia which met at Richmond on June 2, 1788. The latter convention was called to consider ratification of the proposed Federal Constitution. This interesting little book I have in my hand was published in 1805. It is known as Debates and Other Proceedings of the Convention of Virginia, taken in shorthand by David Robertson, of Petersburg. By reference to this volume it will be

found that a great many amendments to the Federal Constitution were proposed and considered by the Virginia convention. Among such amendments proposed in that convention was one which read as follows:

> No treaty ceding, contracting, restraining, or suspending the territorial rights or claims of the United States, or any of them, * * * shall be made but in cases of the most urgent and extreme necessity, nor shall any such treaty be ratified without the concurrence of three-fourths of the whole number of Members of both Houses, respectively.

With a little omission which has no bearing on the amendment itself, that was the language of a proposed amendment to the Federal Constitution offered and considered in the Virginia convention.

Governor Randolph, who was the head of the Virginia delegation in the Federal Convention at Philadelphia in 1787, opposed this amendment. This is what he said, as recorded in Robertson's notes:

> Of all the amendments, this is the most destructive, which requires the consent of three-fourths of both Houses to treaties ceding or restraining territorial rights. * * * There is no power in the Constitution to cede any part of the United States. The whole number of Congress, being unanimous, have no power to suspend or cede territorial rights. But this amendment admits in the fullest latitude that Congress have a right to dismember the empire.

I can not see how anyone can question for a moment that there lies in the Constitution no delegation of power to the Congress of the United States to cede an inch of territory or to alienate our sovereignty over any possession upon the face of the earth which we actually own.

I believe that, Mr. President, and I believe the historical facts and the decisions of the courts confirm the belief I hold. Could I, the custodian of my own conscience, believing this, consent by my vote to alienate sovereignty, when it is my solemn conviction that we have no right to do such a thing?

I am not concerned just now with what might happen if the Hawes-Cutting bill or a substitute for it were to pass. I am not concerned with the probability that the Supreme Court would say, "This is a political question, and therefore we can not pass upon it." I am not concerned now with the ultimate fate of the Philippines so far as their separation from the United States is concerned under these conditions. These matters have no bearing upon my conscience. If I believe, as I do believe, that we have no lawful right to alienate sovereignty over the territory of the United States, if I am the only man in the Congress to vote against it, it is my solemn duty to do so, and I am sure no one will question that.

Mr. President, I respect particularly my friend from Washington [Mr. JONES]. I would not contend for a minute that my conscience is any more acute than his. No man in the Senate is more highly respected for his personal integrity and intellectual honesty than the Senator from Washington. I know he is concerned about the "disposing clause" of section 3 of Article IV of the Constitution, where it is provided:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States or any particular State.

When that was written the only territory we had that was not incorporated in or a part of the States was the Northwest Territory, which included all the great territory to the west and north. Under the Articles of Confederation that was inalienable; that was just as much a part of the United States as was Virginia or my own State of New York. There was no thought in the minds of the writers of the Constitution about "territory" in the sense in which we use the word. There have been a few decisions where the Supreme Court have held that our right to govern might be founded in part upon this clause, but it has never been said that we had the right to sell, part with, dispose of in the sense of alienation and final disposition. Not once has that happened. Senators, we have no more right to attempt to give to the Filipinos a deed to the Philippine Islands than I have to give a deed of the State of Arkansas to the Senator from that State.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from New York yield to allow me to make a statement and then submit a motion?

Mr. COPELAND. I am glad to yield to the Senator from Arkansas for that purpose.

Mr. ROBINSON of Arkansas. Mr. President, the primary question involved in the pending bill has been under consideration for a long time. There is a general consensus of opinion that to redeem its oft-repeated pledges the United States must make an arrangement through which the people of the Philippine Islands may secure, if they desire, their independence. The friends of the bill recognize that there are some elements of controversy in it and that there is no practicable plan for immediately eliminating all of those controversies. These issues must be determined by the votes of the Senate and by the votes of the body at the other end of the Capitol.

These are the closing days of what has proved to be a very long session of the Congress and a very arduous one. It had been my thought that a definite arrangement might be entered into by mutual consent in the Senate for the final disposition of the bill either now or early in the next session. There are some Senators who avow themselves favorable to Philippine independence who are not prepared at this time to consent to a vote and there are others who would like to have the bill continued indefinitely before the Senate to the exclusion of other measures of a domestic character which are regarded by many Senators as of great importance.

Realizing under any plan for independence that has been proposed here and under the plan provided in the bill itself that immediate independence is not contemplated and that we would probably be not justified in continuing consideration of the measure without affording opportunity to the Senate to pass upon other measures, some of them regarded as of great importance, I am going to make a motion which it is believed will result in the passage of this bill, with such amendments as the Senate may adopt, early during the next session of the Congress. The motion will require the support of the two-thirds vote. If that be not agreed to, the friends of the bill will of necessity continue to press it now with a full realization of the fact that it means the prolongation of the present session for at least some days.

Mr. President, I move that the bill now before the Senate, being the unfinished business, Calendar No. 630, H. R. 7233, the Philippine independence bill, be made a special order for the 8th day of December, next, at 2 o'clock p. m. I am ready to submit the motion to a vote of the Senate.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ark.
Austin	Davis	Kean	Robinson, Ind.
Barbour	Dickinson	Kendrick	Schall
Bingham	Fess	Keyes	Sheppard
Black	Fletcher	La Follette	Shortridge
Blaine	Frazier	Lewis	Smoot
Borah	George	McGill	Steiwer
Bratton	Glenn	McNary	Thomas, Idaho
Brookhart	Goldsborough	Metcalf	Townsend
Broussard	Hale	Moses	Trammell
Bulow	Hatfield	Norbeck	Vandenberg
Capper	Hawes	Norris	Wagner
Caraway	Hayden	Nye	Walcott
Carey	Hebert	Oddie	Watson
Coolidge	Howell	Patterson	White
Copeland	Johnson	Reed	

The VICE PRESIDENT. Sixty-three Senators have answered to their names. A quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I modify the motion that I announced the purpose to make. I said that the motion would be to make the pending bill a special order. The same end would be accomplished by postponing it to a definite time, and it would also give the bill the status of the unfinished business, without regard to any matter that might be under consideration at the time to

which the measure shall be postponed, thus assuring a prompt decision on the bill. I therefore move, Mr. President, to postpone House bill 7233, the Philippine independence bill, until the 8th day of December, 1932, at 2 o'clock p. m.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

Mr. McNARY. What day of the week will December 8 be, may I ask the Senator?

Mr. ROBINSON of Arkansas. It will be Thursday.

Mr. BINGHAM. Mr. President, I hope the motion of the Senator from Arkansas will prevail.

Mr. FESS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Ohio will state it.

Mr. FESS. As I understand, it will only take a majority vote to act on the motion of the Senator from Arkansas?

Mr. ROBINSON of Arkansas. To adopt the motion requires only a majority vote.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkanses [Mr. ROBINSON].

The motion was agreed to.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, I wish to supplement the statement which I made a few moments ago when the Philippine bill was, for the present, being disposed of. According to two polls, which are regarded to be fairly accurate, there are not fewer than 76, there are probably 77 or 78, votes in the Senate for that bill if a vote could have been reached without the displacement and deferment of other necessary legislation, to the inconvenience of Senators and the country. In my judgment, with such amendments as the Senate might see fit to adopt, the bill would be passed by a majority of approximately 3 to 1; and it is expected that this will result when the bill comes on for consideration again on the 8th of December under the order that has just been agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 12360) to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 23, 37, and 42 to the said bill and concurred therein, and that the House had receded from its disagreement to the amendments of the Senate Nos. 30 and 34 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House further insisted upon its disagreement to the amendments of the Senate, except amendment No. 9, to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNS, Mr. ARNOLD, Mr. LUDLOW, Mr. WOOD, and Mr. THATCHER were appointed managers on the part of the House at the further conference.

The message also announced that the House had passed a bill (H. R. 12768) to authorize the closing of a portion of Virginia Avenue SE., in the District of Columbia, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 650. An act for the relief of Joe Andrews Co.;

H. R. 756. An act for the relief of R. L. Wilson;

H. R. 1279. An act for the relief of Frank Kanelakos;

H. R. 1931. An act for the relief of Ned Bishop;

H. R. 3536. An act for the relief of Viola Wright;

H. R. 3693. An act for the relief of William Knourek;

H. R. 3812. An act for the relief of the estate of Harry W. Ward, deceased;

H. R. 4885. An act for the relief of Kenneth G. Gould;

H. R. 5053. An act for the relief of Clyde Sheldon;

H. R. 5561. An act for the relief of Oscar R. Hahnel;

H. R. 5998. An act for the relief of Mary Murnane;

H. R. 7498. An act to amend Act No. 4 of the Isthmian Canal Commission entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 7501. An act to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914;

H. R. 7502. An act to regulate the carrying and keeping of arms in the Canal Zone;

H. R. 7505. An act to provide for the protection of birds and their nests in the Canal Zone;

H. R. 7509. An act to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials;

H. R. 7510. An act to punish persons deported from the Canal Zone who return thereto;

H. R. 7511. An act to regulate the operation of street-railway cars at crossings in the Canal Zone;

H. R. 7512. An act to amend section 5 of the Panama Canal Act;

H. R. 7513. An act to provide for the appointment of a public defender for the Canal Zone;

H. R. 7516. An act in relation to the keeping and impounding of domestic animals in the Canal Zone;

H. R. 7517. An act to provide for the transportation of liquors under seal through the Canal Zone;

H. R. 8398. An act for the relief of John H. Day; and

H. R. 8981. An act to provide for the sale of an easement for a railway right of way over the post-office and custom-house site at Newark, N. J.

CORRECTION IN AN ENROLLMENT

The PRESIDENT pro tempore. The Chair lays before the Senate a concurrent resolution of the House of Representatives, which will be read.

The Chief Clerk read the concurrent resolution (H. Con. Res. 35), as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House is hereby authorized and directed in the enrollment of the bill H. R. 9349, "An act making appropriations for the Departments of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes," to leave the word "Persia" in line 28, page 5, of the bill instead of changing such word to "Muscat," as directed by the reports of the conference committee and the action of both Houses in agreeing to such reports.

Mr. JONES. I ask that the concurrent resolution may be considered and agreed to.

The PRESIDENT pro tempore. Without objection, the Senate concurs in the concurrent resolution.

SECOND DEFICIENCY APPROPRIATIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives on certain amendments of the Senate to the second deficiency appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 30, 1932.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 23, 37, and 42 to the bill (H. R. 12443) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 30, and concur therein with an amendment as follows:

In lieu of the sum inserted in said amendment insert: "$50,000."

That the House recede from its disagreement to the amendment of the Senate No. 34, and concur therein with an amendment as follows:

In the matter inserted by said amendment strike out "section 12, title 41, United States Code" and insert in lieu thereof "Section 3733 of the Revised Statutes of the United States (U. S. C., title 41, sec. 12)."

Mr. JONES. I move that the Senate agree to the amendments of the House to the amendments of the Senate Nos. 30 and 34. This is in accordance with the conference agreement.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 12768) to authorize the closing of a portion of Virginia Avenue SE. in the District of Columbia, and for other purposes, was read twice by its title and ordered to be placed on the calendar.

LEASE OF POST-OFFICE GARAGE IN BOSTON, MASS.

Mr. WATSON obtained the floor.

Mr. MOSES. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield?

Mr. WATSON. I yield to the Senator from New Hampshire.

Mr. MOSES. Because of the necessity the Senator from Wisconsin [Mr. BLAINE] is under of leaving the city this evening, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 104, being Senate bill 88. This is the first bill on the calendar; it has been on the calendar for five months, and each time it has come up the Senator from Wisconsin has found objection to it. Those objections have now been obviated; and if the bill may be considered, I wish to offer certain amendments to it.

The VICE PRESIDENT. The bill referred to by the Senator from New Hampshire will be stated by title.

The CHIEF CLERK. A bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof.

Mr. MOSES. If I can obtain consent for the consideration of the bill, as I stated, I wish to offer certain amendments to it.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Postmaster General is hereby authorized to investigate the conditions encountered in the performance of the contract for the construction and lease of the post-office garage in Boston, Mass., and the modifications made in said building from the original specifications, during the course of construction, to meet the aforesaid conditions, and to provide a larger and better building than was required under the original contract and specifications; and to readjust the rental and purchase options in the existing lease if the equities so require.

SEC. 2. The decision of the Postmaster General shall be final.

The VICE PRESIDENT. The first amendment proposed by the Senator from New Hampshire will be stated.

The CHIEF CLERK. On page 1, line 3, after the word "to," it is proposed to strike out "investigate" and in lieu thereof to insert the words "directed, because of."

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from New Hampshire explain the object of the bill?

Mr. MOSES. Mr. President, this bill has been delayed from time to time by objection raised by the Senator from Wisconsin because it constituted one of the post-office properties which were under investigation by the select committee of which the Senator from Wisconsin was chairman. In the course of the investigation which the Senator from Wisconsin carried on, it became evident that this particular property was not subject to the criticisms which necessarily and justly obtain with reference to many others. The Senator from Wisconsin, having received the report of his experts in connection with the property, has agreed that these amendments perfect the bill in such wise that the Government's interests are well protected, and also that justice in a large measure may be done the contractor. The Senator from Wisconsin can speak much more authoritatively about that than can I, but the main subject of the investigation which the Senator carried on with his select committee is as I have stated.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Hampshire, which will again be stated.

The CHIEF CLERK. On page 1, line 3, it is proposed to strike out the words "authorized to investigate" and insert in lieu thereof the words "directed, because of."

The VICE PRESIDENT. Without objection, the amendment is agreed to. The next amendment offered by the Senator from New Hampshire will be stated.

The CHIEF CLERK. At the end of line 10, on page 1, it is proposed to strike out the word "and," and on page 2, line 2, to strike out the words "if the equities so require," and in lieu thereof to insert "by increasing the annual rental from the date of the lease $7,500, and by increasing the purchase options $75,000."

The amendment was agreed to.

The VICE PRESIDENT. The next amendment offered by the Senator from New Hampshire will be stated.

The CHIEF CLERK. It is proposed to strike out section 2 as follows:

SEC. 2. The decision of the Postmaster General shall be final.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BLAINE. Mr. President, in order that the record may be complete I desire to state that this is one of the properties under lease by the Government which so far as we have ascertained is the only property desirable for purchase. The character of construction is excellent. I will not go into the details as to why there was an increased cost in the construction, as I shall leave that explanation to a letter which I shall ask to have inserted in the RECORD, and also a memorandum on the stationery of the First Assistant Postmaster General as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter and memorandum are as follows:

BOSTON, MASS., *May 26, 1932.*

Hon. JOHN J. BLAINE,
United States Senate, Washington, D. C.

MY DEAR SIR: Pursuant to your request when I talked with you recently in regard to Senate bill 88, "To authorize the Postmaster General to investigate the conditions of the lease of the post office in Boston, Mass., and to readjust the terms thereof," which is now on the Senate Calendar, I am writing you to state briefly the nature and amount of the additional expenditure made by the Rawson Realty & Construction Co., of Boston, Mass., in the construction of the post-office garage in that city, due to modifications made after the bids were made on the original specifications.

The total cost of $833,000, including financing, $872,000, was a little more than $200,000 above the amount which had been estimated by the Rawson Realty & Construction Co. at the time they submitted their bid, which was the lowest bid made, and received the award.

Of this additional cost of $200,000 approximately $80,000 was expended to provide a larger building and a building of better construction than was required by the specifications. The annual rental which was provided in the bid and which is now being paid is $72,240. If the Rawson Realty & Construction Co. should be paid an additional rental of 10 per cent of the $80,000, of additional cost beyond the requirement of the contract and specifications, this would amount to $8,000 and would make the annual rental in round numbers $80,000.

By the terms of the bid, the United States acquired an option to purchase the building during the first 10 years of the lease for $672,000, and during the second 10 years for $620,000. If the

additional $80,000, which was spent in providing a larger and better building should be added to the option price, it would make the option price $752,000 during the first 10 years and $700,000 during the last 10 years.

When it is considered that the actual cost of the building was $872,000 it will be seen that the option price with the added $80,000 is an exceedingly low valuation for the building.

In this connection, it may be pointed out by way of comparison that Ray D. Brown, who has done perhaps as much or more construction of building for the Post Office Department than any other contractor, and is consequently more experienced than most contractors in estimating the cost of construction, was one of the bidders for the construction of this garage, and his bid called for an annual rental of $99,000 and options during the term of the lease varying from $925,000 to $850,000, it will be seen that the bid of the Rawson Realty & Construction Co. was exceedingly low.

No relief is asked by the Rawson Realty & Construction Co. because of the fact that the rental price in its bid was less than a fair rental value based on the cost of the building, but only a fair return upon that part of the additional cost of $200,000, to wit, $80,000, which was expended in providing a larger and better building than the company was required to build to comply with its contract.

By far the greater part of the expenditures of $80,000 was made in providing an additional fourth floor for a portion of the building, with a penthouse for the elevator to run to the fourth floor and in providing foundation for a portion of the building laid upon bed rock 93 feet below sea level. This foundation was put in to assure permanency, although the requirements of the specifications of this contract and the building laws of the city of Boston would have permitted pile foundation at a much lower cost. Such pile construction, owing to the abnormal subsoil conditions in this particular location, in the opinion of the contractor, would have caused settlement and resulted in an inferior building, either for occupancy or for purchase by the United States.

I understand from you that your committee, in the course of its investigation of leases in the Post Office Department, has caused an independent investigation and appraisal to be made of the post-office garage in question. We believe that this appraisal made by your committee will show a valuation of this property much in excess of the option price, and a lease value in excess of $80,000 per annum. We are confident that it will be found by your committee that the Boston post-office garage rates as the best-built garage of any which has been built for and is being used by the Post Office Department.

Former First Assistant Postmaster General Bartlett and Mr. Mallalieu, who was in direct oversight of the building during construction, can give you information from their personal knowledge in regard to this property.

Very respectfully yours,

J. WESTON ALLEN.

(March 18, 1929: Unsigned memorandum on stationery of First Assistant Postmaster General, MV–1 division of motor vehicle service)

BOSTON, MASS.: CLAIM OF GARAGE LESSOR FOR ADDITIONAL RENTAL OR OTHER RELIEF

Under date of February 2, 1928, we accepted a proposal submitted by Jacob Shapiro to lease a 3-story garage, including approximately 10,000 square feet of basement space, 121,000 square feet in all, at a rental of $72,240 per year. The garage was occupied by the Postal Service November 1, 1928.

Later a request was received from Mr. Shapiro for permission to substitute space on a proposed fourth floor for some of the basement space, for the reason that he anticipated delay and added expense in waterproofing the basement, the floor level of the basement being below the water level of the Charles River Basin.

The lessor also desired to substitute what is known as the Cow Bay system of waterproofing for the membrane system stipulated in our specifications, due to the fact that the Cow Bay system was the one generally used in Boston and then, too, it would be less expensive than the membrane system.

The relative cost of the Cow Bay and membrane systems of waterproofing as well as the difference in the cost of providing basement space, as compared with the fourth floor space, was checked by Messrs. Vaughn, Johnson, and Fay, our architects, and as a result of this check it was believed that it would be advantageous to the department to permit of the substitution for the reason that it would give us well-lighted and well-ventilated space on the fourth floor, that could be used for truck parking, in place of the basement space, which could be used only for miscellaneous storage purposes.

Before agreeing to the proposed substitution it was noted that the basement area offered would be less than we should have, and, therefore, we submitted a counter proposition, which contemplated all of the fourth floor area proposed by the lessor and sufficient additional basement space to give us all of the basement space we are now using.

Upon receipt of our reply to the lessor's request the architect, writing for the lessor, under date of March 8, 1928, advised us as follows:

"Answering your question No. 1, the minimum estimated cost of the basement, as shown on the original plan, is $47,800.

"Replying to your question No. 2, the estimated cost of the proposed new basement is $28,340. The cost of the fourth floor, approximately 58 by 115 feet, is $20,750.

"As you will see, there is an additional cost of the new arrangement over the original plan, but we prefer the latter arrangement, as there will be a saving in time of construction, there will be a better access from the elevator to the fourth-floor space than there was to 'available space in basement,' and there will be light, together with good ventilation. Besides, there is 1,570 square feet more space. Also, the boilers are more centrally placed in the length of the building, and the results from the heating plant will be greatly improved."

Accompanying the architect's letter of March 8 was a blue print showing a revised layout, and in replying to this letter under date of March 21, 1928, we stated:

"Before reaching a decision as to any modification in the arrangement of the garage as originally laid out, and as described in the specifications, other than such changes as were necessary due to corrected measurements, it is desired that you state whether you will provide a fourth floor approximately 58 by 115 over the parking bay in which the elevator is located; extend the elevator both to the fourth floor and to the basement; provide a basement of the size indicated in red pencil marks on the inclosure (the basement referred to is the one completed and which we are now using); in consideration of the reduced area of the basement and the department permitting the use of the Cow-bay water-proofing system described in the letter accompanying the letter of March 8 in lieu of the membrane system contemplated by the specifications."

The foregoing was agreed to as indicated in a telegram received from Mr. Shapiro under date of April 10, 1928, as follows:

"Re telegram. We propose construct fourth floor in accordance paragraph 2, your letter March 21, and basement space agreed by our architect at Washington March 26."

From the foregoing it will be noted that there was a complete understanding regarding the space to be provided before the final plans were prepared, and the final plans submitted by the architect showed all of the changes contemplated. The garage was constructed in accordance with these plans.

The question of additional compensation to cover the additional expense incurred during progress of the construction work due to the unusual conditions encountered was not brought to the attention of the department until after the garage had been occupied, although the lessor did on one or two occasions intimate verbally that he would probably make a claim for "extras."

The claim presented for our consideration totals $77,007.29 and is made up as follows:

(a) Increased cost of foundations on account of abnormal soil conditions	$46,941.69
(b) Increase in cost providing fourth-floor space offered in place of basement space specified	15,609.00
(c) Providing steel fire doors required by city building regulations	1,998.70
(d) Increased cost reinforcing used in first floor	10,051.58
(e) Increased cost reinforcing boiler-room floor	1,567.50
(f) Increased cost of labor due to increase in wage scale effective September 1, 1928—soil condition delaying completion 47 days after September 1	839.02
Total	77,007.49

With respect to the foregoing, comment is made as follows:

(a) The concluding paragraph on page 3 of our specifications directed bidders to visit and fully inform themselves regarding the character of the soil, etc.

(b) The substitution of fourth-floor space for basement space which the lessor alleges increased construction cost was approved upon the request of the lessor. It will be noted from paragraph 1, page 2, of this memorandum, which is a quotation from a letter from the lessor's architect that they anticipated that the fourth-floor space would cost more than basement space.

(c) Our specifications provided that the garage must be constructed in accordance with city and State building regulations, and these regulations specified fire doors.

(d) Our specifications required that the first floor bearing on soil be reinforced with approved road mesh. In view of the character of the soil, in order to provide a floor that would hold the weight that would be imposed upon it, the lessor used steel reinforcing rods in slabs and beams instead of road mesh. This action was necessary in order to provide the character of floor contemplated by the specifications.

(e) On account of the water pressure on the floor due to the fact that the floor is several feet below the water level of the Charles River Basin, it was necessary to weight and reinforce the floor to withstand the pressure. This was contemplated by the specifications.

(f) This charge resulted from an increase in the salary scale during the course of construction. The difficulties encountered in finding suitable footings for the foundation delayed the completion of the building beyond September 1, otherwise the old salary scale would have been in effect during the entire period of construction.

It is believed the department is not responsible in any way for this situation. (Pencil notation by J. H. Bartlett—"Put in file B.")

Mr. BLAINE. Mr. President, I also wish to call attention to the fact that a very reputable appraisal company made an appraisal of this property, and that appraisal is slightly in excess of $200,000 more than the price that is now agreed

upon so far as we have gone up to this point. I see no objection to the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 8766) to amend the sixth exception in section 3 of the immigration act of 1924 with reference to nonimmigrant status of certain aliens.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10600) to exempt from the quota husbands of American citizens; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DICKSTEIN, Mr. PALMISANO, Mr. DIES, Mr. JOHNSON of Washington, and Mr. JENKINS were appointed managers on the part of the House.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 4874. An act to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa;

H. R. 308. An act to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the secretary;

H. R. 3845. An act for the relief of Charles L. Barber;

H. R. 3961. An act for the relief of Catherine Bell;

H. R. 3992. An act for the relief of Anna A. Hall;

H. R. 4056. An act for the relief of Emma Shelly;

H. R. 7504. An act to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone;

H. R. 7507. An act to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone;

H. R. 8694. An act to amend section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), and for other purposes;

H. R. 8980. An act to provide for the sale of a portion of the site of the post office and customhouse in Newark, N. J., to the city of Newark for the use as a public street;

H. R. 9331. An act for the relief of Octavia Gulick Stone;

H. R. 11638. An act to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; and

H. R. 12360. An act to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937.

EXEMPTION OF HUSBANDS OF AMERICAN CITIZENS FROM THE QUOTA

The PRESIDING OFFICER (Mr. PATTERSON in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10600) to exempt from the quota husbands of American citizens, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. REED. I move that the Senate insist upon its amendments and agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. REED, Mr. HATFIELD, Mr. JOHNSON, Mr. KING, and Mr. COPELAND conferees on the part of the Senate.

ADVANCES FOR CROP PLANTING AND CULTIVATION

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4780) to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer-fallowing, during the year 1932.

Mr. NORBECK. I move that the Senate disagree to the amendments of the House to the bill, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. NORBECK, Mr. STEIWER, and Mr. FLETCHER conferees on the part of the Senate.

AMELIA EARHART PUTNAM—CONFERENCE REPORT

Mr. REED. I send to the desk a conference report on the disagreeing votes of the two Houses on Senate Joint Resolution 165. I may state that the House recedes from both amendments put on the bill by the Senate.

The report was read and agreed to, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1 and 2.

DAVID A. REED,
FREDERIC C. WALCOTT,
DUNCAN U. FLETCHER,
Managers on the part of the Senate.

LISTER HILL,
W. FRANK JAMES,
JAMES M. FITZPATRICK,
Managers on the part of the House.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On June 30, 1932:

S. 83. An act for the relief of Margaret Crotty;

S. 84. An act for the relief of Abraham Green;

S. 218. An act authorizing adjustment of the claim of the Westinghouse Electric & Manufacturing Co.;

S. 800. An act for the relief of Ellingson & Groskopf (Inc.);

S. 816. An act for the relief of E. H. Flagg;

S. 2236. An act to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid;

S. 2335. An act for the relief of O. R. York;

S. 2569. An act authorizing adjustment of the claim of Lewis O. Wick;

S. 3058. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.;

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho;

S. 4525. An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes;

S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.;

S. 4808. An act relating to the acquisition of restricted Indian lands by States, counties, or municipalities; and

S. J. Res. 188. Joint resolution amending the joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, approved June 6, 1932.

On July 1, 1932:

S. 772. An act to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska; and

S. 4898. An act amending an act entitled "An act authorizing the State of West Virginia by and through the State Bridge Commission of West Virginia, or the successors of said commission to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3811) for the relief of Lela B. Smith.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 8818. An act to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39)," regulating postal rates, and for other purposes;

H. R. 9349. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes; and

H. R. 12443. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes.

HOME-LOAN BANKS

Mr. WATSON. I move that the Senate proceed to the consideration of House bill 12280, known as the home loan bank bill.

The VICE PRESIDENT. Let the bill be reported by title.

The CHIEF CLERK. A bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

Mr. BORAH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Idaho?

Mr. WATSON. I yield.

Mr. BORAH. Is the Senator moving to have this bill made the unfinished business?

Mr. WATSON. Yes.

Mr. BORAH. Mr. President, I am in favor of this bill; that is to say, I am in favor of its being considered, but I wanted to ask has there been any agreement or understanding as yet about adjournment?

Mr. WATSON. Does the Senator mean final adjournment?

Mr. BORAH. Yes.

Mr. WATSON. No; there has not been because there could not be, I will say to the Senator. The situation as regards relief legislation, with which I think the Senator is well informed, is uncertain. Two of the members of the conference committee on the part of the House have absented themselves to go to the convention, of which I do not complain, but the result is that the conference report has been held up.

Mr. BORAH. Are we going to be given an opportunity to consider some of the measures in which some of us are very deeply interested?

Mr. WATSON. To what measures does the Senator have reference?

Mr. BORAH. I have particular reference now to Order of Business No. 809, being House bill 11499, for restoring and maintaining the purchasing power of the dollar, which has been reported by the Senator from Virginia [Mr. GLASS] from the Committee on Banking and Currency, the report being unanimous. I think that bill ought to be passed. It is a move at least to give the people of this country sufficient money with which they may redeem themselves.

Mr. ROBINSON of Arkansas. May I say that I join in the opinion of the Senator from Idaho that the bill to which he refers relating to the currency should receive consideration. I hope that before the Senate concludes its labors that bill will be disposed of, and I am ready, in so far as possible to do so, to cooperate to that end.

Mr. BORAH. I am not going to stand in the way, of course, of the Senator from Indiana having the bill to which he has referred made the unfinished business, but I want it understood that within a reasonable time some of these other bills shall have a hearing.

Mr. WATSON. Mr. President, while I have been just as anxious as any other Member of the Senate could be to get away from here on account of the long and arduous session through which we have gone and the multiplied burdens which we have been compelled to bear, yet I have believed all the time that we ought in an orderly manner take up and deal with questions which present themselves to us and adjourn when we get through. I know of no reason why the bill to which the Senator from Idaho refers should not have the consideration of the Senate before final adjournment; but, even in that case, I see nothing in the way of our adjourning a week from to-day, as things now look, unless some discussion should be unduly prolonged.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana to proceed with the consideration of House bill 12280.

Mr. BLACK. Mr. President, I desire to send to the desk a statement signed by Mr. J. T. Kirk and Mr. R. L. Layton and thousands of other citizens of Alabama, and ask that it may be read at this time and lie on the table.

The VICE PRESIDENT. Is there objection to the reading of the petition? The Chair hears none, and the Secretary will read, as requested.

The Chief Clerk read as follows:

To the Senate of the United States, Washington, D. C.:

We, the undersigned citizens of the Tennessee Valley, earnestly petition you to take action on Muscle Shoals at this session of Congress, which will put these plants to work for the benefit of the public.

Signed by J. T. Kirk and numerous other citizens.

Mr. BLACK. Mr. President, it is not my intention to object to the consideration of the home bank bill. I do desire, however, to state that I thoroughly agree with the expression just made by the Senator from Indiana [Mr. WATSON] that we should stay here until we finish the business which is on the calendar and which should be disposed of by the Senate.

The statement made with reference to putting the plant at Muscle Shoals to work, in my judgment, is correct. If those plants were properly operated for the purpose for

which they were originally dedicated, it would put thousands of American citizens to work and the plants would not at the same time compete with the products of American business, although they might displace a great deal of Chilean nitrate.

I am presenting this petition to the Senate at this time in the hope that the Senate will see fit before it adjourns to take action on Muscle Shoals legislation. I shall not object at this time to taking up the home loan bill.

The VICE PRESIDENT. The petition will lie on the table.

The question is on the motion of the Senator from Indiana.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes, which had been reported from the Committee on Banking and Currency, with amendments.

Mr. WATSON. I ask unanimous consent that the formal reading of the bill may be dispensed with.

The VICE PRESIDENT. Is there objection?

Mr. COUZENS. I think it is a very important bill and ought to be read.

The VICE PRESIDENT. Objection is made.

MODIFICATION OF VOLSTEAD ACT

Mr. BINGHAM. Mr. President, in my opinion, nothing we could do would help the country more, help the revenue more, and produce improved business conditions more than modifying the Volstead Act.

It has seemed for many months and even years as though that was impossible; but, thanks to the Democratic platform in Chicago—which now pledges the Democratic Party to securing immediate modification of the Volstead Act in so far as it may be done under the Constitution—I am about to propose an amendment to this bill and ask that it be printed and lie upon the table. Briefly, Mr. President, it alters the national prohibition act to permit the manufacture and sale of alcoholic beverages of an alcoholic content of 3.2 per cent.

Mr. WATSON. Mr. President, does the Senator mean to offer that as an amendment to the home loan bill?

Mr. BINGHAM. Yes, Mr. President; at the proper time, but as late as possible, in order to permit the Senators now in Chicago to return to the Senate and express their views on it. I do not intend to take it up until they get back, unless the bill should be on its final passage before their return; and may I thank the Senator for reminding me that possibly his bill will not take as long in discussion as some of us think, and the Democratic convention may take a longer period than many of us hope. In that case I should hope that the whip on the minority side might communicate by telegram with members of his party now in Chicago to ascertain their views and arrange their pairs accordingly. I believe that with their aid—although previously there have been more votes in favor of this action on this side of the aisle than on the other, with the action of the Democratic convention there will be a large increase in the favorable votes on the other side of the aisle—the measure may pass, and that the Federal Government may receive a very large increase in revenue, and the business world be given an impetus which no other bill that I have heard of is likely to give it.

The VICE PRESIDENT. What order does the Senator desire for his amendment—to be printed and lie on the table?

Mr. BINGHAM. I ask that it may be printed and lie on the table, and I shall call it up at the proper time.

The VICE PRESIDENT. That order may be made.

ORDER FOR RECESS UNTIL TUESDAY

Mr. McNARY. Mr. President, I desire to propose a unanimous-consent agreement which I think will be heartily accepted by Members of the Senate. I ask unanimous consent that when the Senate shall have concluded its work to-day it recess until Tuesday next at 10 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. FLETCHER. Mr. President, am I to understand the Senate will take a recess until Tuesday next, so there will be no session to-morrow or Monday?

Mr. McNARY. Certainly if we recess from to-day until Tuesday there could not be a session to-morrow or Monday. I have spoken to the leader on the other side, the Senator from Arkansas [Mr. ROBINSON], and many other Senators, and it is entirely agreeable to everyone.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

The VICE PRESIDENT. The clerk will read the bill.

Mr. WATSON. Mr. President, I want to make a suggestion, if I may have unanimous consent to do so.

The VICE PRESIDENT. The Senator from Michigan [Mr. COUZENS] objected to dispensing with the formal reading of the bill.

Mr. WATSON. I merely wish to make a suggestion about reading the bill.

I have not the slightest objection to having the bill read, because, as the Senator says, it is a long and involved bill. If Senators will follow the reading of the bill, or if they will read the copies they have before them as the clerk progresses, I think it will add very materially to the knowledge of the bill by Senators; and, furthermore, it will obviate the necessity of my making a very long statement about it.

Mr. COUZENS. Mr. President, I observe that there is not any report filed with H. R. 12280.

Mr. WATSON. Yes; that happens this way, I will say to the Senator: I adopted a rather unusual procedure——

Mr. COUZENS. I assumed that it was.

Mr. WATSON. That is to say, the report made by Representative REILLY, of the House committee, is so lucid and so comprehensive that I called him and said, "I am going to take the liberty of incorporating your report as a part of my report to the Senate on this bill, which is the identical bill." He said he would be very glad, of course, to have that done; and so, instead of writing a new report, I have submitted the report of the House committee as the report from our committee.

Mr. COUZENS. May I ask the Senator if his report of June 16 with S. 2959 applies to H. R. 12280?

Mr. WATSON. It does apply to H. R. 12280, but the wrong numbers were used in preparing the report; that is all.

Mr. COUZENS. Both bills are on the calendar. The bill of the Senator from Indiana, S. 2959, apparently was accompanied by a report of his own filed with it; but there is a difference between S. 2959 and H. R. 12280.

Mr. WATSON. A very great difference; and in the committee H. R. 12280 was substituted for S. 2959.

Mr. COUZENS. But the Senator did not file any minority views, such as were filed in the House.

Mr. WATSON. Minority views? No. I was not in the minority.

The VICE PRESIDENT. May the Chair have the attention of the Senator from Indiana? The Chair understood that the motion was to take up the House bill, and the House bill was voted upon. If the Senator desires to take up the Senate bill, that motion will have to be put.

Mr. WATSON. No; I do not. In the committee we substituted the House bill for the Senate bill, and reported that measure. There was some confusion about the number, and some confusion about some of the amendments and about some of the language. I consulted with the parliamentary clerk, and the result was that this was the bill that was formulated.

The VICE PRESIDENT. That is, the House bill?

Mr. WATSON. The House bill, which is the one I have moved to take up.

The VICE PRESIDENT. That is the one that is now before the Senate for action.

Mr. WATSON. That is the one that is now before the Senate.

Mr. COUZENS. May I ask the Senator how Senate bill 2959 got out of the committee, then, if the House bill was reported as a substitute?

Mr. WATSON. It was indefinitely postponed in the committee.

Mr. COUZENS. But Senate bill 2959 could not have been on the calendar if it was indefinitely postponed, because it now appears on the Senate Calendar, with the report from the Senator from Indiana, as having been reported four days ahead of H. R. 12280.

Mr. WATSON. But the committee thought they were reporting the House bill, and inadvertently and mistakenly reported the Senate bill. That is the situation. The Senate bill never has really been on the calendar. That is my understanding.

Mr. COUZENS. It is on the calendar now.

Mr. WATSON. It is erroneously there, because the bill we reported was H. R. 12280.

Mr. COUZENS. So I understand.

Mr. WATSON. That is the one, at all events, that is before the Senate now. The Senate can take any action it may please with regard to S. 2959, if it is considered to be on the calendar. I think it is erroneously there.

Mr. COUZENS. It is on the calendar, but I think it makes no difference. I am not objecting. I simply wanted to get straight as to what bill we are considering.

Mr. FLETCHER. Mr. President, the Senator from Indiana [Mr. WATSON] introduced a bill that was referred to the Committee on Banking and Currency, and hearings lasting over weeks were had on that bill. Finally, when the Senate committee acted, it agreed to report H. R. 12280. I suppose that was because it was a House bill, and the hope was that if that bill passed it could then go to conference and we would get quicker action. Otherwise, if we passed the Senate bill, that would have to go to the House. It was somewhat different—in fact, quite considerably different, I suppose, because I think it was modified once or twice after the Senator introduced it.

Mr. WATSON. Very greatly.

Mr. FLETCHER. So the Senate committee took no action on the original bill but acted on the House bill.

Mr. WATSON. That is correct.

Mr. FLETCHER. And that is the proposition now before the Senate.

Mr. WATSON. Would it be in order now for me to move to postpone indefinitely Senate bill 2959?

The VICE PRESIDENT. The Chair would suggest that that be done after the House bill is acted upon.

Mr. FLETCHER. The Senator's idea is to proceed with the consideration of this bill now?

Mr. WATSON. Yes.

Mr. FLETCHER. Until it is finished?

Mr. WATSON. Yes.

Mr. FLETCHER. I desire to submit some observations on the bill.

Mr. WATSON. That is the Senator's right, of course.

The VICE PRESIDENT. The bill will be read.

Mr. ROBINSON of Arkansas. Mr. President, is the report on the Senate bill, which appears to be the only report made by the Senate committee, applicable to the bill that is being taken up, H. R. 12280?

Mr. WATSON. Wholly applicable, because it is a report on the bill which is now before the Senate, H. R. 12280.

Mr. COUZENS. I think there has been a misunderstanding.

Mr. ROBINSON of Arkansas. If I may say so, the report itself shows that it is to accompany S. 2959, which, I understand, is the bill of the Senator from Indiana. Technically, I presume what happened is that the House bill was reported with an amendment striking out all after the enacting clause and incorporating the Senate bill. Is that true?

Mr. WATSON. That is what happened; and we did that in the committee, I will say, and S. 2959 was never acted on. It was mistakenly reported, and it is not before the Senate; and if it be considered before the Senate, I will move to postpone it indefinitely.

Mr. COUZENS. Mr. President, may I point out to the Senator from Arkansas that the Senator from Indiana claims that S. 2959 was reported in error. Now he wants to have us consider H. R. 12280, and use as a report from the committee the House report by Mr. REILLY, which is report No. 1418, published by the House of Representatives.

Mr. WATSON. That is right.

The VICE PRESIDENT. The clerk will read the bill.

The legislative clerk proceeded to read the bill.

The first amendment of the Committee on Banking and Currency was, on page 2, line 2, after the words "Puerto Rico," to insert "the Virgin Islands of the United States," so as to read:

(3) The term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands of the United States, and the Territories of Alaska and Hawaii.

The amendment was agreed to.

The next amendment was, on page 3, line 15, after the words "Puerto Rico," to insert "the Virgin Islands," so as to read:

SEC. 3. As soon as practicable the board shall divide the continental United States, Puerto Rico, the Virgin Islands, and the Territories of Alaska and Hawaii into not less than 8 nor more than 12 districts.

The amendment was agreed to.

The next amendment of the committee was, on page 4, line 10, after the word "association," to strike out the word "or" and to insert the words "insurance company"; on line 10, after the word "bank" and the comma, to insert the words "trust company, State bank, or other banking organization"; on line 19, after the word "bank" and the comma, to insert the words "trust company, State bank, or other banking organization," so as to make the paragraph read:

CAPITAL OF FEDERAL HOME-LOAN BANKS AND SUBSCRIPTIONS THERETO

SEC. 4. (a) Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, savings bank, trust company, State bank, or other banking organization shall be eligible to become a member of or a nonmember borrower of a Federal home-loan bank if such institution (1) is duly organized under the laws of any State or of the United States; (2) is subject to inspection and regulation under the banking laws or under similar laws of the State or of the United States; and (3) makes such home mortgage loans as in the judgment of the board are long-term loans (and in the case of a savings bank, trust company, State bank, or other banking organization if, in the judgment of the board, its time deposits, as defined in section 19 of the Federal reserve act, warrant its making such loans). No institution shall be eligible to become a member of or a nonmember borrower of a Federal home-loan bank if, in the judgment of the board, its financial condition is such that advances may not safely be made to such institution or the character of its management or its home-financing policy is inconsistent with sound and economical home financing or with the purposes of this act.

The amendment was agreed to.

The reading of the bill was resumed and continued to line 21, page 5, the last paragraph read being as follows:

(c) Notwithstanding the provisions of clause (2) of subsection (a) of this section requiring inspection and regulation under law as a condition with respect to eligibility for membership, any building and loan association which would be eligible to become a member of a Federal home-loan bank except for the fact that it is not subject to inspection and regulation under the banking laws or similar laws of the State in which such association is organized shall, upon subjecting itself to such inspection and regulation as the board shall prescribe, be eligible to become a member.

Mr. COPELAND. Mr. President, I should like to ask some member of the committee about section 5 which is about to be read. As I understand, that was put in on the floor of the House, and was not considered by the committee of the House.

Mr. COUZENS. Mr. President, the Banking and Currency Committee of the Senate considered it.

Mr. COPELAND. And decided to leave it in?

Mr. COUZENS. Yes.

Mr. COPELAND. Of course, that would be subject later to amendment.

Mr. COUZENS. Yes; it is all subject to amendment.

Mr. COPELAND. I want to call to the attention of the Senate, however, that section 5 was added on the floor of the House.

Mr. COUZENS. It is a very desirable section.

Mr. COPELAND. While the Senator from Michigan says it was considered by our committee, it was not considered by the Banking and Currency Committee of the House.

Mr. COUZENS. So far as I now know, it was not, although it is a very desirable amendment.

The PRESIDING OFFICER (Mr. BRATTON in the chair). The clerk will resume the reading.

The reading of the bill was resumed and continued to page 7, line 11, the last sentence read being as follows:

If the board finds that the investment of any member in stock is greater than that required under this section, upon application of such member, the bank shall pay such member for each share of stock in excess of the amount so required an amount equal to the value of such stock, or, at the election of the bank, the whole or any part of the payments which would be so made shall be credited upon the indebtedness of the member to the bank.

Mr. COPELAND. Mr. President, may I call the attention of the Senator from Michigan to page 7, line 8? Was there any discussion in the committee about inserting after the word "stock," in line 8, the words "but not more than the amount paid in thereon"?

Mr. COUZENS. I do not recall that that was considered by the committee or suggested.

Mr. COPELAND. Will not the Senator be good enough to make a note at that point?

Mr. COUZENS. Yes; but I will say to the Senator that I am not in charge of the bill. The bill is in charge of the senior Senator from Indiana [Mr. WATSON].

Mr. COPELAND. I do not see the Senator from Indiana present.

Mr. COUZENS. I think to make sure the Senator had better draw that to the attention of the Senator from Indiana when he comes in because I am opposed to this bill as it is now before the Senate.

Mr. COPELAND. Whether the Senator is opposed to it or not, he wants to perfect it and make it just as good as possible.

Mr. COUZENS. Or just as bad as possible, as the Senator may choose.

The next amendment of the Committee on Banking and Currency was, on page 37, after line 6, to insert:

(c) Section 5202 of the Revised Statutes of the United States is amended by adding a clause as follows:

"Ninth. Liabilities incurred under the provisions of the Federal home loan bank act."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. FLETCHER. Mr. President, I think I know what that means, but I should like to be positive about it. I should like to inquire just what is meant by extending the provisions of section 5202 of the Revised Statutes so as to include in that section the clause:

Ninth. Liabilities incurred under the provisions of the Federal home loan bank act.

Mr. WATSON. It authorizes national banks to become indebted, in amounts exceeding paid-in capital stock, in liabilities incurred under this Federal home loan bank act.

Mr. FLETCHER. I wanted to be certain just what is intended to be covered by it.

Mr. WATSON. The section 5202 of the Revised Statutes reads as follows:

RESTRICTION ON NATIONAL BANK'S TOTAL INDEBTEDNESS

Section 5202, Revised Statutes, as amended by the acts of December 23, 1913; September 7, 1916; April 5, 1918; October 22, 1919; and February 25, 1927

SEC. 5202. No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

Fifth. Liabilities incurred under the provisions of the Federal reserve act.

Sixth. Liabilities incurred under the provisions of the War Finance Corporation act.

Seventh. Liabilities created by the indorsement of accepted bills of exchange payable abroad actually owned by the indorsing bank and discounted at home or abroad.

Eighth. Liabilities incurred under the provisions of section 202 of Title II of the Federal farm loan act, approved July 17, 1916, as amended by the agricultural credits act of 1923.

This amendment adds another one to the list. It authorizes home loan bank act liabilities to be added to that list.

Mr. FLETCHER. It rather puzzles me to know what liabilities would be incurred by the national banks under the provisions of this act.

Mr. WATSON. All it means is that national banks may borrow of home-loan banks and incur the liability of the debt.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Banking and Currency was, on page 39, line 7, section 27, after the word "institution," to strike out "except national banks, State banks, insurance companies, and trust companies," so as to make the section read:

SEC. 27. Any institution organized under any law of the United States, including the laws relating to the District of Columbia, shall be authorized to subscribe for stock of a Federal home loan bank if otherwise eligible to make such subscription under the terms of this act, any provision in any such law to the contrary notwithstanding.

The amendment was agreed to.

The reading of the bill was concluded.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WATSON. Mr. President, I shall make a very short statement about this bill, although there are not many Senators present.

Mr. FESS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FESS. Have all the committee amendments been adopted?

The PRESIDING OFFICER. All the committee amendments have been disposed of.

Mr. JONES. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Washington for that purpose?

Mr. JONES. I think the Senator ought to have a quorum while he is explaining an important bill like this.

Mr. WATSON. It is a very important bill, but apparently the Members of the Senate are not sufficiently interested in it to be present and would not stay if they came. However, if the Senator desires to suggest the absence of a quorum, I will yield.

Mr. JONES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Reed
Austin	Couzens	Jones	Robinson, Ark.
Barbour	Davis	Kean	Robinson, Ind.
Bingham	Dickinson	Kendrick	Schall
Black	Fess	Keyes	Sheppard
Blaine	Fletcher	Lewis	Shortridge
Borah	Frazier	McGill	Smoot
Bratton	George	McNary	Steiwer
Brookhart	Glenn	Metcalf	Thomas, Idaho
Broussard	Goldsborough	Moses	Townsend
Bulow	Hale	Norbeck	Trammell
Capper	Hatfield	Norris	Vandenberg
Caraway	Hawes	Nye	Wagner
Carey	Hayden	Oddie	Walcott
Coolidge	Hebert	Patterson	Watson
Copeland	Howell	Pittman	White

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present.

Mr. HOWELL. Mr. President, out of order I ask unanimous consent for the immediate consideration of Order of Business 1052, H. R. 12281. I am asking this because it is a measure that should be passed at this time. It has to do with the supply of coal for the Alaska Railroad; and I ask that the bill be read.

Mr. WATSON. Mr. President, the difficulty about that is that the home loan bill is now under consideration, and I do not want to have it displaced by the consideration of another bill.

Mr. ROBINSON of Arkansas. Mr. President, we can not hear one word. I should like to know what is the request submitted by the Senator from Nebraska.

Mr. HOWELL. Mr. President, I ask unanimous consent for the immediate consideration of Order of Business No. 1052, H. R. 12281. It has to do with the supply of coal for the Alaska Railroad. It will not lead to any discussion, and the bill will have to go back to the House for action. It has already been passed by the House, and is reported with an amendment. Therefore, I am asking unanimous consent for its immediate consideration.

Mr. ROBINSON of Arkansas. Mr. President, this request comes in disregard of the rules of the Senate. I do not think there would be objection at an opportune time to the consideration of the bill; but another bill is now under consideration, and I suggest to the Senator from Nebraska that he take a more opportune time to call up this bill.

Mr. WATSON. I thank the Senator; and I think that is very wise advice.

The PRESIDING OFFICER. Objection is made.

Mr. HOWELL. My only reason——

Mr. ROBINSON of Arkansas. Mr. President, I shall object to the request if the Senator compels me to do so. Under the rules of the Senate, when a Senator has the floor to discuss a bill already under consideration, I do not think it is in order to ask unanimous consent to take up another bill. While we frequently do that, I have indicated to the Senator from Nebraska that it is preferable to have the matter go over until a more convenient time; and I shall object to a discussion of the bill at this time.

Mr. HOWELL. Mr. President, I have the floor.

Mr. WATSON. No; I will say to the Senator that I have the floor.

Mr. HOWELL. I was recognized by the Chair.

Mr. WATSON. The Senator was recognized, I think, for the purpose of submitting a proposition which has been objected to.

The PRESIDING OFFICER. That is correct. The Senator from Indiana had the floor at the time the absence of a quorum was noted; and, of course, is entitled to be recognized now and proceed with his remarks.

Mr. WATSON. I shall have no objection to the Senator bringing up his measure later on.

Mr. ROBINSON of Arkansas. I shall not object at another time; but I do not feel that we should be called upon to pass upon a bill of this importance, or, for that matter, upon a bill of any importance, when a Senator has the floor for the purpose of discussing another bill.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BINGHAM. Mr. President, will the Senator yield to me for just a moment?

Mr. HOWELL. Will the Senator yield to me?

Mr. WATSON. Yes; I will yield to the Senator.

Mr. HOWELL. The only reason why I have suggested this is because——

Mr. ROBINSON of Arkansas. Mr. President, if the Senator from Indiana is going to yield for the discussion of other bills I shall not interpose an objection. So far as I am concerned, I withdraw the objection.

Mr. WATSON. The Senator from Arkansas is entirely right about that. I did not know that the Senator from Nebraska intended to discuss the bill to which he refers. Of course I do not want to superimpose the discussion of another bill or interject it into the discussion of the home loan bank bill.

Mr. ROBINSON of Arkansas. Regular order, Mr. President.

The PRESIDING OFFICER. The regular order is demanded. The Senator from Indiana is recognized, and he can yield only for a question.

Mr. ODDIE. Mr. President, will the Senator from Indiana yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. WATSON. For what purpose?

Mr. ODDIE. For the purpose of presenting a conference report.

Mr. WATSON. What is the conference report?

Mr. ODDIE. The conference report on the Treasury and Post Office Departments appropriation bill.

Mr. ROBINSON of Arkansas. I call for the regular order.

The PRESIDING OFFICER. The regular order is demanded. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. ODDIE. This is the conference report on an appropriation bill——

The PRESIDING OFFICER. The Senator from Indiana has not signified his willingness to yield.

Mr. WATSON. I think that under the circumstances I had better not yield at the present time; but I will yield a little later on.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. WATSON. I desire, so far as possible, to accommodate, of course, all of my colleagues and associates; but, after all, when a bill is before the Senate, the regular procedure is to discuss that bill. It has always been understood, however, that a bill under consideration can be temporarily laid aside for the consideration of conference reports; but that might lead to a very long and protracted debate, and in the meantime the measure before the Senate itself might suffer.

I shall not make a long statement with reference to the pending measure. It was read in full by the clerk. At the time of its reading I noticed that many Senators had copies of the bill and were following it, and I assume that others have at least sufficiently scanned the bill so as to have a cursory knowledge of its provisions.

The bill provides for a system of home-loan banks, from 8 to 12 in number, as may hereafter be decided by the board having the management of the institution. The country is to be divided into eight districts. Afterwards, if it be deemed advisable that other banks should be added, the number may be increased to 12.

The organizations which may participate, according to section 4, are building and loan associations, savings and loan associations, cooperative banks, homestead associations, savings banks, and, we added in the Committee on Banking and Currency the language which has been adopted as an amendment, "insurance company, trust company, State bank, or other banking organization."

The original capital is to be furnished by the members I have named who desire to take stock in the association. They divide the stock in the home-loan banks in the districts in which they are located, those furnishing a part of the capital.

The bill provides that $125,000,000 shall be furnished by the Government from the Reconstruction Finance Corporation, as may be determined by the board having the management of the home-loan-bank system and the Secretary of the Treasury.

The bill provides that books shall be opened at once, or as soon after organization as possible, and that subscriptions shall be taken from these various organizations and associations for 30 days, and at the end of the 30 days, it being provided in the bill that the minimum capital for each bank shall be $5,000,000, whatever is lacking of the $5,000,000 after

the members have subscribed as much as each member desires to subscribe shall be made up by the Government from the Reconstruction Finance Corporation; that is to say, if the individual members who subscribe should subscribe two and a half million at the end of 30 days, then the Government, through the Reconstruction Finance Corporation, would subscribe the other two and a half million to make up the minimum.

It is further provided that the loan by the Government is to draw 2 per cent interest.

It further provides that, after all of the other subscribing members have subscribed as much as has the Government, 50 per cent of all that is taken in the way of stock shall be paid on the debt owing to the Government by reason of its loan of $125,000,000 to the home-loan bank; so in the very nature of things, if this institution shall make any money at all, it will be a question of only a short time before the obligation to the Government will be discharged.

Mr. President, for the purpose of determining whether or not there was a necessity for legislation of this kind, the Secretary of Commerce sent out some 8,000 inquiries all over the country, to banking institutions, building and loan associations, savings banks, homestead associations, and other similar organizations. He received responses from nearly all of them. The questions asked were these—and I submit them to the Senate to show that they very fully cover every phase of the subject which could be considered as to the necessity of establishing an organization of this kind—

1. Would the facilities provided by the proposed home loan discount banks for borrowing on your home mortgages add desirable flexibility and security to the conduct of your institution?

Seventy-five per cent of all who responded answered in the affirmative.

2. Would operation of the discount banks increase the amount of credit now available for legitimate use in your community?

Of all who responded, 75 per cent responded favorably to that question.

3. Is there a demonstrable need for actual home construction, either new houses or remodelling work, that could be undertaken in your community if credit facilities were widened at the present time? If so, could you estimate the probable extent of such contemplated construction?

To that question there was about an even division in the responses made, about half of those answering saying there might be new construction, and about half saying there might not be. One of the objections to this measure has been that it would lead to an inflation of home construction, which, under the circumstances, is not deemed desirable or advisable in the country at this time.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. WATSON. I yield.

Mr. COUZENS. I was wondering whether the Senator expected that any negative replies would be received to an inquiry which offered somebody some money, or some easy Government financing.

Mr. WATSON. Of course, we discussed that question. I remember that when questionnaires were sent to the mayors of cities asking whether they needed any money, they almost universally responded that they did.

Mr. COUZENS. Surely.

Mr. WATSON. But, after all, if men who have the sagacity and the ability and the stability to conduct great financial institutions will deliberately falsify the conditions to the Government, then upon whom may we rely?

Mr. COUZENS. I do not suggest that they falsified the returns. I contend that they saw an avenue to help liquefy their assets, to get some money from the sale of Federal securities without much difficulty, and that always makes it easy for anyone to answer in the affirmative, just as the Senator says with respect to the messages sent out to the mayors of the cities asking if they wanted Federal aid. What kind of an answer would you expect but an affirmative one? The same was true in this case. No one, of course, would deny that there is a need temporarily for relief at this time, and of course that influenced the replies. The temporary need influenced the replies in the affirmative. Those affirmative answers could not have been secured except for the temporary distress.

Mr. WATSON. The honorable Senator from Michigan, who is entirely familiar with the provisions of this bill, and for whose knowledge on this and other questions I have great respect, admits the case when he says there is a necessity for legislation of this kind, and that justifies the answers given by those whose replies he is now questioning.

Mr. COUZENS. If the Senator will yield further, I am not questioning the temporary need, nor am I questioning the Government giving assistance; I am questioning most vigorously and protesting against setting up such an extensive permanent organization for a temporary purpose. In the committee, where I offered a substitute for immediate relief in this situation, the amendment was defeated by an 8 to 8 vote, so that the committee was very evenly divided on the question as to whether we should have a permanent organization or temporary relief.

Mr. WATSON. I shall address myself, when the Senator offers his amendment, to that proposition. The fourth question asked was this:

Would the facilities afforded by the proposed discount banks help to relieve the dangers of foreclosures on urban homes and farms?

Seventy-five per cent of those answering responded favorably to that question; that is to say, of all the people addressed, except on the one question as to new construction—and we all say that there is now no need for new construction—three-fourths of those addressed responded favorably to the inquiries sent out by the Secretary of Commerce. I am assuming that those men told the truth. I am assuming that they made responses based upon their actual knowledge of the situation and the real need existing in their various communities. Of course, my friend from Michigan admits the need, and that, of course, admits the truthfulness of the responses made by these people, because they say that there is a need, and they give the reasons why, some of them at some length, in the responses made.

I will say at this point this much about the amendment of the Senator from Michigan: He wants to take $400,000,000 from the funds of the Reconstruction Finance Corporation and lend that money directly to building and loan associations without the intermediation or the agency of the Federal home-loan-bank system. I think there are insurmountable difficulties in the way of the operation of any such plan. In the first place, the Reconstruction Finance Corporation lends for a year only.

Mr. COUZENS. Mr. President, does the Senator mean to say that they lend for only a year?

Mr. WATSON. That is what I mean.

Mr. COUZENS. The Senator has not read the law for some time, I take it.

Mr. WATSON. Yes; I have read it and discussed it. Their loans were originally made for six months, but were extended to a year. They may be five years in liquidating. Building and loan associations lend their money, on amortized loans for eight years, on other loans for more than eight years. In my section of the country they lend for periods running up to 10 or 11 years. What we need in this country in order to induce home building—and that is a small part of it—in order to save the small-home owner whose home is under mortgage, and who is about to be foreclosed, is low-rate money on long-time loans. That is the only solution of the problem, and, in my judgment, it cannot be obtained through the agency of the Reconstruction Finance Corporation.

Again, the Senator wants the Government to lend money directly to the building and loan associations. Under the terms of the organic act creating the Reconstruction Finance Corporation, it will expire in 2 years; and how could money be obtained from an institution that is to expire by express limitation in 2 years for loans to run from 8 to 10 years? Long-time loans can not be financed out of funds secured from the Reconstruction Finance Corporation.

Mr. COUZENS. Mr. President, may I point out to the Senator section 4 of the Reconstruction Finance Corporation act, which provides:

> The corporation shall have succession for a period of 10 years from the date of the enactment hereof.

Mr. WATSON. That is for liquidation purposes.

Mr. COUZENS. Certainly. Therefore, they could take these mortgages, if necessary, for a 10-year period.

Mr. WATSON. But a building and loan association is a live institution, constantly renewing its loans, constantly making new loans; and how could such an institution be attached to one that is more or less moribund, that is existing solely for the purpose of liquidation, when, in truth and in reality, what we need is a live organization to furnish low-rate money on long-time paper in order to save the small home owners of this country?

Mr. President, on page 5 of the report are set forth the reasons for this measure in succinct terms, and they so nearly suited my idea of the purposes of the bill that I shall call them to the attention of the Senate.

Mr. VANDENBERG. Mr. President, the Senator emphasizes low-rate money. Will he indicate to me what he means by low-rate money?

Mr. WATSON. Five and a half per cent for the first seven years, 5 per cent after that.

Mr. THOMAS of Idaho. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Idaho?

Mr. WATSON. I yield.

Mr. THOMAS of Idaho. I am quite in sympathy with the suggestion of the Senator, but how are we going to get cheap money for loaning to these institutions? Does the bill make provision for the rate of interest that is to be paid?

Mr. WATSON. Yes; it does. On page 22 of the bill it is provided:

> The board shall approve or determine the rates of interest to be paid by the Federal home-loan bank upon the notes, debentures, or bonds which they may issue except that no bond or debenture issued within seven years after the enactment of this act shall bear a rate of interest in excess of 5½ per cent per annum, and no bond or debenture issued thereafter shall bear a rate of interest in excess of 5 per cent per annum.

Mr. THOMAS of Idaho. I quite understand that, but the point I want to develop is how are they going to get the money? Who will buy the notes?

Mr. WATSON. In other words, who is going to buy the Federal home-loan bank bonds?

Mr. THOMAS of Idaho. That is the point. We are having trouble now in the sale of the Federal land-bank bonds.

Mr. WATSON. That is quite true.

Mr. THOMAS of Idaho. What provision has been made for it?

Mr. WATSON. There could be no provision except that through which the Reconstruction Finance Corporation will supply $125,000,000.

Mr. THOMAS of Idaho. That is capital.

Mr. WATSON. And the other is also capital. I assume that if we can not sell gilt-edge real-estate security in the form of home mortgages, then we can not sell anything.

Mr. THOMAS of Idaho. That is the difficulty we have now.

Mr. WATSON. All through the early period of my life I assumed, and the statement will apply to all Senators, no doubt, that the soundest security in the world was real-estate security. Nothing could be found that was any sounder than to loan money on real estate—the homes in the towns and cities and the farms in the country. I still assume that is true. I assume, furthermore, that if we can not sell bonds based on home mortgages then we can not sell anything in the United States.

Mr. THOMAS of Idaho. We are having that difficulty now in the sale of Federal land-bank bonds, which are selling around 80.

Mr. WATSON. That is quite true, but I will say to the Senator he should remember that the Federal land-bank bonds have not been easy to sell.

Mr. THOMAS of Idaho. But the capital is there, because we have just appropriated money to take care of it.

Mr. WATSON. Of course, if we keep feeding money into it out of the Treasury of the United States, it will make it good.

Mr. THOMAS of Idaho. That is what I am wondering. Evidently the United States Treasury is expected to take care of those bonds.

Mr. WATSON. Thousands of people in the United States bought Federal land-bank bonds because they thought they were backed by the Federal Government, but they found they were not, and a great many people lost the money they put into them. Is not that true, may I ask the Senator from Michigan?

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. COUZENS. I think that is true, and we are perpetrating the same thing in this case. In other words, it has the backing of the Federal Government and is to be named "Federal," and we are perpetrating the same thing upon the public in this bill that we did in the case of the Federal land bank.

Mr. WATSON. The people had no right to believe the Government was back of the Federal land-bank bonds. The Government was not back of them. I will tell the Senator how the Government got back of them. It was through the word of the agents who went out to sell the bonds. They told everybody that the Government was back of them and that the Government would stand sponsor for them, when the Government was not back of the bonds, and they were only private bonds in the sense that they were the bonds of that particular institution. When they went bad the investors lost their money.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Florida?

Mr. WATSON. I yield.

Mr. FLETCHER. On the question of interest I want to point out that the bill provides that 5½ per cent is the amount they expect to get from the sale of the bonds or debentures and then in addition to that the bank is to charge 1½ per cent more; so the borrowers, as provided in the bill, would probably have to pay 7 per cent at least and all other expenses there may be in connection with getting the loan.

Mr. WATSON. It provides that they—

> Shall bear a rate of interest in excess of 5½ per cent per annum, and no bond or debenture issued thereafter shall bear a rate of interest in excess of 5 per cent per annum, and shall provide such margins (not to exceed 1½ per cent) between interest rates received upon advances made to borrowing institutions and interest paid upon obligations which the Federal home-loan bank may issue as will cover expenses of operation and reserves and, under such regulations as may be provided by the board, some part of such reserve may be devoted to retirement of the stock subscribed by the United States.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. VANDENBERG. Under neither of the provisions referred to is the rate stated which the home owner will have to pay upon his mortgage.

Mr. WATSON. No; it is not.

Mr. VANDENBERG. What rate will the home owner pay?

Mr. WATSON. That will depend altogether on what shall be fixed by the board in charge of the Federal institution. The home owner is going to pay in excess of what it costs the board to get the money.

Mr. VANDENBERG. He is going to pay 6 per cent surely.

Mr. WATSON. I should think so if they have to pay 5½ per cent for the money.

Mr. VANDENBERG. Does the Senator think the problem of the hard-pressed home owner to-day is a lack of 6 per cent money?

Mr. WATSON. I think it is lack of any money.

Mr. VANDENBERG. If he has a mortgage on his home at 6 per cent, how will this help him?

Mr. WATSON. When the matter was first presented to me the two things that disturbed me were, first, the setting up of an entirely new establishment, which is abhorrent to my old-fashioned ideas of government. When I considered the Federal reserve system—and this is like unto it—and the Federal land-bank system—and this is like unto it—and saw that this is a separate field of activity into which those institutions had not entered, and that it was essential to establish something such as this to enter into this field of activity in order to furnish low-rate mortgage money in the form of long-time loans to save the homes of the country, then I thought it was entirely proper to establish a system for that purpose.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. WATSON. I will yield in a minute.

The second thing in my mind is this, and it stuck a little in my imagination at all events: Here is a man who has a loan on his home through a building and loan association. He is out of a job. He has no money. The sources of his revenue have dried up. He can not pay his installments to the building and loan association. How will this help him if he has not a job? It helps only in this way: The building and loan associations at the present time can not carry him any further. They have reached the end of their tether; they have to foreclose on him; but if they could rediscount their mortgages and get some new money, they could tide him over and would not have to foreclose. They could so arrange for him that if he received money at all he could pay the interest and pay the taxes and pay the insurance.

The taxes and the insurance must be paid or else the man perforce is bound to lose his home under any condition. The building and loan association holding the mortgage can not stand by and see the taxes and insurance go unpaid, because if they do they are guilty of neglect. On the other hand, at the present time the only recourse the building and loan association has is to foreclose. If they foreclose to-day, what have they? They have not any money. Their resources are practically locked up. Their assets are frozen. They can not go to other banks and borrow any money. All they can do is to pile up the properties or themselves go into the hands of receivers or into enforced liquidation. We have come to the place where, in many parts of the United States, that situation confronts us to an alarming degree.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Idaho?

Mr. WATSON. I yield.

Mr. THOMAS of Idaho. I do not want to leave the question of the debentures that are going to be issued by the home-loan bank. That is the difficulty we have with the Federal land-bank bonds and with the intermediate-credit bank bonds.

Mr. WATSON. That is true.

Mr. THOMAS of Idaho. The fact was that the demand was so slack for the bonds that the rate of interest automatically went up, and made it impossible to sell them.

Mr. WATSON. That is quite true.

Mr. THOMAS of Idaho. I am wondering if there are any tax-exempt features in the home land bank bill?

Mr. WATSON. The bonds are all tax exempt.

Mr. THOMAS of Idaho. Are they eligible for the postal savings deposits?

Mr. WATSON. They are.

Mr. THOMAS of Idaho. It seems to me the Federal land bank act, when it was enacted, provided for the issuance of bonds, and the public thought they were Government obligations. Chief Justice Hughes said in his opinion that they were simply instrumentalities of the Government. We are issuing another instrumentality of the Government, and what I am afraid of is unless we make it an obligation of the Government we will have difficulty in selling the bonds at a rate of interest that will help the home owner. I am wondering how we will get around that?

Mr. WATSON. I will answer that as best I may, because I confess I myself have worried over that question. If they can not sell the Federal land-bank bonds, how can they sell anything else? Section 15 of the bill provides:

SEC. 15. Obligations of the Federal home-loan banks issued with the approval of the board under this act shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. The Federal reserve banks are authorized to act as depositaries, custodians, and/or fiscal agents for Federal home-loan banks in the general performance of their powers under this act.

Mr. COUZENS. Mr. President, will the Senator from Indiana yield at this point?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. COUZENS. Does the Senator find anything in the bill which says they are legal for postal savings deposits?

Mr. WATSON. I suppose that is covered by the language I read. That is my understanding. I think that language is sufficient to cover it.

Mr. COUZENS. That is not true with respect to postal savings deposits.

Mr. WATSON. That is a question I would have to investigate, but I assume the language is broad enough to include such deposits.

Mr. COUZENS. May I ask the Senator if he approves of section 5, which limits the amount to be charged by the building and loan associations?

Mr. WATSON. I do not.

Mr. COUZENS. The Senator does not approve of it?

Mr. WATSON. I do not approve of section 5. I think it would prevent the operation of the proposed law in six States of the Union.

Mr. COUZENS. In my opinion, section 5 is the only protective clause for the home owner in the entire bill.

Mr. WATSON. No; it is not protective at all. It is destructive because it will prevent the operation of this proposed bank in at least six States in the Union. For instance, the legal rate of interest in my State of Indiana is 6 per cent. Anyone can contract up to 8 per cent, but the section referred to prevents such a contract being made. Under it nothing more can be charged than the simple rate of interest; nothing for commissions, nothing for fees or for expenses of investigation, nothing for anything except the bare rate of interest. The section holds it down to that legal rate of interest and will absolutely prevent, I repeat, the operation of this bank in at least half a dozen States of the Union.

Mr. COUZENS. So, in fact, that is the only section of the bill which protects the borrower. The Senator himself admits it. If that section were not in the bill, they could charge commissions, discounts, and any other thing they desired to charge, and the home owner would have no protection.

Mr. WATSON. Yes; up to the contract rate of interest.

Mr. COUZENS. Oh, no; it does stop at the legal rate of interest.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from New York?

Mr. WATSON. I yield.

Mr. COPELAND. When the Senator says that he is opposed to section 5, he means that he is in favor of some change in section 5, does he not?

Mr. WATSON. Yes; there are various amendments to be proposed to it.

Mr. COPELAND. Some change should be made to make clear that the contract rate and not some usurious rate is to be charged.

Mr. WATSON. Oh, certainly, but I do not believe, if we hold it down merely to the legal rate of interest, that any

business will be done under the bill. That is all there is to it.

Mr. COPELAND. I do not think that the Senator was quite responsive to the question asked by the Senator from Michigan about how it was going to help the small home owner. Of course the answer is that the small home owner now, by reason of the short-term loan he has, finds it impossible to get new money or to arrange a new loan.

Mr. WATSON. That is what I attempted to say.

Mr. COPELAND. But the Senator forgot to say it. By the provisions of this bill there is an arrangement by which a long-time loan may be made and in that way the small home owner may be protected.

Mr. WATSON. That is, a longer term loan with a lower rate of interest.

Mr. VANDENBERG. Mr. President, may I submit a supplemental inquiry at that point?

Mr. WATSON. I yield to the Senator from Michigan

Mr. VANDENBERG. As a matter of fact, reverting to the question which I asked and which precipitated this inquiry, if the home owner is going to pay 6 or 7 or 8 per cent on his mortgage, then when the Senator indicated in his opening observation that the objective was cheap money, that is not what he meant. The objective is more liquid credit and not cheap money, because it does not produce cheap money. Is not that the fact?

Mr. WATSON. That is partially so, and I will come back to that in a little while.

Mr. SHEPPARD. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Texas?

Mr. WATSON. I yield.

Mr. SHEPPARD. Something has been said about there being no safeguards in the bill outside of section 5. I want to call attention to the last sentence of the first clause of section 4, which reads as follows:

> No institution shall be eligible to become a member of, or a nonmember borrower of, a Federal home-loan bank if, in the judgment of the board, its financial condition is such that advances may not safely be made to such institution or the character of its management or its home-financing policy is inconsistent with sound and economical home financing, or with the purposes of this act.

Mr. WATSON. That is the saving clause; I have it underlined in the copy of the bill before me and had intended to read it. I will say to my friend from Texas, although I am delighted he has read it, because it gives absolute authority to prevent the loan shark from getting in his work.

I am told that when Representative LAGUARDIA, of New York, offered the amendment in the House it was one of those sleeping amendments that came at the last and slipped in without much discussion. He said what he was endeavoring to do was to save the man who borrowed on his home from the loan shark. That was a very commendable and worthy purpose, of course, but the amendment went so far as to prevent actually the operation of this measure, if we should pass it, in at least five or six States of the Union, including my own State of Indiana. If there can be obtained only the rate of interest and there is no way in the world to get anything additional for commissions or for the expenses of investigation or for attorney's fees, which always come in—not involving any great amounts, it is true, but which are usual in the investigation and negotiation of loans of this kind—then no loans will be made. I think the Senator from Maryland [Mr. GOLDSBOROUGH] perhaps is interested in that particular section, and I know that the Senator from New Jersey [Mr. BARBOUR] is greatly interested in it, as well as other Senators, who tell me that it will be impossible even to start operations under this bill if that section is to be ingrafted into the bill and remain there.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Idaho?

Mr. WATSON. I yield.

Mr. BORAH. This bill does not reach the individual home owner at all, does it? It simply aids associations, and they are to aid the home owner.

Mr. WATSON. That is correct.

Mr. BORAH. There has been no method devised as yet, it seems to me, at this session of Congress by which to reach the individual citizen and to assist him. He must be taken care of through the mercies of banks, corporations, or associations which loan to him, as is the case under the Reconstruction Finance Corporation act.

Mr. WATSON. I assume that we have all thought over problems of this kind. I never have believed—and I do not use the term in any invidious sense—in ladling money out of the Treasury to private individuals. If we can bolster up public institutions or private corporations, if you please, that is as far as we can go. That leads me to digress long enough to say that if I had my way about it, I would have the Reconstruction Finance Corporation loan directly to competitive private institutions. I know that disturbs my friend from Michigan [Mr. COUZENS] to a great degree, but I believe that that is the only way to reach the unemployed man and to really start industry in the United States. It may be that other Senators do not agree with me, but I do not know of any way in which money can be taken direct from the Treasury of the United States and bestowed upon the private individual in America.

Mr. BORAH. Mr. President, what I had in mind was this: Through the Reconstruction Finance Corporation we undertook to aid the banks——

Mr. WATSON. Yes.

Mr. BORAH. On the supposition that the banks would extend credit to individuals and assist them. That has not happened.

Mr. WATSON. It has not.

Mr. BORAH. And the result has been that, while we have aided the banks and kept some of them from failing, they have retained the money in their vaults; and the further result has been that the farmer and the home owner and the business man who was supposed to be aided in that way has not been assisted. If that is going to follow with reference to all these measures, there is very little benefit going to flow to the individual citizens throughout the United States. Of course, I understand perfectly the difficulty of the Government dealing directly with its citizens, but we are proceeding now upon a false basis, it seems to me, in view of what has already happened in reference to the Reconstruction Finance Corporation, if we are proceeding upon the theory that these associations are going to help the small home owner very much. I feel that if the Government is going to assist corporations and associations, the Government might retain the right to see how the corporations or associations assisted the individual.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from New York?

Mr. BORAH. I yield.

Mr. COPELAND. Mr. President, I think there is an effective answer to what the Senator from Idaho has said. The trouble with the Reconstruction Finance Corporation is that it serves the bankster, the big banker. It has been of great consequence to the bankster, the racketeer in banking methods, but the bill which we have before us deals with the small institutions, largely the building and loan association which is managed by local people, and the local individual, the home owner, will be benefited, while, on the other hand, with the other bill, the Reconstruction Finance Corporation bill, it is the great big oligarchy of banksters who have been benefited.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield further to the Senator from Idaho?

Mr. WATSON. Certainly, I yield.

Mr. BORAH. The Republican platform adopted at Chicago the other day said——

Mr. WATSON. Has the Senator read that?

Mr. BORAH. That the American dollar was impregnable. If it had added "and unattainable" it would have described the situation just as it is. We have been trying to aid the banks and trying to aid the corporations, on the theory that they would reach out and aid the individual citizen, but I undertake to say that that has not happened. I know it is said that if you help the banks you help the community. Of course that is true, but it will not help things in the end if we save the corporations but leave the individual bankrupt.

Mr. WATSON. Mr. President, the Senator from Idaho was never nearer right in his life; it has not happened, and so far as I am concerned, the result has been a grievous disappointment to me. I thought after we passed the act creating the Reconstruction Finance Corporation, and General Dawes was placed at its head, and especially after we had passed the Glass-Steagall bill enabling the banks to rediscount their securities and get additional money, that the money would begin to flow into the channels of trade and the arteries of commerce. So, I repeat, it has been a great disappointment to me that after the banks have rediscounted their securities they have put the money in their vaults and frozen it there so that nobody can borrow it for legitimate enterprises. That is the fact about it.

Mr. BORAH. Mr. President——

Mr. WATSON. If the Senator will pardon me for a moment, let me say that if the two Senators [Mr. BORAH and Mr. COUZENS] standing there and myself——

Mr. BORAH. If this is to be a business partnership, I yield to the Senator from Michigan. [Laughter.]

Mr. WATSON. We will make the Senator from Michigan president. [Laughter.] If we three were running a bank, we probably would do just what the other bankers are doing. They are terrified; they live in an atmosphere of perpetual fear; they are under a wet blanket because of the economic conditions surrounding them; every one of them is afraid of a run, and, of course, being afraid of runs, they feel that they have got to keep their assets liquid in order to meet such runs and to prevent bankruptcy. It is the most natural thing in the world, and, therefore, they hold their cash; they let nobody have it. The result is that the great acts we have passed which ought to have benefited industry and commerce have failed in large part to do so.

Mr. BORAH. Which suggests the proposition that before we close this session we had better pass a bill which will enable the individual citizen himself to have a little more currency and a little more money with which to do business.

Mr. WATSON. I am personally in favor of that.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WATSON. I yield.

Mr. COPELAND. I think a very effective further answer to what the Senator from Idaho has said is found in the result of the questionnaire sent out to 8,000 banking institutions by the Department of Commerce. It is very interesting to note that all the small institutions said at once, "Yes; we are for this measure," but 74.16 per cent of the mortgage bankers—the big fellows whom I call the "banksters"—are opposed to it. We ought to love it for the enemies it has made. It would seem to me that the very fact that those are the institutions which are opposing it is proof conclusive that the little fellows who want it are right.

Mr. BORAH. Mr. President, there is another side to the controversy, however——

The VICE PRESIDENT. Does the Senator from Indiana yield further to the Senator from Idaho?

Mr. WATSON. I yield to the Senator from Idaho.

Mr. BORAH. And that is that the "bankster" of whom the Senator from New York speaks was highly in favor of the Reconstruction Finance Corporation act.

Mr. COPELAND. There is no controversy between the Senator and me on that subject.

Mr. BORAH. In other words, one can not tell exactly where he ought to go by determining where those gentlemen want him to go.

Mr. COPELAND. The fact that they are against this bill and our experience with the Reconstruction Finance Corporation convince me that they were for that and are against this and that this must be right because the other was wrong.

Mr. WATSON. Mr. President, on page 5 of the report accompanying the bill are the reasons why this system should be created and why, as it now appears, it will be successful. I call the attention of the Senate to that portion of the report because I think it is a splendid résumé of the reasons why there should be created the institution proposed to be established by the pending bill and which influenced the Members of the House in their consideration of this legislation. I read those reasons as follows:

(1) To refinance existing mortgages so as to permit smaller payments, and to accommodate the needs of withdrawing members and depositors.

(2) To give the institutions funds permitting them to tide over, or carry along, worthy borrowers who are having difficulty meeting interest or installment payments.

(3) To assist borrowers in paying taxes and insurance costs, which must be maintained regardless of conditions.

(4) To provide funds for modernization, repairs, and maintenance of existing homes, thus increasing employment.

(5) To provide a source of funds to refinance the thousands of short-term mortgages, which have been called for payment due to bank failures and due to like financial institutions converting their resources into liquid funds. Thousands of home owners are in distress for mortgage money to-day.

(6) For such building of small homes as may be desired and needed in many localities, thus giving employment to those engaged in the building trades.

Mr. President, I will use as an illustration a building and loan association in Indianapolis, one of the very largest in America, called the Railroad Building & Loan Association. The men who have borrowed money from that building and loan association and have given mortgages on their homes are engineers, brakemen, firemen, yardmasters, workers on railroads generally, and hundreds of those employed in factories in that section of the city. That institution has outstanding 26,000 loans on 26,000 homes. Twenty per cent of them are in default. Why? Because the men owning the homes and owing the mortgages have no employment; so far as they are concerned, the sources of revenue have dried up, and they confront the emergency of having their homes sold over their heads. What are they going to do? The institution proposed to be created by the pending bill is designed to help people who find themselves in such circumstances.

We hear a great deal in this day and age about helping "the little fellow" and about "the forgotten man." Those are not slogans to be laughed down the wind, and if we want to help "the little fellow" in a real way—and I mean by that to put the grease where the squeak is—we can not do it any more effectively or effectually than in the way now proposed. It will reach the very man who is in distress, who is no longer able to keep the roof over his head or the home in which he has reared his family. In my judgment, it can be done through this agency.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. COUZENS. Will the Senator before he sits down tell us the difference between Senate bill 2959 and the bill now before the Senate? I ask that question because in the testimony taken by the subcommittee of which I was a member we heard a great deal of criticism of Senate bill 2959 from those who had no financial interest such as was implied by the Senator from New York. I particularly want to refer the Senator to page 200 of the hearings, where Mr. Adams, associated with the Federal Trade Commission, said in part:

I have examined the provisions in Senate bill 2959; and while I hesitate to criticize this bill, I must, in all fairness, say that it does not in any respect comply with the recommendations of the President, and I doubt if he has ever read it. There is not a dollar's worth of relief or help in this bill for the home owner.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Idaho?

Mr. WATSON. I do.

Mr. BORAH. May I ask what was the recommendation of the President with reference to reaching the small-home owner?

Mr. COUZENS. The Senator from Indiana, being the spokesman for the White House, can tell that better than I can because I did not discuss it with the President.

Mr. BORAH. The statements I have seen have been very general. I suppose the thing in which we are all interested is having a bill which will reach the home owner, if it is possible to reach him.

Mr. WATSON. That is exactly right. The Senator honors me over much, however, in saying that I am the White House spokesman. I not only am not, and do not assume to be, on this or any other question, but I did not write this bill. I have no pride of opinion about its authorship. It was brought to me by the Secretary of Commerce, who asked me to introduce it as an administration measure. I did so. The Senator from Michigan [Mr. COUZENS] was on the subcommittee which considered the bill, as was the Senator from Delaware [Mr. TOWNSEND]. We had hearings, which were quite extensive and quite illuminating.

So far as the President is concerned, he is for this measure. He has said so to me over and over; and, if the Senator will recall, there was a great meeting here of people interested in legislation of this kind that filled Continental Hall or some other large hall down town. They appointed officers and adopted resolutions and all that sort of thing, and when we had our hearings some of them came before the committee to testify.

I am assuming that the President is for the bill as it is now presented to the Senate, although I have not asked him as to that, because I do not know whether or not he is familiar with all its details and provisions; but I know that generally he is in favor of a measure of this kind, and thinks it essential as a part of the refinancing enterprise upon which, as a Nation, we have now entered.

Mr. BORAH. The gentleman appearing before the committee from whom the Senator from Michigan [Mr. COUZENS] read, Mr. Adams, says that this bill does not comply with the President's idea, and that it will not benefit the small-home owner. To my mind, we ought to stop right here and settle that question. If there is a way to reach the small-home owner, and to know that we are going to reach him, above all things in the world, we want to know that fact.

Mr. WATSON. That is all this bill is for.

Mr. BORAH. In view of our experience with the Reconstruction Finance Corporation, and in view of our experience of having appropriated $125,000,000 to inaugurate a more liberal farm-loan system which did not come, it seems to me that we ought to be definite and certain, if we can possibly be so, that this bill is not going to fail in that respect. This gentleman says it is not in accordance with the President's desires.

Mr. WATSON. Oh, yes; and I can bring the testimony of 75 men who say otherwise. All the testimony before the committee was replete with statements to that effect. As to whether or not Mr. Adams knows the President, or ever saw him, I do not know. I do not know whether he has ever talked with him.

Mr. GOLDSBOROUGH. Mr. President, will the Senator yield?

Mr. WATSON. I yield.

Mr. GOLDSBOROUGH. There are approximately 12,000 building and loan associations in the United States; are there not?

Mr. WATSON. There are.

Mr. GOLDSBOROUGH. Has not the Senator received communications and notices from States in various sections of the country in which such building and loan associations heartily indorse and approve this bill?

Mr. WATSON. In very great number. I do not know how many building and loan associations there are in the United States, but a very large number of them, with assets aggregating about $9,000,000,000, and the companies or corporations interested in this measure, or which are to be interested in it, have assets aggregating some seventeen or eighteen billion dollars, while the mortgages on homes in America to-day aggregate about $20,000,000,000. I agree entirely with the Senator that if we can not reach the individual home owner the bill will fail of its purpose, and that is exactly what this bill is designed to do; and my best judgment is that it will do it.

Mr. FLETCHER and Mr. HOWELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Indiana yield, and if so, to whom?

Mr. WATSON. I yield first to the Senator from Florida. Then I will yield to the Senator from Nebraska.

Mr. FLETCHER. Mr. President, with reference to the number of building and loan associations, the evidence shows that there are 11,767 in the United States. Very largely they are in favor of this bill, because the bill is practically for the relief of building and loan associations, and I do not know that it would relieve anybody else. They have a lot of frozen assets. They have a lot of mortgages past due upon which interest is not being paid, and taxes are not paid, and insurance is not paid, and their mortgagors are in a bad fix. This bill would relieve building and loan associations.

I am a friend of building and loan associations. I think they have done great work, and have served a great purpose, and I should like to see them relieved; but when we get right down to the gist of this measure its principal function is to relieve building and loan associations and stockholders of those associations to some extent.

What I rose for mainly was this: The Senator said that in the case of the great association he knows about in Indianapolis, 90 per cent of the loans, as I remember, are in default.

Mr. WATSON. Oh, no; 20 per cent; not 90 per cent.

Mr. FLETCHER. Well, a large number of them are in default.

Mr. WATSON. Yes.

Mr. FLETCHER. In that connection I want to call attention to page 17 of the bill. It provides for loans by these banks and says:

> No home mortgage shall be accepted as collateral security for an advance by a Federal home-loan bank if, at the time such advance is made (1) the home-mortgage loan secured by it has more than 15 years to run to maturity, or (2) the value of the real estate with respect to which the home mortgage is given exceeds $20,000, or (3) is past due when presented.

I take it that most of the building and loan associations that want relief and need relief are holding past-due paper, and according to that provision they are eliminated. Their mortgages will not be considered at all if they are past due. I think that clause ought to be struck out, anyhow.

Mr. COUZENS. Mr. President, will the Senator from Indiana yield to me?

Mr. WATSON. I yield.

Mr. COUZENS. Is there any assurance in this bill that, if these agencies borrow from the home-loan banks, they will use the money for the purpose of extending mortgages; or may they use it for the purpose of paying off their stock? I mean, there is nothing in the bill on that point; is there?

Mr. FLETCHER. No; nothing at all.

Mr. COUZENS. In other words, they can take all their mortgages and deposit them with any one of these home-loan banks and pay off all of their stock with this money?

Mr. FLETCHER. Yes.

Mr. COUZENS. There is nothing at all in the bill to protect the home owner.

Let me say that during all of this agitation for the past six months I have not received one letter from a home owner asking for the passage of this bill. Such communications as I have received have been from financial institutions that have urged the creation of these banks for the purpose of financing themselves.

Mr. WATSON. Mr. President, of course I believe the Senator if he states that to be a fact, but it is a most astounding statement. I will venture to say that I have from over the United States a full bushel of such letters.

Mr. COUZENS. I will turn the files of my office over to the Senator, and if he can find two letters of that kind I shall be very much astonished. One might have gotten by me; but the Senator can not find two letters from home owners who said they would benefit by the provisions of this bill.

Mr. WATSON. I agree, of course, with what the Senator says, because when he says something I know he tells the truth; but did we not have a man from the Senator's own State who testified for the bill?

Mr. COUZENS. Not a single home owner. Builders, contractors, real-estate men, and financial men appeared before us, but not a single poor home owner whom this bill is supposed to help.

Mr. WATSON. As for the poor home owners, there was not one who came before us from anywhere, either for or against the bill. He could not come unless some one else paid his way.

Mr. COUZENS. That is what I say. He is "the forgotten man." He does not want this bill. He does not see any help from it.

Mr. FLETCHER. Mr. President, if there are any committee amendments I think they ought to be taken up and disposed of.

Mr. COUZENS. They have been disposed of.

Mr. FLETCHER. But the Senator said a moment ago that he was going to move to strike out section 5.

Mr. WATSON. In a while, yes; after we get through the general discussion.

Mr. FLETCHER. Are there any other amendments that the Senator proposes?

Mr. WATSON. The committee amendments have all been agreed to. I have not made the motion as yet, because there is plenty of time for that; but I intend to make it, or some other Senator will make it.

Mr. FLETCHER. I understand.

Mr. WATSON. Now I want to call the attention of the Senator from Idaho——

Mr. COPELAND. Before the Senator proceeds to another point will he yield to me for a moment?

Mr. WATSON. Yes; I yield to the Senator.

Mr. COPELAND. I do not think the statement made by the Senator from Michigan is quite fair. The building and loan associations are mutual concerns. They are not profit-making concerns in the sense of making money for those who are interested in them. They are built up to help the home owners, and when the officials of the building and loan associations come here, as I know those associations, they are representing these chaps who need the money. I do not think we could expect these poor, broken-down home owners, who have not money enough to go around the corner where prosperity is, to come down here; but when the heads of these building and loan associations come they represent these home owners who need the money.

Mr. WATSON. Of course, as my friend from New York says, we can not help the building and loan associations without helping thousands of home owners, because they are really synonymous.

Now, Mr. President, I want to call the attention of the Senator from Idaho to page 11 of the first day's hearings on this bill. I know that the Senator, by reason of his many duties, has been unable to read the hearings. There is at that point a statement by the President of the United States in which he sets forth seriatim his reasons for wanting a bill of this kind passed; and I assume that if the Senator from Idaho would read it he would be perfectly well satisfied as to the position the President at that time took, and still takes, on this subject.

Mr. BORAH. I know what the President's attitude is toward the bill generally, and I suppose it is the same view that we all entertain. That, however, is not the question which is bothering me. It is how, through the terms of the bill, to execute the desire of the President and the desire of the rest of us to reach the small home owner. I understand exactly the relationship of the associations to the home owners, but I also understand something about the relationship of these banks to their clients. It did not make any difference about the relationship. They held on to the aid which the Government extended them, and did not pass it on. I do not know whether it will be passed on here or not, or whether the mortgages on these homes, the 20 per cent of the 26,000 that the Senator speaks of, will be foreclosed.

Mr. WATSON. I am assuming that if a building and loan association in Boise, Idaho, had a mortgage on the home of the Senator from Idaho—which I trust will never happen—if they got money to tide them along, they would not foreclose that mortgage. Of what advantage would it be to them to foreclose the mortgage? They are here pleading for money to keep from foreclosing mortgages.

Mr. FESS. Mr. President, will the Senator yield?

Mr. WATSON. I yield to the Senator from Ohio.

Mr. FESS. I have listened to the inquiries of various Senators as to how this proposal would interest or affect in any way the individual home owner; and if the Senator from Indiana will permit me, I would like to read a letter from the manager of the Dayton Chamber of Commerce, who is not speaking for any particular business, but rather for the people of his city.

Mr. WATSON. I yield for that purpose.

Mr. FESS. The letter reads:

> There are 16 flourishing institutions in this city, containing deposits at the present time of approximately $137,600,000. This is a drop from $160,000,000 in the last three years.
>
> For the past year these associations have been on notice. Some have been paying $25 a month, while quite a number are not paying their depositors anything. In the meantime the clients have been called upon to pay their interest charges at the rate of 7 per cent. Quite a number during the past year have even gone so far as to pass their dividends, which is creating an exceeding hardship upon the people of this community, who have been taught to place their funds in building and loan associations.
>
> These few facts are given to you to let you know that each and every one of these associations are greatly interested in the passage of the home loan bank bill. It is believed that the passage of this bill and the issuing of loans would greatly assist these institutions in bringing our conditions back to normal. The big problem we have to-day is with the building and loan associations, despite the fact that we had the largest bank in this city to fail, the latter institution representing $19,000,000 deposits. Plans have progressed to the extent that reorganization of this institution will probably be perfected by the middle of the summer, but we realize that the stagnation of credit in this community is due to the fact that the great bulk of deposited funds are in the 16 building and loan associations, and anything that can be done on the part of the Government, this through the passage of the home loan bank bill, and also as quickly as possible, would be an important means to a desirable end.
>
> This organization has been working on plans to issue script or to break down into smaller units the stock shares of these organizations, or if possible, securing loans for the associations. What will come out of these we don't know, because of the building and loan laws of the State of Ohio, but we have the cooperation of not only the local league of building and loan associations, but the superintendent of building and loans at Columbus in trying to work out the problem, but all concerned feel that the passage of the home loan bank bill is the one measure necessary and practical to give the direct relief necessary for the normal operations of these institutions and thus the solution of some of our very grievous problems.

As the Senate knows, the building and loan association was born in the State of Ohio, and that State has a larger interest than any other State in the Union in deposits in those institutions. Dayton happens to have the reputation of being the building and loan association center of the world. All of the building and loan associations there are in distress, all of them have put up the notice that they are not paying. The funds are there, there is $137,000,000 and over; but credit is in such shape that, with the depositors failing to pay in their interest, naturally those associations can not lend any money. That seems to be pretty general all over Ohio. Whether this bill would cure that situation or not, those people have the feeling that this is a method by which some of the money can be released.

Mr. WATSON. Mr. President, when the Senator said the funds were there, he meant the mortgages were there?

Mr. FESS. Yes.

Mr. WATSON. That does not mean the cash, but the mortgages are there, and they can not rediscount those mortgages and get cash.

Mr. FESS. The wealth is there.

Mr. WATSON. The actual wealth is there, so far as that is concerned, but they can not get the money.

Mr. BORAH. Mr. President, the letter read by the Senator from Ohio is based on the plea that they desire aid in paying depositors and dividends. I am not so much concerned about that, but I would like to know how the individual home owner who has been unable to pay upon his mortgage is to get any benefit out of this bill.

Mr. WATSON. Mr. President, I have tried to point that out in two specific instances. The first was where a man has money deposited, or is a stock owner. At the present time there is no way by which he can get any money out of the institution at all, it is frozen. He may need money in the worst way in the world, even to live on, but he can not get it. This would relieve that man; and there are millions of such men in the United States. In the next place, if a man has given a mortgage, and the building and loan association owns the mortgage and is about to foreclose on his property, this would enable the building and loan association to give him a longer time, and perhaps a lower rate of interest, to tide him over so that it would not be necessary to foreclose. In other words, it would give him a chance for his life. That is about all there is to it, and I have no idea of expressing any other thought to the Senator than what I really believe about it. I think it would mean salvation to such a man.

Mr. BORAH. The Senator will recall that we appropriated $125,000,000 at the beginning of the session to enable the farm-land banks to adopt a more liberal policy, to cease foreclosing mortgages where it was not absolutely necessary, and to save farms to the owners. Congress intended that that should be done, but in my opinion that has not happened. The farm mortgages are being foreclosed, and practically as drastic a policy as was in existence before is in existence now. I am thoroughly in sympathy with what the Senator wants to accomplish, that is, to help the home owner; but if we leave it as we left it with the Reconstruction Finance Corporation and with the farm-land banks, for them to determine what is a liberal policy, and how they shall save the farmer or the home owner, I am afraid that we are going to be disappointed for the third time.

Mr. WATSON. What would the Senator do with this measure?

Mr. BORAH. I do not know that I can offhand suggest a method, but I feel we ought to consider how, is possible, it can be done.

Mr. WATSON. Mr. President, I have been over that just as thoroughly as I can. I have discussed it with a large number of bankers, with building and loan association officials, with persons interested in such financing, and those who from the ethical or, if you please, sociological, standpoint have been interested in the preservation of the American home, and there is a universal belief that this measure will accomplish the relief we have in mind. I am inclined to believe it will; and if I did not think so I would not be standing here advocating it, because I believe that where a building and loan association has a mortgage on an individual home, or on the homes of a large number of individuals in a community, and has the money to tide them over, it will not foreclose. Such associations do not want to foreclose now. They have mortgages past due on millions of homes in the United States, on which they could foreclose. What are they going to do? Can they continue to pursue the course they are now following, holding mortgages long past due? What is going to become of them? Unless some assistance is rendered, they are going to be destroyed. If we do not afford relief, in either this or some similar way, we are going to have not only building and loan associations tumbling down all over the country but millions of home owners in every part of the United States will be involved. The situation makes the effort worth while.

Mr. BORAH. Perhaps so; I am not disputing that, but I am deeply interested to know whether we can be more certain of reaching the man we desire to reach than we were with reference to the Reconstruction Finance Corporation and the farm-land banks.

Mr. WATSON. Mr. President, the Senator could not have been more disappointed about the results of the farm-land bank legislation than have I. A farm-land bank at Louisville was foreclosing mortgages all over Indiana when there was no earthly justification for such action. Since we passed the act referred to and placed in the hands of that bank money to enable it to give its debtors a breathing space, as we say in the ordinary street parlance, a "show for their white alley," it has not complied with the intention of Congress, but has gone about over my State and taken livestock and other property in order to obtain payment of the interest those men owed; and there was no justification for that in the world.

After all, however, that presents a little different situation from that which confronts us now; and my thought is that this measure being designed to aid the small home owner, there will be a more sympathetic cooperation between him and the building and loan association in his own town, operating among his own neighbors, officered by his own people, than was found in connection with the farm-land banks.

Mr. BORAH. Perhaps so. Let us do the best possible to make it certain.

Mr. WATSON. Let us hope so.

Mr. HOWELL. Mr. President, will the Senator yield?

Mr. WATSON. I yield.

Mr. HOWELL. I suggest that we consider a concrete case. Let us suppose a home owner has borrowed $3,000. He is back six months in his payments. His payments are 60 cents per hundred dollars of his loan per month. The total arrears is $108. His taxes are due, and he can not pay. The taxes on that property would amount to about $150 per year. He has insurance, we will assume, that is due at the same time which would cost him $24 for a 3-year policy. So the total amount due is $3,282. The man has been out of work and has no prospect of a job. How would this debit be treated for relief of this man?

Mr. WATSON. Mr. President, I have tried to answer that question four or five times. In the first place, if he had his money in the institution, either on deposit or as a stockholder, it would enable him at once to withdraw that money. If he had a mortgage there, the result would be that the building and loan association would be enabled to tide him along and not foreclose on him.

Mr. HOWELL. I want to know how the building and loan association is going to treat this mortgage.

Mr. WATSON. That is what I am now explaining to the Senator. They would either have to foreclose or tide him over. If they want to foreclose they could do it now. They are waiting for this bill to be passed in order that funds may be placed in their hands to carry that man over so they will not have to foreclose.

Mr. HOWELL. Then it is proposed that money shall be loaned to the building and loan associations without earmarking the money in particular cases. When I say "earmarking the money," this is what I mean: Here is John Smith borrowing $282. Where is the building and loan association to get the $282 to cover this and how will it state it on its books and what is the form of claim which the home-loan bank will have?

Mr. WATSON. That is all a matter of detail to be worked out by the building and loan association which has the mortgage. In the first place, the home-loan bank may issue bonds, notes, or debentures and obtain money. In addition it has paid-in capital which is supplied in part by the Reconstruction Finance Corporation. So there is money in the till which may be furnished the building and loan association in accordance with the provisions of the bill. How will the association use the money with reference to the man on whose home they have a mortgage? They use it to tide him over until he gets a job if he can not pay now.

Mr. HOWELL. Will they use it for that purpose or to pay the withdrawals from that concern?

Mr. WATSON. Both.

Mr. HOWELL. Does the Senator think we should loan money to a building and loan association to pay off its depositors who, when they became members of the mutual association, agreed that their money should be loaned to the borrowers who are also members of the association and were to enjoy or suffer the profits and losses together.

Mr. WATSON. Let me say to my dear friend from Nebraska that where the depositor is in deep distress, where he may have a mortgage on his home and may not be able to pay his living expenses, he may be and probably is in a situation where he needs help just as much as does the man who has a mortgage on his home. He is entitled to have his money or a part of it. It is his money.

Here is another point: There is not much money on deposit in the various building and loan associations and other depositaries that could be used for the purpose of paying off loans on homes. I estimate that it would take $1,800,000,000 to do that in the case of those who are in distress. I do not claim that this measure will give complete relief to all of them. I would be foolish to stand here and make a claim of that kind, but I think in the course of a few months it is going to relieve very greatly the situation. I think it will enable the building and loan associations of the country, the savings associations, to obtain money with which to relieve the situation, and that is all I claim for it. I am sure that much will be done.

Mr. HOWELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield further to the Senator from Nebraska?

Mr. WATSON. I yield.

Mr. HOWELL. I have the greatest desire to aid in any effective legislation of this kind.

Mr. WATSON. Certainly; I know that to be so.

Mr. HOWELL. But the question is whether its purpose is to relieve financial institutions or the individual.

Mr. WATSON. It is to relieve the individual.

Mr. HOWELL. How do we know the proposed aid is going to reach the individual? I have stated a concrete case and the only purpose for which I have cited it is——

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will suspend until the Senator from New York submits his parliamentary inquiry.

Mr. COPELAND. We would like to hear the confidential conversation that is going on between the Senator from Nebraska and the Senator from Indiana in order that we may benefit by it.

Mr. WATSON. Mr. President, I did not hear any more of what the Senator from New York said than he says he heard of what I was saying.

Mr. COPELAND. What I said was that I should like to have the Senator from Nebraska and the Senator from Indiana speak a little louder so I may get the benefit of what they are saying.

Mr. WATSON. I thank the Senator from New York for thinking there is any benefit to be derived from my remarks.

Mr. HOWELL. Mr. President, a building and loan association that has been properly carried on is not likely to be in trouble at this time. It is not in trouble at this time because it has loaned upon good security the payments of depositors and those who were repaying their loans. There is undoubtedly a provision in its by-laws to the effect that the concern may not be required to pay out to those withdrawing in any one month more than half of the income for that month. Such are the two primary principles in connection with building and loan associations.

I think in Omaha we have one of the largest building and loan associations in the United States. It is not in trouble. It has never been in trouble. It is true a variation in the form of building and loan associations has been made in some States where they have been running as financial institutions—as a combination of building and loan associations and a private lending agency. A mere building and loan association has not the authority and should not have the right to hypothecate its mortgages.

Mr. WATSON. In some States.

Mr. HOWELL. In some States it seems that they have hypothecated mortgages to extend their business, and now the banks are seeking to get back the money loaned, and this bill has, I believe, had its inception in those States.

We are all agreed that we want to see the home owners benefited. I purposely afforded a concrete case to find out how the needy man would be treated. Would a new mortgage be executed?

Mr. WATSON. Presumably.

Mr. HOWELL. How much interest would he pay? How would he be treated in the case of subsequent defaults—being out of a job? I think we ought to know. I have been very much interested in building and loan associations for many years and I know something about their operations. I have dealt with their legislation. Where the fundamental principles of building and loan have been violated such building and loan associations are now in trouble. What I am trying to find out is whether this proposed legislation is to help out financial institutions in trouble or to rescue home owners in arrears.

As has been stated on this floor, it was hoped that the Reconstruction Finance Corporation would in the end benefit agriculture, that some way or somehow its aid would seep down through to agriculture. But it has not done so. Therefore, I am inquiring to learn if the bill is intended to relieve the financial institutions of a character that could not have been relieved otherwise, or is it the purpose of the bill actually and directly to relieve the needy home owner? If it is to relieve the home owner, how? I think we ought to know specifically.

Mr. HEBERT. Mr. President, I think I can see a way whereby the case to which the Senator from Nebraska refers can be relieved. He assumes, for instance, that the home owner owes some $300, which he is unable to pay. The building and loan association which took the mortgage originally probably loaned up to, perhaps, 50 or 60 per cent of the value of the property. The building and loan association can not advance the home owner any more money because it has not any funds at its disposal. Thereupon it takes the mortgage to the home loan bank and hypothecates it for a loan sufficient to tide over this mortgagor until he himself can pay his dues and his obligations. Unless that can be done there is but one other course to pursue, and that is for the building and loan association to foreclose the mortgage. That will bring no funds into the hands of the building and loan association, though it does need money to pay its depositors. Its deposits have been invested in mortgages, and so we go on in a vicious circle unless we are able to take care of the borrowers, unless we can tide them over until a time arrives when their incomes will enable them to pay their dues on their mortgages.

I do not know that the bill is designed to be for the benefit of building and loan associations particularly; but assuming that it is designed for the benefit of building and loan associations, they are mutual organizations. They are operated for the benefit of their members. No one has any superior rights in a building and loan association. They are mutual organizations. Everyone has the same interest and one has no more interest than another. Of course, loaning to a building and loan association is in effect loaning to its borrowers, who in their turn are unable to meet their obligations. Unless something of this sort is done, the result will be that home owners are going to lose their homes.

I am told that in New England there has been a withdrawal of more than $46,000,000 in the last few months out of savings banks, out of the building and loan associations, and out of kindred organizations. Some means must be found to procure funds to tide over those people until their incomes are sufficient to take care of their obligations.

While I am on my feet I want to refer to the inquiry of the Senator from Idaho [Mr. BORAH] as to what the attitude of the management of the home-loan banks is going to be.

It seems to me that the set-up is such that there would be every incentive to treat liberally with those organizations throughout the country that need these funds. The board of directors, as provided in the bill, is to be made up of officials of the building and loan associations and savings banks and similar institutions operating in their immediate locality. They themselves have an interest in being liberal in the making of loans to tide over the people who are industrious. There is every reason to believe that they will treat liberally and equitably with those institutions which need this money at this time. I should suppose that would be their attitude. Any other attitude on their part will serve very little purpose under the bill, because it is primarily designed to assist the very institutions, and incidentally and more particularly the creditors of those institutions, in which they themselves are officials and are directly interested.

Mr. WATSON. Mr. President, that is a very fine statement, and I thank the Senator from Rhode Island.

Mr. ODDIE. Mr. President, will the Senator from Indiana yield to me to enable me to present a conference report?

Mr. WATSON. I am glad to yield to my friend from Nevada for that purpose.

Mr. COPELAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Reed
Austin	Davis	Kean	Robinson, Ark.
Barbour	Dickinson	Kendrick	Robinson, Ind.
Bingham	Fess	Keyes	Schall
Black	Fletcher	La Follette	Sheppard
Blaine	Frazier	Lewis	Shortridge
Borah	George	McGill	Smoot
Bratton	Glenn	McNary	Stelwer
Brookhart	Goldsborough	Metcalf	Thomas, Idaho
Broussard	Hale	Moses	Townsend
Bulow	Hatfield	Norbeck	Trammell
Capper	Hawes	Norris	Vandenberg
Caraway	Hayden	Nye	Walcott
Coolidge	Hebert	Oddie	Watson
Copeland	Howell	Patterson	White
Costigan	Johnson	Pittman	

The VICE PRESIDENT. Sixty-three Senators have answered to their names. A quorum is present.

TREASURY AND POST OFFICE APPROPRIATIONS—CONFERENCE REPORT

Mr. ODDIE. Mr. President, I present the conference report on the Treasury and Post Office appropriation bill and ask for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate (except No. 9) to the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 17, 28, and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 8, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, and 52, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"The offices of surveyors of customs (except the surveyor of customs at the port of New York) and appraisers of merchandise (except the appraiser of merchandise at the port of New York), 21 in all, with annual salaries aggregating $102,000, are hereby abolished. The duties imposed by law and regulations upon surveyors and appraisers of customs, their assistants and deputies (except the surveyor and the appraiser, their assistants and deputies at the port of New York), are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$410,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$27,800,220"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "$19,460,000"; and the Senate agree to the same.

TASKER L. ODDIE,
REED SMOOT,
GEO. H. MOSES,
E. S. BROUSSARD
(Except amendment 29),
PARK TRAMMELL
(Except amendment 29),
Managers on the part of the Senate.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
Managers on the part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

Mr. ROBINSON of Arkansas. Mr. President, I do not object to the present consideration of the report, but I think the Senator in charge of it should present to the Senate an explanation and analysis of the report.

Mr. ODDIE. Mr. President, the Senate on yesterday heard a brief statement of the report of the conference committee and sent the bill back to conference. Last night the conferees met again and acted on the two amendments which were particularly in dispute. One was in relation to the price of typewriters, which the Senator from New York [Mr. COPELAND] questioned. The Senate yielded to the House on that amendment.

The other item was one in which the Senator from Arkansas [Mr. ROBINSON] is interested, appearing on page 31 of the bill.

For special studies of, and demonstration work in, rural sanitation—

For which an appropriation of $3,000,000 was proposed.

The Senate conferees discussed this amendment with the House conferees for some time last night and explained the earnestness with which the Senator from Arkansas had presented this case. The House conferees were adamant. The Senate conferees argued with them over and over, but it was found that nothing more could be done except for the Senate to recede on this item. The conferees thereupon agreed; the conferenee report was taken back to the House, and the

House agreed to it this morning. Now it is before the Senate, and I move its adoption.

Mr. President, before the question is put on that motion I will say that I have sympathy for the Senator from Arkansas in this matter. He is very earnest in his desire that this appropriation be made, and the Senate conferees have tried to help, but they have run up against a stone wall, and can not go any further, in my opinion.

Mr. ROBINSON of Arkansas. Mr. President, I do not ask sympathy from the Senator from Nevada. This is not an amendment that has any personal effect on me; it is an amendment designed and intended to carry forward a very wholesome and necessary service, and one found to be of particular advantage to millions of country people, many of whom are in need. Under the conditions prevailing in many parts of the United States suffering from disease and epidemics which might be prevented likely will result from the rejection in conference of this amendment.

Last year this service was especially helpful in 21 States; it was not limited to any one section of the Union. Thousands of people were in need of assistance which a similar fund afforded. The elimination of the amendment not only terminates the advance in sanitation but it breaks up and disperses the great organization assembled for the purpose of carrying on the work of rural sanitation, supplying medicines to those who can not obtain them through local agencies or through their own resources.

After the statement by the chairman of the committee, there is no occasion for further discussion of the subject at this time.

Mr. SHORTRIDGE. Mr. President, when this bill passed the House, it contained a provision found on page 11, beginning at line 24 and continuing on to line 15 on page 12.

Mr. SMOOT. Mr. President, will not the Senator allow us to get through the pending amendment, and then we will revert to the other one? The amendment of which he speaks, I understand, relates to the comptrollers of customs, surveyors of customs, and appraisers of merchandise. It has nothing to do with the matter which is now being discussed.

Mr. SHORTRIDGE. Very well.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. SMOOT. Mr. President, all I asked was that the Senator from California wait until the discussion had been concluded on the amendment on page 31. I asked the Senator whether he was going to discuss that, and I understood him to say no; but he was going to discuss the amendment relating to comptrollers and surveyors of customs, found on page 11.

The VICE PRESIDENT. The conference report has been agreed to, and, as the Chair understands, there were only two amendments in dispute.

Mr. SMOOT. The Senator from California wanted to speak upon another item which the Senator from Arkansas did not mention. I ask now that the vote by which the conference report was agreed to may be reconsidered.

The VICE PRESIDENT. Without objection, the vote whereby the conference report was agreed to will be reconsidered, and the Senator from California is recognized.

Mr. SHORTRIDGE. I repeat that when the bill passed the House it contained a provision, beginning in line 24, on page 11, and ending on line 15, page 12. I rise to express my regret that the Senate conferees yielded, as I have been told—though perhaps I may be in error—without striking one blow to support what the Senate did and commissioned them to uphold.

Mr. SMOOT. Mr. President, I should like to say——

Mr. SHORTRIDGE. I say that; let the Senator reply in his own time.

Mr. SMOOT. I can reply to the Senator now.

Mr. SHORTRIDGE. The Senator can do so in his own time.

Mr. SMOOT. I do not know what the Senator means by "without striking one blow."

Mr. SHORTRIDGE. I mean to speak very plainly, and I think I understand—and I assume the Senator understands, something of the English language. That provision was as follows:

The offices of comptroller of customs, surveyors of customs, and appraisers of merchandise (except—

Note this—

except the appraiser of merchandise at the port of New York), 29 in all, with annual salaries aggregating $153,800, are hereby abolished. The duties imposed by law and regulations upon comptrollers, surveyors, and appraisers of customs, their assistants and deputies (except the appraiser, his assistant and deputies at the port of New York), are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify.

I pause to remark that it appears that the Secretary of the Treasury is the legislative branch of this Government. I dissent from any such thought.

And he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service.

That was the provision in the House bill as it came to this body. The Senate, after careful thought and consideration of the subject matter in the provision which I have quoted, unanimously, as the RECORD discloses, struck out that provision. In support of the action of the Senate, the Senator from Maryland [Mr. GOLDSBOROUGH] explained and defended the action of the Senate. On June 23 he made a clear and, I submit, persuasive and convincing argument in favor of striking out entirely the provision quoted. His remarks are here in the RECORD as of the 23d of June.

The bill passed this body. Conferees were appointed. I pause again to say that perhaps hereafter, in matters which I think are important, I may ask the Senate to elect conferees rather than have them appointed by the presiding officer. In saying that, I make no reflection, inferentially or indirectly, as to the fairness and the good motive and intention of the present presiding officer of this body.

Conferees were appointed. I have always understood that conferees representing the Senate were to represent the Senate and were not to yield too readily to arguments or opposition advanced by conferees of the House. I have seen too much of abject surrender on our part through conferees appointed. I have in mind a case which not only interested me directly, but, I thought, interested the Nation at large, and that was in respect of the proposed tax on admission tickets, including tickets to the great Tenth Olympiad, to be held in Los Angeles beginning July 30 and continuing to August 14. The great honor, the great distinction, was given to the United States of celebrating the historic Tenth Olympiad. The very mention of the word "olympiad" takes our minds back before the birth of Christ. The modern olympiads were commenced in Athens in 1896, and, as we all know, every four years thereafter a great gathering has been held; and the Tenth Olympiad, in 1932, was by the international committee assigned to the United States, to be celebrated in Los Angeles.

It gave me great pleasure, and I took pride in moving to exempt from the proposed tax on admission tickets the tickets to the great Tenth Olympiad. The Senate Finance Committee unanimously approved my suggestion by way of amendment. This body unanimously approved the report of the Committee on Finance; and the bill went into conference with section 712 relating to this immediate matter.

I was shocked, I was pained, when the conferees reported and I found that the Senate conferees had yielded or receded, surrendered to the House conferees by eliminating section 712, which exempted from the proposed tax on admission tickets the tickets to the Tenth Olympiad. I had pointed out, and this RECORD contains my more or less elaborate statement, that this great gathering was to be participated in by contestants from all the civilized nations, and that our people of California had voluntarily raised and

expended over a million dollars to the end that the exhibition might be creditably put over.

I repeat myself when I say that although the Senate Finance Committee and the Senate unanimously approved my proposed amendment, known as section 712 as it passed this body, I was grieved to learn that it had been eliminated. I was advised that our conferees surrendered to the House conferees without striking one blow. Our purpose in raising this million dollars was not for the benefit of Los Angeles or California, but we sought to have the United States creditably carry forward and through this great gathering from the civilized nations.

Now I return to the immediate matter before us. Notwithstanding the masterly statement of the Senator from Maryland in support of his amendment which struck out the provision I have quoted, which was in the House bill as it came to the Senate; notwithstanding that statement and the good reasons therefor, I find that our conferees again yielded—I use the word "surrendered"—to the arguments or the demands of the House conferees, and in lieu of what we did and in lieu of what the House originally did, they have reported to us and suggested a section, which, if approved, will become a part of the law, reading as follows:

The offices of surveyors of customs (except the surveyor of customs at the port of New York)—

Some people may think that New York or New York City is the only city in the United States of America. I do not think so.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. With pleasure.

Mr. COPELAND. Is there any doubt about that? [Laughter.]

Mr. SHORTRIDGE. There is a very grave doubt about it.

Mr. COPELAND. I am surprised to hear the Senator say so.

Mr. SHORTRIDGE. Yes, sir; a very grave doubt. New York has here two very amiable and certainly very vigilant Senators, who are alert and sleepless in looking after the interests of the Empire State, but California is a part of the Union. So is Arkansas. I might include a few other of the 48 States. [Laughter.] There are 48 of us.

The section proposed, and thus far agreed upon by the conferees, reads:

The offices of surveyors of customs (except the surveyor of customs at the port of New York)—

I see a smile on the classic features of the Senator from New York—

and appraisers of merchandise (except the appraiser of merchandise at the port of New York), 21 in all, with annual salaries aggregating $102,000, are hereby abolished. The duties imposed by law and regulations upon surveyors and appraisers of customs, their assistants and deputies (except the surveyor and the appraiser, their assistants and deputies at the port of New York) are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify, and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service.

That is the section which it is proposed shall become and be a part of the law if this report is adopted and the bill becomes a law; and I observe that it was recommended by the conferees that "the Senate agree to the same."

Mr. President, the names of the conferees, of course, are in our minds. I again express my surprise that the Senate conferees felt impelled to, or were compelled to surrender, or voluntarily surrendered to the demands of the House conferees.

There are other cities, there are other ports, than the city or port of New York. The Senator from Maryland [Mr. GOLDSBOROUGH], in his statement, which appears in the RECORD as of June 23, analyzed the situation. It is not my purpose long to delay the Senate, but I have risen immediately to express my dissent from the conference report in respect to this amendment numbered 10.

Yonder is San Francisco, for example, a great commercial city, with a vast trade with the Orient and with South America. It also enjoys a great intercoastal trade. The offices here referred to and which are to be abolished affect San Francisco and many other cities in other States. According to this amendment all these particular offices are abolished—all except those in New York City.

I think those officers are essential to the efficient administering of our tariff laws. I believe in adequate tariff protection. I believe in having an efficient force to administer our existing tariff laws, and I believe these particular officers named are necessary to a careful and efficient enforcement of our tariff laws. Therefore, Mr. President, I was surprised when this conference report came in, as I have been surprised at other and earlier conference reports, where, it seemed to me, the Senate conferees too quickly receded.

I recall when the tariff bill of 1930 was in conference. Perhaps it does not become me to say it, but I happened to be one of the conferees, and there was one item in that bill adopted by the Senate upon my suggestion which I think would have been stricken out in conference if I had not been one of the conferees. I refer to the tariff on long-staple cotton. I am happy to pay tribute to Senators upon the other side of the aisle and to say that if it had not been for the votes of Democratic Senators, we would not have had the tariff act of 1930, and assuredly we would not have had the tariff duty on long-staple cotton if it had not been for the support of Democratic Senators from cotton-growing States. No conferee on that bill was more vigilant and more assertive and more effective than was the learned and able senior Senator from Mississippi [Mr. HARRISON] in support of the tariff upon long-staple cotton. It is true, sir, California was and is interested in that great branch of agriculture. I offered, and would have supported, that amendment even if California had not raised a pound of long-staple cotton. I claim to be a Senator of the United States.

I go farther and say, as the record reveals and history will not forget, that if it had not been for five upstanding and unafraid Democratic Members of this body, the so-called Hawley-Smoot Tariff Act would not have been passed and would not have become a law, for much credit for its passage is due to the two thoroughly Democratic and protective-tariff Democrats of Florida, to the two thoroughly Democratic and protective-tariff Senators from Louisiana, and to the splendid Senator from Wyoming [Mr. KENDRICK]. But for their five votes that tariff bill would not have been passed, for it passed, it will be remembered, by the slender majority of two votes.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. LEWIS. May I take the liberty of reminding the Senator from California that much credit is due him for having negotiated another feature of that tariff bill? As I read the history, for instance, in the matter of oil, I believe the Senator rather smoothed the procedure.

Mr. SHORTRIDGE. Perhaps I did.

Mr. LEWIS. And bananas?

Mr. SHORTRIDGE. I have not as yet offered an amendment to put a tariff duty on bananas.

Mr. LEWIS. The Senator was responsible also for the advantage that came from the tariff on bananas.

Mr. SHORTRIDGE. No; we have not placed a tariff on bananas as yet.

Mr. LEWIS. But he was instrumental in getting a tariff on poultry; and that got through by a "foul" procedure. [Laughter.]

Mr. SHORTRIDGE. It may have been a high crime and misdemeanor in the eyes of some, but it helps greatly the poultry industry, not only of California but of the great State of Illinois, honored by both of its Senators.

Mr. LEWIS. I just wanted to record that I did know the distinguished Senator from California was entitled to these credits, and I was wanting to certify them, being his friend of years.

Mr. SHORTRIDGE. Yes, Mr. President; if the Senate will indulge me, I have had the pleasure and the honor of knowing the junior Senator from Illinois for more years than perhaps it is prudent for me to mention.

Mr. LEWIS. For which I thank the Senator also. [Laughter.]

Mr. SHORTRIDGE. For, indeed, I became acquainted with him many years ago, when he was the leader of the bar of Seattle, in the State of Washington, before he changed his residence to the great city of Chicago. I recall with pride and pleasure that when passing through San Francisco en route to Chicago, he did me the honor of calling to see me, and even as of then he prophesied that he would some day be in the Senate of the United States. I was happy indeed a few years thereafter to learn that his ambition had been gratified. He was good enough to say that he hoped to find me here also—and here we are, both here humbly representing two of the greatest States in the Union.

Mr. LEWIS. And I ask the Senator, if he will allow me, to say that that proves what eminent philosophers we were in forecasting the future.

Mr. NORRIS. Mr. President, while these Senators are congratulating themselves, what have they to say about the country?

Mr. SHORTRIDGE. Well, Mr. President, it does not become me to say it, but I tremble when I think of what would become of this country if the Senator from Illinois and I were not here. [Laughter.]

Mr. President, I am at a loss to recall just where I left off. I wish, however, to gratify the Senators present by assuring them that I shall detain them but for a few moments longer. I repeat, San Francisco is a great commercial city, on which the sun looks down and, as I said once, regretfully bids good night as it disappears below the horizon. To that port comes a great commerce—greater to be, I hope—and the officers who would be dispensed with are necessary in the enforcement of our tariff laws. I think the same remark applies to the other ports affected by this proposed amendment.

Wherefore I request that our conferees gird up their loins, put on their armor, return to the conference, and persuade the House to do a little receding and accept the amendment which was offered here by the Senator from Maryland and unanimously passed by the Senate.

Before coming to this body I practiced law for some years, and I was not in the habit of surrendering the case until every effort had been put forth to secure a satisfactory or a favorable verdict of jury or decision of court. I submit that if the Senate conferees should resume the discussion with the House conferees, the House conferees could be persuaded and convinced that the Senate was right when it adopted the amendment proposed by the Senator from Maryland.

For the reasons I have stated, I object to the report as it has been submitted.

Mr. GOLDSBOROUGH. Mr. President, I simply rise to express the hope that the conference report as submitted may be disagreed to.

On page 11 of House bill 9699 it was provided that all of the surveyors of customs and appraisers of merchandise should be dispensed with except the appraiser of merchandise at the port of New York. I offered an amendment to that provision striking out that section and leaving those officers untouched.

The real reason for the submission of that provision was one of economy, so it is claimed. There were 22 officers involved, and the salaries to be saved amounted to $111,000. It was stated that it was a matter of economy, as that saving was needed at this particular time.

My viewpoint was that in getting rid of the heads of these various offices or divisions the Government would lose money, not save money, because if they were retained, the better supervision of their offices and the attention they would give to their duties would result in increased revenue being brought into the United States Treasury.

Therefore I submitted the amendment to the Senate, and it was adopted by the Senate and went to conference. Whether the Senate conferees willingly or quickly yielded, as intimated by the Senator from California, I dare not say. I do know that they quickly came to a conclusion. I am fearful that the mandate that came to them from the Senate was not very highly regarded; that they yielded a bit too quickly.

I am not so much interested in the fact of the retention solely of the 22 officers, but I am interested in the fact that by the adoption of the conference report, restoring not only the appraiser of merchandise of the port of New York but likewise the surveyor of the port of New York, we would concentrate the work in that particular port against the ports of Boston, of Philadelphia, of Baltimore, of San Francisco, and other ports in this country, and would result in the volume of imports being carried to the city and port of New York and not distributed to the other centers throughout the country.

That is the important point in this matter, which has been overlooked, which has not been properly considered. I know that the action the conferees have taken was recommended by the Secretary of the Treasury, Mr. Mills, and I think quite often Mr. Mills is right, but in this particular instance I make bold to disagree with him.

All we are asking here is fair play. New York, I know, is a wonderful city, as my distinguished friend the Senator from California has said; but there are other localities in this country, there are other sections, to which goods are being shipped, and there is no reason why they should all go to the port of New York because they have greater accommodation and can more quickly handle the imports that come in. It is wholly unfair, and I ask Senators to give the matter earnest consideration, and to disagree to the conference report.

Mr. REED. Mr. President, with what the Senator from California [Mr. SHORTRIDGE] said I think we would agree; that is, with what he said about conference reports. We do not necessarily have to agree with him about the historical importance of his meeting with the Senator from Illinois [Mr. LEWIS] or with regard to the tariff on poultry or with regard to the sun looking down on San Francisco or some of the other subjects discussed by the Senator; but when he came to the conference report he was right, just as is the Senator from Maryland [Mr. GOLDSBOROUGH].

If we contemplate the effects of the concession made by the conferees of the Senate, we must necessarily see that it operates immensely to the advantage of the port of New York and to the handicap of every other port in the United States. Mr. Mills deserves the admiration and respect of all of us, but I can imagine that that factor in the situation did not appeal as strongly to him, a New Yorker, as it does to us whose interests are sacrificed by the amendment.

Why should any importer import through the port of Baltimore or Boston or Philadelphia or Pittsburgh or San Francisco or Chicago or Detroit when he can have the whole matter closed up by appraisal and survey at the port of New York without any further difficulty? If he imports through one of the other ports, he gets into all sorts of complications about the survey and the appraisal of merchandise. From the standpoint of the importer the inclination is almost irresistible to patronize the port of New York to the exclusion of every other port in the United States. I admire New York. It is a fine city. Many of its inhabitants speak English. [Laughter.] But there is no reason why it should be preferred to every other city in the United States.

In the case of our appraiser in Pittsburgh I know of a single transaction where the appraiser of merchandise saved to the Government of the United States as much as his whole salary for 12 years. He is saving money right along through the discovery and correction of errors, mistakes in judgment, mistakes in technicalities on the part of the collector of customs. Yet in the name of a conference we are abolishing this officer who serves the United States well in furnishing a check upon the other customs authorities, and

we are effecting no economy whatsoever. In the long run the United States loses. In the long run all ports throughout the country, the so-called secondary ports, will lose. In the long run nobody will win excepting the merchants and the importers in the city of New York. I hope the action of the conferees will not be approved.

Mr. COPELAND. Mr. President, representing the State and being a citizen of the city where we speak English and also Pennsylvania Dutch, I want to say a word about this matter. There was no Senator from the State of New York who went before the Appropriations Committee to ask that the bill be written as it comes to us. As a member of that committee, I did what I could to make sure that the surveyor as well as the appraiser should be retained in the city of New York.

Mr. President, we have other ports of entry in my State affected by this amendment. I am making no plea that the city of New York be favored. I voted to sustain the Senator from Maryland [Mr. GOLDSBOROUGH]. I am perfectly willing and my people are willing, so far as I know, to have all the other ports of entry taken care of. I would not have the Senate believe for a moment that there is such selfishness in the hearts of the Senators from the State of New York that they would strive to retain functions and activities and privileges which are not accorded to the citizens and Senators of other States and cities involved.

Mr. President, I thought I should say this much. It is not my battle. It is not a battle of the State of New York or the city of New York. It was the Secretary of the Treasury who proposed this, after the President of the United States had determined that there should be strict economy used in the administration of the affairs of government. It was the determination of the Senate that there should be a 10 per cent reduction in the expenses of operation of government as covered by each of the appropriation bills.

Mr. President, I have not come here to plead for the city of New York. I voted against the 10 per cent reduction. I think many of the economies that were proposed are unwise economies. Of course, no Senator for a moment would think that the chief port of entry should not be provided with the machinery and with the officials to carry on its activities.

So far as we are concerned—and I know in saying this I speak for my colleague [Mr. WAGNER] as well as for myself—we have no desire to have anything for the city of New York that is not had elsewhere throughout the country.

Mr. HAWES. Mr. President, the situation presented to the Senate by the distinguished Senators from California [Mr. SHORTRIDGE], from Maryland [Mr. GOLDSBOROUGH], and from Pennsylvania [Mr. REED] is emphasized in my own city of St. Louis. For over 50 years we have been importing into the city of St. Louis in bond an immense amount of merchandise. We have our appraisers there. We have our brokers. We have established a line of business of which we all know. If the amendment prevails, all of that will be abolished and all of the cities will be put at the mercy of the New York broker. It is a manifest injustice to those cities and to those States. It applies not only to Maryland or to the coast but it applies to the interior of the country. Think of the disadvantage of a man being required to have his appraising done in New York alone—think of the delay, the extra expense, the uncertainty, and the undoubted abolishment of an old established business.

Mr. President, I certainly hope the conferees will insist upon the elimination of the provision.

Mr. BROUSSARD. Mr. President, I happen to be one of the conferees on the bill, and in view of the discussion I wish to make known to the Senate my views in the matter without disclosing what transpired in the conference, if I may do so without violating the rules.

It is proposed here that the functions of the appraiser shall be discharged by a clerk appointed by the collector or comptroller except in the city of New York. Let me say that all of the appraisers now functioning are not appointees of the President. Many of them are appointees of the comptroller to-day, filling the position merely of a clerk designated for the purpose of appraisement. But anybody finding that he has been unjustly treated need not appeal to the collector or comptroller, because the comptroller discharges such functions through his clerks, and the clerks will consult the collector or comptroller, and the importer of goods will have no relief there.

There happens to be situated in my State the second largest port of the United States. There are large importations there which supply all of the Mississippi Valley. Goods come in there amounting to millions of dollars in value. If in the future those goods are to be appraised by a clerk of the collector or comptroller, then these people know their only appeal is to come to the city of Washington, which would be very costly and which would, of course, force many of them to forego a just claim and to make a sacrifice because of the uselessness of appealing to the boss of the man who made the appraisal.

I think there is this distinction, if we are to proceed under the proposal of the Secretary of the Treasury, that all ports except the port of New York shall have appraisers appointed by the collector or comptroller, but in those circumstances they shall have no discretion and from whose decision no relief may be had. Let us consider this one thing that I thought was a happy solution.

In ports like Boston, Baltimore, Philadelphia, and New Orleans, instead of abolishing the positions, I proposed in the conference that we abolish all of the appraisers except where they are presidential appointees. They are not all presidential appointees. The advantage in that proposal would be that where the Congress has found it necessary to protect the importer at the ports of the country it was done by giving a presidential appointment to the individual with equal dignity with the collector or comptroller. There was a reason for the Congress doing that. Supplementing that, authority has been given under the law to the collector or comptroller to appoint appraisers from his office, which is now being sought to be extended, as I take it. I would not charge it, because New Orleans is too far from New York to be influenced by a shipment to New York reaching the Mississippi Valley, but it does effect every port near New York, and every port near New York would be obliged to go to New York. All of the consignments to this country would come through New York. I am not fighting New York, but it is a gross injustice. I proposed to the committee, but the committee refused the proposal, to continue in office the appraisers recognized heretofore to be of sufficient importance that the Congress permitted the President to appoint them, so the comptroller could not take them by the neck and throw them down and make them resign or reverse their decision. The surveyors and appraisers in my State are Republicans, but politics does not enter into the question at all so far as I am concerned. The appeals made to me from my own State come from business people who import large quantities of goods which are distributed over the Mississippi Valley.

When the appraisement is made, if the importer is dissatisfied he must go to the comptroller. He must come to Washington to get relief. It would be very expensive. While he is doing that he would be in an embarrassing position. He may have contracts to deliver goods, which he can not deliver pending the appeal. It is absolutely wrong. I have stated before, and I think it is right, that the ports which are of sufficient importance that Congress recognized that fact by making the appraiser a presidential appointee who can fight the comptroller when the comptroller is wrong, should be maintained and those appointees retained in office. They can debate these matters and settle them fairly on terms of equality. Those appointees should be preserved. In an inland port in the Middle West, for instance, where hardly any goods come in, the comptroller could simply designate a clerk as an appraiser. Those are not sufficiently important to retain. As a matter of fact, what we save there would be insignificant, but in the main port, in the port of New Orleans, which is the second port of the United States, I have protested against the abolishment of the office of appraiser because it would force the

man who imports the goods to come to Washington to settle his differences, and by the time they are settled considerable loss will have been incurred that probably in many instances might destroy or ruin the man who was doing the importing.

As a member of this committee, I do not wish to ask that this conference report be sent back. I am expressing to the Senate the views that I expressed in the conference.

Mr. FESS. Mr. President, I have been considerably surprised at the statements which have come from the various cities. Four years ago the appraiser at Cleveland was given a promotion to a higher position, which made the office vacant. The late Senator Burton was then a Member of the Senate. We took up the matter of whether or not the appraiser was needed, and we were told not only by the Treasury Department but by the people of Cleveland that the appraiser, whose office was political, was not needed. Senator Burton introduced a measure to abolish the office, but it met opposition in the other House and therefore was laid aside. However, for four years that vacancy has not been filled, purely upon the representations made by the people of the city and also of the Treasury Department that an appraiser was not needed. The office is not closed; the office goes on just the same; but the political appointment has not been made. I had understood that that could be done generally, except in the great city of New York, and I am surprised at what has been stated here by Senators representing other cities.

Mr. NORRIS. Mr. President, the question involved here may not be fully understood by me and I am rather seeking light. My first thought when this debate commenced was that the provision which Senators are opposing is only a step toward economy. I supposed, and I rather think yet, after listening to the debate, that that is the object of eliminating these various offices, and, like the Senator from Ohio, I am surprised, although I may not be fully informed, that Senators interested in certain ports in their States which are going to lose some officials by this provision should so strenuously object to this step in the direction of economy. Of course, it could not be possible that any Senator would be influenced against an economical provision in a proposed law simply to retain in his own State some Federal official; I do not believe that has actuated the Senators; but still their explanation to me has not been fully sufficient. For instance, the Senator from Pennsylvania says that the effect of this proposed legislation will go beyond what appears on its face and that those who are importing goods will not bring their goods to the other cities but will all go to New York, because the method, as I understood the Senator from Pennsylvania, is much simpler; it saves some money; it saves some time.

If that be true, Mr. President, why should we not, in the interest of economy for the Government, to begin with, and in the interest of economy for those who import goods, because the consumer pays it all in the end, make the expense as small as possible? If the natural trend of business is to bring the goods into New York City, let them come in there. It seems to me we ought not to provide for a lot of unnecessary officials of the Government all over the United States in order to keep people in office, to make jobs, which is contrary to what all of us have been trying to do here and what all departments of the Government have, on the face of things, at least, been trying to do, to economize.

There may be some reason why these officials should not be taken out of Pittsburgh or St. Louis or Omaha or some other city, but I confess I have not yet heard any argument that convinces me that I should vote against this conference report. If we have a lot of unnecessary officials, created, it is true, by law, drawing salaries, without any specific duties to perform, now is a good time to get rid of them and to abolish their offices. That ought to be a part of our retrenchment program. We ought, it seems to me, to take a view of the general situation that is so broad that it will not be controlled by any local interest.

The Senator from Louisiana [Mr. BROUSSARD] says that he has received a great many letters and petitions from business men remonstrating against the removal of some official at New Orleans. That is a perfectly natural thing to happen. If it were proposed to abolish a post office somewhere, the postmaster could get any number of his friends to sign a petition stating that it would be a detriment to the community and the country to abolish the office, when, as a matter of fact, they would not know very much about it. I do not say that these officials are unnecessary, but we have, to begin with, the recommendation of the department which has charge of this business, and, as I understand, they claim they can handle the business without the services of a whole lot of officials; and we are trying to get rid of them.

Mr. BROUSSARD. Mr. President——

Mr. NORRIS. I yield to the Senator from Louisiana.

Mr. BROUSSARD. May I state to the Senator that the House fought a long time against abolishing these offices unless they were all abolished. That did not concern my port at all.

Mr. NORRIS. Manifestly they could not abolish all of them.

Mr. BROUSSARD. But the spokesmen there were not interested in the eastern ports, but felt that if any were to be abolished they all ought to be abolished. I mean by that statement that, in so far as the competing ports in the North Atlantic are concerned, New York is being favored in this legislation. I am not fighting New York, I am trying to retain one of these offices at New Orleans, and we ought to have a right to retain it there.

Mr. NORRIS. I am neither fighting nor defending New York; New York is only an incident in this matter with me.

Mr. BROUSSARD. If the Senator will permit me, the communications I have received are from people not in politics at all; they are from people who are concerned in the importation of goods that are distributed throughout the Mississippi Valley. With the present barge-line facilities goods come in and are shipped directly through from New Orleans even to the Senator's State.

Mr. NORRIS. Oh, yes; I expect some of these offices that are being abolished are in my State.

Mr. BROUSSARD. They import in such large quantities that when an appraiser makes an error they have to go to the collector or the comptroller to settle it there, but in every instance, if there is no appraiser but a clerk, who is a mere agent of the collector or comptroller, they know that he will not go to the collector or the comptroller, and that is now their complaint.

Mr. NORRIS. The Senator from Ohio [Mr. FESS] has given us an instance where the appraiser was unnecessary, where even his office was not filled. I have heard another Senator tell me of a place where the appraiser did not go to his office more than once in two weeks. It may be that the men who signed the petition addressed to the Senator were not politicians; I am not saying they were, I do not want to cast any reflection upon them, I know nothing about it; but I do know that if the Senator were holding an office in New Orleans or any other place and there was legislation proposed to abolish his office he could start out and in 15 minutes get two or three hundred signers protesting against the abolishment of that office. It is an easy thing to do.

Mr. BROUSSARD. May I say to the Senator that it is very difficult for a Republican appointee in New Orleans to get the business people to indorse the continuing of a useless office.

Mr. NORRIS. If it is a matter of politics——

Mr. BROUSSARD. It is not.

Mr. NORRIS. Then the Senator ought not to refer to Republicans. If it is a matter of politics, the Democrat opposes it because he thinks it will not be long until there will be Democratic officials instead of Republican officials, and that will depend, perhaps, on what shall be done in Chicago to-night.

Mr. BROUSSARD. I merely want to say that it is not a question of politics, but is a question in which the business people are interested. If the Senator will permit me further, there are certain ports where importations are so large the Congress has permitted appointments of ap-

praisers by the President. Those are important ports. The other appraisers whom the Senator mentions are already appointed by the collector. I proposed in the committee that we retain those that Congress has provided for until such time as the Congress felt proper by legislation to abolish the offices in ports where the official does not have to come to the office because goods are not received there oftener than once a year. That is my proposal.

Mr. NORRIS. That, as I understand, has nothing to do with this particular matter.

Mr. BROUSSARD. It has to do with abolishing them all.

Mr. NORRIS. All of them?

Mr. BROUSSARD. All except New York. I proposed to retain all those that are recognized by the Congress as serving a port of sufficient importance to receive a presidential appointment.

Mr. SHORTRIDGE. Mr. President, will the Senator from Nebraska permit me to interrupt him?

Mr. NORRIS. In just a moment. I should like first to answer the Senator from Louisiana, as I think I can. The argument of the Senator from Louisiana I must say does not appeal to me. There is not any reason why we should not abolish an office just because it has been established by Congress. We have abolished already a good many that have been established by Congress and I think we will have to abolish many more in succeeding Congresses.

The Senator's proposition was that he only wanted to abolish those that were not established by Congress and let those that were established by Congress stand. This bill abolishes some that have been established by Congress. To my mind that is perfectly logical, and the only question involved is whether for the efficient transaction of legitimate business it is necessary to have these officials there. If it is, then I think a good defense is made; if that is not, then the offices ought to be abolished.

Mr. BROUSSARD. Mr. President, will the Senator permit me to interrupt him further?

Mr. NORRIS. Yes.

Mr. BROUSSARD. We are attempting to abolish these offices in an appropriation bill.

Mr. NORRIS. Yes.

Mr. BROUSSARD. We are attempting to abolish those created by Congress itself. I say if we must abolish some of them let us abolish all of them, or let us retain those that Congress has already recognized to be necessary at the ports where they are stationed, but do not abolish them on an appropriation bill. That does not mean that we must retain them except on the merits of the different ports. Probably I would vote in favor of abolishing many of them, but when we apply a blanket provision and undertake in an appropriation bill to abolish those that Congress has already recognized as being necessary I think that is a mistake.

Mr. NORRIS. I think the Senator has made his position perfectly clear, and I want to repeat that, while the argument may be perfectly logical, it does not appeal to me.

There is nothing sacred about a position because Congress has established it. The same authority that established it can discontinue it. The fact that it comes on an appropriation bill is an objection to the method of doing it. I am not going to defend the method. It would be better to have it by a bill especially introduced to abolish certain offices; but, as a practical legislator, the Senator knows that the probabilities are that that bill would die in a pigeonhole somewhere in one of the Houses of Congress, and never would become effective.

One thing can be said about putting such a provision on an appropriation bill: The appropriation bill very likely is going to become a law; and although this rider at its beginning stage might have been subject to a point of order, it will become a law if the appropriation bill does, having passed that stage.

Mr. BROUSSARD. Mr. President, the difficulty is that the appropriation bill abolishes these offices without hearings, on the recommendation of the Secretary; that is all. If a bill were introduced for this purpose, New Orleans and Philadelphia and other cities would be called upon to prove that these offices were necessary.

Mr. NORRIS. Yes, sir; and every man whose job is taken away would be called upon to defend why he has that job, and he would defend it, of course. We would have a hearing here; we would have another hearing somewhere else; we would have a committee investigation made, when it seems to me the only thing necessary is to find out whether the business transacted at a certain place demands that certain officials now holding offices should continue to hold them.

Mr. BROUSSARD. But we have not done that.

Mr. NORRIS. Let me say a word. I have been yielding, and I am going to continue.

We would be able to call upon the department of the Government that does business with a particular official. The amount of business that is done is a matter of record, and the kind of business is a matter of record, and the Treasury Department has it all. I do not think anybody is claiming here that the Treasury Department is moved by any motive that is wrong, or by any other motive than to economize in government. The method that the Senator would select to abolish these offices, if we were going to abolish them, is all right. I am not complaining about it; but the committee has taken a different route with the same effect, one that will be more certain than the Senator's method, although in a strictly legal sense his method is right.

Somewhere, I presume, this provision was subject to a point of order. If it had been offered as an amendment here in the Senate it would have been subject to a point of order; but having come over in the appropriation bill from the House it is not subject to a point of order here. I do not know what difficulty it had in the House, or whether they had to have a special rule. At least it is in the bill. It is confronting us. The records show, it seems to me, whether or not these officers ought to be retained. Those who handle the business of the Government say that they can get along without them, and that they are unnecessary. If that is true, why not save the money that we are trying to save everywhere in the plan of economy that we are trying to carry on?

Mr. HAWES. Mr. President——

Mr. NORRIS. Now I yield to the Senator from Missouri.

Mr. HAWES. I am not particularly interested in the question of these positions; but in my city, for instance, we have imports coming in from all parts of the world. They come to one of our factories, one of our stores, one of our citizens; and it is the duty of this appraiser to open them, examine them, and see that they are properly classified. That is almost a necessity, because the man buying the goods knows what he wants; and the worst part about this abolishment is that it gives the port of New York an absolute monopoly of the brokerage business of the country.

Mr. NORRIS. I am not unmindful of that argument; but if this bill passes as proposed in this conference report, will there be somebody at St. Louis to transact the business?

Mr. HAWES. My understanding is that there will not be.

Mr. NORRIS. There will be no way to get anything into St. Louis without having to have it pass through some port like New Orleans?

Mr. HAWES. That is right.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORRIS. Yes; I yield.

Mr. COUZENS. I think the Senator from Missouri is in error about that, because the service is going to be performed just the same whether it is performed by a political appointee or by a trained personnel.

Mr. NORRIS. That is my understanding.

Mr. COUZENS. In other words, if the Senator will yield——

Mr. NORRIS. I yield.

Mr. COUZENS. I should like to point out that the House report says:

> The abolition of these offices is recommended in the opinion that the duties performed by these presidential offices can be transferred to and imposed upon trained personnel now in the service not only without any injury to the service but with a distinct improve-

ment in administration. The proposal is not new or radical. It is well known that at each of these ports there are assistants to these officers, appointed under civil service, well trained and with long experience in customs matters to whom these duties can be transferred and performed more effectively and satisfactorily under the direction of the collector than they are now being carried on under the nominal head.

Mr. NORRIS. Now I should like to have somebody answer that argument.

Mr. BROUSSARD. Mr. President, I can answer it. There will be no injury to the service. I am not pleading here for the service. I am pleading for the importers. That does not cover that point at all. The man who imports here has a right to have his goods appraised by somebody else besides the collector or comptroller, or an agent supplied him making the appraisement.

Mr. NORRIS. Still, with due respect to the Senator, I do not think he has answered the argument at all. It seems to me it has not been answered. I would not want to take away from St. Louis, or from New Orleans, or any other port, all the officials, so that no imported goods could come into that city; but from the report of the House committee it appears that the officials who are abolished by this provision are unnecessary, and that all the duties would be performed just the same at those places without them.

Mr. BROUSSARD. Without injury to the service.

Mr. NORRIS. Without injury to the service.

Mr. BROUSSARD. That is what it says.

Mr. NORRIS. That is right; and I do not want to injure the service.

The Senator from California [Mr. SHORTRIDGE] wanted to interrupt me, and I yield now to him.

Mr. SHORTRIDGE. Mr. President, what I said was not on behalf of any presidential appointee. I tried, in a poor way, to say that abolishing these offices affected the commerce of the port, and would result in a less effective administering of our tariff laws. I am not speaking on behalf of the appointees.

Mr. NORRIS. How will it do that, Mr. President? I do not see.

Mr. SHORTRIDGE. Attempts have been made to explain it.

As to certain of these ports, the appraiser and the surveyor are what may be called presidential appointments.

Mr. NORRIS. Yes.

Mr. SHORTRIDGE. The officers in question were created by statute. The President appoints them, by and with the advice and consent of the Senate. They have certain powers under the law to hear, determine, and dispose of questions, for example, in New Orleans, in San Francisco, in Baltimore; whereas under this proposed system the comptroller appoints some agent, and that agent has not the full legal power to pass upon and determine the point involved, or the question raised.

Mr. NORRIS. What would be a point involved? What would be a controversy that would naturally arise?

Mr. SHORTRIDGE. As to the value or as to the classification of goods; namely, as to a given import, under what classification should it fall, and what rate of duty should be applied?

Now, as I understand, these legislatively created officers who are affected, and whom we are now considering, have these powers; whereas under this provision the appointee of the comptroller has not such powers.

Mr. NORRIS. What happens if that controversy arises?

Mr. SHORTRIDGE. He would have to appeal. The matter would be sent on here to the comptroller in Washington. Time would be consumed, expense incurred, and so forth. Perhaps it would be necessary to send attorneys, or accountants, or men familiar with merchandising, to argue before the comptroller here that a given import, a given article, should fall under a certain classification and bear a certain rate of duty.

Mr. NORRIS. He could do that anyway, Mr. President.

Mr. SHORTRIDGE. But it would take time and expense.

Mr. NORRIS. Yes; I admit that. As I understand, however, he could do that anyway. We even have a Court of Customs Appeals. He could carry it to the Supreme Court of the United States if he wanted to.

Mr. SHORTRIDGE. That may be true. I rose especially to observe that I beg the Senator to believe me when I say I am not speaking here in behalf of the two appointees in San Francisco—not at all—nor for those that may be in Los Angeles or in any other California port. I am sure the Senator from Louisiana [Mr. BROUSSARD] is not speaking on behalf of the appointees, nor is the Senator from Missouri [Mr. HAWES], nor is the Senator from Maryland [Mr. GOLDSBOROUGH] speaking on behalf of appointees. They are speaking on behalf of the commercial interests of cities affected by this amendment.

Mr. NORRIS. Oh, I think the Senator is right about that. I am not trying to charge any bad faith.

Mr. SHORTRIDGE. Finally, I think this, if the Senator will pardon me: As the Senator from Louisiana said, I think that, if we are to do away with any of these appraisers and surveyors, we should do away with them all; and I have never yet been able to understand why we should keep them in New York and not in Baltimore or in New Orleans or in San Francisco or in other ports.

Mr. NORRIS. There will be somebody in Baltimore; there will be somebody in San Francisco, as I understand, to do the business.

Mr. SHORTRIDGE. But I want to emphasize just this point: Why keep them in but one city in the United States?

Mr. NORRIS. I do not believe we ought to abolish all of them. There would not be any way to collect our tariff if everything of that kind were done at Washington.

Mr. SHORTRIDGE. Yes; if we are going to do away with these officers in New Orleans, in Baltimore, in Boston, in San Francisco, and in other ports, we can do away with them in New York.

Mr. NORRIS. I may be wrong, but I understand that we are not doing that.

Mr. SHORTRIDGE. Yes; we are keeping them in New York alone.

Mr. NORRIS. And they are keeping them in New Orleans and in San Francisco.

Mr. SHORTRIDGE. No. On the contrary, Mr. President——

Mr. NORRIS. They are keeping them there to do the business. The Senator from Ohio [Mr. FESS] gave us an illustration where for four years they did not appoint an appraiser, and they are going on just the same, although the office is vacant.

Mr. SHORTRIDGE. I do not know the extent of the commerce in that State. It may be little or big. I do not know.

Mr. NORRIS. The Senator will have to apologize to the Senator from Ohio if he says anything against Cleveland.

Mr. SHORTRIDGE. He was the former chairman of our committee, but I am not afraid of him, and I am sure he will not be offended by my reference to Cleveland.

Mr. NORRIS. That is a big enough city to hold a Republican National Convention in.

Mr. REED. Mr. President, will the Senate let me give him a specific instance of that?

Mr. NORRIS. The Senator can do that in his time. I am through. I am only seeking information.

Mr. REED and Mr. WATSON addressed the Chair.

Mr. BROUSSARD. Mr. President, will not the Senator from Pennsylvania permit me——

Mr. WATSON. Mr. President, I just want to ask a question. I am personally very much interested in the contentions of the Senator from California and the Senator from Pennsylvania and the Senator from Maryland and the Senator from Louisiana, but I think there is a larger question to consider. I should like to know what the effect is going to be on the Government finances unless we adopt this conference report.

Mr. ODDIE rose.

Mr. WATSON. Wait a minute. Wait until I ask a question.

We have been striving our best to pass all appropriation bills by the 30th of June. That was yesterday. We have not done it so far as these two departments are concerned. I am of the opinion, from what I happen to know, that the Treasury might run along for a little bit; but I should like to know what condition it is going to leave us in with reference to the Post Office Department and its employees unless this bill is passed now.

That, to my mind, is the great question to be considered here, and not the other problem that is being pressed upon us at this time.

Mr. REED. I will answer that question by asking another, Mr. President. How can it hurt the Post Office substantially if the passage of this bill is delayed to, say, next Wednesday, in order to do justice and act wisely in this matter?

Mr. WATSON. That is the question I am asking. I want to know whether or not it will make any difference in the financing of the Post Office Department.

Mr. SHORTRIDGE. It will not.

Mr. ODDIE. Mr. President——

Mr. WATSON. I shall be glad to yield to the Senator from Nevada if he can tell us.

Mr. ODDIE. Mr. President, I have been reliably informed that thousands of requisitions for money are piling up in the department now, so it is of the highest importance that this bill be passed this evening.

Mr. REED. They could only have started to pile up this morning.

Mr. ODDIE. They have been piling up just the same.

Mr. SHORTRIDGE. Before July 1?

Mr. ODDIE. The first of the month.

Mr. REED. The first of the month began at midnight last night.

Mr. ODDIE. Yes; and they are piling up.

Mr. SMOOT. And that is why we want to get this bill passed before the end of the day.

Mr. REED. Mr. President, that is the way we usually have things handed to us, told to swallow them whole with out eyes shut, and that, if we do not, disaster will follow.

Mr. SMOOT. Mr. President, when the Senator gets through I will take the floor.

Mr. REED. We are told, Mr. President, that this is a movement on our part to save the miserable patronage that might go with the appointment of a couple of these officials. I think I speak for every Senator here when I say that that is not a motive that influences the opposition to this matter. It certainly can not be the motive that influences the opposition of those Senators on the other side of the aisle, who could scarcely expect that patronage from the hands of a Republican President.

Let me show what kind of influence inspires my opposition to this action. I hold in my hand a letter from the president of the Carnegie Steel Co., addressed to the Secretary of the Treasury, protesting against this proposed action in Pittsburgh and telling why. I read from the letter:

DEAR SIR: In connection with the necessary and much-desired economies in governmental expenditures, and particularly as it affects the Post Office and Treasury Department appropriation bill, we learn there is possibility that the port of Pittsburgh will be abandoned as a first-class port of entry, and be made a subport attached to the Philadelphia district.

Because of the large volume and the nature of its business through this port the Carnegie Steel Co. is vitally concerned in the continuance of Pittsburgh as a first-class port.

Three of its important plants are bonded smelting warehouses into which moves, in heavy volume, dutiable manganese ore, where large tonnages of ore and manufactured ferro are stored in bond, and from which withdrawals and duty payments are being made currently.

This company alone has imported, through the port of Pittsburgh, since July 1, 1923, more than 2,400,000 tons of manganese ore, and has paid to date in excess of $21,000,000 of duty, with large additional sums being paid currently as withdrawals are made from warehouses.

I am now coming to the point.

The collector here, for so many years experienced with our business, is entirely familiar with conditions at our warehouses, the requirements of the Government in connection with sampling, analysis, weighing, etc., and the importance to us that importations of ore for our account, and withdrawals of ferro, be handled expeditiously to and from the warehouses.

The excellent service rendered by the Treasury Department through its collector here, is so appreciated and valued by us that we view with much concern any change such as that of changing Pittsburgh from a first-class port to a subport. * * *

I will not take the time to read the rest.

Mr. NORRIS. Mr. President, will the Senator permit me to ask a question regarding that letter?

Mr. REED. I yield.

Mr. NORRIS. I have been informed that no office of collector will be abolished.

Mr. REED. That is true, but Pittsburgh would be made a subport.

Mr. NORRIS. I judged from the letter the Senator was reading—and I was interrupted, so that I heard only part of it—that they were well satisfied.

Mr. REED. With the collector, yes; but the collector can not function until the appraiser has functioned.

Mr. NORRIS. I may be, as I have said, entirely wrong about it, but my understanding is that he can and that he will, if this amendment is agreed to.

Mr. REED. They can not tell how much duty is payable until the appraiser has acted. The letter I read was from a steel company. I hold in my hand a communication from the Pittsburgh City Council; and in all these I am abbreviating to save time. It starts with a resolution, and a recital, as follows:

Whereas advices from Washington indicate the possibility of the abandonment of Pittsburgh as a headquarters customs port and the transfer of all customs officials to the Philadelphia customs office, through which the customs business of Pittsburgh would have to be transacted; and,

Whereas Pittsburgh has been a customs port for 124 years and a headquarters port for all of Western Pennsylvania and the State of West Virginia for a period of 60 years, yielding an income to the Government of nearly $5,000,000 a year even in the midst of business depression:

Resolved, That the City Council of Pittsburgh earnestly protests against any abandonment of the customs port at Pittsburgh and respectfully submits that the great business interests of Pittsburgh should not be put to the serious loss and inconvenience that would be caused by making Pittsburgh a subport of Philadelphia.

That is from the city council.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. REED. Certainly.

Mr. NORRIS. I am not disputing that, I am not in a position to, but the Senator, as a lawyer, will at once agree to this proposition, that the charge made there is in purely general language, it is not an allegation that would stand up as a legality.

Mr. REED. Of course not. It does not go into details.

Mr. NORRIS. What do they say in detail about it? They just say that it would be unfair, that it would be a hardship. How would it be a hardship? What would happen? In what way would it cost them money?

Mr. REED. It would send the business men who import into Pittsburgh down to Philadelphia to adjust every trivial conflict of opinion on matters of appraisement.

Mr. NORRIS. That is disputed. I confess I do not know.

Mr. REED. I have read, now, from the communication of the steel company, I have read the resolution, or part of it, from the city council. Now, I present a telegram which came to me this morning from the oldest and largest dry-goods shop in Pittsburgh. Obviously, these people do not care anything about the patronage involved. It reads:

Please register our vigorous protest against action of conference committee in practically abolishing position of customs appraisers and working undue hardship on Pittsburgh importers in refusing to agree to Senate amendment to Treasury-Post Office appropriation bill.

JOSEPH HORNE CO.

That is from a great dry-goods shop.

Mr. TRAMMELL. Mr. President, it is very apparent to me that the senders of those communications do not understand the fact that the proposal is to transfer these duties to other offices, and would in no wise interfere with the administration of the law and proper appraisements at that point. The statements read as though the whole thing is to be moved clear out of that locality, and there is nothing

of that kind contemplated by the Treasury Department or by the report.

Mr. REED. It is proposed to substitute a subordinate clerk for an independent presidential appointee, one a subordinate who would be afraid of his shadow for one answerable to the President himself.

Having given the view of the dry-goods store, here is the view of the customs broker. This comes from Philadelphia, this morning:

PHILADELPHIA, PA., *June 30, 1932.*

We understand that the elimination of appraisers and surveyors of customs clause has been replaced in the Treasury appropriation bill by the conference and that it has been returned to the Senate for action. Our association requests that you continue your interest and do your utmost to retain these positions at the port of Philadelphia. There is no difference in the customs conditions at this port as compared with New York, and to retain the offices at that port and eliminate them at Philadelphia would be most unfair and unjust to the local importers and to the local customs organization. Our appeal is not based on sentiment, but on the sound judgment of the members of the association, which consists of 100 per cent of the licensed brokers at Philadelphia.

Here is another one from Baltimore:

BALTIMORE, MD., *June 30, 1932.*

Treasury bill injustice and unfair to permit New York the absolute monopoly. House amendment in conference will permit New York to dominate appraisement at all ports to eventual tremendous loss of business. If you can not secure retention of appraisers please strike out exception in justice and fairness to country at large. New York should not own the whole country. We look to you to secure equitable treatment.

Here is another, from the second largest dry-goods department store, which came this morning:

Request you do everything possible to retain customs appraisal official in Pittsburgh.

There will be a collector of customs there all right, but the appraisal of imports has to be by somebody having final authority.

Just to take a homely illustration of how this works, Mr. President, we will suppose that somebody is importing a dozen knives and forks from London. Perhaps one's wife likes the design, and has ordered them sent in. They come addressed to you at your house in Washington. You are told by the customs officials here that the duty you are to pay on them is so many dollars, we will say $10 or $15 or $20. You say, "That is outrageous. Those things are antiques. My wife got those. She knows by the hall marks that they are over 100 years old, so they do not have to pay any duty."

What do you do about it? You are told flatly that there is not a soul in the city of Washington with whom you can take the matter up. Those things have to be taken over to Baltimore to be appraised, to see how old they really are. You have to go over to Baltimore and argue with the official there in order to establish your right under the law to get those things in without the payment of duty. Of course you do not do it. You pay the tax rather than take the trouble. That is all right in the homely little illustration I give, but when you are importing millions of tons of some mineral, or millions of dollars' worth of some fabric, it is very far from being a matter of indifference to you if the appraisal is made on those article by some official in a distant city. You want to be able to take up your troubles with the man who has authority to settle them, and you can not do it if this proposal is carried into law.

Mr. COUZENS. Mr. President, I observe on reading the report that the city of Detroit also has an appraiser, and I have had telegrams of the kind the Senator from Pennsylvania has read, but I was unconvinced of the need of filling these offices. They are all presidential and therefore political appointments. The House report clearly points that out. The bill would not do away with the service, as stated by the Senator from Pennsylvania. The service will be rendered, but will be rendered by a civil-service employee rather than a political employee.

Mr. NORRIS. Mr. President, is it not reasonable to suppose that the political employee, appointed for political reasons, would probably know a good deal less about the knives and forks the Senator from Pennsylvania has been speaking of than the civil-service clerk under him would know? The civil-service clerk would be the real one to pass on the matter in any case.

Mr. COUZENS. The Senator from Pennsylvania knows better than anybody else that we took the appraisal of antiques away from every other port except New York, and that the appraiser there is the only one who can pass on antiques at all.

Mr. REED. That is true, but I only gave an illustration of the inconvenience which may result in the larger affairs.

Mr. COUZENS. I think the Senator gave an unfortunate example, because he himself had the appraising of antiques transferred to the city of New York.

Mr. REED. I had nothing whatever to do with it.

Mr. SHORTRIDGE rose.

Mr. COUZENS. Let me finish my statement. This service is going to be rendered just exactly as it has always been rendered, and I want to read from the House report. It is perfectly plain no one is going to be handicapped, that no one is going to be interfered with, if these offices are abolished as proposed. I read from the report:

The paragraph also proposes that the elimination of these offices shall be complete and the annual saving of $153,800 shall be a net saving to the Government through the transfer of the duties of the offices to other positions already in the Customs Service and further through the requirement that the Secretary of the Treasury shall so administer the legislation that the transfer of duties will not result in the establishment of any new positions.

All of these offices, with one exception, originated during the period between 1799 and 1889. Aside from the ports listed in the foregoing statement, the Customs Service in other places is headed by one presidential officer, the collector of customs, and the remainder of the force is under civil service. At each of the foregoing ports the number of presidential officers administering the customs is anywhere from two to four, each with a presidential commission and the prestige that accompanies it. Such a condition is not conducive to good management. Those familiar with the Customs Service are of the opinion that a more economical and efficient administration is had where there is one principal officer appointed by the President, namely, the collector of customs, and where all others are subordinate to him and appointed by the Secretary of the Treasury under civil-service rules and regulations.

The abolition of these offices is recommended in the opinion that the duties performed by these presidential offices can be transferred to and imposed upon trained personnel now in the service not only without any injury to the service but with a distinct improvement in administration. The proposal is not new or radical. It is well known that at each of these ports there are assistants to these officers, appointed under civil service, well trained and with long experience in customs matters to whom these duties can be transferred and performed more effectively and satisfactorily under the direction of the collector than they are now being carried on under the nominal head.

Mr. President, I hope the conference report will be adopted.

Mr. SHORTRIDGE. Mr. President, if it be wise in the interest of economy or for any other reason or reasons to do away with these offices in the number of cities named, why make an exception in favor of New York?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I merely put the question.

Mr. COUZENS. That question is not before us.

Mr. SHORTRIDGE. Oh, but it is.

Mr. COUZENS. It is not in the conference report. If I had had anything to do with the conference committee, I would have not made an exception of New York. But that question is not before us. We have the one thing before us, and that is whether we shall abolish the offices in the other cities and leave New York City, or whether we shall reject the conference report.

Mr. SHORTRIDGE. That question is before us. According to the conference report all these offices in all the cities named are done away with except in New York. Again and again from the outset I have inquired in different ways, why the exception leaving the offices in New York? I vaguely indicated, but I will state it a little more directly, that I think it was because of the influence of gentlemen from New York. If we are to abolish these offices as to New Orleans, as to San Francisco, as to Chicago, as to Pittsburgh, as to Philadelphia, as to Baltimore, what is there sacrosanct about New York? Why except New York from the opera-

tion of this great economic movement, this desire to save money?

Mr. LEWIS. Mr. President, I want it understood that one of the offices under consideration for abolishment is located in the city of Chicago. It is my good fortune to represent in part that city, and one of my duties is to try to protect its interest. I am at a loss equally as Senators who have spoken as to why all of these communities have been selected to have these offices dismissed upon the basis of an economy. The economy is designated in figures, and the eminent Senator from Michigan [Mr. COUZENS] fails to recognize that there is a concession, that we wipe out these offices in the different cities; and it is professed that a certain sum of money will be saved by destroying their existence, and promptly the very same sum then is to be repaid to the assistants who are promoted to perform the duties, because no sooner than a man succeeds his chief until naturally he calls attention to the increase of work put upon him by reason of the chief officer being dispelled or destroyed and he being forced to assume the duties, and in the assumption of duties to add more clerical aid to himself. Thus, sir, the only reason for the financial saving falls in itself by the very display that is made in the report.

Now, let us come to the other point. I know the Holy Scripture has something to say about "Where your treasure is, there will your heart be also." I feel toward Chicago that exact sentiment. I do not care to see her interests destroyed, her opportunities as the great port of the Lakes to be deprived of privileges of the great ports that receive importations and have the officers necessary to receive them. But there is no wisdom in retaining for the city of New York these officers only, by which all of the work is to be done in the other communities instead of being done at the communities where the goods are sent by the Great Lakes or by way of the waters coming in from the East, and are then to be seized by hand and by process transferred to the city of New York, there to be administered by New York according to such standards as her opposition and competition with other communities may seem to dictate.

Why be blind? Why be senseless? It is simply an undertaking on the part of those who undertook it to emasculate, as a contribution to rivalry, some of those whom they wished to favor. If we are in that kind of business, let us confess it openly and frankly.

For the reasons I have mentioned I see no economy, I see no wisdom, I see deliberate discrimination. I am opposed to the injustice, and in behalf of my city I protest against that kind of an attack upon her in order to accomplish a favor for a rival in a manner that is unjustified and unbecoming a body that is supposed to represent justice.

SEVERAL SENATORS. Vote, vote!

Mr. SMOOT. Mr. President, I am ready to vote if Senators wish, but I should like to say just a word before the vote is taken.

In the first place, the committee has been charged by the Senator from California [Mr. SHORTRIDGE] with yielding to every demand that was made by the conferees on the part of the House. May I say to the Senator from California that we yielded to seven items, and in one item alone there were four amendments. That is how they bulldozed us. The House yielded to 44 of the Senate amendments.

Mr. GOLDSBOROUGH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Utah yield to the Senator from Maryland?

Mr. SMOOT. I yield.

Mr. GOLDSBOROUGH. I ask the Senator, and I hope I shall be moderate in my statement, if he turned his hand or opened his mouth in support of the particular amendment under discussion?

Mr. SMOOT. Yes, I will say to the Senator; I did.

Mr. GOLDSBOROUGH. I am delighted to hear the Senator say so. My information was quite the contrary.

Mr. SMOOT. Whoever told the Senator that told him something that was not true. Not only that, but it was not agreed to until last night.

Mr. GOLDSBOROUGH. I can only say to the Senator that I believe the information I received is entitled to some consideration.

Mr. SMOOT. That is all right. The Senator can put whatever construction he desires upon it.

Mr. GOLDSBOROUGH. The Senator recognizes at least that he has that right, and he sticks to that right.

Mr. SMOOT. Certainly, and I have no objection.

Mr. GOLDSBOROUGH. And the Senator from Maryland is too independent to have the Secretary of the Treasury make up his mind for him.

Mr. SMOOT. I am not going to take the time to read again the statement which was read by the Senator from Michigan [Mr. COUZENS], but that statement tells absolutely why the Treasury Department wanted to make the change.

Mr. SHORTRIDGE. Why do they except New York? Why except New York?

Mr. SMOOT. I was just coming to that. The reason why they except New York is that nearly 70 per cent of the importations that come into the United States come through the port of New York. They have one collector of customs there just the same as all the other ports have. In that case they are virtually assistants to the collector and they are kept there because under the law they are there now. That exception was made for the very reason that the positions are filled and the men are qualified in those positions and have been there for years. They understand the work, they know their business, and we are told by the Treasury Department that if they did not have those men there knowing the details, they would have to pay other men an equal amount of money and perhaps more.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Indiana?

Mr. SMOOT. I yield.

Mr. WATSON. What effect will this really have on the business that comes into other ports?

Mr. SMOOT. None whatever. The department says it will not have a single solitary bit of effect, not one iota of effect.

Now, Mr. President, I am willing to have a vote if Senators are ready.

Mr. TRAMMELL. Mr. President, of course we would all like very much to have all of these offices retained so as to have some one hold the positions, but so far as the matter of efficiency of service is concerned it is not going to have any effect whatever to the detriment of the service.

I know of one of the large ports of the country, about fifth or sixth in revenue, in which the Treasury Department and the Executive Department declined for two and one-half years to make an appointment to the office of appraiser because they said there was no use for him, that the services were carried out as efficiently without him. In the interest of economy they did not appoint him, but saved to the taxpayers, who are deserving of some consideration as well as the officeholders, two and one-half years' salary in that particular instance. Then the politicians, the "pie-counter gang," said it would never do for the party if they did not fill that office, so a man was appointed to the office who has been the appraiser since. He has done nothing whatever to earn his money so far as actual service is concerned. The work is performed by some one else.

This is a movement in the interest of economy. The service will be maintained in all its efficiency just as it is at the present time. As to the people who sent the telegrams and who sent the letters, I dare say 9 out of 10 of them did so under a misapprehension as to what the legislation really means.

Mr. President, I hope the report will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, and it was signed by the Vice President.

RELIEF OF FAMILIES OF EMILIO CORTEZ RUBIO AND MANUEL GOMEZ (S. DOC. NO. 133)

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State recommending the enactment of legislation for the purposes described therein and the draft of a bill for this purpose.

The recommendations of the Secretary of State have my approval and I request the enactment of legislation for the purposes indicated in order that this Government may carry out the projects and meet the obligations outlined in the report.

HERBERT HOOVER.

THE WHITE HOUSE, *July 1, 1932.*

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate several messages from the President of the United States, submitting nominations and a convention, which were referred to the appropriate committees.

RELIEF OF UNEMPLOYED WORKERS

Mr. COSTIGAN introduced a bill (S. 4947) to provide emergency financing facilities for unemployed workers to relieve their distress, to increase their purchasing power and employment, and for other purposes, which was read twice by its title.

Mr. COSTIGAN. Mr. President, I ask permission to make a statement not exceeding two minutes about the bill.

The PRESIDING OFFICER. Without objection the Senator will proceed.

Mr. COSTIGAN. Mr. President, the Railway Labor Executives' Association, meeting in Cleveland and Chicago recently, approved the measure which has just been introduced. They represent, of course, the 21 standard railroad labor organizations of the United States, and have indorsed the bill as a constructive effort through the agency of the Federal Government to relieve the present unparalleled depression.

Briefly the plan is, through a Federal corporation similar to the Reconstruction Finance Corporation, to extend purchasing credit to the unemployed heads of households in the United States. Orders for the necessaries of life are expected to result from such credit in volume sufficient to stimulate the restoration of industrial activity and more normal prices for which all America has long impatiently waited.

The novelty of the plan arises from its endeavor to furnish credit to the many at the foundation rather than to the few at the top of our industrial structure.

I will not discuss the measure now and here except to say that its importance justifies determined efforts to have Congress enact it or some similar measure before adjournment. In further explanation of the bill, I ask to have incorporated in the RECORD, as part of my remarks, a statement about it authorized by the Railway Labor Executives' Association; also an analysis by Donald R. Richberg, the noted and able chief counsel of the standard railroad labor organizations. Mr. Richberg's exposition appears in this week's issue of Labor, the responsible and influential weekly newspaper published in the city of Washington.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

STATEMENT OF RAILWAY LABOR EXECUTIVES' ASSOCIATION, JUNE 27, 1932

The members of the Railway Labor Executives' Association have been meeting in Chicago to review the desperate needs of 1,750,000 railway workers, of whom more than half are unemployed and a large percentage of the remainder only working part time.

We reiterate our demand that Congress should remain in session at least until it has provided more adequate measures for relief of unemployment than have yet been enacted.

The railway labor organizations have unanimously and enthusiastically decided to join forces with other labor and farm organizations and civic bodies to support legislation by Congress to provide emergency loans for the purchase of necessaries of life by unemployed heads of households who are ordinarily capable of self-support.

We advocate the creation of a Government corporation similar to the Reconstruction Finance Corporation to aid in financing such purchases of necessaries in amounts not exceeding $500 for each unemployed head of a household.

This program will absolutely insure prompt relief for several million of the unemployed and the return of a large percentage to employment in the near future.

The credits to be authorized will develop a mass purchasing power which in a few months will stimulate all business, will relieve agriculture, and turn the tide of depression.

It will cost the Federal Government less ultimately than the Reconstruction Finance Corporation will cost. But the Reconstruction Finance Corporation has not put a single unemployed person back to work or relieved the distress of his family.

The program we advocate will bring early relief and immediate hope to millions of our people. The National Government must meet boldly and vigorously the desperate needs of the American people.

Any political party to command the support of the American people must demonstrate that it is ready and willing to take such bold and vigorous action for the benefit of all the people as we advocate.

[From Labor, July 5, 1932]

RICHBERG EXPLAINS USEC PLAN—COUNSEL FOR RAIL UNIONS SAYS IT WILL "FURNISH NATION-WIDE INSURANCE AGAINST PRIVATION"

(By Donald R. Richberg, chief counsel for the Standard Railroad Labor Organizations)

The Railway Labor Executives' Association has approved "a bill to provide emergency financing facilities for unemployed workers, to relieve their distress, to increase their purchasing power and employment, and for other purposes." I will outline the purpose of the bill and summarize its provisions.

There is no sure method of improving present conditions except by the creation of additional purchasing power which will directly increase employment.

If credit can be put directly behind an existing demand for necessities, which can not now be translated into purchasing power because of lack of employment, there will be both a relief of distress and an absolutely assured increase of employment to satisfy this demand. That is the purpose of the bill.

UNITED STATES EXCHANGE CORPORATION

1. The bill provides for creating the United States Exchange Corporation (hereafter called USEC), similar in organization and method of functioning to the Reconstruction Finance Corporation but having for its purpose putting credit behind purchasing power instead of behind productive power.

USEC will have a managing board of directors and an advisory council representative of all interests in the principal economic activities of the Nation.

2. The first duty of USEC will be to make an emergency survey (within 30 days) of the existing demands upon essential industries for the necessities of life which are not being satisfied because of lack of purchasing power, in order to determine the character and volume of purchases which would result from establishing a credit of $500 each for unemployed heads of households, and the maximum increases of employment which could be produced in response to such purchasing power.

CREDIT FOR THE JOBLESS

3. On the basis of the survey USEC will arrange through local agencies to extend credits to cover six months' necessary purchases for unemployed heads of households in amounts not exceeding $300 for an individual, plus $100 for each dependent, but not exceeding a total of $500 for each household head.

4. USEC will license producers, distributors, and transporters who will agree to accept its credit certificates at face value and conform to regulations concerning the terms and conditions under which purchases shall be made and goods or services produced. All purchases on credits must be made through such licensed producers, distributors, and transporters.

WILL FORBID PROFITEERING

5. Such licensees must agree (1) not to reduce wage scales below those effective June 1, 1932, and (2) to conform to other regulations to insure the furnishing of goods and services at reasonable prices under proper conditions.

6. Credit will be extended to applicants signing notes for repayment on or before 10 years after date, with a low but increasing

rate of interest—1 per cent first year, 2 per cent second year, 3 per cent third year, and 4 per cent thereafter.

Payments will be made for goods by such notes accompanied by corresponding credit certificates signed by local agents of USEC. Credits shall be allotted to States either in accordance with their populations or the need for relief. If the total requests for credit exceed $3,000,000,000, reductions in amounts allotted to the States will be made proportionately.

WORKERS WILL REPAY LOANS

7. Borrowers employed during the life of USEC will agree, and their employers will be required, to deduct 10 per cent of wages, to be paid to USEC until any notes of such borrowers have been paid.

8. USEC will be authorized to extend credits to licensed producers for the employment of additional workers to fill orders received. Credit certificates after orders have been filled, accompanied by purchasers' notes, will be honored by USEC and paid either in cash or by transfer of USEC bonds equal in value to the face value of such credit certificates.

9. USEC will be authorized to issue notes, debentures, and bonds to the amount of not more than five times its initial capital of $500,000,000 (thus providing a total revolving fund of approximately $3,000,000,000).

MAY HELP RAILROADS

10. USEC will be authorized to make loans to railroads and other essential enterprises to finance deferred maintenance of existing properties essential to supply a future demand for necessary goods or services; the amount of such loans not to exceed an aggregate of $250,000,000. This will stimulate the immediate employment of several hundred thousand men.

11. Where State or municipal relief agencies apply for credits to meet charitable relief needs for those incapable of self-support, after the exhaustion of other sources of relief, credits may be extended upon the notes of such State or municipal bodies, if the credit facilities of USEC have not been exhausted, to the extent of not more than $250,000,000.

SUCCOR FOR THE HELPLESS

This will provide additional funds for direct charitable relief for those incapable of self-support.

The passage of such a bill as this will furnish a nation-wide insurance against privation in the coming winter, will increase employment rapidly, and will turn the tide of depression, restoring confidence and security to millions of American homes.

Mr. COSTIGAN. I move that the bill be referred to the Committee on Manufactures.

The motion was agreed to.

JOHN STRATIS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3447) for the relief of John Stratis, which was, on page 1, line 9, to strike out all after the word "alien" down to and including the word "law" on page 2, line 4.

Mr. BRATTON. My colleague [Mr. CUTTING] is the author of the bill. Being assured that he favors the amendment of the House, I move that the Senate concur therein.

The motion was agreed to.

PRICE OF WHEAT—AGRICULTURAL RELIEF

Mr. CAPPER. Mr. President, several days ago I received a letter from Mr. J. C. Mohler, secretary of the Kansas State Board of Agriculture. Mr. Mohler wanted to know—the members of the State board asked him to find out—why wheat prices continue to decline in the face of the reported shortage of the winter-wheat crop.

Mr. President, I was not competent to answer the question. In fact I am just as curious as are Mr. Mohler and the members of the Kansas State Board of Agriculture and the farmers of the country generally. So I forwarded Mr. Mohler's letter to the Secretary of Agriculture, Mr. Arthur M. Hyde. I ask unanimous consent that Mr. Mohler's letter and Secretary Hyde's reply be printed in the RECORD, for the information of the Senate and the country.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters referred to are as follows:

KANSAS STATE BOARD OF AGRICULTURE,
Topeka, June 14, 1932.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SENATOR CAPPER: At our board meeting last week our members expressed themselves as quite perplexed by the wheat-price situation; that is, each monthly crop report this year to date shows a constantly decreasing prospect for this year's wheat crop without any favorable effect on prices. Ordinarily under such circumstances, unfavorable conditions are reflected in a more favorable price, and the thought was expressed that perhaps some combination of power, in connection with the grain exchanges, may have something to do with holding the price down. Of course, the general economic conditions do not appear conducive to any price advances. On the other hand, the wheat prospect would seem to justify rising markets. I wonder if this subject has been given any consideration by you or the United States Department of Agriculture, and, if so, what your reaction to it may be.

With kindest regards, sincerely,

J. C. MOHLER, *Secretary.*

DEPARTMENT OF AGRICULTURE,
Washington, June 25, 1932.

Hon. ARTHUR CAPPER,
United States Senate.

DEAR SENATOR CAPPER: We have your letter of June 17, transmitting a letter from our friend, J. C. Mohler, commenting upon the fact that wheat prices were declining while crop reports continue to indicate a short crop in the United States.

To us the following facts seem to explain the situation: (1) A record carry-over of old wheat, which may amount to as much as 360,000,000 bushels, or 40,000,000 bushels greater than the past season; (2) a fairly large world supply of old wheat on hand, the supply in surplus-producing countries being nearly as large as a year ago; (3) conditions more favorable than a year ago for spring wheat in the United States and in Canada; (4) continued decline of the general price level and a continuance of the world-wide business and financial depression; (5) the approach of the harvest season when a supply of new wheat in excess of current requirements will be thrown on the market.

All these conditions have had a tendency to depress wheat prices in the past few weeks. The distribution of Red Cross wheat probably has had a tendency to weaken the domestic market by supplying freely from Farm Board stocks a demand, part of which would otherwise have been registered directly on the market. In so far as this Red Cross wheat increases the total consumption of wheat, it will in the long run be a strengthening factor in the market; but for the time being it may have a slight adverse influence.

The shortness of the winter-wheat crop will doubtless express itself in the market after the large carry-over is dispersed and as the burden of the movement of the new crop is lightened by an absorption of the supply. It now seems likely that the spring-wheat crop of the United States and Canada will be larger than that of a year ago, but conditions to date indicate that the European crop may be smaller and the total Northern Hemisphere crop somewhat less than that for the previous season. The price outlook for wheat, therefore, is more favorable to producers in so far as the outlook for supplies is concerned. In appraising this situation, however, you must keep in mind that wheat prices fell to a very low level a year ago, and that in the meantime there has been a further reduction in the general price level of the world on account of continued business and financial depression.

Sincerely yours,

ARTHUR M. HYDE, *Secretary.*

Mr. CAPPER. Mr. President, I wish to urge once more upon the Senate that this Congress should not adjourn until it has at least made some effort to improve the prices for farm products and other basic commodities.

Wheat is selling in Kansas to-day at the ruinously low price of 25 cents a bushel. The farmer loses money on every bushel he sells at that price. Other farm commodities—in fact, most basic commodities—are at the lowest levels in history.

Mr. President, wages can only be paid, profits can only be made, taxes and interest are paid, and business is transacted in all lines in the last analysis out of the return on the production of raw materials.

Until the level of farm prices rises toward the cost of production at least, the American farmer is without purchasing power. I know this has been said so often that it has become trite. But Congress apparently is not going to do anything about it. We are preparing to adjourn for a political campaign. I say the interests of agriculture, and thereby the interests of the country, are more important than a few weeks extra for the making of campaign speeches. And I beseech the Senators to insist upon action on the farm-relief measures on the calendar and upon the 3-way farm relief bill recently recommitted to the Senate Committee on Agriculture before adjournment. Agriculture has a right to demand that much, at least, from this session of Congress.

We will have no permanent prosperity in this country until the price of wheat and other agricultural products makes it possible for the farmer to receive cost of production at least.

HOME-LOAN BANKS

Mr. WATSON. Mr. President, I began to-day a speech on the home loan bill, but was interrupted by conference reports, by legitimate interruptions of those interested, and in various other ways. I think it was the most broken speech I have ever attempted to make. I have not concluded it, but hope to be able to do so on Tuesday when the Senate shall again convene.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, the discussion on the Philippine independence bill came to a very abrupt conclusion to-day. There are some matters relating to constitutional questions and some observations of my own which I could not present to the Senate. So I ask unanimous consent that they may be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT OF HON. HARRY B. HAWES, OF MISSOURI

In the course of my discussions of Philippine independence I think I have fairly and fully met nearly every objection that is urged against it. Some of these objections are persuasive, though by no means conclusive. Some are insincere, some are frivolous. One of the oldest and one of the most fantastic of them all is the objection founded on alleged multiplicity of races and languages in the Philippine Archipelago. We should not make the Filipinos an independent nation, it is declared, because they are not homogeneous and have no common speech. Those differences of blood and tongue, the argument runs, divide the people and make concert of thought and action among them impossible. They are held in cohesion now by the power and control of the United States—I continue to state the objection—but if they were free and independent a very babel would result and confusion and conflict soon fill the islands, obliterating every vestige of the culture and progress achieved under American tutelage. Racial identity and unity of language, say the authors of this objection, are indispensable to the establishment and preservation of independent nationhood.

This reasoning has the look of validity and impresses many hearers and readers of it, but it misstates the facts about the Philippines and ignores actualities in other parts of the world. There is not the slightest doubt about the racial integrity of the Filipinos. Every ethnologist who has studied them and their origins testifies that they are Malays. There has been little admixture of other blood with theirs in the last thousand years. They were almost isolated for centuries before the Spanish conquered and controlled their islands. Migrations and invasions in pre-Spanish days came from Malaysian sources. The additional and different strain in the Filipino is Spanish, and therefore occidental. As a matter of fact, the Filipinos are no more a hybrid people than is any of those in the Latin countries of North and South America. Large numbers of the latter are a blend of white and red and black—European, Indian, and African.

There are unquestionably a variety of native dialects in the Philippines. For the most part these are variants of the original Malay language that was spoken by their ancestors in the southeast region of Asia. One proof of the original identity of the present dialects in the Philippines is furnished by the fact that their antecedent was a written language. W. Cameron Forbes, former Governor General of the Philippines, records in his classic book on the islands and their people that one of the first Spanish missionaries there testified that there was "hardly a man, and much less a woman," that did not "read and write in the letters used in the Island of Manila."

"The use of these old alphabets or syllabaries continued to a diminishing extent until the eighteenth century," says Forbes.

Mr. Forbes has taken into account this objection of racial and linguistic divergences among the Filipinos and disposes of it in words which I shall quote:

"Many Americans," he says, "in writing of the Philippine Islands have construed the great diversity of languages * * * as evidence of lack of unity and cohesion of the Philippine people. It is, of course, true that the difference in language makes common understanding more difficult. But the fact is that the people are all reasonably similar in type, generally so in religion, have the same ideals and characteristics, and are imbued throughout with a great pride in their race and desire for its advancement which should make them capable, under a common language, of being welded into a united and thoroughly cohesive body politic."

And to this he adds a statement that I wish to emphasize. He writes:

"The tribal differences, marked mostly by language and also by geographic bounds, should not be in any way an insuperable bar to the development of a people capable of nationality. Those who question Filipino capacity should look for arguments against it in other directions than that of language or tribal division."

English and Spanish are understood and spoken by practically all of the Philippine people. They are the official languages of the legislature and the courts of law. English is the language of instruction in all the public schools and there are at least a million children using it daily in learning and reciting their lessons. In addition, large numbers of Filipinos come to the United States to attend colleges and universities here. Many of the leading newspapers and periodicals of the Philippines are published in English. Finally, the political and commercial relations between the islands and the United States encourage—almost necessitate—the acquirement and use of English by a large section of the insular population.

Diversity of languages in various countries of Europe has not prejudiced their independence. Belgium is bilingual, Switzerland trilingual. Italy and Spain have many dialects. In the latter there are such extremes as, for instance, Basque and Catalonian. In Great Britain, where our own speech took its present form, there are to be found even to-day many users of Gaelic. Here in the United States we have numerous groups who speak German or French or Polish or Italian or one of the Scandinavian tongues.

But suppose it could be shown that differences of dialects in the Philippines might prove to be prejudicial to popular government in the Philippines or elsewhere, how could that fact acquit us of the obligation to keep the promise of independence they have received from us? The promise was given when their dialects were as numerous as they are to-day and very much more widely spoken. English had not yet spread very far among the people of the islands when we began to pledge ourselves to grant Philippine independence. Now the use of English is almost universal there. In a word, we promised independence at a time when all the differences among Filipinos—those of language, religion, political outlook, and general culture—were very much sharper than they are to-day. And it is precisely our promise of independence that has effected this national solidarity. Their unanimity on this subject has prompted them to use a common means to the common end—to remove disparities that threatened to defeat the great national enterprise of becoming free.

There is no merit, then, in the argument that the racial or linguistic differences among the Philippine people warrant us in withdrawing or ignoring the promise of independence we made to them. These differences have been magnified to make them seem like a barrier to Filipino nationhood. But even if they were as great as they are represented to be, they would not, I repeat, justify us in breaking the faith we plighted with full knowledge of their existence. That would be impeaching our intelligence as well as our honor.

It is not the differences among the Filipinos themselves, but those between them and us that are important as factors in this question of Philippine independence. The disparities within their household, however great and irreconcilable they may be, are of relative insignificance compared with the divergences between them and us. They are orientals; we are occidentals. They can no more become western in their minds and manners than we can become eastern in ours. East is east, indeed, and west is west, and ne'er the twain shall meet. Recognition of this fact is vital to a solution of the Philippine problem. It means that the islands can never be included in the Union of States. It means that they must become independent.

The American people will never consent—and the Filipinos will never desire—to make the Philippines an integral part of the United States. The conditions which negative any such relationship are apparent. This country is faced with serious social and industrial problems now and can not afford to increase their number or their gravity. These problems would be enhanced by the addition of 13,000,000 oriental people to our population—a number equal to 10 per cent of all the inhabitants of continental United States. The civilization, the ideals, the aspirations, and interests of the Filipino people are wholly at variance and incompatible with ours. To say all this is not the same as saying that they are inferior. It is simply to contemplate and calculate all the elements of the situation.

If the Philippines were now a State, their 13,000,000 of people would be entitled to 2 Senators and 45 or 46 Representatives. And if, for convenience of government and other considerations, they were erected into three States, their aggregate representation in Congress would be more than 50—about 10 per cent of the whole membership. In other words, the Filipinos would have a larger number of Senators and Representatives in Congress than the people of Oregon, Washington, California, Idaho, Utah, Nevada, New Mexico, Arizona, Montana, and Wyoming now have. It is fair to assume that the Filipinos in Congress would vote with prime regard to the interests of their constituents. In that event they would be a formidable bloc, almost as alien to us and to our ideals and institutions as they are now.

If, then, the Philippines can not become one or more States of the Union, what is their destiny to be? Are they to remain a dependency, a colony, remote from the source of their government—far from the American people's thoughts as well as from their shores? Are the islands to continue indefinitely as a possession which we must govern and defend without bringing them under our Constitution and without perfecting our moral title to them? Are their people to go along for years and generations without a sufficient or an effective voice in the government of their islands or any voice whatever in the Government of the United States? Shall we assume for all time the duty of legislating for the Philippines and deciding what is best for them—sometimes to the neglect or subordination of legislation and decisions in our own behalf? What about the trade between the islands and the United States? Is it to be regulated or unre-

stricted? If regulated, to what extent and for how long? These are all important questions. Every change in the status of the Philippines will have a reflex in the United States. That will be true especially as respects changes of laws affecting commerce—enactment or repeal or modification of tariffs—and as respects changes in regulations concerning Filipino immigration. There never will be any certainty or finality about the internal government or the external relations of the islands, and they can therefore never be fully developed either for the benefit of their inhabitants or for us. As a State of the Union, if that were possible for them, the Philippines would have a definite and practically immutable status. That they can never have so long as they remain a mere dependency, outside of the Constitution, and without voting representation in Congress.

Every quest for a permanent and satisfactory solution of the Philippine problem ends in finding independence to be the only course that the realities and the moralities involved combine to justify. The American people will not admit the Philippines to statehood within the Union. They will not bind themselves to bear indefinitely the burden of governing the islands as a colony. They will not condone any violation of the promise made in their name to the Filipinos. What other path is open to us, then? The answer is easy. It is dictated by the facts, and it is this: We can and we should make the Philippines an independent nation. And this we should do not merely because it is the practical and inevitable course but because it is the equitable and honorable course. We have gone too far, I say, to turn back; to recall all of our promises and preachments. We can not now unteach what we have taught the Filipinos of popular government. They can not be told that the lessons they have learned from us were false or futile.

It is not possible for us to make a great nation or a progressive nation of the Filipinos. That they must do for themselves. They will have to learn the ways and the uses of freedom and independence and learn them by practice. They have acquired as much of the theory as they can. The sooner they are left to their own resources and responsibilities the swifter and surer will be their advance. They will experience difficulties in the exercise of sovereignty. They will make mistakes. They will doubtless incur failures. All this their leaders know. They are willing to accept the bitter with the sweet. I am certain, however, that the Filipino people, in the pride of freedom with the sense of responsibility that will come to them along with nationhood, will triumph over all obstacles and adversities and prove that they have deserved as well as craved the independence we are giving them.

No one who respects American ideals will attempt to make dollars and cents the determinants or the measure of our obligation to the Philippines. I dislike the argument that, regardless of our promise to their people, we should keep the islands because they are valuable. I dislike also the argument that we should relinquish them because they are costly. It is fair to say, however, that the exponents of mercantilism make too much of the material aspects of the Philippine question. They overestimate the value of the islands and come to view them of such immeasurable commercial advantage to the United States that they would rather commit a gross breach of faith by repudiating our promise to the Filipinos than be guilty of what they deem the blunder of sacrificing millions for an ideal.

Let it be remembered that there is a debit as well as a credit in our Philippine account. And this debit will grow larger, not less, as time drifts away.

Mr. Rufus S. Tucker, formerly on the staff of the Department of Commerce, has shown that the Philippines are not the productive investment that some advocates of their retention would have us believe. His article on the subject was published in the Harvard Business Review for October, 1929. The full text of Mr. Tucker's article was incorporated in the RECORD on June 8, 1932.

I wish now to itemize some of the expenses of American control of the Philippines. It is not my thought that we should give the Philippines independence in order to rid ourselves of their cost, but to counter the contention that we should hold them because they bring us gain.

In 1898 we had but 2,500 American troops in the Philippines; in 1899 their number had risen to 32,215; in 1900 there were 71,528; and in 1901, 50,074. In the last-named year we began to reduce our forces in the islands and later we created an organization of native Filipinos called the Philippine Scouts, who to-day are a marvel in drill, in efficiency, and in marksmanship. Their number in 1902 was 5,036. They have since continued at approximately that figure. They now total about 6,000. After the scouts were put in service there was a drop of 5,000 in the Army personnel in 1903.

In 1904 there remained 12,723 American troops. There are at this time only 4,046 white troops, which is about half the number of the police force of Chicago or New York, and 6,474 Philippine Scouts. The scouts outnumber the white troops by about 2,500. For the use of our military contingents in the Philippines we have in the Philippines 3,156 horses and mules, and 764 motor vehicles. In addition, we have our field and coast artillery, our planes, and other equipment. The Army has invested for barracks, quarters, other buildings, and utilities, including land, $13,514,153.

The naval shore activities in the Philippines engage a personnel of 108 officers and 639 men. The Asiatic Fleet, which is in the Philippines for certain periods of the year, had 6,042 officers and men. The navy yard at Cavite is equipped to make major repairs on all types of vessels in the Asiatic station and employs about 3,500 civilians, mostly Filipinos. The total investment of the Naval Establishment is $10,815,936. All together, then, our military and naval investment in the islands is only $24,330,089, or less than the cost of the battleship *Colorado*, commissioned in 1923.

It is estimated that our naval and military expenses in the Philippines since our occupation amount to $485,000,000. We have appropriated in behalf of the civil needs of the islands only eight million, five millions of which was for the Coast and Geodetic Survey and three millions for various forms of relief.

Neither the Army nor the Navy has been employed in any active duty in the Philippines since 1902. There has been nothing for them to do but maneuver and drill. The scouts have performed such military duty as has been necessary in recent years. The necessity has been infrequent. During the World War practically all of our Army was withdrawn from the Philippines. The scouts served in the Army's place as a garrison and an effective force against disorders. A highly useful but not very expensive organization, these Filipino Scouts. In 1902 their cost was $684,958.08, that is, about $136 a man a year. In 1930 the estimated cost was $4,078,141.

In 1922 we entered into a 4-power treaty with Japan, Great Britain, and France. Paragraph (3), Article XIX, of this treaty enumerated "the insular territories and possessions of Japan in the Pacific Ocean" as "the Kurile Islands, the Bonin Islands, Amami-Oshima, the Loochoo Islands, Formosa, and the Pescadores and any insular territories or possessions in the Pacific ocean which Japan may hereafter acquire." Then, in the same article and paragraph, it was declared:

"The maintenance of the status quo under the foregoing provisions implies that no new fortifications or naval bases shall be established in the territories and possessions specified, that no measures shall be taken to increase the existing naval facilities for the repair and maintenance of naval forces, and that no increase shall be made in the coast defenses of the territories and possessions above specified. This restriction, however, does not preclude such repair and replacement of worn-out weapons and equipment as is customary in naval and military establishments in time of peace."

Apparently the American Government had as its motives for calling the conference from which this treaty emerged, first, the desire to establish the principle of limitation by international agreement; second, the hope of equalizing, to an extent, the British and American Navies; and third, the wish to initiate the ratio principle in naval construction. But whatever may have been the prospects of advantage for us and the world in general, the outcome is that Japan has immediate control of the Asiatic side of the Pacific. Army officers of experience agree that the treaty prevents us from increasing our fortifications in the Philippines. Without such defenses our retention of the islands could not be assured in a conflict with a great power except by a tremendous expenditure of money and blood.

Under this treaty we can not build, without violating our obligation, a fortification of any kind, not even a concrete trench. We can not so much as replace obsolete guns with those of a larger caliber. In short, we can do nothing in the matter of increased efficiency, except to substitute new guns for old, and then only if the substitutes do not exceed their predecessors in the caliber or the efficiency of those of 1922, when the treaty was signed. By the terms of this treaty we have abandoned, from both a naval and a military standpoint, the chief means of effective resistance in the Philippines. We reserved from the agreement limiting fortifications all the coasts of continental United States and those of Hawaii, but so far as the Philippines are concerned, and as respects improvements, we have bargained to stand still on the spot we occupied in 1922. Army officers know that we could not for any considerable time halt an invasion of the Philippines by a first-class power of the Orient unless we maintained permanently in the islands a mobile Army of 60,000—one-half the size of our present standing Army. We could defend Corregidor against attacks from the sea, but it would be possible to place guns back of Mariveles, unless the kind of army I mentioned were on hand to forestall such a flanking of our batteries. Manila has no defensive works, and under the treaty we can not now erect any there.

The northernmost part of the Philippine Islands is only 65 miles from the southernmost point of Formosa, a possession of Japan—one which she took from China in 1895. Our Army and Navy in the Philippines are 7,000 miles from our American base, and 5,000 miles from Pearl Harbor, in Hawaii. Our nearest base would, therefore, be Pearl Harbor. The effective cruising distance for naval vessels without transport service for refueling is 2,000 miles. A map prepared by the Geographic Society divides the Pacific Ocean into zones represented by different colors. The Japanese zone extends to the north, to the east, and partly to the south of the Philippines. There is an American zone surrounding the Hawaiian Islands, but it is not connected; there is no passageway marked out or designated for the United States between the Hawaiian Islands and the Philippine Islands.

It may be said that, as a step toward disarmament, the 4-power treaty was wise and salutary, but its effect certainly has been to expose the Philippine Islands. The conditions imposed on us render the usefulness of our Army in case of an invasion very dubious. We could not hold them against a powerful nation. To lose them to a foreign foe would inflame all America. Our people would never be satisfied until they were recaptured. If Japan were the conqueror of the islands our fight to repossess them would have to be waged in a region where the advantage would be on the side of Japan. It was stated in the Senate during the debates on the question of Philippine independence

that the presence of our Army in the Philippines might in itself be a detriment to the islanders, in that it might become the object of attacks by enemies who would not otherwise enter the Philippines. In brief, our military strength there might become a provocation to make the islands a battleground for the settlement of issues or controversies which did not strictly involve the Philippines at all, but which arose from causes with which the Philippine people had no concern. Thus—to apply the argument concretely—if Japan, for example, out of antagonism to us attacked the Philippines, she would thereby choose the theater for the fighting and we would have to meet her there. To carry the war to her we should be compelled to move our troops 7,000 miles, requiring a voyage of 21 days, and the protection of a powerful Navy, and still be at a great disadvantage. That we should ultimately recover the islands there can be little doubt, but our success might cost hundreds of thousands of lives, and vast sums of money.

The Philippines is therefore, from a military point of view, perhaps the weakest spot in our armor. Corregidor could hold Manila Bay and protect the naval approaches to the metropolis, if the defenders could be provisioned with food and ammunition, but there could be little hope of safeguarding even Manila from a military attack by land. Corregidor is the one spot in the Philippines we could defend and hold for any considerable period in the face of a powerful enemy, but we should be obliged to relinquish it also if it were cut off from military reenforcements from the United States. Dewey, as we recall, having destroyed the Spanish fleet in Manila Bay and the fortifications on shore, still was compelled to wait there months for the arrival of American troops before he and the commander of our Army could take the city.

Obviously the maintenance of an army in the Philippines for several years after the conclusion of the Philippine-American war was a precaution and a defense against an uprising of the natives. The Filipinos, however, though they crave freedom, hope to have it through the fulfillment of our promises and the merit of their cause. There is no need for a great garrison of American troops there. To-day the Philippine Scouts—orientals, natives of the islands, and friends of independence—outnumber our army of Americans in the Philippines. If there were an outbreak against American authority, the Scouts indubitably would suppress it.

It has been suggested by some that in the event of a war between the United States and a first-class power in the Pacific, we should quit the Philippines and force our adversary to a great naval battle or to an engagement on the land at some place which we should select, and then (so these strategists propose) after these trials of strength, return to the Philippines and take them over again. My personal belief is that this course would be the most objectionable to the American people. Seeming surrender of the islands to an enemy would humiliate them—even if scientific warfare dictated it. If Japan really possesses the diplomatic astuteness with which she is credited, she must perceive that her invasion of the Philippines, whether as a military move of only temporary import or as the prelude to their permanent occupation, would impel us to fight, but at such disadvantages—our remoteness from the theater of war, the difficulties of transport, the consequences of exposing our soldiers and sailors to a tropical climate—as would cancel our superiority in wealth and numbers.

If the United States could not hold the islands against an invader by means of extensive fortifications and a standing army of 50,000 to 60,000 men, what chance would the Filipinos have? The answer is that the Philippine Scouts, all native Filipinos numbering about 6,000 men, and the Philippine Constabulary, equally numerous, would be a standing army quite as useful to an independent Filipino republic as it is to the present insular government. The Scouts might well continue in the service of the new republic. If it were advisable to diminish their number, a reduction could be effected by some method which should provide for the men mustered out, and for their families.

Those who put this question of Philippine independence on the basis of profit and loss have another argument to meet. And this argument, it happens, is advanced by another group of those opposing independence. Japan, says this latter group, can not be trusted. They say her own interest is the sole guide to her policy and actions. If that be true—though I believe it to be otherwise—Japan may not wait for our relinquishment of the islands. She may attempt to wrest them from us. At any rate, if so reckless a nation be neighbor to the Philippines we ought to be prepared to protect and retain them against aggression. But the attempt to protect them against a powerful enemy would be inestimably expensive. No such necessity confronts us, however. The path of honor is free and open. We can give independence to the Philippines with complete confidence that they deserve it and will be able to preserve it.

If some of the opponents of Philippine independence could have their way, those outsiders who suspect the sincerity of American idealism would be justified in their suspicions. One group of those opposing independence admit that the United States promised the Filipinos complete sovereignty and nationhood, but nevertheless urge that the promise be withdrawn or disregarded. They would justify repudiation on one of two or both of two grounds. First, they say, those who undertook to commit the United States 34 years ago could not possibly have foreseen the necessities and advantages which should require our retention of the Philippines. If the American authorities of 1898–99 had been able to forecast the future, this group will tell you, they would never have pledged the United States to act against its own interest and security. With the better knowledge we now have, these objectors contend, we should recall a promise that never would have been given if all the consequences of its fulfillment had been foreknown. Coupled with this argument, which magnifies American self-interest, is another which belittles Filipino capacity.

The Filipinos are incapable and always will remain incapable of self-government. These opponents dogmatize, and it will be not only no injustice but a positive benevolence on the part of the United States to continue this inferior people under our tutelage and thus prevent them from injuring themselves by a misuse of independence. Since the Filipinos can never be equal to the right understanding and use of independence, it would be wrong in us and ruinous to them to redeem the pledge we made to them.

Let us review in a few glances the history of our career in the Philippines, and let us consider the present conditions in the Far East. With the historic facts and current events before our eyes we shall be better able to appraise the logic as well as the ethics we are asked to accept from objectors. Let us stop long enough, however, to say that there is no novelty in their preachment that self-interest must be served before self-respect, if there be conflict between the two. Even in 1898, as at all times since, certain groups urged that the Philippines are a commercial asset and a military and naval need of the highest importance to the United States. That plea was whispered and shouted in the ears of McKinley and Roosevelt and Taft, and long has been a commonplace.

But our self-interest is inseparable from our self-respect. We can not but prejudice our commercial expansion and security in the Far East if we break faith with a far eastern people. Such conduct would make enemies not only of the Filipinos but also of the Chinese and the people of the East Indies and of India. It would cost us the great moral influence we now undoubtedly exert in the Orient. It would remove the old difference between the European nations that have intimidated and exploited the far eastern peoples and the United States, which has always respected their rights and their integrity. So long as we preserve our self-respect, therefore, we shall serve our self-interest. Let us see how our self-respect comes to be at stake.

When the United States entered the war with Spain in 1898 to assist the people of Cuba to establish a republic, our declaration that we were to fight solely for liberty and humanity, with no expectation or thought of material benefit for ourselves, impressed itself deeply on the conscience of our own people and profoundly impressed the remainder of the world. As Americans came to understand that the people of the Philippines, like those of Cuba, had also been waging a war for their liberation from Spanish rule, there was everywhere in this country a disposition to be as generous and as chivalrous to the one as to the other. Our motto for the people of the islands was "The Philippines for the Filipinos," just as our slogan had previously been "Cuba for the Cubans." But soon it began to be whispered that perhaps the Philippines might be made a commercial base, from which we could operate in China and Japan—the entire Orient. Manila was to be the center of this trade, the point from which our wares and merchandise should be dispersed throughout Asia. Retention of the Philippines was, of course, necessary to this "penetration" of the Eastern Continent. This commerce would make us rich and powerful. It was optimism begotten of ignorance. In the 30 years which have passed we have had the opportunity—the need—to review these prophecies. We know they have not been fulfilled. Possession of the islands has added little to our trade in the Orient, save with the Filipino people. Manila has not developed into a great international mart. On the contrary, it has been, in maritime respects, a signal failure.

Still more recently it was predicted, as we remember, that the opening of the Panama Canal would enhance enormously the value of our insular possessions in the Orient. The Panama Canal has been in use more than 17 years, quite long enough to allow us to measure its effect upon Philippine trade and commerce. But commerce from the United States to the Orient still goes by way of China and Japan, and not by way of Manila. Still another justification of American ownership of the islands was that Manila Bay, in our keeping, would enlarge our naval advantage in far eastern waters. No one at that time contemplated the 4-power treaty of 1922, into which we entered with Japan, Great Britain, and France, and in which we agreed not to further fortify the islands, while at the same time we permitted Japan to dominate the area that immediately surrounds them on the north, east, and south.

When we became masters of the Philippines the "prophets" naturally could not foresee the great World War, its cost to the belligerent peoples, the competition in armaments, the necessity for an agreement limiting expenditures for preparedness, and the price which our Government was to pay in concessions to procure the ratification of such a compact. Neither had they or others prescience of the war between Japan and Russia, especially since the latter in 1898 was one of the great world powers, while Japan was yet striving for recognition. It was equally impossible for anyone in 1898 to foreknow that Germany would shortly lose her "place in the sun," her prestige in China. Most of the men who made these prophecies of our commercial advantage, our naval supremacy in the eastern Pacific, as the fruits of our control in the Philippines are now dead, but in their stead there is a new school of soothsayers who would frighten us with the bugaboo that independence of the Philippines would disturb the present balance of power in the Orient; that it might prompt the 320,-

000,000 dependent people of India or the 60,000,000 dependent people in the Dutch East Indies to press for self-government. In short, these egregious Americans hold that we should do nothing that might inspire in the hearts of subject races a love and a longing for liberty!

Obliged by the force of events to abandon their plea of commercial advantage and then the claim of naval necessities as warrant for our taking and keeping the islands, these protagonists of an aggressive, a provocative, policy so far as trade and armaments are concerned, most inconsistently prefer British interests and Dutch interests to American interests in determining what course we should take in the Philippines. They advance the novel proposal that, not in our behalf, not for the weal of the Philippines, not in fulfillment of a national promise, but for the benefit of two European nations, we should decide the future of the Filipino people! Both Great Britain and Holland are our friends, but neither is our guardian. We are free from any legal or moral obligation to adopt their political philosophies, and thereby to renounce not only our traditions but our material welfare also.

If Americans will for a little while withdraw their gaze from Haiti, at our door, and Nicaragua, to both of which countries we have sent our marines, and devote attention to the Philippines, the problem which these people present to us and to themselves could be adjusted more quickly and more happily than it is likely to be adjusted otherwise. Once Americans come to realize that the Philippines are part of Asia; that their 13,000,000 people are Malays and orientals; that the islands are not in the trade route between the United States and China and Japan; that the distance from our coast to Manila is almost beyond the ability of our Navy or our Army to neutralize, they will deal decisively with the question of Filipino independence.

Our machinery has done more to influence Asia than our doctrines of religion or our notions of government have. It is Asia's economic life that we have affected by our mass production with machines that work more rapidly and cheaply than coolies themselves! Occidental machines, then, have made the conquest that occidental armies, however multitudinous, could not achieve. Though our millions and our machines have wrought many changes in the Orient and are likely to work many more, nothing—neither money nor its products—can convert an oriental into an occidental. One thing I am sure we can never hope to see is the oriental's abandonment of his language. It is a part of him—it is a pattern of his spiritual and intellectual life, of his habits of thought, of his very being. The Japanese have accepted much from the West, but have retained the language. The peoples of the East Indies have preserved their numerous dialects. Our attempt to induce 13,000,000 people in the Philippines to substitute English for their native tongue has failed. I doubt if we can ever succeed in doing more than making English the language of the intellectuals, of public officials, and of those in commerce. There is, of course, a very natural attachment for the mother tongue, however crude or primitive it may be. Language is the preservative of national spirit, of national tradition. There is little kinship, for instance, between the Latin, the Teutonic, and the Slavic languages of Europe and the Mongolian tongues of Asia and islands near that continent. These latter differ from the Indo-European languages because the peoples of the two regions of the earth—East and West—are utterly and, I think, permanently incorrigibly different. This factor of language I underscore, because it is vital to a fair consideration of our policy in the Philippines or anywhere else in the Orient.

One thing else: We have introduced into Asia and its environs the creed of self-determination. We have likewise acquainted them with the plan of electing national rulers by vote of the people—in some places before the voters were rightly tutored in the use of the ballot. The old Asiatic governments by dynasties and inheritance are passing into history. Japan is thoroughly awake. China, with its hundreds of millions and its nominal republic, is only half awake. We may expect that her demand for a real enforcement of the "open-door" policy proclaimed by John Hay will grow stronger. Her insistence, once her internal difficulties shall have been adjusted, may take the form of force. This may be a long time hence, but who can tell when it will happen? Notwithstanding present conflicts between Japan and China, they may nevertheless unite—possibly with Russia, which is also an Asiatic power—to promulgate a "Monroe doctrine" which shall say, "Asia for the people of Asia," as we declare to the world, "The Americas for Americans." Although we have for many years advocated the "open door" in China, that is, equal opportunities for all nations to trade there, yet we have closed the door in the Philippines, telling everyone else, "This is for us. Keep your hands off. These islands are our property. These people belong to the United States of America." Moreover, we long ago closed our own doors to the Chinese and Japanese by our laws denying them the privilege of entering this country save under many rigid restrictions. This policy I trust will be modified by legislation which shall place Chinese and Japanese on a like footing with other foreigners. That is, I hope we shall establish a quota for them as we have for Europeans and others. The present practice is humiliating to them and hurtful to us.

History informs us that Chinese have been in the Philippine Islands for centuries, and, strange to relate, there are not so many Chinese in the Philippines now as there were over a hundred years ago. They are and have been the traders of the Philippines—shop keepers, money lenders, bankers. As they and the Filipinos are of the same ethnic strain, they readily intermarry. Though the two peoples amalgamate easily there is little danger of a large emigration of Chinese to the Philippines. As far back as 1574 Chinese sought to establish a settlement in the Philippines. Frequently in the intervening years this attempt has been repeated. On one occasion 23,000 Chinese were massacred in the Islands. In 1639 there were 30,000 of them in the Philippines. This was a very large proportion of the population at that time. To-day, only about 45,000 reside there. The Filipinos have no fear of colonization by the Chinese. They could control Chinese immigration into the islands by means of a quota or some such plan as is now employed by the Philippine government. It is the "Manila American," or some like theorist, that continually raises the bogey of "peaceful invasion" by the Chinese and Japanese.

In 1870 there was a small colony of Japanese in the islands. But they have not become numerous. They do not like the country. The climate is not congenial to them. They are not able to work continuously in the fields in the Philippines as they are in their own more northerly islands. A Japanese invasion of the Philippines is negatived by the facts. It would now be very difficult for the Japanese to colonize in the Philippines, peacefully or otherwise. All the Filipinos, except a minority of Mohammedans and a few Pagans, are Christians. They take their religion seriously. Japanese expansion in some other direction would meet with a more congenial atmosphere, so far as religion is concerned, than exists in the Philippines. The Japanese do not intermarry with the Filipinos. They retain their own customs, their own habits, their own food, and they conduct their own schools for the education of their children. They take little part in the social life of the Philippines. They, like the Chinese, have been in the Philippine Islands for centuries, but there has been no significant increase in their numbers in recent years, although they are permitted by law to come and settle freely in the islands. One thing must be remembered, however, that is, that the Chinese and Japanese at home see our treatment of the Filipinos with the eyes of their brethren in the islands. Other orientals near the Philippines are equally watchful of our principles and methods of government in the islands, because they will remember promises of independence we gave to the Filipinos. I speak of the natives of Java and India. These Javans and East Indians will observe whether we keep the faith. They will measure our political honesty by the fidelity with which we fulfill our political contracts. The retention, therefore, of the Philippines under our sovereignty will not be helpful to the oriental situation. Moreover, our continued possession of the islands makes us parties to the perilous problems of the Orient. It may foment at any time an acute resentment of our "overlordship." The danger, then, is not so much that of our disturbing the balance of the power in the Orient as it is that of our presence there at all.

Should the United States, in pursuance of former promises, permit and assist the Filipinos to establish an independent government, it would be quite easy, in my judgment, to negotiate a general treaty looking to the preservation of a Philippine republic. Japan and China would, I am sure, agree quickly. England and France could not well refuse. We should then have all the protection that a republic of the Philippines would require and could thereafter relieve ourselves of any responsibility for it.

In its report of June 2, 1930, the Senate Committee on Territories and Insular Affairs adverts to these questions. Since this report was drafted only after the committee had heard and weighed the testimony both of proponents and opponents of Filipino independence, I quote from it here:

"Keen interest is evoked by one theory advanced at the hearings; namely, that to grant Philippine independence might disturb the peace of the Orient by inspiring in other peoples there a desire to free themselves from European control. It is asserted that the granting of independence to the Philippines will stimulate a desire for independence on the part of these other dependencies. To give weight to such a theory would be to recognize an unsound philosophy or policy repugnant to the very best tradition of our Nation. We are proud that our experiment in self-government has been imitated by all the nations in South America and by many of the nations of Europe. The finest pages of our history are those recording the conflicts that have followed our own departure from colonial dependency.

"We entered the Orient as the protectors of a downtrodden people and later assumed to guide them to the level of occidental civilization. That occidental civilization finds its highest expression in national independence.

"At this date of our supremacy over the Philippines, 30 years after our occupation of the islands, to assert that our granting their freedom would be unwise because of the stimulus it would give to other nations cherishing like hopes, is to validate a theory which will have but little weight with real Americans.

"We can hardly justify a course which began with the object of establishing a democracy in the Orient and which is to end in colonial control.

"As will be verified by current events, there are eastern colonies now endeavoring to assert their aspiration for national identity and moving toward independence, wholly without regard to our attitude in the matter of the Philippine Islands. Our presence in the Orient in these instances has not deterred desires for national self-expression.

"Furthermore, our treatment and disposition of the Philippine Islands will largely be the measure by which the Orient will weigh our international honesty. We are told that our retention of the Philippine Islands has a beneficial effect on our intercourse and trade with the Orient. But there is no evidence from which to conclude that a continuation of our sovereignty over the Philip-

pines will be conducive to oriental friendship. If the Philippine people, actuated by the statements of our executives and by the promises and pledges made in our statutory law, demand, as they do, their independence, and we deny them that independence, it is not likely that our attitude will present a favorable aspect in the Orient.

"As time goes on and we retain the Philippine Islands in complete sovereignty, it is scarcely probable that the oriental conception will credit us with those altruistic principles in which we take great national pride. The result may reverse what the advocates of retention now call our strategic position for trade in the Orient.

"The holding of the Philippines for mere trade advantage in the Orient seems one-sided in its application, for the reason that while the Philippines offer to the United States a development of foreign trade, the status in which the Philippines find themselves is not conducive to the development of their own foreign trade. It must be recalled that while their trade with the United States increases, their markets in the Orient are narrowed."

Everything that has happened since the writing of that report confirms the accuracy and the wisdom of it. The recent conflict between Japan and China, far from corroborating, actually contradicts the prediction that the Japanese will seize the Philippines after independence shall have been granted to them. It proves again that Japan's expansion is not to the Tropics but to the Temperate Zone; not to the archipelagoes of the eastern Pacific but to the mainland of Asia; not to the Philippines but away from them.

It will help us to understand the Philippine bill now pending in the Senate and to appreciate our obligation to the Filipino people if we shall first look into the significance of the Jones Act of 1916. That act was the culmination of a long series of official and binding declarations of our purposes with respect to the Philippines. No single provision of that act has been altered, amended, or repealed. It remains intact as the evidence and earnest of our commitment to independence for the Philippine Islands; and it is not merely our pledge to the Filipino people; it is also our plan for their preparation for separate sovereign nationhood.

The preamble of the Jones Act renewed and emphasized the promise that the United States had previously made to the Filipinos, who, on their side, accepted it as a covenant of freedom. Because of that promise in the Jones law and because of the condition attached to it, the people of the Philippines have been kept in doubt of their political future, in uncertainty as to their economic stability, and in utter ignorance of their ultimate national destiny. In consequence, the development of the insular resources, the expansion of the people's markets, the adjustment of their economic system to the changes occurring in the world around them have been hampered. They have suffered material damage by reason of these doubts and uncertainties.

As it stands, the Jones Act is the foundation and frame of the government of the Philippines. It ought to govern us, too, in respect to the pledge of independence it contains, but it has not thus far. We have ignored that pledge and sometimes we seem to believe that our great generosity in giving it acquits us of the duty of redeeming it. The Filipino people not only accepted the condition imposed in the Jones Act—that they should have independence as soon as they should be able to maintain a stable government—but they have fulfilled it. I think no fair investigation and appraisement of the facts will fail to reveal that the people of the Philippines have demonstrated—and abundantly demonstrated—their ability to maintain a stable government. I think inquiry will show also that they are both eager and fit for independence. The Senate committee was convinced of that fact. The House committee was convinced. Some of those having the longest and widest acquaintance with the Philippines have not the slightest misgiving about the yearning and preparedness of their people for complete independence, even while they realize that it will entail some economic hardships.

I am going to recount very summarily the history of the Jones law, and at the same time sketch some of the circumstances in which it was conceived and enacted. It is useful to know the conditions which then existed not only in the Philippines but also in other parts of the world. It is important to understand also the views of Congress—irrespective of the partisan identification of its members—with regard to the force and effect of the measure. Finally, it is necessary to have some knowledge of the scope of the Jones law and the extent to which it conferred on the Filipino people both power and responsibility.

In 1916 it was becoming increasingly evident that the United States would be forced to participate in the World War. It seemed impossible for us to remain aloof. The people and Congress had by that time come to anticipate the declaration of war made the next year. It was in that mood and in the midst of preoccupations that the Congress undertook the discussion and passage of the Jones law. The title and the preamble of the bill, because of their asseveration of our policy with regard to the Philippines, have a special importance. The title of the Jones law is this: "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide for a more autonomous government for those islands." It is remindful of the preamble of our Constitution.

The preamble of the bill, recording and reaffirming the conditions under which the Philippines were acquired by the United States and promising independence to the Filipino people, I quote because of the objection that these recitals and pledges are in the preamble, not of its body and substance, and are therefore not binding on the honor and conscience of the American people. Let us see. Here is what Congress said:

"Whereas it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

"Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty, by the people of the United States, in order that by the use and exercise of popular franchise and governmental powers they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence."

The details of the bill, including the statement in its preamble, were discussed in both Houses. At the opening of the Sixty-fourth Congress Mr. Jones in the House and Senator Hitchcock in the Senate, each introduced a bill. The Philippine Assembly at the same time passed a resolution. This resolution read:

"We again reiterate in the name of the Filipino people the national desire and purpose set forth on many former occasions. We wish to assure a stable future for our people. We desire an increase of the elements of our national life and progress. We ask yet more, and for that reason, in reiterating, as we hereby do reiterate, our urgent petition for liberty and independence for the people of the Philippine Islands, we, the elected representatives of the Filipino people, express our confidence that the efforts of the President of the United States to secure the fulfillment of his promises and the realization of our lawful hopes will obtain early and complete success."

In the Senate the debate of the bill presented by Senator Hitchcock centered on the preamble. It is patent in the chronicle of the discussions that it was the understanding of the Senators and everyone else's understanding that the preamble promised independence to the Filipinos and thereby imposed an obligation upon the Government and people of the United States.

The debate on the Hitchcock bill and the Jones bill of 1916 was marked by a kindly feeling toward the Filipinos. Seventeen years had made a great change. Some Senators and Congressmen meantime had visited the islands. Senator Shafroth, of Colorado, said:

"Some people who are opposed to Philippine independence often refer to photographs of natives in a seminude condition as examples of Philippine civilization and ask if such beings are capable of self-government. Such pictures are exceptional and are usually of what are termed the uncivilized inhabitants, which in population bear no greater proportion to the Christian Filipinos than the American Indians did to the people of the Colonies at the time of the Revolutionary War. * * * The Philippine people are capable of self-government because they have a deep interest in their country and great love for her and possess a large, highly educated class thoroughly identified with the best interests in the islands, who under the educational qualification now prescribed by law will be elected to legislate and administer the affairs of government."

Mr. Jones, author of the Jones law, said of it:

"For it not only bestows upon the Philippine people a measure of self-government such as they have never enjoyed under the sovereignty of this or any other nation, but it established what to them is dearer than all else—the everlasting covenant of a great and generous people, speaking through their accredited representatives, that they shall in due time enjoy the incomparable blessings of liberty and freedom."

Notwithstanding its liberal provisions, the act did not fully satisfy the Filipino people. They had come to expect a definite declaration for independence, either immediately or at a date fixed and determined. It was, nevertheless, a step forward. It placed more power in the hands of the Filipino people and gave them, through representatives of their own choosing, the exercise of these powers in the legislative and administrative business of the insular government. Notwithstanding, after the lapse of 16 years the Filipinos do not wish to continue under our flag. They prefer to live under their own flag, for they have one and are permitted to display it. Sixteen years of waiting have only intensified their desire for independence. This longing grows steadily in strength and sincerity.

The present government of the Philippines resembles Great Britain's colonial system in America during the seventeenth and eighteenth centuries, but long since abandoned everywhere in the British Empire. Our satrapy in the Philippines is almost precisely like that which our forefathers overthrew in the Revolution. Each year the Filipino Assembly appeals to our Congress to make changes in this archaic and un-American system. For one reason or another these petitions are ignored. Government under the Jones law is satisfactory neither to Americans nor to the Filipino people. It is illogical in its blending of executive and legislative functions, for instance, and in its lodgment in the Bureau of Insular Affairs, a branch of the War Department, of a large power and authority, including that over fiscal affairs. The administration of the insular government is left partly to the War Department, in part to the President, and in excessive measure to the Governor General appointed by the President. Over and above all these divisions of power and initiative the Congress of

the United States has power to annul the laws enacted by the Philippine Legislature. In short, the Jones law operates only by reason of the good sense and the good will of those in the two governments. Americans and Filipinos do the best they can to make it work despite its incoherences and inadequacies. The Governor General must supply in tact and good judgment the defects of the act. If he lacks finesse, there will be no teamwork; government will default.

Rarely, if ever, does the Governor General exercise the despotic and un-American power given to him. None of our Governors General have abused it. There is one brake on the Governor General, but unfortunately it could be applied only with the certainty of stopping the whole machinery of government, even progress. That is the refusal of the Philippine Legislature to function except upon its own terms.

Some of the powers and functions of the Governor General are worth mentioning. He is commander in chief of the militia and constabulary and of all locally created armed forces. He may deport undesirable aliens; he is authorized to grant pardons; he may order investigations into the conduct of any person or persons in the government service; he may determine when it is necessary or advantageous to exercise the right of eminent domain in behalf of the government of the Philippine Islands; he is the departmental head of the bureau of civil service and of the bureau of audits; he can, with the approval of the Philippine Senate and for the purpose of protection and keeping peace, order the concentration of the inhabitants from outlying barrios in small communities; he has the supervision of the issuance of passports to citizens of the Philippine Islands and the United States who want to go abroad; he has charge of all extradition cases; he supervises the correspondence touching the foreign relations of the Philippines, such as correspondence of the bureau of insular affairs and United States consuls abroad and the foreign consuls in the Philippine Islands; he confirms the election of insular and provincial officials; he appoints the judge and clerk of the municipal court; the justice and auxiliary justice of the peace. Besides these multifarious powers and duties, the Governor General also appoints the mayor and vice mayor of the city of Baguio.

In the matter of the veto the Governor General of the Philippines has an advantage over his legislature such as neither the President of the United States nor the governor of any Commonwealth of the Union has over his lawmakers. The chief executive of the Philippines has the right to veto a part of an appropriation bill, and when he does so his action automatically revives the previous year's appropriation for the item as to which he expresses his official disapproval. So both branches of the Philippine Legislature might year after year change particular appropriations, yet by repeating his veto the Governor General could practically reenact the original provision. If the Governor General does veto and the Philippine Senate and House pass the bill over his veto, the President of the United States may veto it after waiting six months if he likes. Congress, too, may annul acts of the Philippine Legislature.

Notwithstanding its many limitations, the Jones Act has permitted to the Filipino people a very considerable share and experience in the government of the islands. They have had a hand in the administration of the several branches of government—legislative, executive, and judiciary. The Congress of the United States, though it has power to veto laws enacted by the Philippine Legislature, has never had occasion to apply that negative. The Congress of the United States also has power to legislate for the Philippines—it could repeal all the existing statutes passed by the insular legislature and enact a new and complete code—but it has made no single law for the Philippines since 1916.

The evil of the present status of the Philippines is a defect, a default. If the people of the islands knew that the present measure of their autonomy was the maximum they could expect; if they were convinced that never could their country be anything but an appurtenance to the United States; if they were obliged to believe that their hopes of independence were vain and futile, they probably could reconcile their hearts and adjust their economic interests to such a destiny. But we have given them assurances of nationhood without fixing a time for it. We are the sole arbiters of the date and the manner of their independence. A head of our Nation has said that the Filipino people have satisfied the condition we made the prerequisite of their independence, but the other coordinate branch of our Government—the Congress of the United States—has not coincided with that Executive judgment. The Jones law stands as a promise, but provides no plan or procedure for its fulfillment. Meanwhile the political progress of the Filipinos and their economic advancement are greatly prejudiced. In fact they have traveled as far toward independence along the path the Jones law defined for them as it is possible for them to travel. They are at the end of the road. A new and additional way will have to be paved for their further progress. That is what the pending bill proposes. It is a fulfillment of the promise and the obligation we wrote into the Jones Act. The bill before us gives to the Filipino people and to our own a definite arrangement for the independence of the islands and allows an interval during which we and they can accommodate our respective conditions and interests to the new status of the Philippines.

We can not turn back. As to that there is general agreement. We can not stand still without inflicting cruel injury to the moral and material well-being of the Filipino people and convincing ourselves, in the eyes of the whole world, of a breach of faith. But we can go ahead. We can, with economic benefit to Americans as well as Filipinos, with justice to them and with honor to ourselves, keep our word and at the same time create a new nation in the Orient as a monument to our idealism.

We have had a long time and we have had the choice of various ways in which to determine and ordain the status of the Philippine Islands. They have been in our keeping for 34 years. That is a considerable period. A great many events have been crowded into it. From the condition of relative unprogressiveness and insignificance, the islands have risen to a high degree of political, social, and industrial development, and to a position of large importance in the Far East. The Philippine people are now recognized as the most forward of the orientals. They are the only Christian nation on the eastern fringe of Asia. And over and above all, they are a serious problem, both to themselves and to us.

The existence and the gravity of this problem of the Philippines are almost wholly of our making. We took the islands from Spain and decided that they should eventually have a democratic form of government—one on the American plan. Our decision, however, was not so unequivocal that it did not leave room for doubt—even emphatic denial—that the democracy for which we were training them was exactly equivalent to independence. For, it was said, they could be made democratic without being made independent. They could be trained for democracy and yet retained for a permanent place among the insular possessions of the United States. In a word, they could be both democratic and independent—as Canada is, or Australia, or British South Africa So ran the argument of many who preferred keeping the islands to keeping our promise.

Our indefiniteness in the statement of our policy—I don't for a moment concede that there was any question of the policy itself—has resulted in a great deal of contradiction and confusion as to both our purposes and obligations with regard to the islands. This indefiniteness gave to some selfish individuals and interests an excuse for asserting that there was grave doubt of the intentions of the United States to grant independence to the Philippine people. Since there was question of our duty to the Filipinos, these quibblers said we were not obliged to perform it, but should feel ourselves free to shape our course to suit our own advantage and not to meet the wishes or to serve the welfare of the insular people.

When these quibblers were finally confronted with the preamble of the Jones law and its declaration that "it is, as it always has been, the purpose of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein," they invented the sophistry that this promise imposed no legal or moral obligation on us because it was not in the body of the statute. That sort of reasoning would invalidate the ordainments in the preamble of the Constitution of the United States.

Of course, there were and are other and sounder conceptions of our rights, duties, and responsibilities in the Philippines. There was, for example, the view that we should remain in control of the islands for as brief a space as possible. There was also the opinion that we should prolong our sovereignty and our tutelage, so as thereby to insure beyond question the preparedness of the Filipinos for independence. Still another contention was and is that we should remain masters of the islands not only until their inhabitants were politically equipped for independence but until they were also economically prepared for it. This last contention is for the most part the handy device of those who would really retain the Philippines but are not frank enough to avow their true meaning. I shall comment on some of these several proposals.

From the first days of our occupancy of the Philippines, as I have said, there have been those who urged that a limit be set on the continuance of our sovereignty. The duration of our proprietorship, it was argued by this school of opinion, should not exceed five years. This subject was debated in 1916, when the Jones bill was under consideration. The proposal to fix the term of our sovereignty was rejected as an attempt by one Congress to bind another. Judge Elliott, in his comments on the debate of that bill, very properly states: "The question would have to be settled by a Congress the Members of which were not yet elected, and any attempt to bind it would not only be nugatory but also impertinent."

While there would be no legal validity in a congressional declaration, by resolution or statute, that the independence of the Philippines should begin on a given date, it certainly would have a moral force which might well commit succeeding Congresses, especially if the interval were short. No witness that appeared before the Senate committee in 1930 recorded his opposition to the proposal of ultimate independence for the Philippines, although it was quite apparent that some favored permanent retention but were ashamed to say so. First, they knew they faced the historic fact of an American policy that bound the United States to independence; second, they were conscious that independence had been expressly promised; and third, they perceived that the suggestion of our permanent possession of the islands, against the will and welfare of the Filipinos, would be repugnant to all American traditions.

As a compromise between frank advocacy of retention and an open recognition of the Filipinos' right to independence, these witnesses counseled postponing the fulfillment of our promise to a date in the distant future. And even on this they are divided. Some think the postponement should be for 5 years; others for 10; some for 15, some for 20; and a few of the manufacturers and certain investors in the Philippines for as much as 30 years.

At the time the original investments were made in the Philippines a large section of the American press and many public men spoke against permanent retention; but American capital went there, notwithstanding. Of the billions of dollars invested abroad in recent years, only one-sixteenth of 1 per cent of it has gone to the islands. Business men understand this now. A change of sentiment has come about.

In addition to the 30-year program, recently there has been advanced a new proposition that, if possible, is more illusory, more impractical, and altogether less logical than the scheme of making years the measure of delay. I call it the Utopian plan. It provides that when the Filipino shall have attained a certain degree of education, culture, political prowess, economic stability, and other qualifications, the nature and sufficiency of which shall be decided by us, according to our own standards or our own interests, and at a date that is conditioned on various exigencies, then—and not until then—the Filipinos shall have their freedom if we think they deserve it and know how to use it. This is perhaps the most bizarre of all the plans yet proffered.

If the most powerful and prosperous nations of the world—the United States, England, France—were obliged to guarantee the permanent stability of their respective economic financial systems as a condition to the further enjoyment of sovereignty and independence, I am afraid they would be unable to satisfy the requirement. They could no more assure the unchangeableness of their economic system than they could warrant the immutability of their social political condition. Yet the opponents of independence for the Filipinos are attempting to impose on the people of the islands the obligation of insuring "a stable economic structure" as well as a responsible, durable, democratic form of government. No such requirement was exacted in the case of Cuba, Poland, Czechoslovakia, Yugoslavia, or any other nation whose independence we have recognized in the last 50 years. No people struggling for independence could have met this novel proviso. Certainly our colonies could not have fulfilled such conditions.

So much for the argument for delay. I shall now weigh the argument which challenges the right of Congress and the President to dispose of the Philippines, without the warrant of a constitutional amendment—which could be obtained, if it were necessary, only after the lapse of many years. It is in effect a contention that two-thirds of the Representatives and Senators, and the legislatures of three-fourths of the States, must sanction the alienation of the Philippines as a condition precedent to the independence of their inhabitants. I have been unable to find that any lawyer in either the House or the Senate has voiced this contention.

On one occasion, the chairman of the Insular Affairs Committee of the House raised the point, and it was subsequently submitted officially to the Attorney-General, who answered that there was nothing in the contention. That formal opinion of the legal advisers of the executive and legislative officers of the Federal Government ought to have ended the usefulness of this argument, but it is still in the service of the propagandists against nationhood for the Filipinos.

It will be recalled that in 1899, when the treaty with Spain was before the Senate for ratification, those who assailed it on the ground that it would launch the country into a policy of colonization, were assured that the question of ultimate disposal of the Philippines would be left to Congress. As Senator Lodge put it: "Suppose we ratify the treaty; the islands pass from the possession of Spain into our possession without committing us to any policy. I believe we can be trusted as a people to deal honestly and justly with the islands and their inhabitants thus given to our care."

Only a cursory examination of the debate in the Senate is necessary to show that the treaty was finally ratified under that assumption. Similarly, President McKinley viewed the matter in the same light when, 10 days after the treaty had been ratified, he told the American people: "The whole subject is now with Congress; and Congress is the voice, the conscience, and the judgment of the American people. Upon their judgment and conscience can we not rely?"

In 1924, as I have said, the question was submitted to the Attorney General, who, on April 30 of that year, in a formal opinion on the question, said:

"The Philippine Islands have never been incorporated into the United States as an integral part thereof. They are held as an insular possession, appurtenant to the United States but not incorporated into the United States. (See Downes *v.* Bidwell, 182 U. S. 244, 341–342; Dorr *v.* United States, 195 U. S. 138.) The Constitution of the United States has never been extended to the Philippine Islands. It has been so extended to the Territory of Alaska by congressional enactment. (Rasmussen *v.* United States, 197 U. S. 516.)

"Under the Constitution of the United States, Congress has complete control over Territories. It likewise has such control over insular possessions, and may do with such possessions as it may see fit. If Congress deems it expedient to grant complete independence to the people of the Philippine Islands or a limited independence, it may, in my judgment, do so."

More recently a memorandum on the subject, likewise accepting the view that Congress does possess such power, was prepared by the office of the legislative counsel of the United States Senate, and was inserted in the CONGRESSIONAL RECORD of January 29, 1930. Justice Malcolm, of the Supreme Court of the Philippine Islands, in his treatise on Philippine Constitutional Law (p. 173) upholds a similar view.

Within the last few months an exhaustive and authoritative treatise on this constitutional question has been published by Judge F. C. Fisher, former member of the Supreme Court of the Philippine Islands. The complete text of Judge Fisher's treatise I caused to be inserted in the RECORD in April, 1932, so I shall not quote it at length at this time. I shall content myself with giving the language of his conclusion:

"* * * Either upon the theory of resulting powers, or upon that of the power of disposal under section 3 of Article IV, Congress is vested with constitutional authority to relinquish the sovereignty of the United States over the Philippine Islands, and to permit its people to organize and establish an independent government."

The power of Congress to alienate territory or to give the Philippines their independence may be supported on any one of six grounds: First, because such power is expressly granted to Congress under the Constitution; second, because the power may be implied from powers expressly granted to Congress; third, because the power resides in Congress by virtue of its resultant powers; fourth, because it is inherent in sovereignty; fifth, because the power exists in the President and in the Senate of the United States by virtue of the treaty-making power; and sixth, because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

Since the decision in the insular cases, cited in the opinion of the Attorney General, there has been no serious contention by anyone, except some of the extremists in the opposition, that the Congress did not have power to grant independence. All recognized constitutional authorities concede that the inherent right of a sovereign to acquire territory unquestionably includes the right to dispose of it. And until the Philippines are incorporated as a part of the territory of the United States, which the Supreme Court says has not been done, the Congress undoubtedly has the constitutional authority to grant independence.

The Hon. JAMES M. BECK, formerly Solicitor General of the United States, now a Member of the House of Representatives from Pennsylvania, and a noted constitutional authority, takes that position. The senior Senator from Virginia, an able student, discussing the matter in the Senate on March 5, 1930, said: "We have a right to-day to dispose of the Philippines under the clause of the Federal Constitution which says that Congress has control of the territory of the United States, and I do not know of anybody who has ever disputed that fact since that decision, except somebody who believes that minority opinions ought to be the law of the country."

The senior Senator from Kentucky expressed the view, "It would seem rather illogical to contend that the President has unlimited power under the treaty-making power to purchase territory, but that after it is purchased or acquired in any way by treaty the United States Congress has no way of disposing of it."

There is room for legitimate difference of opinion about the duty of the United States to bestow independence on the Filipino people or about the details of the relinquishment of our sovereignty over the Philippines or about the time and method of announcing the American decision, but on one subject there is complete unanimity. All of the witnesses who appeared before the Senate Committee on Territories and Insular Affairs, either to assist or to oppose the cause of independence—representatives of the War Department, the Navy Department, the Bureau of Insular Affairs, and others—were of the same mind that the present indecisiveness of our policy is deleterious alike to the interests of the Filipinos and our own.

That this unanimity on so vital an aspect of the question impresses itself on the committee is evident in the report that the majority of its members submitted to the Senate. The following is the language of the report:

"It is significant that, without exception, every witness of the many who appeared before your committee admitted that the present situation of uncertainty as to the political future of the Philippines should be removed. The record contains many appeals for a removal of the unsatisfactory conditions which exist at the present time. Even those who oppose early independence for the Philippines admit that the present dubious status of the islands should not be permitted to continue.

"The reasons are manifest. The Filipino is neither a citizen of the United States nor is he a citizen of a free country. A Malayan by race, an oriental geographically and by tradition, a foreigner under certain of our statutory provisions, the Filipino has had 30 years of existence as a pseudo-American. Living 7,000 miles from our western coast, on 7,000 islands in the Far East Pacific, these 13,000,000 people, thrown by a great war into the protective arms of a western nation, find themselves, after a generation, to be in law and in fact neither Americans nor foreigners."

The Filipino is a national, but not a citizen of the United States. He is an inhabitant, but not a citizen of the Philippines. His two flags symbolize two allegiances, but neither a nation of his. He came to us by purchase—so he feels—and his status is that of an appurtenance to the land that Spain transferred to the United States. That reflection pains him. The cause of it should shame us to action.

What shall that action be? We have a guide; it is to be found in the reports made by committees of the House and the Senate. These reports are not identical in viewpoint or details, but they at least coincide in emphasizing the necessity for solving a problem that has grown grave and that procrastination is certain to

aggravate to the utmost. The Committee on Territories and Insular Affairs of the Senate last February urged a decision. That is four months ago. I quote the concluding statement of the Senate committee's report:

"Every condition precedent that we have imposed upon them [the Filipinos] has been fulfilled. They now have a stable government. We can no longer postpone a definite solution of the question of independence without serious injustice. The Filipino people unitedly are respectfully, but with insistence, urging their independence. Further delay will not be understood by them and can not be justified by us."

Three weeks later the Insular Affairs Committee of the House recommended a bill, which was passed on April 4. The House committee advocated decisiveness as the Senate committee had. I cite the words of the House committee's report:

"We have done for the Filipinos all that we have promised them except to grant them independence. We owe it not only to the Filipino people, but also to our own to name the day and the way of Philippine independence."

More than two years ago the Senate committee not only recommended action but indicated five methods by any one of which the Philippine-problem question could be settled with finality if not with equity to the Filipinos and credit to the United States. The methods of solving—or ending—it enumerated by the Senate committee two years ago were these:

(1) The granting of immediate independence; (2) the setting of a date in the distant future when independence shall be granted; (3) the expression of an intention permanently to retain the islands and to create what might be termed a colonial form of government for them; (4) the admission into the Union of the Philippines as one or more States; and (5) the organization of a free government and the facilitation of a decision by the Philippine people as to whether under the new conditions they desire to become independent; and if they do, the bestowal of independence upon them.

It will be noted that no bill has been reported providing for the granting of immediate independence, so that solution No. 1 requires no discussion at this time.

Suggestion No. 2—that for setting a far distant date for independence—would settle nothing. It would simply prolong uncertainty for many years instead of a few years. Moreover, the precedents of Congress are against it. This is the pet plan of those who are ashamed to acknowledge themselves open advocates of permanent retention.

The third suggestion, that concerning the establishment of a colonial policy for the government of the islands, must be analyzed: The United States has never heretofore been a colonizing Nation. Our only experience as such is that which we have gained in the Philippines. It has not been a pleasant or a morally or financially profitable experience.

The fourth course through which the Senate committee saw the possibility of reaching a solution of our problem in the Philippines is that the islands could be incorporated as one of the States of the Union. This can hardly be regarded as feasible. No political party in the Philippines could survive if it urged or accepted such a solution. The Filipino party that once favored American statehood has been driven from political power and out of existence. No party in the United States would advocate such a course; none of them could commit itself to the creation of a commonwealth of orientals within the household of the Union. Manifestly, then, the suggestion was included in the Senate committee's report in order that the whole range of possibilities might be covered, and not as a recommendation having any prospect of adoption.

There remains only the fifth suggestion—that the islands be established as a separate, sovereign, independent nation. We know that Congress prefers to grant the Philippines independence. There is no advocacy of retaining the islands as a colony or of admitting them to the Union. There is practically unanimity that they should have their independence within a period of between 5 and 20 years from this time. The differences between Members of Congress as a whole and the differences between the House and the Senate are such as concern principally the date at which independence shall be effectuated. The disagreement as to other questions are of relative unimportance.

I remind the Senate that throughout this session of Congress we have enacted domestic legislation as to which, at first, anyhow, the individual Members and the two Houses have been divided by greater differences of opinion and principle than are involved in the proposal to give independence to the Philippines. We have reconciled our differences concerning other measures that have come before us. We are able, if we are willing, to come to some satisfactory and decisive action on this great subject. We should act because delay is deleterious to all concerned; because our action will benefit the 13,000,000 people of the Philippines, and also at least that many farmers and wageworkers in the United States; because we have promised independence, and the Filipinos have met all the conditions we imposed on them; because the bestowal of independence, while it is expedient, is also right.

We have had ample opportunity to know what we should do and how to do it. We have the obligation to do what we know we should do. Our failure to act is not to be justified as prudence. It is nothing short of postponement of our duty.

THE CONSTITUTIONAL POWER OF CONGRESS TO WITHDRAW THE SOVEREIGNTY OF THE UNITED STATES OVER THE PHILIPPINE ISLANDS

(By P. C. Fisher, former associate justice, Philippine Supreme Court)

The essentially temporary nature of the control of the United States over the Philippine Islands has repeatedly been affirmed by our Presidents and by the national legislative bodies. The Senate, when advising the ratification of the Treaty of Paris, expressly declared that it was not intended by approval of the cession of the Philippines by Spain to "incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor * * * to permanently annex said islands as an integral part of the United States; but * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

In 1916 Congress, in the preamble to the Jones law (39 Stat. L. 545) declared that "* * * it is * * * the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and recognize their independence as soon as a stable government can be established therein * * *."

Presidents have differed as to the time when the ultimate purpose should be accomplished, but not one of them has advocated its abandonment. Our policy in dealing with the Philippines has consistently pursued a course leading to independence.

All the official utterances on the subject assume that Congress has the power, under the Constitution, to relinquish our sovereignty over the Philippines and to authorize the establishment and recognition of an independent government of the islands. The existence of this authority is likewise assumed in all the various bills for the granting of independence to the Philippines which from time to time have been introduced into Congress. That such power exists is, however, denied by some opponents of Philippine independence. The argument in support of this view was presented by the late Judge D. R. Williams, first in an article published in the Virginia Law Review (Vol. 12, p. 1) and later in pamphlets published by him. Judge Williams's opinion has occasionally been cited in debates in Congress on the Philippine question; and as the insistence by the Farm Bureau and allied agricultural interests and by the American Federation of Labor upon an early grant of independence, for economic reasons, is practically certain to bring the subject to the fore in the present session of Congress, an examination of Judge Williams's argument in support of the contention that Congress has no power to take such action may be interesting and timely.

His argument may be summarized briefly as follows: Congress being an agent of the Nation, operating under enumerated delegated powers, is without authority to relinquish sovereignty over any American territory unless power to do so has been conferred by the Constitution, expressly or by necessary implication, and none of the powers expressly conferred or of the implied powers flowing from them, can be construed properly as involving authority in Congress to cede or relinquish sovereignty over territory. The only provision of the Constitution in any direct manner dealing with the disposal of territory occurs in paragraph 2, section 3, of Article IV, which provides that Congress shall have power—

"* * * to dispose of and make all needful rules and regulations respecting the territory and other property belonging to the United States * * *."

But the Supreme Court of the United States has held (United States *v.* Gratiot, 14 Peters 526, 536) that the term "territory" as here used is merely descriptive of one kind of property and is equivalent to the word "lands." This provision, therefore, relates to the disposal of proprietary rights, but does not authorize the transfer or relinquishment of sovereignty.

The fact that the Philippines are unincorporated territory, belonging to but not forming an integral part of the United States, Judge Williams considered to be irrelevant to the inquiry. Our national sovereignty is a unit and is as complete with respect to the Philippines as it is with respect to Long Island; so if Congress, by voluntary legislative action, can divest our sovereignty over the Philippines, it could do so with respect to any other part of our national domain, and with equal right could dispose of an entire State. If, as the result of a calamitous war, part of our territory were wrested from us by conquest, or its cession demanded by a successful foreign enemy, this de facto situation might be recognized in the treaty of peace; but the fact that territory may be alienated in the exercise of the treaty-making power under the stress of force majeure does not authorize the conclusion that a voluntary cession of territory is within the jurisdiction of Congress. It is admitted by him that the power to cede territory, like the power to acquire it, is an inherent attribute of sovereignty, possessed by all completely independent nations; but the power of the United States to cede territory, unless it be under duress, is asserted to be one which has not been delegated by the Constitution, but to be one of those which are reserved to the people and still lie dormant in the body politic.

The conclusion is stated that if the American people are desirous of conferring upon Congress the power to alienate their sovereignty over the Philippines, or any other territory of the United States, the result can be accomplished only by specific delegation of the power, through an amendment of the Constitution.

It is believed that the argument is unsound, and that in the light of available precedents and of a proper construction of the Constitution, the power to take the contemplated action will be found to reside in Congress.

Acquisition of territory. The frequent exercise by the United States of the power to acquire territory, by treaty and by joint resolution of Congress, and the recognition of that power by the courts, leaves no room for doubt that the authority to expand the national domain is by the Constitution conferred upon the appropriate organs of the National Government. Louisiana, Texas, California and the adjacent areas, Alaska, the Philippines and Porto Rico, the Hawaiian Islands, Samoa, and the Guano Islands have been acquired, and no doubt exists as to the validity of the extension of our authority and jurisdiction over them. The theories as to the particular provision of the Constitution which authorized this action are important because of the light they shed upon the question of the power to cede territory; but before taking up this point attention will be drawn to action taken in the past in cases which seem to be analogous to the contemplated action with respect to the Philippines.

Cession of territory and relinquishment of sovereignty by the United States. In Judge Williams's brief on this subject he asserts that "no territory, once admittedly brought under the American flag, has ever been alienated."

This statement is too broad. Cases can be pointed out in which there have been cessions of territory subject to our sovereignty:

The Florida Treaty. An instance of the exercise by the President and the Senate of the power to cede territory of the United States is to be found in the treaty with Spain by which the Floridas were acquired in 1819. The United States, after the acquisition of the Louisiana Territory from France, asserted that the ceded area included the vast domain lying between the Sabine River and the Rio Grande, a contention vigorously disputed by Spain. In the correspondence between John Quincy Adams, then Secretary of State, and the Spanish Ambassador (Am. State Papers, vol. 4, pp. 422 et seq.), which led up to the treaty of 1819, the American claim to this area was again asserted, and its renunciation was part of the consideration for the cession of the Floridas. The treaty, by Article I, transferred to the United States sovereignty over the Floridas and by Article II fixed the boundary between the Spanish and American domains west of the Mississippi. The treaty adopted the Sabine as the western boundary of Louisiana to the thirty-second degree of latitude, thence following a course which excluded the Texas territory claimed by the United States. By the terms of the treaty—

"* * * The United States hereby cede to his Catholic Majesty, and renounce forever, all their rights, claims, and pretensions to the territories lying west and south of the above line * * *," and Spain reciprocally "cedes to the United States" all its rights to territories north and east of the line. It is to be noted that the language of the treaty precludes the idea that the line so fixed was the true preexisting boundary.

The treaty, which was signed February 22, 1819, was promptly submitted by the President to the Senate for its approval, which was granted two days later. By its terms the treaty was to be ratified by both countries within six months, but that period expired without action by the Spanish Government. President Monroe, in his annual message to Congress of December 7, 1819, said:

"On the part of the United States this treaty was acceded to in a spirit of conciliation and concession. * * * For territory ceded by Spain other territory of great value, to which our claim was believed to be well founded, was ceded by the United States * * *."

This clearly demonstrates that the President and his Secretary of State must have been of the opinion that the treaty-making power includes the power to cede territory of the United States. It is true that the title to Texas asserted by the United States at that time was extremely debatable and had always been denied by Spain; but the quoted language indicates that the cession was not justified upon that ground. On the contrary, the President's statement clearly affirms that territory of the United States had been "ceded" to Spain in exchange for other territory.

It was maintained by many that the relinquishment of our claim to Texas was too high a price to pay for the Floridas. The failure of Spain to ratify the treaty within the agreed period was believed to relieve the United States of its obligations, and to leave matters as they were before its negotiation. One of the opponents of the treaty was Henry Clay, at that time a Member of the House. On April 3, 1820, he called up for debate in the House as a Committee of the Whole, the following resolutions, sponsored by him:

"1. *Resolved*, That the Constitution of the United States vests in Congress the power to dispose of territory belonging to them, and that no treaty purporting to alienate any part thereof is valid without the concurrence of Congress.

"2. *Resolved*, That the equivalent proposed to be given by Spain to the United States in the treaty concluded between them on the 22d day of February, 1819, for that part of Louisiana lying west of the Sabine was inadequate; and that it would be inexpedient to make a transfer thereof to any foreign power or renew the aforesaid treaty."

In the debate which followed (Annals of Cong., 16th Cong., 1st sess., p. 1719 et seq.) Clay pointed out that—

"In the Florida treaty it was not pretended the object was simply a declaration of where the western limit of Louisiana was; it was, on the contrary, the case of an avowed cession of territory from the United States to Spain. The whole of the correspondence manifested that the respective parties to the negotiation were not engaged so much in an inquiry where the limit of Louisiana was as that they were exchanging overtures as to where it should be."

Clay maintained with vigor that the United States had a valid title to Texas under the Louisiana purchase, and that Texas was worth more than Florida; that no such cession of territory could be made without the consent of Congress, because by section 3 of Article IV of the Constitution the power to "dispose of" territory is given to that body.

The debate on Clay's resolutions continued for two days, but the record does not show that any vote was taken. In October, 1820, the Spanish Cortes and the King of Spain ratified the treaty. February 14, 1821, President Monroe transmitted the treaty to the Senate with a message in which he drew attention to the fact that the Spanish ratification had occurred after the six months' period, and requested a reaffirmance of the Senate's consent and approval. This was given five days later. The original vote of approval had been unanimous; the second approval was carried by 40 ayes and 4 nays (Executive Journal of the Senate, Vol. III, pp. 178 and 244).

The history of this treaty has an important bearing upon the question under consideration. It shows that President Monroe, Mr. Adams, and almost all the members of the Senate were of the opinion that the Government created by the Constitution was vested by that instrument with power to cede territory of the United States, not alone under the duress of war, but in peace. The second vote in the Senate was taken after the debate upon Clay's resolutions in the House had drawn attention to the question of constitutional law involved. It is further significant that Clay and his supporters in the House did not dispute, but affirmed, the existence under the Constitution of the power to cede territory, their contention being that its exercise pertained to Congress rather than to the President and the Senate; or rather that the consent of Congress was essential to the valid exercise of this particular manifestation of the treaty-making power.

The northeastern boundary treaty. The Webster-Ashburton treaty of 1842, by which the northeastern boundary between the United States and British territory was fixed, did not result in the determination of the location of a preexisting correct line, but in the establishment of a conventional line, in consequence of which territory which unquestionably lay within the United States was ceded to Great Britain. The language of the treaty clearly shows that neither party contended that the line agreed upon was the true one. On the contrary, the preamble, after stating that repeated attempts to ascertain the location of the line described in the treaty of 1783 had resulted in failure, declares it to be the purpose of the parties to avoid "further discussion of their respective rights" and to "agree on a conventional line * * * with such compensations and equivalents as are deemed just and reasonable."

The cession involved was made with the express assent of Maine, within which State the ceded area lay, with the concurrence of Massachusetts. The treaty recites that the United States agrees to pay Maine and Massachusetts the sum of $300,000 in equal moities "on account of their assent to the line of boundary described in this treaty, in consideration of the conditions and equivalents received therefor from the Government of Her Britannic Majesty."

It has been expressly recognized by Congress that the effect of this treaty was to divest the sovereignty of the United States over territory in the possession and control of the State of Maine.

The execution of the treaty resulted in claims against the United States by her citizens who were owners of land ceded to Great Britain, a summary of which is to be found in Senate Report No. 2132, Fifty-eighth Congress, second session. The act of March 3, 1877 (19 Stat. L. 343), provided for compensation to the owners of some of these lands. The preamble to the act recites that by the treaty of August 9, 1842, through the adoption of a "conventional line" instead of the "true line," the United States "did cede to the British Crown a strip of land" of which 10,718 acres had been granted to citizens of the United States by Maine and Massachusetts "while the same were in the lines of the United States and for which the United States received compensation in equivalents and concessions from the British Crown * * * whereby said citizens became entitled to compensation for said lands so appropriated to public use," and provides for the payment by the Treasury to the owners thereof of the value of the "land taken from the State of Maine by said conventional line and included in the Province of New Brunswick."

The "conditions and equivalents" received from Great Britain for the cession of the area within the State of Maine are clearly stated in President Tyler's message of August 11, 1842, with which he transmitted the Webster-Ashburton treaty to the Senate of the United States (Letters and Papers of the Presidents, Vol. V, p. 2015). The President said:

"By the treaty of 1783 the line is to proceed down the Connecticut River to the forty-fifth degree of latitude, and thence west by that parallel until it strikes the St. Lawrence. Recent examinations have ascertained that the line hitherto received as the true line of latitude between these points was erroneous, and that the correction of this error would not only leave on the British side a considerable tract of territory hitherto supposed to belong to the States of Vermont and New York but also Rouses Point, the site of a military work of the United States. It has been regarded as an object of importance not only to extend the rights and jurisdiction of these States up to the line to which they have been considered to extend but also to comprehend Rouses Point within the territory of the United States. The relinquishment by the British Government of all the territory south of the line hitherto considered to be the true line has been obtained and the

consideration for this relinquishment is to inure by the provisions of the treaty to the States of Maine and Massachusetts."

This clearly shows that the treaty of 1842 was understood by the President, as it must have been by the Senate, to be one by which a part of Maine was ceded to Great Britain in order that we might obtain more valuable territory elsewhere, notwithstanding the fact, stated elsewhere in the message, that the United States and Maine "have entertained no doubt of the validity of the American title" to the territory so ceded. As the territory to be ceded was within a State, and therefore subject to State as well as national sovereignty, the consent of the State was deemed essential; but it is interesting to note that no doubt seems to have been entertained at the time as to the existence of power in the National Government to relinquish the sovereignty of the United States over territory to which our title was declared to be perfectly valid.

Samoa. By the treaty of December 2, 1899, between the United States, Germany, and Great Britain (Foreign Affairs, 1899, p. 667), Germany and Great Britain renounced in favor of the United States all their rights over the island of Tutuila and others of the Samoan group, and the United States and Great Britain made a similar renunciation in favor of Germany of their rights and claims over the islands of Upolu and Savaii and others.

In 1902, Mr. P. C. Knox, Attorney General of the United States (XXIII Ops. Atty. Gen. 629), in an opinion rendered at the request of the Secretary of the Treasury held that as by the treaty of December 2, 1899, "the exclusive sovereignty over (Tutuila) appears to be asserted by us and recognized by Great Britain and Germany, which nations formerly shared with us a protectorate," Tutuila must be regarded as domestic territory within the meaning of the tariff laws. The joint resolution of March 4, 1925 (43 Stat. 1357), definitely asserts our sovereignty over Samoa.

The history of our relations with Samoa (Moore, Int. Law Dig., Vol. I, p. 536 et seq.) shows that for some time prior to the negotiation of the treaty of 1899 the Samoan Islands, while nominally under a native king, were practically held in a condomium by the United States, Germany, and Great Britain under the terms of the act of Berlin of June 14, 1889 (Foreign Relations, 1889, p. 352). It is important to note that while the assent of the native government of Samoa was contemplated with respect to the provisions of the act of Berlin, Samoa was not a party to the treaty by which, in the opinion of Mr. Knox, confirmed by the joint resolution of March 4, 1925, supra, Tutuila became subject to the sovereignty of the United States. If, therefore, exclusive sovereignty over Tutuila now exists, as asserted by Congress, as a result of the renunciation of their rights by Germany and Great Britain in favor of the United States (Hyde, Int. Law, Vol. I, p. 131), the conclusion is inevitable that at the time of the negotiation of that treaty sovereignty over the entire group was held in condomium by the three treaty powers, and that the renunciation by the United States and Great Britain of their rights over the other Samoan Islands in favor of Germany constituted a cession of their sovereignty over that part of the Samoan Islands thereafter subject to the exclusive sovereignty of Germany.

Cuba. Congress by the resolution of April 20, 1898, disclaimed any intention to exercise sovereignty over Cuba, "except for the pacification thereof," and asserted its purpose to leave the government and control of the island to its people (30 Stat. 738). At that time, of course, the sovereignty of Spain over Cuba was complete, notwithstanding the existence of the insurrection. As the result of the war which followed, Spain by the treaty of Paris relinquished her sovereignty over Cuba, without in terms ceding it to the United States or to the Cuban insurgent government (treaty of Paris, Article I). Between that time, however, and May 20, 1902, when the American military government in Cuba, pursuant to the Platt amendment, transferred the government to the President of the Cuban Republic, it seems clear that sovereignty over Cuba, from the standpoint of international law, was vested in the United States, although as a matter of domestic law Cuba was regarded as foreign territory during that period (Neely *v.* Hankel (180 U. S. 109)). It is to be noted, however, that in the Neely case the court said:

"It can not be doubted that when the United States enforced the relinquishment by Spain of her sovereignty in Cuba, and determined to occupy and control that island * * * it succeeded to the authority of the displaced government so far at least that it became its duty under international law * * * to protect * * * the lives, the liberty, and the property * * * of the inhabitants"—thus clearly recognizing the distinction between the situation from the standpoint of international law and that created for domestic purposes, by the action of the National Government. During the occupation of Cuba the military authorities of the United States created and maintained a civil government, exercised legislative power, and established a judiciary (Neely *v.* Hankel, supra, p. 778). Indeed, it is difficult to imagine what greater authority could have been exercised had the occupation been under a formal assertion of sovereignty, preliminary to annexation.

In this connection, the langaue of the Platt amendment (31 Stat. 897) is significant. By its terms the President was authorized to leave the "government and control" of Cuba to its people "as soon as" the contemplated Cuban Government had been established under a constitution embodying the conditions imposed. Obviously the amendment recognized that at that time the "government and control" of Cuba was being exercised by the United States, and would continue to be so exercised until the fulfillment of the prescribed conditions. Had the people of Cuba failed or been unwilling to accept the limitations upon the contemplated insular government imposed by the Platt amendment the control of the United States and its exercise of sovereign powers in Cuba might have continued indefinitely.

Butler, writing in 1901, said:

"Whatever the status of Cuba may be as to the United States * * * its status as to other powers is that, so long as the occupation of the military forces of the United States continues, it must necessarily be considered as much under the jurisdiction of the United States Government as though it were an integral part of the territory thereof." (Treaty-Making Power of the United States, vol. 1, p. 189.)

The view that the effect of the Treaty of Paris was to transfer the sovereignty of Spain over Cuba to the United States is expressed by Justices White, Shiras, and McKenna in their concurring opinion in Downes *v.* Bidwell (182 U. S. 244, 342), in which it is said:

"* * * Quite recently one of the stipulations contained in the treaty with Spain which is now under consideration came under review by this court. By the provision in question Spain relinquished 'all claim of sovereignty over and title to Cuba.' It was further provided in the treaty as follows:

"'And as the island is upon the evacuation by Spain to be occupied by the United States, the United States will so long as such occupation shall last assume and discharge the obligations that may under international law result from the fact of its occupation and for the protection of life and property.'

"It can not, it is submitted, be questioned that, under this provision of the treaty, as long as the occupation of the United States lasts, the benign sovereignty of the United States extends over and dominates the Island of Cuba. Likewise, it is not, it seems to me, questionable that the period when that sovereignty is to cease is to be determined by the legislative department of the Government of the United States in the exercise of the great duties imposed upon it and with the sense of the responsibility which it owes to the people of the United States and the high respect which it of course feels for all the moral obligations by which the Government of the United States may, either expressly or impliedly, be bound. Considering the provisions of this treaty and reviewing the pledges of this Government extraneous to that instrument, by which the sovereignty of Cuba is to be held by the United States for the benefit of the people of Cuba and for their account, to be relinquished to them when the conditions justify its accomplishment, this court unanimously held in Neely *v.* Henkel, 180 U. S. 109, that Cuba was not incorporated into the United States and was a foreign country. It follows from this decision that it is lawful for the United States to take possession of and hold in the exercise of its sovereign power a particular territory, without incorporating it into the United States, if there be obligations of honor and good faith which, although not expressed in the treaty, nevertheless sacredly bind the United States to terminate the dominion and control when, in its political discretion, the situation is ripe to enable it to do so. Conceding, then, for the purpose of the argument, it to be true that it would be a violation of duty under the Constitution for the legislative department, in the exercise of its discretion, to accept a cession of and permanently hold territory which is not intended to be incorporated, the presumption necessarily must be that that department, which within its lawful sphere is but the expression of the political conscience of the people of the United States, will be faithful to its duty under the Constitution, and, therefore, when the unfitness of particular territory for incorporation is demonstrated the occupation will terminate" (pp. 342-344).

The Cuban Government, to which authority over the island was ultimately transferred, was clearly a creation of the United States. Its present status, from the standpoint of international law, is that of a dependent rather than an independent state (Hyde, International Law, Vol. I, p. 26). In consenting to its creation the United States reserved to itself powers of intervention incompatible with complete sovereignty on the part of Cuba (act of March 2, 1901). The Republic of Cuba was required to refrain, and so agreed, from entering into any treaty or compact with any foreign power—

"* * * which will impair or tend to impair the independence of Cuba, nor in any manner authorize or permit any foreign power or powers to obtain by colonization * * * or otherwise, lodgment in or control over any portion of said island."

Suppose that on account of a change in the conditions of international relations or for any other reason deemed sufficient to make it inadvisable, as a matter of national policy, the United States, in 1901, had determined not to carry out the purpose expressed in the joint resolution of April 20, 1898, but to retain Cuba and give it the same status as Puerto Rico. Would any further cession from Spain have been necessary? Obviously not. Spain's sovereignty had ceased with its relinquishment by the treaty of Paris, and the status of Cuba was simply that of conquered territory in the possession of the United States and subject to its complete sovereignty and control. There was no government in Cuba other than that established by the United States. That control might have been continued indefinitely, and Cuba, as unincorporated territory or otherwise, brought under the sovereignty of the United States for all domestic purposes, as it was already from the standpoint of international law. When the United States permitted the establishment of the Cuban Republic and relinquished its control over Cuba, with the limitations noted,

it accomplished the same result as that now contemplated with respect to the Philippines—a relinquishment of sovereignty. The power to accomplish this object can not, it is submitted, be traced to the original declaration of purpose as its source, for necessarily Congress can not create or augment its own powers, all of which are delegated and must rest upon the Constitution; but even though such declaration of purpose could be given any effect whatever with respect to the power to accomplish the relinquishment of sovereign control over Cuba, it is interesting to note that the Senate, when advising ratification of the treaty of Paris, expressly declared (Magoon, Civil Government, p. 47):

"That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

While this proposed joint resolution was not concurred in by the House at the time, a similar declaration of purpose and intention, as of the time of the acquisition of the Philippines, was made by Congress in the preamble to the Jones law.

Authoritative expressions of opinion regarding the power of the National Government of the United States to cede territory. The action taken by the Senate in authorizing ratification of the Florida treaty, the Webster-Ashburton treaty, and the Samoa treaty of necessity implied the belief on the part of the Members who voted in support of those measures that the President and the Senate, under the Constitution, are empowered to cede territory of the United States and relinquish sovereignty when it is deemed advantageous to do so. The same opinion was expressed by necessary implication in section 4 of the Guano Islands act (11 Stat. 119), by which the right to abandon islands brought under the sovereign control of the United States pursuant to that statute is asserted. It must have been entertained by the Senators who voted in support of the proposed joint resolution (ante, p. 17) by which the temporary character of the retention of the Philippines was asserted, and by all Members of both Houses who voted in support of the Jones law.

If the question of the constitutionality of the proposed relinquishment of sovereignty over the Philippines could be presented for judicial review, the exercise of the power in the cited instances, and the adoption by the Senate and Congress of measures which of necessity imply the opinion that the power exists, would properly be taken into consideration and given great weight.

Henry Clay was evidently of the opinion (ante, p. 6) that Congress is vested with power to cede territory. Calhoun appears to have entertained the same view. In his Discourses on the Constitution and Government of the United States (vol. 1, p. 233) he said:

"There still remains another and more important limitation, but of a more general and indefinite character. * * * Among which it seems to be settled that it can not change or alter the boundary of a State or cede any portion of its territory without its consent. Within these limits all questions which may arise between us and other powers, be the subject matter what it may be, fall within the limits of the treaty-making power and may be adjusted by it."

In Moore's International Law Digest (Vol. V, p. 171 et seq.) citations show that such eminent authorities as Hamilton, Marshall, and Story were of the opinion that the power to cede territory had been delegated to the National Government. Mr. Justice Story is quoted as saying that in a conversation of his with Chief Justice Marshall that great authority said that "he was unequivocally of opinion that the treaty-making power did extend to cases of cession of territory, though he would not undertake to say it could extend to all cases; yet he did not doubt it must be construed to extend to some." (Moore, op. cit. Vol. V, p. 173.)

In Crandall's work on Treaties, Their Making and Enforcement, the author, after a review of the precedents, expresses the opinion that even as to territory within a State the power of cession is vested in the treaty-making power of our Government, and may be exercised whenever the vital necessity for such action arises. As to other cessions he says:

"In respect of territory not within the boundaries of a State, the central government exercises, subject to the express prohibitions of the Constitution applicable thereto, all the powers of government enjoyed by both the central and State governments over territory within the limits of a State. * * * The power to cede outlying territory is no less essential to the full exercise of the treaty-making power of the United States * * * than is the power to acquire."

The same conclusion is expressed by Butler, after a full consideration of the applicable precedents with respect to the constitutional limitations upon the treaty-making power (Treaty-Making Power of the United States, vol. 2, p. 393).

In Kent's Commentaries (vol. 1, p. 167, note 3) the learned author, after adverting to the fact that by the Webster-Ashburton treaty of 1842 territory claimed by Maine had been "ceded to Great Britain," says that as regards the power to cede territory within a State "the better opinion would seem to be that such a power of cession does not reside exclusively in the treaty-making power, under the Constitution of the United States * * *."

The opinion that the National Government is possessed of power to dispose of territory, not only through the treaty-making power but by act of Congress is also expressed by Doctor Willoughby (Constitutional Law, vol. 1 (2d ed.), p. 424). He rests his opinion upon the theory of "resulting powers," to which reference is made (post, p. 28) hereafter.

In the case of Fort Leavenworth Railroad Company v. Lowe (114 U. S. 525, 541) the court, referring to the Webster-Ashburton treaty, said obiter:

"The jurisdiction of the United States extends over all the territory within the States, and, therefore, their authority must be obtained, as well as that of the State within which the territory is situated, before any cession of sovereignty or political jurisdiction can be made to a foreign country."

In the case of Gregory v. Riggs (133 U. S. 258, 267) is was said, citing the Fort Leavenworth Railroad Co. decision:

"The treaty power, as expressed in the Constitution, is in terms unlimited, except by those restraints which are found in that instrument against the action of the Government or its departments and those arising from the nature of the Government itself and that of the States. It would not be contended that it extends so far as to authorize that which the Constitution forbids, or a change in the character of the Government, or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent * * *. But with these exceptions it is not perceived that there is any limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country."

In Jones v. United States (137 U. S. 202) the court upheld the authority of Congress to regulate by legislation the exercise of the power of the United States, granted by the law of nations, to acquire territory by discovery and occupation, and to exercise jurisdiction over territory so acquired "for such period as it sees fit."

This may be regarded as concurrence in the opinion of Congress, as expressed in the Guano Islands act, supra, that under the Constitution sovereignty over unincorporated territory may not only be acquired by legislative action, but by like action may be relinquished.

In this connection the remarks of Mr. Justice White and the other concurring justices in the case of Downes v. Bidwell (182 U. S. 244, 343) are interesting. There can be no doubt that the distinguished jurists who subscribed to that opinion held the view that Cuba at that time was unincorporated territory subject to the sovereignty of the United States, and that the obligation to withdraw it was moral, not legal. The joint resolution of April 20, 1898, was a statement of intention, no more binding in law than is the declaration of purpose in the preamble to the Jones law. Nevertheless, the opinion was expressed by Justice White and his concurring associates that the "legislative department," in its own discretion as to time and conditions, might divest that sovereignty by relinquishment.

The power of Congress to establish an independent government in the Philippines is also assumed by Mr. Justice White in his "practical illustration" (p. 318) of an "autonomous government" for the islands which might be created should Congress determine that their inhabitants should no longer "continue appurtenant to the United States." The same opinion is indicated, equally forcibly, in the opinion of the court in the cited case, written by Mr. Justice Brown. He said (p. 283):

"Whatever may be finally decided by the American people as to the status of these islands and their inhabitants—whether they shall be introduced into the sisterhood of States or be permitted to form independent governments—it does not follow that in the meantime * * * the people are * * * unprotected by * * * our Constitution * * *."

It can not reasonably be understood that the reference in this citation to "the American people" indicates the view that their action by an amendment to the Constitution would be required to permit the grant of independence. The quoted remark relates equally to the admission of the new territory to statehood, which, if desired, the American people could exercise through the agency of Congress.

Again, in Justice White's concurring opinion in the cited case, he said (p. 317) that although as the result of a "calamitous war or the necessity of a settlement of boundaries" citizens of the United States might be expatriated "by action of the treaty-making power, expressly or impliedly ratified by Congress," this could not justify the general proposition that "territory which is an integral part of the United States may, as a mere act of sale, be disposed of."

The use of the word "integral" in this connection is significant, in view of the fact that the crux of the decision with which the concurring justices were in accord, is that "Puerto Rico is a Territory appurtenant and belonging to the United States, but not a part of the United States."

Another significant remark to be found in the opinion of the court (p. 285), written by Mr. Justice Brown, is that "If it be once conceded that we are at liberty to acquire foreign territory, a presumption arises that our power with respect to such territory is the same power which other nations have been accustomed to exercise with respect to territories acquired by them."

It will not be questioned that the general power to which reference is made includes not only the power of acquisition but the power of cession.

The status of the Philippines as unincorporated territory. It is apparent from what has been said that sharply differing opinions have always existed as to the power to dispose by cession of territory which pertains to a State; and the same doubt may exist, although in less degree, as regards the power, save under duress,

to withdraw sovereignty over incorporated territory, such as Hawaii and Alaska, which is part of the United States. But the Philippines are not part of the United States, but are territory belonging thereto; and it is believed that by reason of this fact the solution of the problem as to the power of Congress to release them from our sovereignty does not present the same questions as those which would arise were such action contemplated with respect to Alaska or Hawaii.

That the Philippine Islands and Puerto Rico are unincorporated territories belonging to but not forming an integral part of the United States is now firmly established by a series of decisions, the most important of which are Downes *v.* Bidwell (182 U. S. 244), Door *v.* United States (195 U. S. 138), Rassmussen *v.* United States (197 U. S. 516), and Balzac *v.* Puerto Rico (258 U. S. 298), decided in 1921. In the Balzac case the earlier decisions were summarized and approved in the statement that by them it had been "settled * * * and confirmed that neither the Philippines nor Puerto Rico was territory which had been incorporated in the Union, or become a part of the United States as distinguished from merely belonging to it."

The practical result of this conclusion was the holding that "* * * the power to govern territory, implied in the right to acquire it, and given to Congress in the Constitution in Article IV, section 3, to whatever other limitation it may be subject, the extent of which must be decided as questions arise, does not require that body to enact for ceded territory, not made a part of the United States by congressional action, a system of laws which shall include the right of trial by jury, and that the Constitution does not, of its own force, carry such right to territory so situated."

The source of the power of Congress to cede or relinquish sovereignty over unincorporated territory. The fact that the Philippine Islands have not been incorporated into and do not form an integral part of the United States is one of great significance with respect to the power of the Congress to withdraw, by voluntary legislative action, the sovereignty of the United States over that part of the national domain.

From the standpoint of international law there is no difference, as regards our relations with other states, between the sovereignty we exercise over Guam and that which we exercise over Long Island; but in view of the fact that it is with us settled domestic law that the Philippine Islands are not "a part of the United States," but territory "merely belonging to it" (Balzac *v.* Porto Rico, 258 U. S. 298), one's natural inclination on approaching the subject is to assume that there must in the nature of things be a fundamental difference between the relations of the United States, as an entity, to its constituent incorporated units and the relations of that entity to unincorporated territory "merely belonging to it."

The United States unquestionably constitutes a sovereign state, vested with all the powers which such states enjoy under the law of nations, which include the capacity to acquire and to cede territory (Hall, International Law, 4th ed., pp. 47–48). It can not be disputed that the United States possesses these powers. The only question which has arisen concerning the matter of cession is whether the authority to exercise this power of the Nation has been delegated to the National Government by the Constitution or whether it is one inherent in the Nation but which still lies dormant in the body politic. With respect to the power to acquire territory, it is definitely settled that the necessary authority has been vested by the Constitution in the National Government, and through its repeated exercise territory has frequently been acquired by treaty and by the action of Congress.

As summarized by Doctor Willoughby (op. cit., p. 408), the constitutional power to annex foreign territory has been held to arise from the power to admit new States into the Union (Constitution, Art. IV, sec. 3, cl. 1); the power to declare and carry on war (Constitution, Art. I, sec. 8, cl. 11); the power to make treaties (Constitution, Art. II, sec. 2, cl. 2); and the power, as a sovereign state, to acquire territory by discovery or occupation, or by any other methods recognized as proper by international usage.

After a review of the decisions which have sustained the power to acquire territory, Doctor Willoughby (op. cit., p. 419) says:

"It is to be observed that in none of these cases is there any argument to show just why, and in what manner, the acquiring of foreign territory is a necessary or proper means by which war may be carried on or treaties entered into. This leads to the consideration of the doctrine which, constitutionally speaking, appeals to the author as the soundest mode of sustaining the power of the United States to acquire territory, as well as one which, in application, affords the freest scope for its exercise. According to this doctrine, the right to acquire territory is to be searched for not as implied in the power to admit new states into the Union, or as dependent specifically upon the war and treaty powers, but as derived from the fact that in all relations governed by the principles of international law the general Government may properly be construed to have, in the absence of express prohibitions, all the powers possessed generally by the sovereign States of the world. The doctrine thus is that the control of foreign relations being exclusively vested in the United States, that Government has in the exercise of this jurisdiction the same power to annex foreign territory that is possessed by other sovereign states."

An example of acquistion of territory, by authority of Congress, which can be justified only upon the theory advocated by Doctor Willoughby, is afforded by the Guano Islands act of 1856 (Rev. Stat., sec. 5570 et seq.: U. S. C. A., sec. 1411 et seq.). By this act Congress provided that unoccupied guano islands, not subject to the jurisdiction of any other power when discovered and occupied by a citizen of the United States, might, at the discretion of the President, "be considered as appertaining to the United States." It was provided that "all acts done and offenses or crimes committed" on such appurtenant islands should be subject to the laws of the United States applicable to national ships on the high seas. One of the islands brought under the operation of this act was Narvassa. A homicide subsequently occurred on the island, and the prosecution of the offense involved a determination of the validity of the Guano Islands act. No express authority for the act can be found in the Constitution. The United States Supreme Court nevertheless decided that the legislation was valid (Jones *v.* United States, 137 U. S. 202) without direct reference to any specific provision of the Constitution, or to the doctrine of implied powers, upon the ground that the United States, as a sovereign state, enjoys "by the law of nations" the power to acquire dominion of new territory by "* * * discovery and occupation as well as by cession and conquest * * *," and further held that this principle afforded "* * * ample warrant for the legislation of Congress concerning Guano Islands."

The opinion thus expressed was repeated, many years after, by Chief Justice Fuller, in his dissent in Downes *v.* Bidwell (182 U. S. 244, 369), in which he said:

"The power of the United States to acquire territory by conquest, by treaty, or by discovery and occupation is not disputed, nor is the proposition that in all international relations, interests, and responsibilities, the United States is a separate, independent, and sovereign nation."

The decision in the Guano Islands case clearly and of necessity implies that the court was of the opinion that the Constitution has conferred upon the organs of the National Government authority to exercise certain powers possessed by the United States by reason of its status as a sovereign nation, although such authority has not been included in words in the Constitution by express delegation or by necessary implication from any one of the expressly delegated powers. It is only upon this theory that such congressional legislation as the Guano Islands act, and the resolution for the annexation of Hawaii can be explained and justified.

The Constitution (Art. I, sec. 8) delegates to Congress authority to make all laws "necessary and proper" for the exercise of the powers enumerated in the section, and also such laws as are needful to carry into execution "all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

The effect of the adoption of the Constitution was to create a nation. It was and is vested, to the exclusion of the individual States, with all power appertaining to its status under the law of nations as a state (Pang Yue Tung *v.* United States, 149 U. S. 698). As Doctor Willoughby says (op. cit. Vol. I, p. 64):

"* * * The supreme purpose of our Constitution is the establishment and maintenance of a state which shall be nationally and internationally a sovereign body."

The same writer says (Vol. I, p. 66) that the doctrine of implied powers is sufficiently broad to justify the exercise by the Federal Government of powers not deduced from specific grants of authority but from the fact that the United States, as to its own citizens, is "* * * a fully sovereign national state, and, with reference to other states, a political power equipped with all the authority possessed by other independent states."

This view was stated with great force by Senator Foraker in the Senate debate upon the annexation of Hawaii. He stated (Willoughby, Vol. I, p. 342) that prior to the organization of the Union each of the thirteen original States was vested with all the powers inherent in sovereignty, including the power to acquire new territory. By the creation of the Union under the Constitution the individual States surrendered this power. The necessary conclusion, he argued, is that the effect of the denial to the individual States of any power which they formerly possessed as an attribute of sovereignty was to confer it by implication upon the Federal Government. The Senator's contention is just as applicable to the power to cede unincorporated territory or to relinquish or abandon sovereignty over it, as it is to the power to acquire it.

The wording of the last paragraph of section 8 of Article I of the Constitution clearly shows that its authors believed that other powers than those expressly or by implication conferred by the preceding specific enumeration had been vested in "the Government of the United States." It was recognized at an early period that there are powers of government, delegated by the Constitution, which need not be traced directly, to warrant their exercise, to one or more of the specifically enumerated grants. It was said by Chief Justice Marshall, in Cohens against Virginia, that "* * * it is not indispensable to the existence of every power claimed for the Federal Government that it can be found specified in the words of the Constitution, or clearly and directly traceable to some one of the specified powers. * * * It is allowable to group together any number of them and to infer from them all that the power claimed has been conferred."

Justice Story, in his work on the Constitution (par. 1256), first published in 1833, says, after discussing the doctrine of implied powers:

"It may be well, in this connection, to mention another sort of implied power, which has been called with great propriety a resulting power arising from the aggregate powers of the National Government. It will not be doubted, for instance, that if the United States should make a conquest of any of the territory of its neighbors, the National Government would possess sovereign

jurisdiction over the conquered territory. This would, perhaps, rather be a result from the whole mass of the powers of the National Government, and from the nature of political society, than a consequence or incident of the powers specially enumerated. It may, however, if an incident to any, be an incident to the power to make war."

Justice Story states (par. 1285) that the only theory upon which the acquisition of Louisiana can be justified is that "the right to acquire territory was incident to national sovereignty; that it was a resulting power, growing necessarily out of the aggregate powers confided to the Federal Constitution. * * *" The subsequent acquisition of Florida, he points out (par. 1288), which was acquiesced in by all the States, "can be maintained only on the same principles" and illustrates the truth that "constitutions of government require a liberal construction to effect their objects * * *."

The germ of the theory of resulting powers arising from the Constitution, distinct from and in addition to the powers expressly granted, and those incidental to them, as expounded by Story, may, perhaps, be found in Hamilton's statement (the Federalist, Ford's Edition, p. 657) that—

"It is not denied that there are implied as well as express powers * * * and for the sake of accuracy it shall be mentioned that there is another class of powers which may be properly denominated resulting powers. * * * This would be rather a result, from the whole mass of the powers of the Government and from the nature of political society, than a consequence of either of the powers specially enumerated."

The theory of resulting powers arising from the Constitution as a whole, construed in the light of the purpose to create a sovereign nation, has been expressly recognized by the Supreme Court. In the Legal Tender cases (12 Wall. 457, 533) the court, after asserting that the express powers should be construed in the light of the paramount purpose of the framers of the Constitution to create a "government, sovereign within its sphere," said:

"The same may be asserted also of all the nonenumerated powers included in the authority expressly given 'to make all laws which shall be necessary and proper for carrying into execution the specified powers vested in Congress, and all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof.' It is impossible to know what those nonenumerated powers are and what is their nature and extent without considering the purposes they were intended to subserve. Those purposes, it must be noted, reach beyond the mere execution of all powers definitely intrusted to Congress and mentioned in detail. They embrace the execution of all other powers vested by the Constitution in the Government of the United States or in any department or officer thereof. * * *

"And here it is to be observed it is not indispensable to the existence of any power claimed for the Federal Government that it can be found specified in the words of the Constitution or clearly and directly traceable to some one of the specified powers. Its existence may be deduced fairly from more than one of the substantive powers expressly defined or from them all combined. It is allowable to group together any number of them and infer from them all that the power claimed has been conferred. Such a treatment of the Constitution is recognized by its own provisions. This is well illustrated in its language respecting the writ of habeas corpus. The power to suspend the privilege of that writ is not expressly given, nor can it be deduced from any one of the particularized grants of power. Yet it is provided that the privileges of the writ shall not be suspended except in certain defined contingencies. This is no express grant of power. It is a restriction. But it shows irresistibly that somewhere in the Constitution power to suspend the privilege of the writ was granted, either by some one or more of the specifications of power or by them all combined. And that important powers were understood by the people who adopted the Constitution to have been created by it, powers not enumerated and not included incidentally in any one of those enumerated, is shown by the amendments. The first 10 of these were suggested in the conventions of the States and proposed at the first session of the First Congress, before any complaint was made of a disposition to assume doubtful powers. The preamble to the resolution submitting them for adoption recited that the 'conventions of a number of the States had, at the time of their adopting the Constitution, expressed a desire, in order to prevent misconstruction or abuse of its powers, that further declaratory and restrictive clauses should be added.' This was the origin of the amendments, and they are significant. They tend plainly to show that, in the judgment of those who adopted the Constitution, there were powers created by it, neither expressly specified nor deducible from any one specified power or ancillary to it alone, but which grew out of the aggregate of powers conferred upon the Government or out of the sovereignty instituted. Most of these amendments are denials of power which had not been expressly granted and which can not be said to have been necessary and proper for carrying into execution any other powers. Such, for example, is the prohibition of any laws respecting the establishment of religion, prohibiting the free exercise thereof, or abridging the freedom of speech or of the press.

"And it is of importance to observe that Congress has often exercised, without question, powers that are not expressly given nor ancillary to any single enumerated power. Powers thus exercised are what are called by Judge Story in his Commentaries on the Constitution, resulting powers, arising from the aggregate powers of the Government * * *."

It is believed that the theory of resulting powers advanced by Story and expounded by Senator Foraker (ante, p. 35) is logical and convincing. That theory does not, of course, involve the assertion that there are vested in the National Government or in any department of it inherent sovereign powers; that is, powers which may be exercised independently of the Constitution, or which do not flow from the grants of power considered singly or collectively. While it may be admitted that it is difficult to define sharply the line which separates the resulting powers from those which, if asserted, could be maintained only upon the inadmissible theory of inherent sovereign powers, it is clear that the power to acquire territory, either by treaty or by congressional action, is one which is possessed by the National Government under the Constitution and not independently of it.

If the power to acquire territory is one which results from the creation of the United States as a sovereign nation by the Constitution, it seems equally clear that the power to cede territory is one which must be possessed by the National Government. If it is not essential to the exercise of the power to acquire territory to be able to point to some express grant of such power in the Constitution, or to find that it is implied as necessary or proper to the effective exercise of an express power, why should it be essential that the power to cede should be derived from the express or implied as distinguished from the resulting powers conferred by the Constitution? It is believed that on principle it is not, and that the same reasoning which supports the power to acquire territory by discovery and occupation, as in the case of the Guano Islands (supra, p. 33) or the annexation of Hawaii by the action of Congress, must lead to the conclusion that the power to cede territory is one which likewise results, growing (to use Justice Story's words) "necessarily out of the aggregate powers confided to the Federal Constitution."

Unless it be conceded that they had in mind the power to "dispose of * * * territory * * * belonging to the United States * * *" conferred by section 3 of Article IV of the Constitution—a possibility considered elsewhere herein—upon what other theory than that of resulting powers can the authority to cede territory be made to rest by the members of the executive, legislative, and judicial branches of our Government who have from time to time asserted it? If, as President Monroe and Henry Clay believed and asserted, the ratification of the Florida treaty involved a cession of valid rights over Texas, upon what other possible theory of the Constitution could that treaty have been ratified? Mr. Justice White, for himself and Justices Shiras and McKenna, in his concurring opinion in the case of Downes *v.* Bidwell (supra), very definitely expressed the belief (p. 314) that the theory that the disposing clause of section 3 of Article IV of the Constitution "relates as well to a relinquishment or cession of sovereignty as to a mere transfer of rights of property is altogether erroneous." Nevertheless, in the same concurring opinion, it was said that if territory brought under the sovereignty of the United States is found by the "legislative department" to be unfit for incorporation, "the presumption necessarily must be that that department * * * will be faithful to its duty under the Constitution and, therefore, when the unfitness of particular territory for incorporation is demonstrated the occupation will terminate." If, as Justice White believed, the authority to relinquish or cede sovereignty can not be grounded upon the disposing clause of section 3 of Article IV of the Constitution, upon what theory, other than that of resulting powers, can it be assumed that the "legislative department" may withdraw sovereignty over territory believed unfit for incorporation?

The same theory must have been implied in the obiter statement (ante, p. 20) in the opinion in Geofroy *v.* Riggs (133 U. S. 258, 267) that the treaty-making power, with the consent of a State of the Union, may cede territory within its boundaries. Such a cession would involve the relinquishment not only of State sovereignty but of the sovereignty of the United States. It could not be justified under section 3 of Article IV, for no area within a State can be regarded as "territory * * * belonging to the United States" within the meaning of that provision. The authority to make a cession of territory within a State, such as was contemplated in the cited decision, and was exemplified by the Webster-Ashburton treaty (ante, pp. 9–11), can be referred only to the resulting powers of the National Government "growing out of the aggregate powers confided to the Federal Constitution" (Story, ante, p 28).

If it be assumed, as it is believed it should, that the power to cede territory, subject to the limitations to be considered, is one of the resulting powers vested in the National Government by the Constitution, it is obvious that whether it is to be exercised by the treaty-making authority or by congressional legislation depends upon the character of the purpose to be accomplished. A cession of territory to a foreign State or its acquisition from such State would ordinarily be effected by treaty. The regulation of the acquisition of territory by discovery, or its relinquishment to permit the creation of a new State in the ceded territory, must be accomplished, if at all, by congressional action. Whichever may be the method adopted, the nature and source of the power exercised must be the same and subject to the same restrictions and limitations, if any there be.

If it be assumed that it was the purpose of the framers of the Constitution to vest in the National Government not only the power to acquire territory, which it has so frequently exercised, but also the power to dispose of territory, it would have been illogical to limit the exercise of these faculties exclusively to the treaty-making organ. The making of treaties of necessity implies the preexistence of two or more sovereign entities, capable of entering into such relations with each other. If, however, as the result of a successful war we were to conquer and occupy the whole of the territory of an enemy power and completely destroy its gov-

ernment, the annexation of such territory, if desired, would of necessity have to be accomplished by legislative action.

The creation of new sovereign entities by peaceful disintegration of greater political units is not an unusual phenomenon. The five existing republics of Central America arose from the dissolution, by the Federal Congress, of the federated State of which they were formerly members. The States which form the British Commonwealth of Nations, which are to-day autonomous communities, in no way subordinate one to another in any respect of their domestic or external affairs, have been recognized as such by the legislative organ of the Empire of which they were formerly mere colonial dependencies. The limitation of the power of relinquishment of sovereignty over unincorporated territory to the treaty-making organ of our Government would be a restriction based upon no logical distinction, and would prevent its exercise, through the creation of new States, in the manner most compatible with the genius of our institutions.

The treaty-making power was said by the Supreme Court in Geofroy *v.* Riggs (133 U. S. 258, 267) to be unlimited "* * * except by those restraints which are found in that instrument against the action of the Government or any of its departments and those arising from the nature of the Government itself or of that of the States. It would not be contended that it extends so far as to authorize what the Constitution forbids, or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent. * * * But with these exceptions it is not perceived that there is any limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country."

Doctor Willoughby (Constitutional Law, first edition, vol 1, p. 512) is of the opinion that the United States, through its treaty-making organ, possesses "the constitutional power, in cases of necessity, to alienate a portion of or the entire territory of a State or States." The same reasoning, he says, "* * * which supports the power of the United States, as a sovereign power in international relations, to annex territories is sufficient to sustain its power to part with them, even should the area parted with be a part of one of the States or include one or more of them."

If by this it is meant that such cessions may be made when required by pressure of superior hostile force, the correctness of the statement could not be disputed; but the author does not so limit the conclusion expressed. If such power does exist, the organ empowered to act would be upon familiar principles the sole judge of the sufficiency of the necessity (Martin *v.* Mott, 12 Wheaton, 19). Obviously, if the power to cede territory within the States whenever deemed "necessary" by the treaty-making organ be conceded, its power to cede unincorporated territory could not be questioned; and the same reasoning would support the relinquishment of sovereignty by congressional action. This extreme doctrine, however, is not likely to command general assent.

The contrary view seems more persuasive, for as the paramount purpose of the Constitution is to create and maintain a "more perfect Union" than that which had existed under the Confederation, it is difficult to believe that it was ever intended to authorize the voluntary alienation of the territory of any State without its consent.

Whether the power of voluntary alienation extends in general to incorporated territory of the United States not within a State is open to much doubt. It could not have extended to the Northwest Territory, for the ordinance of 1787 had established that such territory "should forever remain a part" of the Confederacy, and that it should ultimately be erected into States; and this existing engagement was one assumed by the United States under the Constitution (Art. VI). As to territory subsequently acquired and incorporated but not admitted to statehood, it might perhaps be contended that the power to cede exists (Crandall, Treaties, ante, p. 23). The Supreme Court has used very sweeping language at times in its description of the scope of the power of Congress over the Territories. The fact, however, that the incorporated territory forms an integral part of the United States, the entity to which the unincorporated territory belongs, might well justify the contention that voluntary alienation of such incorporated territory, either by treaty or congressional legislative action, would constitute a partial dismemberment of the Nation, composed of all the people of the United States, contrary to the paramount purpose of the Constitution. The Government created by the Constitution is, in the exercise of the powers delegated to it, the agent of the entity, the United States, created by that instrument. The United States, as an entity, includes not only the States but all the territory which has been incorporated into it. In the Rasmussen case (197 U. S. 516, 520) the court, after pointing out that the Insular cases turned upon the point that the Philippine Islands were under "* * * the sovereignty of the United States and were subject to its control as a dependency or possession, [but] had not been incorporated into the United States as a part thereof * * *," held that Congress, by appropriate legislation subsequent to the treaty of acquisition had accomplished (p. 523) the "* * * incorporation of Alaska into the United States as a part thereof * * * ."

Territory which by incorporation has become a part of the United States, although not admitted to statehood, is therefore, an integral constituent of the Nation as a whole—of the entity to which the unincorporated territory belongs and for which the organs of the National Government act in the exercise of their delegated authority. In dealing with the unincorporated territory Congress acts not on behalf of the States which have been admitted to the Union, but of the United States, the national entity, which includes all territory incorporated into it.

While from the standpoint of international law the United States as a national entity possesses the inherent power of cession of any part of its territory, whether incorporated or not, it may well be that from the standpoint of national constitutional law the organs of the National Government, save under the duress of exterior force, are without the power of voluntary alienation of territory within that part of the national domain which, in the domestic sense, constitutes the United States as distinguished from those unincorporated areas which belong to it. It may reasonably be contended that the grant of delegated powers, express or implied, and the powers resulting from the creation of a sovereignty, whether construed singly or by grouping, could not have been intended to permit the agent, by voluntary legislative action, or through the exercise of the treaty-making power—free from all elements of compulsion—to deprive the grantors of the delegated powers of the benefits of the political union which it was their purpose to create and maintain. That political union, as originally constituted, was not limited to the States. It certainly included the Northwest Territory, for the ordinance of 1787 declared and ordained that "* * * the said territory and the States which may be formed thereout * * *" should forever remain a part of the Confederacy of the United States of America. That territory, ceded to the Confederation by the States by which it was formerly claimed, became incorporated territory and an integral part of the United States, if not by the force of Article VI of the Constitution, then certainly by the reenactment by Congress, in 1789 (1 Stat. 50) of the ordinance of 1787. As additional territory was thereafter acquired from time to time, and incorporated into the United States, such territory after incorporation bore the same relation to the rest of the United States as had the Northwest Territory before the admission of the States formed from it. In all such territory the limitations upon the legislative power of Congress became operative ex proprio vigore "as far as applicable" from the fact of incorporation (Alaska *v.* Troy, 258 U. S. 101). Such territories, whether "organized" or not, were regarded as embryo States (Shively *v.* Bowlby, 152 U. S. 1: Willoughby, Constitutional Law, 1st Ed., Vol. I, p. 332).

These facts militate strongly in favor of the view that the paramount purpose of the Constitution to create a nation, composed of the people of all parts of the territory forming an integral part of the United States, constitutes a limitation upon the general power of cession resulting from the status of sovereignty. The existence of such a limitation is implied in the statement by Mr. Justice White in his concurring opinion in Downes *v.* Bidwell (182 U. S. 244, 317), that while the exigencies of unsuccessful war might require the expatriation of citizens of the United States, this could not "* * * justify the general proposition that territory which is an integral part of the United States may, as a mere act of sale, be disposed of."

These considerations, however, can not apply with respect to the Philippine Islands, which clearly are not an "integral part" of the United States, but are merely territory belonging to it. The organs of the National Government are the agents of the United States, and the powers vested in them may reasonably be deemed to be subject to the "* * * restraints * * * arising from the nature of the Government itself * * *." (Geofroy *v.* Riggs, 133 U. S. 258, 267.) One of which arises from the fact that the Government was created by the Constitution to preserve the national entity, the United States, which that instrument brought into being; but as regards the unincorporated territory "merely belonging" to the United States, no such restraint can be said to exist. The people of the unincorporated territories, to which the Constitution does not geographically apply, are in no sense the source of any of the powers of Congress. In legislating for them Congress obviously does not act in any respect as their agent, but as the agent of the people of the entity, the United States, to which the unincorporated territory belongs. With respect to such Territory the Government of the United States, in the exercise of the resulting power of cession derived from the Constitution by reason of the status of the nation as a sovereign state, is subject to none of the "restraint * * * arising from the nature of the government itself," which might be urged against the contemplated cession or relinquishment of sovereignty over incorporated territory.

Expatriation: One objection frequently urged against the power of voluntary cession or relinquishment of territorial sovereignty over territory, incorporated or not, whose inhabitants are citizens of the United States, is that the effect of such cession would be the expatriation of such citizens. While it is believed that the power to cede or relinquish sovereignty over unincorporated territory includes the power to expatriate its inhabitants, the question does not arise with respect to the Philippine Islands, for their inhabitants are not citizens of the United States.

The power to dispose of territory as implied in the express powers to regulate commerce and promote the national defense: The power to dispose of territory, an attribute of sovereignty, is analogous and naturally corelative to the power to acquire it. It is not contended that the grant to Congress of the power to acquire territory necessarily implies, from the standpoint of our constitutional law, the possession by the National Government of the power to relinquish it; but at least with respect to unincorporated territory, belonging to but not forming an integral part of the United States, the possession by Congress of the

power to acquire such territory naturally inclines the mind to assume that the intention to withhold a power so important and necessary can not readily be imputed to the framers of the Constitution.

That Congress does possess the power to acquire territory by legislative act can no longer be open to doubt. It was by this method that the Hawaiian Islands were acquired. Doctor Willoughby (op. cit., vol. I, sec. ed. p. 429) expresses the opinion that this action was constitutionally warranted by the same reasoning by which the Guano Islands act was upheld. He says it may also be justified upon the theory that the annexation of the Hawaiian Islands by joint resolution of Congress was "a necessary and proper measure for the military defense of the Nation, and for the protection and increase of our foreign commerce * * *."

This thought seems to have been in the minds of the Senators who approved the committee report favoring the annexation of Hawaii. (Willoughby, op. cit., sec. ed. note, pp. 429–430.) It has long been recognized that there are powers which can not be ascribed to any one of the express powers delegated to the National Government by the Constitution, but which may be taken as implied by a construction of two or more of the express powers considered in the aggregate. In the Legal Tender cases (12 Wallace, 457, 533) the court said that certain powers of the Federal Government not specified in the words of the Constitution or clearly traceable to any one of the express powers, "may be deduced fairly from more than one of the substantive powers expressly defined, or from them all combined. It is allowable to group together any number of them and infer from them all that the power claimed has been conferred."

Although the enumerated powers of Congress do not include the power to acquire territory by annexation or to withdraw the sovereignty of the United States, by voluntary legislative action, over unincorporated territory they do include the power to regulate commerce and to raise and support armies and navies; and regarding these powers together it may well be, as suggested by Doctor Willoughby, that they may be taken as authorizing the exercise by Congress of the implied power to annex territory when, in its judgment, the result will be to strengthen the national defense and extend and protect our national commerce. Congress possesses a wide discretion in the adoption of measures deemed by it to be appropriate to the accomplishment of the objects of government committed to its care. It has been held, for example, that (United States *v.* Gettysburg Electric R'y, 160 U. S. 668, 681) a grouping of the express powers to create and equip armies and navies and to levy taxes for the general welfare justifies the exercise of an implied power of eminent domain to acquire by condemnation land upon which to erect monuments commemorative of heroic deeds of the national military forces. Such action, the court said, tends to enhance the respect and love of the citizen for the institutions of his country, and, therefore, is valid because "germane to and intimately connected with and appropriate to the exercise of some one or all of the powers granted * * *."

The selection of the particular means by which a constitutional power, express or implied, may be exercised by the National Government pertains to the discretion of the department in which it is lodged. The multiple activities of the Federal Government, carried on as manifestations of the power to regulate commerce and to maintain armies and navies, are familiar to all students of our legislative and judicial history. If, as Doctor Willoughby suggests, the power to acquire territory by congressional legislative action may be referred to these powers, as constituting a means by which commerce may be promoted and our armed forces made more effective, it would seem that by a parity of reasoning Congress would have power to release the sovereignty of the United States over unincorporated territory if it should find that, due to changed conditions, the retention of such territory would retard the development of commerce and militate against the effectiveness of our armed forces.

The disposal clause of section 3 of Article IV of the Constitution. It is vigorously asserted by Judge Williams (12 Virginia Law Review, 1, 8–10) that the power of Congress to cede or relinquish sovereignty over the Philippines can not be predicated upon the disposal clause in section 3 of Article IV of the Constitution. By this provision Congress is given "* * * power to dispose of and make all needful rules respecting the territory or other property belonging to the United States * * *."

Justice Malcolm (Philippine Constitutional Law, p. 179) and Doctor Willoughby agree that the proper construction of the word "territory" in the cited provision would make it a synonym of the word "lands" and limit the application of the disposal clause to rights enjoyed by the Nation as the owner of property in the Territories subject to the jurisdiction of the United States, as well as in the States of the Union.

At the time the Constitution was adopted the only territory—using the word in its political sense—subject to the jurisdiction of the United States was the Northwest Territory. As this Territory was permanently incorporated into the United States, it must be admitted that the cited clause was not intended to confer authority upon Congress to alienate sovereignty over it; and if the opinion of the majority in the Dred Scott case (19 Howard, 1393) were to prevail, this section of Article IV would have to be regarded as functus officio for all purposes, for the Chief Justice and his associates held that it was intended to apply only to the Northwest Territory, and could not be regarded as a source of power to govern after-acquired territory.

This view was contrary to that entertained by Chief Justice Marshall, who, in the early case of Sere *v.* Pitot (6 Cranch, 332), with the concurrence of his associates, expressed the opinion, with reference to the Territory of Orleans, that even were it to be doubted that the power to govern is implied in the right to acquire territory, it could be predicated upon the grant to Congress of the power to dispose of and make all needful rules and regulations respecting the territory belonging to the United States. This opinion he repeated in 1828 (American Insurance Co. *v.* Canter, 1 Pet. 511) with reference to the government of Florida, which until admission to statehood was, he said, to continue to be "* * * * a Territory of the United States; governed by virtue of that clause which empowers Congress to make all needful rules and regulations respecting the territory or other property of the United States * * *"; although he suggested that independently of this provision the power to govern might be derived from the power to acquire territory.

It is true that in 1840 the Supreme Court, upholding the power of Congress to authorize the President to lease mines in the Indiana Territory, said (United States *v.* Gratiot, 14 Pet. 526, 537) that the term "territory" as used in the cited section of Article IV is "merely descriptive of one kind of property; and is equivalent to the word 'lands.'" But in 1853, in a case concerning territory acquired from Mexico (Cross *v.* Harrison, 16 How. 164), the court invoked this provision of the Constitution as a source of the power of Congress to govern acquired territories.

Decisions subsequent to the Dred Scott case show that the court did not consider that the question had been settled definitely. In Church of Jesus Christ *v.* United States (136 U. S. 1) the court held that the power to govern "Territories of the United States is * * * general and plenary, arising from and incident to the right to acquire the territory itself and from the power given" by section 3 of Article IV. In Downes *v.* Bidwell (supra) Mr. Justice White, concurring, said (p. 290):

"* * * In some adjudged cases the power to govern locally at discretion has been declared to arise as an incident to the power to acquire territory. In others it has been rested upon the clause of section 3, Article IV of the Constitution, which vests Congress with the power to dispose of and make all needful rules and regulations respecting the territory or other property of the United States."

It is obvious, therefore, that there is authority for the opinion that even were the theory of implied powers of Congress to govern territory as the result of its acquisition to be rejected, that power could be grounded upon section 3 of Article IV of the Constitution.

If the word "territory" means only land as property, it could hardly be assumed that the power to make all needful "rules and regulations" respecting it would imply the authority to set up the complicated governmental machinery which Congress has from time to time provided for our territories. The manner in which the power has been exercised implies that it was assumed, if the cited provision of the Constitution was looked to as its source, that the word "territory" was to be construed in its political sense. Suppose that there had not been a square foot of public land in Puerto Rico or the Philippines—no "territory" whatever in the limited sense of land of public ownership—would that have been an obstacle to the erection of such governments as those which exist there to-day? Obviously not. The powers of government have been exercised as though the word "territory" in section 3 of Article IV had precisely the same meaning as it has in the eighteenth amendment, in the phrase "in the United States and all territory subject to the jurisdiction thereof." As there used it has been construed (Cunard Steamship Co. *v.* Mellon, 62 U. S. 101, 122) to denote "the regional areas—of land and adjacent waters—over which the United States claims and exercises dominion and control as a sovereign power." At the time of the adoption of the eighteenth amendment the term "United States" had been defined judicially to mean the States and the incorporated territories. The insular possessions had been declared to be unincorporated areas subject to the sovereignty of the United States, belonging to but not an integral part of it.

The phrase "the United States and all territory subject to the jurisdiction thereof" was obviously worded in such a manner as to include the whole domain of the United States. Certainly it was not intended that the word "territory" should be construed to mean only places over which the United States has a mere proprietary interest. Nor is such meaning the only one of which the word "territory" in section 3 of Article IV is susceptible. On the contrary, the word "territory" is more properly used in the sense of domain subject to political sovereignty than it is as a synonym for land. The principal argument against understanding and applying it in this sense, in connection with the power of disposal contained in the cited provision of the Constitution, is that at the time of its adoption there was no territory of the United States from which Congress could have withdrawn sovereignty, because of the limitations due to the nature of the States and the permanency of the incorporation of the Northwest Territory. But if language used in the Constitution—in this particular instance the words "power to dispose of * * * territory * * *"—is broad enough to meet the requirements of an existing situation, must it be rejected because it must be assumed that the particular situation could not have been contemplated when the Constitution was adopted? In the Dartmouth College case (4 Wharton, 518) it was argued that the

preservation of rights created by the grant of a charter could not have been in contemplation when the prohibition of the impairment of contracts by State legislation was written into the Constitution. To this contention the court, in the opinion written by Chief Justice Marshall, replied:

"* * * It is not enough to say that this particular case was not in the mind of the convention when the article was framed, nor of the American people when it was adopted. It is necessary to go further and to say that had this particular case been suggested the language would have been so varied as to exclude it, or it would have been made a special exception. The case being within the words of the rule, must be within its operation likewise, unless there is something within its literal construction so obviously absurd or mischievous, or repugnant to the general spirit of the instrument as to justify those who expound the Constitution in making it an exception."

Can it be assumed that if the framers of the Constitution had been told that "the power to dispose of * * * the territory belonging to the United States" might in the future be construed as authorizing the relinquishment of United States sovereignty over an unincorporated territory on the other side of the Pacific to enable its people to create a government of their own, upon the suggestion of this particular case the language would have been so varied as to exclude it? Is the contemplated construction one which is "obviously absurd or mischievous, or repugnant to the general spirit" of the Constitution?

Henry Clay was obviously of the opinion that the power to cede territory was possessed by Congress under section 3 of Article IV of the Constitution; that opinion was the foundation of his opposition and that of his supporters in the House (ante, pp. 6–8) in 1820 to the then pending Florida treaty; and this opinion is also expressed by Doctor Willoughby (Constitutional Law, 2d ed., Vol. I, p. 423), who says on this subject:

"* * * But the fact is that the Supreme Court, as will be later shown (Ch. XXV), has repeatedly and definitely committed itself to the proposition that this grant relates to political or jurisdictional rights of the National Government as well as to proprietary rights. It would seem, then, that giving to the provision this political as distinguished from merely proprietary signification it would follow that the power granted to Congress to 'dispose' of territory belonging to the United States implies not merely a right to sell the lands or other property of the United States but to release the political sovereignty of the United States over such territories by sale or cession to another power or simply by withdrawing its own sovereignty and thus recognizing the independence and self-sovereignty of such territory."

Therefore either upon the theory of resulting powers or upon that of the power of disposal under section 3 of Article IV Congress is vested with constitutional authority to relinquish the sovereignty of the United States over the Philippine Islands and to permit its people to organize and establish an independent government.

F. C. FISHER.

WASHINGTON, D. C., *December 15, 1931.*

PHILIPPINE INDEPENDENCE AND THE FEDERAL CONSTITUTION

By Everette C. McKeage, of the San Francisco Bar

THE GOVERNMENT OF THE UNITED STATES HAS ALL THE INHERENT POWERS OF INTERNATIONAL SOVEREIGNTY

That the United States is a sovereign nation, none will deny. That the Constitution of the United States and laws made pursuant thereto do not constitute all the body of national law is elementary. The common law of England forms a great part of our law; and so far as the National Government is concerned the accepted practices of nations in their international relations, at the time of the adoption of the Federal Constitution, have been held to be rules by which our Government may be guided in exercising its powers of sovereignty.

The Supreme Court of the United States held (quoting from Syllabus) in the case of Fong Yue Ting *v.* United States (149 U. S. 698, 37 L. Ed. 905):

"The United States are a sovereign and independent nation, and are vested by the Constitution with the entire control of international relations, and with all the powers of Government necessary to maintain that control and to make it effective."

Again in the case of Church of Jesus Christ *v.* United States (136 U. S. 1, 34 L. Ed. 478) that court held that "the power to make acquisitions of territory by conquest, by treaty, and by cession" was possessed by the United States, not from any express or otherwise implied power, but because these are "an incident of national sovereignty." In the Legal Tender cases (12 Wall. 457, 20 L. Ed. 287), Mr. Justice Bradley, in a concurring opinion, said:

"The United States is not only a Government but it is a National Government, and the only government in this country that has the character of nationality. It is invested with power over all the foreign relations of the country, war, peace, and negotiations and intercourse with other nations; all of which are forbidden to the State governments. * * * Such being the character of the General Government it seems to be a self-evident proposition *that it is invested with all those inherent and implied powers which, at the time of adopting the Constitution, were generally considered to belong to every government as such, and as being essential to the exercise of its functions.*" (Italics ours.)

Section 8 of Article I of the Federal Constitution, in enumerating the powers granted to Congress, provides in part as follows:

"To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

It need only here be affirmed that the Supreme Court of the United States has uniformly held that Congress has the implied power to pass all laws and establish all rules and regulations necessary to carry out the powers granted to it by the Constitution. This is an elementary rule of judicial interpretation placed upon any grant of power.

It is not necessary, in supporting my view of the express and implied powers given to Congress and the Executive by the Constitution over territory of the United States, to contend that the Federal Government has all the inherent powers of sovereignty as those powers were understood to exist in European governments at the time of the adoption of the Federal Constitution, although there is respectable authority in support of this contention. That admission, however, does not negative the contention that the Federal Government, of necessity, has and must have all the attributes and incidents of international sovereignty in order that she may properly take her place as a member of the family of nations.

CONGRESS AND THE EXECUTIVE HAVE THE POWER TO DISPOSE OF TERRITORY OF THE UNITED STATES EVEN TO THE RELINQUISHMENT OF SOVEREIGNTY OVER SUCH TERRITORY

If the Federal Government has the power to acquire territory, why has it not power, in like manner, to dispose of it? The Supreme Court of the United States has definitely held—and the question is not now debatable—that the Federal Government has the inherent power to acquire territory, either by conquest, cession, annexation, or purchase, although there is not one word in the Federal Constitution about such power. Upon what premise did the Supreme Court base its holding? Obviously, upon the premise of common sense and reason. Which reminds me that the layman has often been told that law is only common sense as applied to the particular facts in dispute, which is not always true, as lawyers will attest, but the above holding of the Supreme Court is one of the instances in which that statement is true. When Seward spoke of a higher law than the Constitution he came perilously near to the truth; in fact, nearer than he himself cared to admit. The organic law of any government must, of necessity, be modified by three important rules of natural law, viz, the rule of reason, the rule of convenience, and the rule of necessity. These rules are as fundamental as the idea of justice itself. In interpreting the Constitution, it is well to bear in mind that the Constitution was made for man and not man for the Constitution.

We have the right to acquire and govern territory even to the extent of maintaining a colonial system, although not one word exists in the Constitution about acquiring additional territory. Bearing this fact in mind, we shall presently see in what a ridiculous position this fact places those who argue against the power of Congress and the Executive to dispose of national territory.

Section 3 of Article IV of the Federal Constitution provides in part as follows:

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

Could language be any plainer? The above provision is one that would be expected to be contained in the organic law of any nation; but did our Constitution not contain it, common sense and necessity would supply it on the very reasonable ground that it is an implied and inherent power and attribute of sovereignty just as the Supreme Court has held that the acquisition and governing of territory is an incident of sovereignty. Can it be doubted that such would be the holding of that court in view of its previous decisions? But we do not have to support this argument on that ground alone for the reason that the power to dispose of territory is specifically given to Congress by the Constitution.

But our opponents say, when presented with this specific constitutional provision, that it does not mean what it says; that it does not give to Congress the power to alienate sovereignty over such territory. That contention reminds me of the soldier (who was then the dealer) who contended in a "black jack" game that the dealer won if he turned a "black jack," irrespective of how many other "black jacks" may have been turned in the same deal even though turned previously to the one turned by the dealer. The constitutional provision does not say "dispose of" with sovereignty nor does it say "dispose of" without sovereignty, but it is an incontestable rule of law that a power to dispose of anything carries with it all the implied and inherent powers to make such disposition effective. The power to dispose of anything carries with it the idea of the power to make a complete and effective relinquishment by the vendor to the purchaser. These rules are axiomatic and require no citation of authority.

Being most charitable with those who contend that Congress and the Executive have not the power to grant independence to the Philippine people, I must say that their argument, that the above constitutional provision does not include a case of alienation of sovereignty, is based upon the ridiculous premise that they are forced to so contend because to not do so would make their case, in the words of the poet, stand:

"Like the lovely rainbow's form,
Evanishing amidst the storm."

They must, of sheer necessity, so contend, else their argument would be no argument at all.

Let us see what the Supreme Court has to say about this particular constitutional provision. In the case of United States *v.* Gratiot (14 Pet. 537, 10 L. Ed. 573), wherein this constitutional provision was under consideration, that court held as follows:

"And Congress has the same power over it (territory of the United States) as over *any other property* belonging to the United States; and this power is vested in Congress *without limitation*, and has been considered the foundation upon which the Territorial Government rests." (Italics ours.)

This holding was substantially reaffirmed in the case of Downs *v.* Bidwell (182 U. S. 267, 45 L. Ed. 1088).

Here we have first, a constitutional provision specifically giving Congress the power to dispose of territory, and second, a commonsense interpretation of that provision by the Supreme Court. What else need be said. All that would be legally and practically necessary to grant independence to the Philippines is for Congress to pass a joint resolution declaring such to be the case on certain conditions, which conditions could be doubly secured by the Executive through the treaty-making power. Texas and Hawaii were annexed by a joint resolution of Congress, although several Senators, in the case of Texas, contended that such annexation should be carried out under the treaty-making power, which was provided for in the joint resolution of Congress as a double security. Why could not independence be granted to a Territory in like manner? To ask the question is to answer it.

Legally, I contend that the Executive, under the treaty-making power, could, by and with the advice and consent of two-thirds of the Senate, grant effectual independence to the Philippine people, although I do not consider that a desirable way to proceed from the standpoint of policy. The leading authorities on constitutional law agree that this power to alienate sovereignty over territory of the United States is given under the Constitution to the Executive under the treaty-making power; and when we consider the holding of the Supreme Court in the case of Missouri *v.* Holland (252 U. S. 416, 64 L. Ed. 641), it can hardly be doubted that the Supreme Court would hold likewise if presented with this question. In that case the Supreme Court used the following significant language:

"Acts of Congress are the supreme law of the land only when made in pursuance of the Constitution, while treaties are declared to be so when made under the authority of the United States. It is open to question whether the authority of the United States means more than the formal acts prescribed to make the convention. We do not mean to imply that there are no qualifications to the treaty-making power; but they must be ascertained in a different way. It is obvious that there may be matters of the sharpest exigency for the national well-being that an act of Congress could not deal with, but that a treaty followed by such an act could, and it is not lightly to be assumed that in matters requiring national action 'a power which must belong to and somewhere reside in every civilized government' is not to be found. (Andrews *v.* Andrews, 188 U. S. 14, 47 L. Ed. 366, 23 Sup. Ct. Rep. 237.)"

And in this connection it is significant to note that no treaty has ever been held unconstitutional which has been made under the authority of the United States.

In the case of Lattimer *v.* Poteet (14 Pet. 4) the Supreme Court held that the Federal Government, under the treaty-making power, had the power to cede territory of a sovereign State to a foreign nation in adjusting boundary disputes between the United States and such-foreign nation. Observe that the Supreme Court did not restrict that power to territory not incorporated in a State, but held that the territory of a sovereign State—one of the thirteen original States—could be so ceded without the consent of such States, the State in question being North Carolina. The controversy arose out of a dispute as to the validity of a treaty of the United States with an Indian tribe whereby there was ceded to the Indians an area claimed by the State of North Carolina as its own. The court said:

"It is argued that it was not in the power of the United States and the Cherokee Nation by the treaty of Tellico in 1798 to vary in any degree the treaty line of Holston so as to affect private rights or the rights of North Carolina. * * * It is a sound principal of international law, and applies to the treaty-making power of this government here exercised *with a foreign nation* or an Indian tribe, that all questions of disputed boundaries may be settled by the parties to the treaty. And to the exercise of these high functions by the government, within its constitutional power, *neither the rights of a State* nor those of an individual can be interposed." (Italics ours.)

It seems evident that this holding should settle the question of the power to alienate sovereignty under the treaty-making power. It is no argument to say that this power might be abused, because power may always be abused. The power to alienate territory and sovereignty thereover must reside somewhere in our national scheme. Is it reasonable to believe that such power resides in the people or the States as against the United States? The very necessities of governmental function refute such a contention. One of the reasons for establishing a National Government was for the purpose of delegating such national functions to it.

Chancellor Kent, one of the greatest, if not the greatest, authorities on American law, says:

"The better opinion would seem to be that such a power of cession of the territory of a State without its consent does reside exclusively in the treaty-making power, under the Constitution of the United States, yet sound discretion would forbid the exercise of it without the consent of the local government who are interested, except in cases of great necessity, in which the consent might be presumed."

Observe that he says nothing about getting the consent of the other States of the Union or the people thereof. This view is supported by Mr. Justice Story, another leading authority on constitutional law, who stated that Chief Justice Marshall also shared this view. Mr. Charles Henry Butler, in his excellent work on the treaty-making power, squarely supports this view. I am mindful of the fact that his work has been severely criticized, but it is submitted that it stands to-day as the greatest and most authoritative work on that subject. I believe that it can be said that Daniel Webster likewise held this view. The last word on this subject is the able discussion by Prof. Westel Woodbury Willoughby in his recent work on the Constitution, wherein he maintains the stand herein enunciated and also specifically maintains that Congress, exclusive of the treaty-making power, has the power to grant independence to the Philippine people. (Vol. 1, pp. 421 to 425 and 572 to 576.)

It is contended by some that the Federal Government could not enter into a treaty with the Philippine people, but that contention has no support, because the Supreme Court has many times held that the Executive, under the general treaty-making power, was empowered to conclude treaties with the Indian tribes even though such tribes were subject to our Government and its jurisdiction. (Holder *v.* Joy, 17 Wall. 242, 21 L. Ed. 523.) In fact, the Federal Government controlled the Indians by this method until after the Civil War, when Congress substituted legislation for treaty provisions. And the only provision in the Constitution which grants the power to make treaties with the Indian tribes is contained in section 2 of Article II, and is not a special provision relating exclusively to the Indians as some believe. If the Federal Government wanted to it could make a treaty with the Philippine people to-day.

It is erroneously believed by some that an act of Congress is inferior to a treaty provision, and by this parity of reasoning contend that the stipulations of the Jones Act regarding Philippine independence have no binding effect on the United States. I assume that they would contend that did there exist a treaty between the Federal Government and the Philippines its stipulations as to independence would be binding. The fact is that an act of Congress and a treaty stand upon an equal footing. An act of Congress repeals a prior treaty inconsistent therewith and a self-executing treaty repeals a prior act of Congress inconsistent therewith. So far as the Federal Government can bind us, we are committed by the Jones Act legally to grant independence to the Philippine people. It is also contended that one Congress is not obliged to carry out the promise of a predecessor, and, therefore, the promise in the Jones Act is not binding. This is true. One Congress is not obliged to carry out the promise of another, but the same is also true of treaties. Congress may abrogate any treaty, and has done so on at least two different occasions. Oh, yes; we may do those things, but that does not say that such acts on our part are legal and always just. But, mind you, those very people who contend that we may flout with legal impunity all the promises made regarding Philippine independence also contend an all-consuming passion that it would be with downright perfidy on our part to forget that promise we made to the Moros about never placing them under the control of the northern Filipino. Of course, we may overlook this slight inconsistency, because that argument, they believe, seems to support their cause.

COURTS WILL NOT INTERFERE WITH STRICTLY POLITICAL QUESTIONS

At least, since the case of Luther *v.* Borden (7 How. 1, 12 L. Ed. 581) it has been an accepted rule of law that courts will not interfere with or take jurisdiction of purely political questions. In the case of Wilson *v.* Shaw (204 U. S. 24) the Supreme Court enunciates this rule, as follows:

"The people of what may be called the Isthmian or Canal Zone, which at the date of the act was in the Republic of Colombia, passed by the act of secession to the newly formed Republic of Panama. The latter was recognized as a nation by the President. A treaty with it ceding the Canal Zone was duly ratified. Congress has passed several acts based upon the title of the United States. These show a full ratification by Congress of what has been done by the Executive. *Their concurrent action is conclusive upon the courts.* We have no supervising control over the political branch of the Government in its action within the limits of the Constitution." (Italics ours.)

The above rule has always been law in all governments fashioned along the lines of our own. The question of granting independence to the Philippine people is purely a political one, and the action of Congress and the Executive to that end would be binding on the courts as a matter of established law. The question being purely a political one, the Supreme Court would not take jurisdiction of any controversy where that question alone was involved, and in any controversy where such question was involved with other matters it would either not pass upon such question or the action of Congress and the Executive would be accepted as binding upon the court.

In closing let me say that I fear the wish is father to the thought of a great number of those who contend that Congress could not grant independence to the Philippines. Being only human it is natural that they should seek some way to support their wish, and so not being able to overcome the sentimental

(our fight for independence in the Revolutionary War) angle of this question, they have adopted the age-old trick of trying to involve the problem in a maze of uncertainty, and what more fertile field could they have turned to than the law. There is no way of making a man agree with you as to what the law is, even though it is as plain as the light of the noonday sun, and therefore we may expect to have with us forever those who contend that Congress and the Executive have not the power to grant independence to the Philippines, and even after independence has been granted they may, I seriously fear, contend that those acts were unconstitutional. You just can't stop a man from disagreeing with you if he is determined to do so.

[Memorandum of Hon. Manuel Roxas, Speaker of the House of Representatives of the Philippine Islands, submitted at the hearings before the Committee on Territories and Insular Affairs of the United States Senate, on Wednesday, January 15, 1930]

PRESENT POLITICAL STATUS OF THE PHILIPPINE ISLANDS UNDER THE CONSTITUTION OF THE UNITED STATES

Soon after the acquisition by the United States of the Philippine Islands and Puerto Rico many questions arose which required the determination of the political status of such Territories within the Union. As Chief Justice Taft said, "Few questions have been the subject of such discussion and dispute in our country as the status of our territories acquired from Spain in 1898." (Balzac *v.* Porto Rico, 258 U. S. 298.)

While at first the question gave rise to doubts and perplexities, a long line of authoritative pronouncements has finally settled this legal and constitutional question. In the case of Downes *v.* Bidwell (182 U. S. 244) it was held that such territories are appurtenant and belonging to the United States but are not a part of the United States within the meaning of the Federal Constitution. When these territories were ceded to the United States under the treaty of Paris they ceased to be foreign. However, they did not become truly domestic. Neither did they constitute a sovereign power, but "came under the complete and absolute sovereignty and domain of the United States." But while thus recognized as a territory of the United States, they did not become incorporated to the United States. Mr. Justice White, in the case of Rasmussen *v.* United States (197 U. S. 516), said:

"Whilst by the treaty with Spain the Philippine Islands had come under the sovereignty of the United States and were subject to its control as a dependency or possession, those islands had not been incorporated into the United States as a part thereof, and therefore Congress, in legislating concerning them, was subject only to the provisions of the Constitution applicable to territory occupying that relation."

Ceded territory can only be incorporated and made a part of the United States by congressional action. The treaty of Paris merely ceded the Philippine Islands to the United States and did not attempt to incorporate them or their inhabitants into the United States. Neither has Congress taken such action. Indeed, the Congress of the United States has expressly declared that the acts passed by the Congress are not applicable to the Philippine Islands unless expressly made so.

Congress possesses plenary and supreme power to legislate over the Philippine Islands under the authority granted by the Constitution to "make all needful rules and regulations respecting their territory or other property belonging to the United States." This power of Congress is broad and is not limited by the provisions of the Federal Constitution. The only limitations that have been recognized are those which spring from those safeguards which guarantee moral and natural rights constituting the unwritten law within and outside the Constitution. But while not an incorporated Territory, and therefore not a part of the United States in the domestic sense, the Philippines is not a foreign country in an international sense. In this respect the Philippines constitutes an integral part of the American Union.

As a consequence of this anomalous political status of the Philippine Islands the status of the inhabitants of that country has also given rise to serious controversy. They are not aliens. They owe allegiance to the United States but are not citizens of the United States. The doctrine of collective naturalization which has been applied to the inhabitants of territories acquired by the United States previously to the Spanish-American War by treaty, purchase, or political incorporation could not apply to the inhabitants of the Philippine Islands. Indeed, article 9 of the treaty of Paris left their civil rights and political status to be determined by Congress.

"This fact," said the United States Supreme Court, "is an implied denial of the rights of the inhabitants to American citizenship until Congress by Federal action shall signify its assent thereto." (Downes *v.* Bidwell (1901), 182 U. S. 244 at 280.)

The Filipinos are citizens of the Philippine Islands, owing allegiance to the United States, but are not citizens of the United States within the meaning of the American Constitution. However, they are American nationals entitled to the protection of the United States in their dealings with foreign countries. Mr. Justice Malcolm, of the Supreme Court of the Philippine Islands, summarizing his discussion of this question, says:

"From a negative standpoint the Philippines occupy a relation to the United States different from that of other noncontiguous territory; not a foreign country; not sovereign or quasi sovereign; not a State or an incorporated Territory; not a part of the United States in a domestic sense; not under the Constitution, except as it operates on the President and Congress, and not a colony. The Filipinos are neither aliens, subjects, nor citizens of the United States. * * * As a keen observer has said, the government of the Philippine Islands is a government foreign to the United States for domestic purposes but domestic for foreign purposes—a position midway between that of being territory absolutely and domestic territory absolutely."

In the case of the United States *v.* Bull decided by the Supreme Court of the Philippine Islands (15 Phil. 7), Mr. Justice Elliott, following the doctrine laid down by the Supreme Court of the United States, thus defines the status of the Philippines:

"This government of the Philippine Islands is not a State or a Territory, although its form and organization somewhat resemble that of both. It stands outside of the constitutional relation which unites the States and Territories into the Union. The authority for its creation and maintenance is derived from the Constitution of the United States, which, however, operates on the President and Congress and not directly on the Philippine government. It is the creation of the United States, acting through the President and Congress, both deriving power from the same source, but from different parts thereof. For its powers and the limitations thereon the government of the Philippines looked to the orders of the President before Congress acted and the acts of Congress after it assumed control. Its organic laws are derived from the formally and legally expressed will of the President and Congress instead of the popular sovereign constituency which lies back of American constitutions. The power to legislate upon any subject relating to the Philippines is primarily in Congress; and when it exercises such power, its act is, from the viewpoint of the Philippines, the legal equivalent of an amendment of a constitution in the United States.

"Within the limits of its authority the government of the Philippines is a complete governmental organism, with executive, legislative, and judicial departments exercising the functions commonly assigned to such departments."

THE CONSTITUTIONAL POWER OF CONGRESS TO DECLARE THE PHILIPPINE ISLANDS FREE AND INDEPENDENT

Having determined the status of the Philippine Islands, it is important to consider whether Congress has the constitutional power to grant them independence. The discussion of this question has been made imperative not only because from time to time doubts have been expressed as to the power of Congress to do so but also because on the floor of Congress itself some Members have seriously questioned that power.

CONGRESS HAS POWER EXPRESSLY GRANTED

The Philippine Islands were acquired by the United States from Spain by virtue of the treaty of Paris. In that treaty it was expressly stipulated that "the civil rights and the political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by the Congress." But there is no express provision in the Constitution which authorizes the United States to withdraw its sovereignty from a territory belonging to the United States. The only reference to "territories" in the Constitution is contained in section 3, paragraph 2, Article IV:

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

It is insistently argued that this provision does not authorize Congress to alienate territory by renouncing its sovereignty therein but merely confers that power over the public lands within the jurisdiction of the United States. This narrow interpretation of the constitutional provision is justified neither by its clear and express terms nor by its necessary implications. If the provision was intended to be limited to lands of the public domain, it seems difficult to understand why that phrase was not employed instead of the word "territory." Moreover, this clause of the Constitution is the fountain source of the power recognized to reside in the Congress to govern and legislate for territories, both incorporated and unincorporated, belonging to the United States. If such interpretation can be given to this provision, it is obvious that the word "territory" herein used signifies political subdivisions rather than merely portions of the public domain within any such territorial units.

POWER MAY BE IMPLIED FROM POWER TO DECLARE WAR AND MAKE TREATIES

But to determine this question it is not necessary to resort to express and tacit provisions of the Constitution. The Constitution of the United States is a live instrument that has grown with the country, adjusting itself to the exigencies of progress, power, and importance which both in domestic and foreign affairs have been achieved in the course of time. Thus it is conceded that the powers of Congress under the Constitution extend to those powers expressly delegated by the Constitution, those powers implied from expressly delegated powers, and those powers implied as a resultant from a group of expressed or implied powers.

The Constitution of the United States contains no provisions authorizing the annexation of territory. But the Constitution grants to Congress the power to declare war. It also grants to the President, with the advice and consent of the Senate, the power to make treaties. If the Federal Government is authorized to make war and make treaties to adjust the relations of the Government with foreign countries, it is clear that as a resultant power the Federal Government has the implied power to annex territory as a consequence of war or by virtue of the provisions of such treaties.

If the power to acquire or annex territory as a resultant from the express powers granted in the Constitution is admitted, there can be no plausible reason to confine this power to the acquisition and not to extend it to the alienation or cession or renunciation

of sovereignty over territory as well. Indeed, Willoughby admits it as a matter of course when he says, "Should the alienation be by way of granting independence to a particular territory, as, for example, Porto Rico or the Philippine Islands, this could be done by joint resolution." (Willoughby, Constitutional Laws of the United States, p. 513.)

POWER IS ESSENTIAL ATTRIBUTE OF SOVEREIGNTY

A denial of such right will deprive the Government of the United States of those powers which are essential attributes of sovereignty recognized to reside in the government of all independent countries, if they are to deal effectively with one another in the discharge of their international rights and obligations.

In the Chinese exclusion cases (130 U. S. 581) the Supreme Court said:

"While under the Constitution and form of government the great mass of local matters is controlled by local authorities, the United States in their relation to foreign countries and their subjects or citizens are one Nation, invested with powers which belong to independent nations, which can be invoked for the maintenance of its absolute independence and security through its entire territory."

If the United States is possessed of all the attributes of sovereignty, it must be possessed of all those powers which other independent sovereignties exercise. If other independent nations have granted independence to portions of their territories, can it be maintained that the Government of the United States is devoid of that authority?

Professor Willoughby, in his monumental work on the constitutional law of the United States, says:

"In fact, it will be seen that the acquiring of foreign territory has been treated as a result incidental to, rather than as a means for, the carrying on of a war and the conducting of foreign relations. This leads to the consideration of the doctrine which, constitutionally speaking, appeals to the author as the soundest mode of sustaining the power of the United States to acquire territory as well as the one which, in application, affords the freest scope of its exercise. According to this doctrine, the right to acquire territory is to be searched for not as implied in the power to admit new States into the Union or as dependent specifically on the war and treaty-making powers, but as derived from the fact that in all relations, governed by principles of international law, the General Government may be properly construed to have, in the absence of express prohibitions, all powers possessed generally by States of the world."

In this connection it is interesting to note the long and important discussion which took place during the early years of the Republic regarding the power of the Federal Government to cede territory of a State without the latter's consent. Both Jefferson and Washington held that no such power existed. Hamilton, on the other hand, admitted that there could be instances when this power might be necessary. After a series of conflicting political and judicial opinions both Marshall and Story arrived at the conclusion that such power existed if the United States was to be considered as one and a single sovereign political Union with the ability to act as such in its dealings with foreign countries. They intimated that it could well be possible that such cession was indispensable for the attainment of peace or the safety of the Nation, and even in order to obtain a similar cession from a foreign power which ceded territory was more important for the real and true interests of the whole Republic than the territory sought to be alienated. As Chancellor Kent aptly says, "the better opinion would seem to be that such a power of cession must reside in the treaty-making power under the Constitution, although a sound discretion would prohibit its exercise without the consent of the interested State." (Kent, Commentaries, sec. 166.)

Professor Willoughby maintains the existence of such power. Those who are inclined to deny it reluctantly admit that many emergencies might occur compelling the recognition of such power. But if the power to alienate territory belonging to a State without the consent of the State is disputed, the power to alienate such territory with the consent of the State or of a territory not belonging to any State has never been seriously questioned.

CUBAN INDEPENDENCE A PRECEDENT

The authority of Congress to grant independence to the Philippines finds a precedent in the case of Cuba. In the case of Downes *v.* Bidwell (182 U. S. 244), Mr. Justice White, speaking for the court said:

"True, from the exigency of a calamitous war or the necessity of making a settlement of boundaries it may be that citizens of the United States may be expatriated by the action of the treaty-making power, impliedly or expressly ratified by Congress. But the arising of these particular conditions can not justify the general proposition that territory which is an integral part of the United States may, as a mere act of sale, be disposed of."

After deciding that Puerto Rico and hence the Philippines had not been incorporated into the United States, he draws a parallel with the political status of Cuba and uses these significant words:

"It can not, it is submitted, be questioned that, under this provision of the treaty as long as the occupation of the United States lasts, the benign sovereignty of the United States extends over and dominates the Isle of Cuba. Likewise, it is not, it seems to me, questionable that the period when that sovereignty is to cease is to be determined by the legislative department of the Government of the United States in the exercise of the great duties imposed upon it, and with a sense of responsibility which it owes to the people of the United States * * *."

This statement admits that the sovereignty of the United States had been established over Cuba. If this is true, then the recognition of the independence of Cuba must be regarded as a precedent of decisive authority. The fact that upon the declaration of war against Spain the United States disclaimed "any disposition or intention to exercise sovereignty" over said island does not change the legal aspect of the act. When Spain relinquished sovereignty over Cuba sovereignty was transferred to the United States. Only upon this assumption can the Platt amendment with the restrictions upon Cuban sovereignty and independence imposed by the United States be constitutionally upheld. For if the United States did not possess sovereignty over Cuba, it could not by that amendment retain portions of it.

POWER TO GRANT INDEPENDENCE IMPLIED FROM POWER TO GOVERN

It could also be plausibly contended that the power to grant independence to the Philippines arises by necessary implication from the power to govern Territories. If such power exists, then the authority exists to provide self-government for such Territory. The difference is only a matter of degree. In fact, Mr. Justice Brown, in the Insular cases, expressly intimated that the Philippines and Puerto Rico "might be permitted to form independent governments."

POWER IMPLIED FROM POWER TO PASS LEGISLATION TO FULFILL TREATY OBLIGATIONS

This question can yet be viewed from another angle. Cases have occurred when laws of the United States have been declared constitutional because based on a treaty. (United States *v.* Selkirk, 258 Fed. 375; Missouri *v.* Holland, 252, 416.) These authorities justify the implication that Congress may have the power to act if it is so granted by a treaty which without it, would be absent under the Constitution. Now, the treaty with Spain contains the provision already cited that the civil rights and the political status of the native inhabitants of the territory ceded to the United States shall be determined by Congress. This stipulation, if the authority did not exist, would be sufficient to grant Congress the power to declare the Philippines independent. This conclusion is strengthened by the words of the Hon. William R. Day, president of the American Peace Commission, later a justice of the United States Supreme Court, explaining this reservation in the treaty. He said:

"It was thus undertaken to give Congress, as far as the same could be constitutionally done, a free hand in dealing with these new territories and their inhabitants."

It is also significant that in the discussion which took place in the Senate of the United States on the question of ratification of the treaty of Paris, Senator Lodge and other advocates of ratification urged favorable action on the ground that the treaty did not commit the United States to any policy, but placed the future of the Philippine Islands exclusively in the hands of Congress. They asserted that insistence on the various propositions seeking to force Congress either to insert a stipulation in the treaty which would bind the United States to recognize the independence of the Philippines, or by a resolution to express that purpose as a condition to a ratification, was nothing but giving bonds to Spain and an expression of distrust in the judgment of the Congress of the United States and its ability to deal justly and righteously with the Filipinos.

As expressed by Mr. Bryan, "the ratification of the treaty, instead of committing the United States to a colonial policy, really clears the way for the recognition of the Philippine Republic." Quoting Lincoln, he asked: "Can aliens make treaties easier than friends can make laws?" And he added: "Could the independence of the Philippines be secured more easily than through laws passed by Congress and voicing the sentiments of the American people?"

These statements reveal the fact that when the treaty of Paris was ratified it was the belief, at least of those who voted for ratification, that the Congress had the full and absolute power, as the treaty stipulated, to determine the political status of the native inhabitants of the Philippine Islands. A reading of the record of the Senate debates will show that without this understanding the treaty would have failed of ratification.

CONCLUSIONS

The considerations and authorities cited conclusively show that Congress has the full power under the Constitution to dispose of the Philippines. The office of the Attorney General of the United States in 1924 reached the same conclusion. In a letter addressed to the chairman of the Committee on Insular Affairs of the House of Representatives the Attorney General, in response to a request for an opinion on this question, stated:

"The Philippine Islands have never been incorporated into the United States as an integral part thereof. They are held as an insular possession, appurtenant to the United States but not incorporated into the United States. (See Downes *v.* Bidwell, 182 U. S. 244, 341–342; Dorr *v.* U. S., 195 U. S. 138.) The Constitution of the United States has never been extended to the Philippine Islands. It has been so extended to the Territory of Alaska by congressional enactment. (Rasmussen *v.* U. S., 197 U. S. 516.)

"Under the Constitution of the United States Congress has complete control over Territories. It likewise has such control over insular possessions, and may do with such possessions as it may see fit. If Congress deems it expedient to grant complete independence to the people of the Philippine Islands or a limited independence, it may, in my judgment, do so. On the other hand, if Congress should deem it expedient to incorporate the Philippine Islands as a Territory of the United States, extending to it the

provisions of the Constitution of the United States, I think undoubtedly the power exists in Congress to do so."

Justice George A. Malcolm, of the Supreme Court of the Philippine Islands, propounds the following questions to maintain the same theory:

"If the United States can acquire or cede territory without express constitutional authority, why can not the same sovereign power, which permits of such action, likewise permit unincorporated territory to be made independent? What difference is there between cession to another foreign power and cession to another people temporarily under American control? If the United States could by treaty pass on the boon of freedom to Cuba, why can she not a few years later, under the power reserved by the same treaty to Congress, pursuant to this power, hand over a similar right to the Philippines? If the freeing of the Philippines is deemed wise from the standpoint of national necessity or advantage, or for reasons which take into consideration benefits to the Filipino people, what individual citizen can be heard to complain?

"If other sovereign powers can recognise former portions of their territory as independent, because forced to do so, why can not the United States, as a power of equal rank, recognize the Philippines as a republic, because she wishes to do so? And if Congress or its agent, the President, shall recognize the Philippines to be a sovereignty, how long on such a political question would a litigant have standing in a court? Plain answers to these interrogatories, if the premises be conceded, must be a logic inexorable and finally lead to an affirmative conclusion. And the premises it is believed can not be undermined."

It is thus to be seen that the power of Congress to alienate territory or to grant independence to the Philippine Islands may be maintained on several grounds: First, because it is granted to Congress expressly in the Constitution; second, because the power may be implied from powers expressly granted; third, because the power resides in Congress by virtue of its resultant powers; fourth, because it is inherent to sovereignty; fifth, because the power exists in the President and in the Senate of the United States by virtue of the treaty-making power; and, sixth, because it resides in Congress as a power implied from the power to pass necessary legislation to carry out treaty commitments.

MEMORANDUM IN RE POWER OF CONGRESS TO GRANT INDEPENDENCE TO THE PHILIPPINE ISLANDS

By Charles F. Boots, office of the Legislative Counsel, January 13, 1930

This memorandum is submitted in response to your request of January 10, 1930, for legal materials bearing upon the constitutional power of Congress to grant independence to the Philippines.

1. POWER TO ALIENATE TERRITORY

It is well settled that the Government of the United States has the power to acquire territory. As early as 1828 Chief Justice Marshall declared "the Constitution confers absolutely on the Government of the Union the powers of making war and of making treaties; consequently that Government possesses the power of acquiring territory, either by conquest or by treaty." (American Ins. Co. *v.* Canter (1828), 1 Pet. 511, 541.) The power of the United States to acquire Puerto Rico and the Philippines from Spain was not questioned in the insular cases. (See De Lima *v.* Bidwell (1901), 182 U. S. 1.) And in Wilson *v.* Shaw (1907) (204 U. S. 24, 32), the court said, speaking of the power of the United States to acquire sovereignty over the Canal Zone: "It is too late in the history of the United States to question the right of acquiring territory by treaty." An examination of the cases discloses that the power of the National Government to acquire territory has been variously based upon the war power, the treaty-making power, and the power resulting as an attribute of sovereignty possessed by every independent nation.

It would seem that, if in the exercise of its sovereign powers the United States may acquire additional territory, the same sovereignty would include power to dispose of territory. It is true that there is no express constitutional provision granting power to the United States, or any branch of the Government thereof, to alienate any portion of its territory, unless it be the power given to the Congress under Article IV, section 3, paragraph 2, "to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States," which will be later considered. But neither is there any express provision permitting of the acquisition of territory; and yet since the beginning of the Government the power has been recognized by all branches of the Government of the United States, it has been exercised on numerous occasions, and has been several times sustained by decisions of the Supreme Court. It is also true that no territory indisputably under the American flag has ever been alienated, although in the exercise of its treaty-making power the United States has, on numerous occasions, made boundary adjustments with foreign nations. However, these treaties may scarcely be designated as treaties of cession, but rather of recognition, although it has been declared that any case involving an adjustment of a boundary must include a cession of supposed rights to territory by one or the other party. Some of the treaties involving adjustments of boundaries have even used the term "cede." (See Malcolm, Philippine Constitutional Law, 2d ed., p. 171, note 74.) For a discussion on the general power, see Crandall on Treaties, section 99, where the author upholds the power of the United States to cede territory. Judge Malcom's work, section 57, contains a full discussion of the legal phases of the question of the right of the United States to cede the Philippine Islands to a foreign power and vigorously upholds that right. The author says:

"If sovereignty permits the United States to secure additional domain, conversely, the same correlative right of sovereignty must permit the United States to dispose of its territory. If the President can initiate a treaty to annex territory and the Senate can approve the treaty, obviously the President and the Senate can, by the same means, cede territory. While acquisition is naturally more pleasing to imperialistic patriotism than cession, the latter is legally just as constitutional. The higher law of national expediency, benefits, or necessity must govern the dealings of one country with another. As the United States Supreme Court has said: 'It certainly was intended to confer upon the Government the power of self-preservation.' What other great nations have done the United States can do." (Malcolm, op. cit., p. 170.)

The most exhaustive argument that has been found against the power to alienate territory is contained in an article by Daniel R. Williams in the Virginia Law Review for November, 1925, and reprinted in the CONGRESSIONAL RECORD of April 16, 1926 (67 CONGRESSIONAL RECORD, 7585). The author denies the power of the United States by any of its agencies to alienate territory once acquired by the United States except by constitutional amendment, although the article is directed particularly to the power of Congress to alienate territory. The conclusion of the author that the right to alienate sovereignty must come from the people in the form of a constitutional amendment would apply equally to alienation of territory by treaty or by any other means. Of this discussion Professor Willoughby says:

"The best argument with which the writer is familiar in denial of the right of Congress to grant independence to the Philippines or to other areas and their inhabitants similarly circumstanced is that of Daniel R. Williams in an article contributed to the Virginia Law Review.

"The fact that the Philippine Islands have not been, by Congress, 'incorporated' into the United States is without constitutional significance, for it is incontestable that, by the treaty with Spain, they were brought under the sovereignty of the United States. That Congress has not been expressly given the power to alienate territory which has come or been brought under American sovereignty is equally certain. Certain also is it that there has been no judicial pronouncement that Congress has this constitutional power, for there has been no exercise by Congress of such a power, and, therefore, no opportunity for its judicial examination even were it possible to raise the point in such a manner as to enable or compel the courts to pass upon it. Mr. Daniels is, however, able to adduce certain judicial statements which possibly imply that Congress has not the power in question, and he, as well as Mr. Fairchild, is able to adduce certain statements of public men at the time of the adoption of the Constitution, and especially in the Virginia ratifying convention, that the Constitution was not to be construed as granting the power. It scarcely needs be said, however, that these judicial dicta are obiter, and that statements made by particular individuals in the State convention of a particular State at the time the Constitution was adopted have no controlling authority. Mr. Williams, however, lays emphasis upon the proposition that, in the United States, the ultimate sovereignty is in the people, and that, when territory is acquired by the United States, it is held in trust for their benefit; and, therefore, that they should not be deprived of that right except by an express consent thereto given by them to Congress. Here, again, it is to be observed that these dicta are obiter, even if they can be held to state a legal rather than a moral obligation, or disassociated from the facts of the cases in which they were stated, or from the particular circumstances surrounding the particular territories which the courts had in mind when making them." (Willoughby on the Constitution of the United States, vol. 1, 2d ed., pp. 422, 423.)

Willoughby (op. cit., sec. 317) has a lengthy discussion of the power of the United States to alienate territory under the treaty-making power. The author there considers the statements made by the Supreme Court on the question, together with other authorities, and makes the following broad conclusion:

"In accordance with the principles already laid down in this chapter, the author of this treatise is of the opinion that the United States has, through its treaty-making organ, the constitutional power, in cases of necessity, to alienate a portion of, or the entire territory of, a State or States. The same reasoning which supports the power of the United States, as a sovereign power in international relations, to annex territories is sufficient to sustain its power to part with them, even should the area so parted with be a part of one of the States or include one or more of them" (p. 576).

See also the remarks of Senator WALSH of Montana, made at the time the Isle of Pines treaty was before the Senate (March 13, 1925, 67 CONGRESSIONAL RECORD, 194ff). Senator WALSH argues in support of the power of the United States to surrender territory by treaty. Compare the remarks of Senator Reed, of Missouri, (March 13, 1925, 67 CONGRESSIONAL RECORD, 199), questioning the right of the Senate and the Executive by treaty to alienate territory of the United States, and suggesting that in the alienation of territory Congress must act.

As has been suggested, decisive judicial authority upon the power of the United States to alienate territory is lacking. In Downes *v.* Bidwell (1901) (182 U. S. 244), Mr. Justice White argued that the United States could not by treaty sell or trade away any portion of territory, whether within a State or Territory, which has been "incorporated" into the United States.

The argument applies only to territory which is an integral part of the United States and would not be applicable to the Philippine Islands, which have been held not to be incorporated territory. Also, it is to be noted that Mr. Justice Brown in De Lima v. Bidwell (1901) (182 U. S. 1, 197), one of the same series of cases, remarked that when territory is "once acquired by treaty it belongs to the United States, and is subject to the disposition of Congress," and Mr. Justice White later on in the opinion referred to above admitted that in case of a calamitous war or the necessity of the settlement of boundaries "it may be that citizens of the United States may be expatriated by the action of the treaty-making power, implied or expressly ratified by Congress."

In Lattimer v. Poteet (1840) (14 Pet. 4) the Supreme Court upheld a treaty of the United States with an Indian tribe whereby, in the course of a boundary adjustment, there was ceded to the Indians an area claimed by a State as its own.

In Kent's Commentaries, volume 1, page 167, note f, that eminent authority says:

"The better opinion would seem to be that such a power of cession of the territory of a State without its consent does reside exclusively in the treaty-making power, under the Constitution of the United States, yet sound discretion would forbid the exercise of it without the consent of the local government who are interested, except in cases of great necessity, in which the consent might be presumed."

Mr. Justice Story, in answer to a letter addressed to him by Edward Everett, the Governor of Massachusetts, asking the opinion of Mr. Justice Story concerning a resolution of the Massachusetts Legislature presented to Everett for his signature, in which it was declared that no power delegated by the Constitution to the United States authorized the Government to cede to a foreign nation any territory lying within the limits of a State of the Union, replied that he could not admit it to be universally true that the Constitution of the United States did not authorize the Government to cede to a foreign nation territory within the limits of the State, since such a cession might, for example, be indispensable to purchase peace, or might be of a nature calculated for the safety of both nations or be an equivalent for a like cession on the other side. (Willoughby, op. cit. p. 575.) Story also declared that Chief Justice Marshall was of the opinion that the treaty-making power did extend to at least some cases of cession of territory.

It is to be noted that many of these authorities suggest that territory situated within a State may be ceded, even without the consent of the State. This, of course, would seem to strengthen the case of those who support the power to alienate the Philippine Islands, which are not within the boundaries of any State and are not even an integral part of the United States.

Reference has heretofore been made to the provision of the Constitution authorizing the Congress to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States. Williams, in his article cited above, takes the position that this provision of the Constitution contains no authority for the assertion of any power to alienate "sovereignty" as distinguished from "ownership," and cites numerous dicta of the Supreme Court in support of his contention. Of this argument Willoughby says:

"The argument which Mr. Williams makes that the power to alienate is not contained in the grant to Congress of the power 'to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States' would be a strong one if the interpretation of this provision were approached as an original proposition. It is the opinion of the author of this treatise that a proper interpretation of this constitutional provision would restrict its application to the proprietary rights of the United States in the property within territories subject to the jurisdiction of the United States as well as in the States of the Union, but the fact is that the Supreme Court, as will be later shown, has repeatedly and definitely committed itself to the proposition that this grant relates to political or jurisdictional rights of the National Government as well as to proprietary rights. It would seem, then, that, giving to the provision this political as distinguished from merely proprietary signification, it would follow that the power granted to Congress to 'dispose' of territory belonging to the United States implies not merely a right to sell the lands or other property of the United States but to release the political sovereignty of the United States over such territories by sale or cession to another power or simply by withdrawing its own sovereignty and thus recognizing the independence and self-sovereignty of such territory." (Op. cit. 423.)

2. POWER TO GRANT INDEPENDENCE TO THE PHILIPPINE ISLANDS

The foregoing citation of authorities has been principally upon the question of the cession of territory, meaning thereby cession to a foreign power. Obviously, the question of Philippine independence can not be directly settled on any theory of cession, for until independence becomes a fact there would be no sovereignty with which the United States could deal under the treaty-making power. However, if it be true that the United States has the right to cede to a foreign power territory once belonging to the United States, it could scarcely be questioned that the United States could release its sovereignty and recognize a part of this territory as a free and independent government. On this point, Judge Malcolm asks:

"If other sovereign powers can recognize former portions of their territory as independent because forced to do so, why can not the United States, as a power of equal rank, recognize the Philippines as a republic because she wishes to do so?" (Op. cit., p. 181.)

And Willoughby, concluding his discussion of the power of the United States to alienate its territory, says:

"The constitutional right of the United States to bring what has formerly been alien territory under its own sovereignty by other processes than through the exercise of the treaty-making power, or as incidental to the waging of war, being established, it may be assumed that, could the question come before it in such a manner as to be judicial, that is, nonpolitical in character, the Supreme Court, by a parity of reasoning, would hold that Congress has the power to release territory from beneath the sovereignty of the United States—alienation being the correlative of acquisition.

"Leaving aside, however, the foregoing observations which have been in the nature of a rebuttal of the arguments of those who would deny to Congress the right to release sovereignty over territory that has once come under the sovereignty of the United States, and approaching the matter from the affirmative side, it seems clear to the author of this treatise that the constitutional right in question can be sustained as a right 'resulting' from the fact that, viewed internationally, the United States is a sovereign power, and, except as expressly limited by the Constitution, is to be viewed as possessing within the field of international relations all those powers which, by general international usage, sovereign and independent States are conceded to possess, and that, among such conceded powers is that of parting with, as well as acquiring, political jurisdiction over territory. The propriety of resorting to this attribute of national sovereignty as a source of constitutional authority has been earlier discussed, and further applications of the doctrine appear in connection with the discussion of specific matters, as, for example, the exclusion and expulsion of aliens, the penalizing of the counterfeiting in the United States of the public securities of foreign States, etc., and it will be sufficient here again to quote the language of the Supreme Court in the case of MacKenzie v. Hare in which it was held that Congress might, upon reasonable grounds, deprive American citizens of their status as such. The court said: 'As a government, the United States is invested with all the attributes of sovereignty. As it has the character of nationality it has the powers of nationality, especially those which concern the relations and intercourse with other countries. We should hesitate long before limiting or embarrassing such powers.'" (Op. cit., pp. 423–424.)

Speaking directly to this question, Judge Malcolm makes the following observations:

"When we endeavor to resolve the question by means of authority, we gain little additional light. As before remarked, Mr. Justice Taney expressed the view in the Dred Scott case that territory is acquired to become a State of the Union, which, of course, conversely means that territory is not acquired in order to be relinquished for independent existence. One should, however, recollect in connection with this case that it went upon the assumption that the right to acquire territory is derived from the power to admit States, that this is the only case in which this proposition has ever been accepted, and that it is counter to the opinions of Marshall and a long list of jurists, and has since been judicially ignored. Remembering all this, the language of Taney, whether dictum or not, loses its force. The most authoritative expression of judicial opinion on the other side is that of Mr. Justice Brown in the Insular cases, where he suggests that the Philippines and Puerto Rico 'might be permitted to form independent governments.' An Assistant Attorney General of the United States, at the request of the Committee on Insular Affairs of the House of Representatives, rendered an opinion holding that the Philippines could be made independent." (Malcolm, op. cit., pp. 176, 177.)

(For a discussion of both sides of the question of the power of Congress to constitutionally grant independence to the Filipinos, see 179 North American Review (1904), page 282.)

3. METHOD OF GRANTING INDEPENDENCE TO PHILIPPINE ISLANDS

Admitting that the United States may withdraw its sovereignty from the Philippine Islands, there remains the question as to how this withdrawal shall be accomplished. There is very little authority on this point. Judge Malcolm inquires, "And if Congress, or its agent, the President, shall recognize the Philippines to be a sovereignty, how long on such a political question would a litigant have standing in court?" The reference to the President as the agency of Congress doubtless means the President acting pursuant to legislative authority, and thus construed the statement apparently suggests a legislative act as the proper means. Moreover, Mr. Justice Brown, in De Lima v. Bidwell (1901) (182 U. S. 197), remarked that when territory is "once acquired by treaty, it belongs to the United States and is subject to the disposition of Congress."

Unquestionably, if the granting of independence is based upon the power to dispose of and make rules and regulations respecting the territory of the United States, it will require legislation by the Congress, since that power is granted to the Congress under the Constitution.

Professor Willoughby, concluding his discussion on the principal question, observes:

"It is to be repeated that the foregoing discussion has had exclusive relation to the alienation of American territory by other processes than the exercise of the treaty-making power. That, through an exercise of the treaty power, American territory may be alienated is abundantly clear, as will be later shown. Of course, however, this power could not be availed of if the United States should decide to grant full independence to the Philippine Islands or to any other area, for, in such case, not until such independence became a fact would there be any other sovereignty with which the United States could deal by means of a treaty. In other

words, the United States could, by a treaty, recognize the independence of the islands, but it could hardly be held, as a logical proposition, that the independence owed its existence to the treaty." (Op. cit., p. 425.)

And as bearing directly upon the method of disposition, Willoughby says:

"Should territory be alienated to a foreign power, it would seem that this would have to be done by treaty. Should, however, the alienation be by the way of granting independence to a particular territory, as, for example, Puerto Rico or the Philippine Islands, this could be done by joint resolution." (Op. cit., p. 576.)

It would seem to be only logical that, since the treaty-making power may not be resorted to, owing to the lack of an independent sovereignty with which to deal, legislative action would be the only solution. It would scarcely be contended that a concurrent resolution of the Congress, requiring no executive approval, would suffice. Nor would it seem appropriate or competent for the Executive of his own volition to release the sovereignty of the United States, although it is to be noted, conversely, that the sovereignty of the United States over the eastern Samoan Islands apparently rested upon the acceptance by the President of the cession made by the chiefs of those islands, until the Congress enacted legislation during the Seventieth Congress accepting, ratifying, and confirming the cessions.

Supplementing the little authority there is bearing upon the question, some support for the competency of release of sovereignty by legislative action may be found in the precedents for thus annexing territory, as in the case of Hawaii and Texas, and, more recently, of eastern Samoa. The annexation of Texas by joint resolution may be justified under the power granted to Congress to admit new States into the Union, but this, of course, could furnish no precedent for Hawaii. Of the Texas and Hawaii cases Professor Willoughby has this to say:

"Though it thus appears that territory may be annexed without the consent of the people, it has not yet been shown that, in fact, a legislative act is constitutionally adequate for the purpose. It has been shown that the admission of Texas by a joint resolution of Congress directly into the Union as a State could be justified as an exercise of the power given to Congress by the Constitution to admit new States into the Union, and did not, therefore, establish a precedent for the annexation of Hawaii. To the author's mind the annexation of Hawaii by legislative act was constitutionally justified upon the same ground that the extension of American sovereignty by statute over the Guano Islands was justified, namely, as an exercise of a right springing from the fact that, in the absence of express constitutional prohibition, the United States as a sovereign nation has all the power that any sovereign nation is recognized by international law and practice to have with reference to such political questions as the annexation of territory."

* * * * * * *

"The question as to the constitutionality of the annexation of Texas or of Hawaii has never been directly raised and passed upon by the Supreme Court of the United States. In fact, however, the court has, of course, impliedly recognized the validity of the annexation, both of Texas and Hawaii, in every case in which it has enforced the laws of, or Federal laws relating to, these Territories. That the point has not been directly raised is due to the principle uniformly declared by the court when the point has, in other instances, been raised that the territorial limits of sovereignty is a question the decision of which by the political branches of the Government is absolutely binding upon its judiciary" (pp. 429–430).

In conformity with your request this memorandum expresses no opinion upon the constitutional questions involved but merely presents pertinent legal materials from the authorities; and in the latter respect does not purport to be exhaustive.

Respectfully submitted.

CHARLES F. BOOTS,
Assistant Counsel, Office of the Legislative Counsel.

Hon. WILLIAM H. KING,
United States Senate.

JANUARY 13, 1930.

RECESS

Mr. McNARY. Under the unanimous-consent agreement entered into earlier in the day, I move that the Senate take a recess until 10 o'clock a. m. Tuesday next.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Tuesday, July 5, 1932, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 1 (legislative day of June 30), 1932

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

To be major general, reserve

Maj. Gen. Charles Irving Martin, Kansas National Guard, from July 1, 1932.

PROMOTIONS IN THE REGULAR ARMY

To be major

Capt. Harold Albert Nisley, Ordnance Department, from June 25, 1932.

To be captain

First Lieut. Ernest Arthur DeWitt, Infantry, from June 25, 1932.

To be first lieutenant

Second Lieut. John Emmett Walker, Infantry, from June 25, 1932.

VETERINARY CORPS

To be major

Capt. Claude Francis Cox, Veterinary Corps, from June 28, 1932.

To be first lieutenant

Second Lieut. Harvie Russell Ellis, Veterinary Corps, from June 24, 1932.

PROMOTIONS IN THE NAVY

MARINE CORPS

Lieut. Col. Fred D. Kilgore to be a colonel in the Marine Corps from the 1st day of July, 1932.

Maj. Russell H. Davis, jr., assistant quartermaster, to be an assistant quartermaster in the Marine Corps with the rank of lieutenant colonel from the 1st day of July, 1932.

Capt. Frank Whitehead to be a major in the Marine Corps from the 20th day of April, 1932.

Capt. Alfred H. Noble to be a major in the Marine Corps from the 1st day of July, 1932.

First Lieut. Alexander Galt to be a captain in the Marine Corps from the 29th day of April, 1932.

First Lieut. William D. Bassett to be a captain in the Marine Corps from the 1st day of June, 1932.

Second Lieut. Lofton R. Henderson to be a first lieutenant in the Marine Corps from the 1st day of July, 1932.

Second Lieut. Walter H. Troxell to be a first lieutenant in the Marine Corps from the 1st day of July, 1932.

Second Lieut. Thomas G. McFarland to be a first lieutenant in the Marine Corps from the 1st day of July, 1932.

Marine Gunner William H. Tyerman to be a chief marine gunner in the Marine Corps, to rank with but after second lieutenant, from the 10th day of January, 1932.

POSTMASTERS

ALABAMA

Oscar Sheffield to be postmaster at Pine Hill, Ala., in place of Oscar Sheffield. Incumbent's commission expired May 26, 1932.

James A. Sanders to be postmaster at Beatrice, Ala., in place of J. M. Stallworth. Incumbent's commission expired March 22, 1932.

ARKANSAS

Bernard R. Holbrook to be postmaster at Huntington, Ark., in place of D. A. Welsh, removed.

INDIANA

Joseph H. Coffelt to be postmaster at Boswell, Ind., in place of E. L. Eldridge, resigned.

Otto B. Childress to be postmaster at Lowell, Ind., in place of W. H. Morey. Incumbent's commission expired January 10, 1932.

Bernice G. Hayworth to be postmaster at Morocco, Ind., in place of H. S. Irvin. Incumbent's commission expired January 10, 1932.

Pearl B. McCord to be postmaster at Winslow, Ind., in place of P. B. McCord. Incumbent's commission expired May 26, 1932.

IOWA

Clarence W. Broeker to be postmaster at Gladbrook, Iowa, in place of P. D. Burke. Incumbent's commission expired May 14, 1932.

KENTUCKY

Mildred Ramage to be postmaster at Hickman, Ky., in place of Mildred Ramage. Incumbent's commission expired December 19, 1931.

LOUISIANA

Clifford O. Williams to be postmaster at Good Pine, La., in place of N. F. Jones, deceased.

MINNESOTA

Edne O. Thorson to be postmaster at Chatfield, Minn., in place of E. O. Thorson. Incumbent's commission expired May 26, 1932.

Wilfred D. Oleson to be postmaster at Isanti, Minn., in place of W. D. Oleson. Incumbent's commission expired February 28, 1929.

George E. Van Buren to be postmaster at Le Roy, Minn., in place of G. E. Van Buren. Incumbent's commission expired May 22, 1932.

Ralph G. Hosfield to be postmaster at Medford, Minn., in place of R. G. Hosfield. Incumbent's commission expired May 26, 1932.

Oscar W. Blomquist to be postmaster at Onamia, Minn., in place of Henry Goulet. Incumbent's commission expired April 9, 1932.

Adolph S. Larson to be postmaster at Sandstone, Minn., in place of Lena Edstrom. Incumbent's commission expired February 28, 1931.

Obert Dahle to be postmaster at Spring Grove, Minn., in place of H. M. Burtness. Incumbent's commission expired January 10, 1931.

NEBRASKA

Mabelle C. Wakeman to be postmaster at Cook, Nebr., in place of M. H. Carman, deceased.

Forrest E. Bottenfield to be postmaster at Nelson, Nebr., in place of C. G. Fricke, deceased.

Arnold V. Widergren to be postmaster at Newman Grove, Nebr., in place of F. A. Mellberg. Incumbent's commission expired May 22, 1932.

NEW JERSEY

Joseph H. Rainear to be postmaster at Ocean Grove, N. J., in place of W. E. Rice. Incumbent's commission expired February 6, 1932.

NEW MEXICO

Charles J. Kelly to be postmaster at Deming, N. Mex., in place of C. J. Kelly. Incumbent's commission expired May 16, 1932.

Helen B. Hickman to be postmaster at Hurley, N. Mex., in place of H. B. Hickman. Incumbent's commission expired March 21, 1932.

James A. Shipley to be postmaster at Silver City, N. Mex., in place of J. A. Shipley. Incumbent's commission expired January 11, 1931.

NEW YORK

Kenneth T. Webber to be postmaster at Morrisville, N. Y., in place of W. H. Evans, resigned.

Leona O. Newton to be postmaster at Stony Brook, N. Y., in place of L. E. Williamson. Incumbent's commission expired May 28, 1930.

OHIO

Harold E. Dornbirer to be postmaster at Chatfield, Ohio, in place of E. H. Ulmer, resigned.

PENNSYLVANIA

Glenn V. Rice to be postmaster at Eldred, Pa., in place of G. V. Rice. Incumbent's commission expired May 26, 1932.

Judson G. Young to be postmaster at Falls Creek, Pa., in place of J. G. Young. Incumbent's commission expired May 29, 1932.

James E. Franklin to be postmaster at Slickville, Pa., in place of L. O. Mellinger, resigned.

John C. Moyer to be postmaster at Telford, Pa., in place of H. Z. Wampole, resigned.

SOUTH CAROLINA

Percy C. Crayton to be postmaster at Anderson, S. C., in place of T. E. Howard, removed.

TENNESSEE

Clara M. Cain to be postmaster at Bradford, Tenn., in place of C. M. Cain. Incumbent's commission expired January 4, 1932.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 1, 1932

The House met at 12 o'clock noon.

Rev. Harvey Baker Smith, Columbia Heights Christian Church, Washington, D. C., offered the following prayer:

Our Father who art in heaven, we are the creatures of Thy purpose, but we are also the children of Thy love. We would be the servants of Thy will. Command that Thy gracious wisdom shall be upon us as day by day we seek to direct life's purposes to relate ourselves to the character program of the world's good and bring to pass the dream of the great Prophet of human brotherhood, that Thy kingdom may come and Thy will may be done on earth as it is in heaven. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment the following concurrent resolution:

House Concurrent Resolution 35

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House is hereby authorized and directed, in the enrollment of the bill H. R. 9349, "An act making appropriations for the Departments of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1933, and for other purposes," to leave the word "Persia" in line 23, page 5, of the bill, instead of changing such word to "Muscat," as directed by the reports of the conference committee and the action of both Houses in agreeing to such reports.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 461. An act to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921;

H. R. 1228. An act to adjudicate the claim of Knud O. Flakne, and Alfred Sollom, homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 1230. An act for the relief of Chase E. Mulinex;

H. R. 2161. An act for the relief of Nelson E. Frissell;

H. R. 2841. An act for the relief of the owners of the steamship *Exmoor;*

H. R. 3414. An act for the relief of Ellen N. Nolan;

H. R. 3604. An act for the relief of Same Giacalone and Same Ingrande;

H. R. 3811. An act for the relief of Lela B. Smith;

H. R. 5820. An act for the relief of J. H. Wallace;

H. R. 5922. An act for the relief of W. A. Peters;

H. R. 6797. An act for the relief of Samuel Weinstein;

H. R. 6855. An act for the relief of Sam Echols;

H. R. 7656. An act for the relief of William R. Nolan; and

H. R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum,* for damage to said vessel.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 465. An act for the relief of William H. Holmes;

S. 1738. An act for the relief of Catterina Pollino;

S. 1860. An act for the relief of Leonard Theodore Boice;

S. 2283. An act for the relief of Otto Christian;

S. 2571. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

S. 2774. An act to amend an act to increase the efficiency of the Veterinary Corps of the Regular Army;

S. 2863. An act for the relief of Karim Joseph Mery;

S. 3633. An act for the relief of the State of New Mexico;

S. 4068. An act to authorize the award of a decoration for distinguished service to Harry H. Horton, formerly private,

first class, medical detachment, One hundred and forty-eighth Field Artillery, American Expeditionary Forces, in the World War;

S. 4327. An act for the relief of Lizzie Pittman;

S. 4569. An act relating to loans to veterans on their adjusted-service certificates;

S. 4597. An act to restore to their former retired status in the Regular Army of the United States persons who resigned such status to accept the benefits of the act of May 24, 1928 (45 Stat. 735), and for other purposes;

S. 4909. An act for the relief of A. Y. Martin;

S. 4937. An act conferring jurisdiction upon the Court of Claims to return its findings of fact in the claim of George B. Gates;

S. J. Res. 127. Joint resolution authorizing appropriations for the maintenance by the United States of membership in the International Council of Scientific Unions;

S. J. Res. 179. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Tisheng Yen, a citizen of China; and

S. J. Res. 190. Joint resolution concerning the expenses of participation by the United States in the General Disarmament Conference at Geneva and in the International Radiotelegraph Conference at Madrid.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 30 and 34 to the bill (H. R. 12443) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes."

The message also announced that the Senate recedes from its amendment No. 132 to the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 904. An act for the relief of Elizabeth B. Dayton; and

S. 2570. An act authorizing adjustment of the claim of Joseph E. Bourrie Co.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 308. An act to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the secretary;

H. R. 3845. An act for the relief of Charles L. Barber;

H. R. 3961. An act for the relief of Catherine Bell;

H. R. 3992. An act for the relief of Anna A. Hall;

H. R. 4056. An act for the relief of Emma Shelly;

H. R. 7504. An act to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone;

H. R. 7507. An act to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone;

H. R. 8694. An act to amend section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), and for other purposes;

H. R. 8818. An act to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes;

H. R. 8980. An act to provide for the sale of a portion of the site of the post office and customhouse building in Newark, N. J., to the city of Newark for the use as a public street;

H. R. 9331. An act for the relief of Octavia Gulick Stone;

H. R. 9349. An act making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 11638. An act to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes;

H. R. 12360. An act to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937; and

H. R. 12443. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 4874. An act to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did, on the following dates, present to the President, for his approval, bills of the House of the following titles:

On June 30, 1932:

H. R. 650. An act for the relief of Joe Andrews Co.;

H. R. 756. An act for the relief of R. L. Wilson;

H. R. 3536. An act for the relief of Viola Wright;

H. R. 3693. An act for the relief of William Knourek;

H. R. 3812. An act for the relief of the estate of Harry W. Ward, deceased;

H. R. 4885. An act for the relief of Kenneth G. Gould;

H. R. 5561. An act for the relief of Oscar R. Hahnel;

H. R. 5998. An act for the relief of Mary Murnane;

H. R. 7505. An act to provide for the protection of birds and their nests in the Canal Zone;

H. R. 7512. An act to amend section 5 of the Panama Canal act;

H. R. 8398. An act for the relief of John H. Day; and

H. R. 8981. An act to provide for the sale of an easement for a railway right of way over the post-office and customhouse site at Newark, N. J.

On July 1, 1932:

H. R. 1279. An act for the relief of Frank Kanelakos;

H. R. 1931. An act for the relief of Ned Bishop;

H. R. 5053. An act for the relief of Clyde Sheldon;

H. R. 7498. An act to amend act No. 4 of the Isthmian Canal Commission entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 7501. An act to prevent in the Canal Zone, fire-hunting by night and hunting by means of a spring or trap and to repeal the Executive orders of September 8, 1909, and January 27, 1914;

H. R. 7502. An act to regulate the carrying and keeping of arms in the Canal Zone;

H. R. 7509. An act to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials;

H. R. 7510. An act to punish persons deported from the Canal Zone who return thereto;

H. R. 7511. An act to regulate the operation of street-railway cars at crossings in the Canal Zone;

H. R. 7513. An act to provide for the appointment of a public defender for the Canal Zone;

H. R. 7516. An act in relation to the keeping and impounding of domestic animals in the Canal Zone; and

H. R. 7517. An act to provide for the transportation of liquors under seal through the Canal Zone.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. VINSON of Georgia for five days on account of important business.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON

Mr. JONES. Mr. Speaker, I call up the conference report upon House Joint Resolution 418, authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for the relief of distress, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Texas calls up a conference report on House Joint Resolution 418 and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement of the conferees.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"That the Federal Farm Board is authorized and directed to take such action as may be necessary to deliver to the American National Red Cross, and any other organization designated by the American National Red Cross, on July 1, 1932, or as soon thereafter as may be practicable, 45,000,000 bushels of wheat of the Grain Stabilization Corporation and 500,000 bales of cotton of the Cotton Stabilization Corporation, for use in providing food, cloth, and wearing apparel for the needy and distressed people, and in providing feed for livestock in the 1932 crop-failure areas, after the needs of human consumption have been taken care of, in the opinion of the director of the Red Cross, of the United States and Territories. Such wheat or cotton shall be delivered upon application therefor, but only upon the approval of the President of the United States, and in such amounts to each organization as the President may approve.

"SEC. 2. No part of the expenses incident to the delivery, receipt, and distribution of such wheat or cotton shall be borne by the United States or the Federal Farm Board. In order to carry out the purposes of this resolution such wheat or the products thereof may be milled or processed into, or exchanged for, flour of any kind, bread, or food, provided, in making such exchange, preference shall be given whenever practicable to foods of which wheat products are a substantial ingredient, or cotton may be manufactured into or exchanged for cloth or wearing apparel, or other articles of clothing, made of cotton; but such milling, processing, or manufacturing shall be without profit to any mill, organization, or other person.

"SEC. 3. In so far as wheat or cotton is donated to relief agencies by the Grain Stabilization Corporation or the Cotton Stabilization Corporation under this resolution the Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the wheat or cotton delivered hereunder, less the current market value of the wheat or cotton delivered; and to deduct the amount of such loans canceled from the amount of the revolving fund established by the agricultural marketing act. To carry out the provisions of this resolution, such sums as may be necessary are hereby authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for the following purposes:

"(a) For advancing to such corporations amounts to repay loans held by commercial or intermediate credit banks against wheat or cotton which would be released for donations under this resolution.

"(b) For reimbursing each such corporation for its net equity in the wheat or cotton used for donations under this resolution, according to the current market value at the time of the donation.

"(c) For meeting carrying and handling charges, and interest payments on commercial or intermediate credit bank loans, on or against wheat and cotton which would be released for donations under this resolution between the date of its approval and the delivery of the wheat or cotton to the American National Red Cross or other organization.

"SEC. 4. The Federal Farm Board shall execute its functions under this resolution through its usual administrative staff, and such additional clerical assistance as may be found necessary, without additional appropriations beyond its usual administrative appropriation under the agricultural marketing act."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the joint resolution.

MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,
Managers on the part of the House.

CHAS. L. MCNARY,
G. W. NORRIS,
JOHN B. KENDRICK,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The joint resolution as it passed the House provided for making available, before August 1, 1933, to the American National Red Cross and any other organization designated by the American National Red Cross, 40,000,000 bushels of wheat and 500,000 bales of cotton. The Senate amendment struck out all after the resolving clause and substituted a provision which fixed the amount of wheat at 50,000,000 bushels, made no provision for delivery of cotton, limited delivery to the American National Red Cross, and provided that delivery should be on June 15, 1932, or as soon as practicable thereafter. The House recedes with an amendment which restores, with some transpositions of language, substantially the House resolution, except that the amount of wheat is fixed at 45,000,000 bushels, the Senate provision as to time of delivery is incorporated except that the date is changed to July 1, 1932, and a limitation is included in connection with the power to exchange wheat for food so that in making such exchange preference shall be given, whenever practicable, to food of which wheat products are a substantial ingredient.

The Senate recedes from its amendment to the title of the joint resolution. This was necessary in order to make the title conform to the action agreed upon with respect to the Senate amendment.

MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,
Managers on the part of the House.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. STAFFORD. As the gentleman knows, when this resolution was sent to conference I expressed interest as to the credit that will be given to the Federal Farm Board. The conference committee has made some changes as to the mechanics of bookkeeping for allowances for these 45,000,000 bushels of wheat and 500,000 bales of cotton.

Mr. JONES. Those provisions are exactly as they were in the original House bill. That is section 3.

Mr. STAFFORD. Clauses (a), (b), and (c). I read this report and statement yesterday, and I had some difficulty in understanding the mechanism. Will the gentleman explain what is to be credited to the Grain Stabilization Board, and what credit is to be given to the revolving fund of the Federal Farm Board?

Mr. JONES. The gentleman understands that loans were originally made by the board to the stabilization corporations. Those, of course, are canceled. That is a matter of bookkeeping. Then, commercial loans are outstanding. Some of those include intermediate credit loans and other commercial bank loans on these commodities, covering some part of the purchase price, plus the cost of carrying and interest. Those are to be paid for.

Mr. STAFFORD. I had difficulty in understanding what was to be done about the credit.

Mr. JONES. Credits are to be limited so that there can not be anything more authorized than the equity in the wheat at its present market price.

Mr. STAFFORD. The revolving fund of the Federal Farm Board is not increased by this arrangement?

Mr. JONES. No; it is just the commodity which is used and put on the market that is to be rated at the prevailing market price at the time of delivery.

Mr. KETCHAM. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. KETCHAM. Will the gentleman tell the House how the provision with reference to the enlargement of the use of wheat has been changed from the form in which the bill passed the House? It strikes me that it is limited and more in conformity to the general feeling of the House.

Mr. JONES. We used practically the House provision, but put this limitation on the exchange. The exchange may be made for bread or for food, but it has the restriction that wherever practicable preference shall be given in such exchange to food commodities of which wheat products are a substantial ingredient. I think in most instances it will be practicable to do that because there are many commodities in which wheat enters as an ingredient, and it requires that that preference be given, if practicable.

Mr. KETCHAM. In that connection, I am to understand, then, that it is not as broad a proposition as formerly?

Mr. JONES. Not as broad. It is a compromise provision, but it goes considerably more than halfway.

Mr. LaGUARDIA. Mr. Speaker, if the gentleman will permit, I want to assure my colleague from Michigan [Mr. KETCHAM] that the compromise will earnestly and sincerely be carried out. The gentleman knows there is a pretty large variety of food that can have a substantial material ingredient of wheat.

Mr. KETCHAM. The limitation is exactly as I would like to have had it if I could have had the writing of the language of the bill as originally presented.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. SNELL. Referring to the provision in the first section about providing feed for livestock in the 1932 crop-failure areas, just what does that mean and where are those areas?

Mr. JONES. It would be impossible to tell how broad that area is. The gentleman will remember that a prior bill carried a provision that stipulated that it might be used for feed in the 1931 crop-failure areas. Most of that was used in the Northwestern States. I take it that the administering authorities in the nature of things will be familiar with those areas throughout the country, and wherever there are crop failures and distress and need they will be allowed to use a portion of the wheat in this manner.

Mr. SNELL. Was a great deal distributed in that way on account of 1931 crop failures?

Mr. JONES. About 40 per cent of the distribution went to feed. However, this measure carries a further limitation along that line, that it shall go to feed after human need is satisfied. In other words, the feed is made secondary in this provision, whereas it was on a parity in the previous bill.

Mr. SNELL. How do we know when human need is satisfied?

Mr. JONES. That is a question of administration. The administering authorities will have to pass on that. The House adopted that amendment, and it remained in the bill.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. LaGUARDIA. Now, that the bill is to pass, there is no question that this wheat and cotton are available for distribution, is there? There are no strings to it, are there?

Mr. JONES. There are no strings to it, except the provision that necessarily must be made for discharging the loans that are against this wheat.

Mr. LaGUARDIA. And the Farm Board has the money for that?

Mr. JONES. It is my understanding the board claims it does not have the money. If they do not have the money, of course, provision would have to be made for taking care of the outstanding loans held by commercial institutions, or the products could not be distributed. That is a matter which the Congress must determine. The Appropriations Committee will determine that.

Mr. SANDLIN. The bill says that so much is authorized to be appropriated.

Mr. JONES. The bill authorizes the necessary appropriation for releasing this wheat and carrying out the purposes set out in the bill.

Mr. SANDLIN. The assumption is that an appropriation must be made, is it not?

Mr. JONES. I assume so, if the products are to be distributed. Under the terms of the bill, at least an authorization is made. We would have no way of taking it away from the mortgagor without making a fund available for that purpose, but if made available it would be used strictly for that purpose.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. JONES. I yield.

Mr. COCHRAN of Missouri. Is it not the intent of Congress that if money is available the Farm Board shall use that money to pay for this wheat and cotton or advance whatever money is necessary to release it?

Mr. JONES. That is the purpose. No more is authorized than could be obtained by direct disposition of the wheat and cotton on the market.

Mr. COCHRAN of Missouri. That is the real intent of those who have been supporting this bill.

Mr. JONES. That is, of course, a matter of interpretation of the bill.

Mr. PATTERSON. Will the gentleman yield?

Mr. JONES. I yield.

Mr. PATTERSON. Will the gentleman explain, in just a minute, the use of the cotton? How will that be used?

Mr. JONES. The use of the cotton can be on the same basis as the use of the wheat. Nobody picks up a handful of wheat and eats it raw. Arrangements must be made for processing and translating it into food products. The American Red Cross organization has been able to do that in a fine way, with very little expense. In many instances the mills have ground it free of charge. In many instances the railways have transported it free of charge. The distributing organizations, where they deal with others, have done it on a basis of no profit whatever. There is no reason why cotton could not be handled in the same way, because the same sort of processors for that commodity can make the same character of arrangement.

Mr. McGUGIN. Will the gentleman yield?

Mr. JONES. I yield.

Mr. McGUGIN. The fact still remains that it is within the discretion of the Red Cross to trade as much of this wheat as they want to for the other commodity?

Mr. JONES. No, sir; not at all. They are given a mandatory injunction that, wherever it is practicable to do so, preference shall be given to commodities of which wheat products are the substantial ingredient, and I take it that in most instances that can be done, and I expect that to be done. I personally expect to make request of the American Red Cross that such limitation be carried out in good faith.

Mr. McGUGIN. Will the gentleman yield me about five minutes of his time to discuss this matter?

Mr. COCHRAN of Missouri. In reference to the question I just put to the gentleman, I have a right to interpret the intent of Congress as I see it. We are very much interested in that part of the resolution in reference to money. We do not want the Federal Farm Board to come here in December and say, "Give us some money which this wheat and cotton represented." Those of us who have been supporting this legislation have been supporting it, first, because we know the cities need relief, but in doing so, we have no thought of supporting legislation that will reimburse the Farm Board when they have money to take care of this. "No more money for the Farm Board," is our slogan.

Mr. JONES. I understand they claim that this money is an obligation against the wheat, and that will have to be taken care of, and that they are not in a position to do this. The gentleman knows that I am not in favor of additional appropriations for the board. That it not involved here.

Mr. COCHRAN of Missouri. But they came before the Committee on Appropriations and claimed they did not have any money when they asked for money to administer the law. Later it was discovered the Farm Board had an unexpended balance of over $200,000,000. At first they covered up this amount. The board will, no doubt, find an excuse to come in December and want money for this wheat and cotton. I for one will not vote to give them any additional money.

Mr. JONES. The gentleman knows I have not sought additional appropriations for stabilization operations. I think direct buying and selling operations should be wound up, ended, and this feature, at least, of the act repealed. The Government can not successfully carry on this character of business. The gentleman is on the Appropriations Committee and is in a better position than I am to know the facts he is inquiring about.

Mr. McGUGIN. Will the gentleman yield me some time?

Mr. JONES. I agreed to limit the time on this matter, in order to get recognition. If the gentleman cares to make a short statement or ask a question, I shall be glad for him to do so, but I do not care to yield the floor for general discussion. The time is too limited and the restrictions of my recognition will not permit.

Mr. McGUGIN. I think it is fair that some one from the Wheat Belt should have a right to discuss this from the standpoint of the wheat industry, as well as from the standpoint of those who are getting it. We certainly ought to have some opportunity to discuss this matter before we vote on it to-day.

Mr. JONES. Mr. Speaker, I do not see any particular reason for discussing it. I think this discussion was very thoroughly had at the time the bill was considered.

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman is not recognized for that purpose.

Mr. JONES. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

On motion by Mr. JONES, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to address the House for three minutes with reference to the action taken by the House conferees in reference to the State, Commerce, and Justice Departments appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Speaker, the conferees appointed by the House met with the Senate conferees late yesterday afternoon on the State, Justice, Commerce, and Labor appropriation bill, and the Senate conferees receded on the amendment which the House instructed its conferees to further insist on its disagreement to. The House conferees informed the Senate conferees at such time that one of the chief reasons why the House strongly opposed earmarking any funds whatever for the establishment of the proposed route was due to the information brought to the attention of the House that the establishment of such route would involve an expenditure of $750,000 and a further sum of $378,000 annually for maintenance. The House on yesterday indicated in a most emphatic way its disapproval of any appropriation for the establishment of this route, and the Senate conferees were so notified. It is my purpose to inform the Secretary of Commerce as to the attitude of the House on this matter and which I interpret to mean that no money shall be spent on the proposed route until Congress specifically approves an initial appropriation therefor. [Applause.]

NONIMMIGRANT STATUS OF CERTAIN ALIENS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8766) to amend the sixth exception in section 3 of the immigration act of 1924 with reference to nonimmigrant status of certain aliens with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, strike out "from which he comes" and insert "of which he is a national."

Page 1, line 10, strike out all after "him" down to and including "1924," in line 5, page 2.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were agreed to.

EXEMPTING FROM THE QUOTA HUSBANDS OF AMERICAN CITIZENS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10600) to exempt from the quota husbands of American citizens, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection? (After a pause.) The Chair hears none, and appoints the following conferees: Messrs. DICKSTEIN, PALMISANO, DIES, JOHNSON of Washington, and CABLE.

Mr. SNELL. Mr. Speaker, the gentleman from Ohio [Mr. CABLE] is absent through illness. I ask that the Chair substitute for the gentleman from Ohio [Mr. CABLE] the gentleman from Ohio [Mr. JENKINS], the next man on the committee.

Mr. DICKSTEIN. Mr. Speaker, may I disagree with the selection of the conferee?

The SPEAKER. No. If the gentleman is the ranking Member, he should be appointed.

Mr. DICKSTEIN. There are other Members ahead of the gentleman from Ohio.

The SPEAKER. If the gentleman is the ranking Member, then he ought to go on the conference. The Chair appoints the conferees and thinks the Republican side should have whom they want on the conference.

Mr. DICKSTEIN. There are other gentlemen on the committee nearer the head of the table than the gentleman from Ohio.

The SPEAKER. The gentleman from New York has taken the responsibility of selecting the man on the committee whom he wants to represent the Republican organization, and that has been the custom.

Mr. PATTERSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATTERSON. Is this bill in such shape that objection can be made to sending it to conference?

The SPEAKER. Such objection can not be made at this time.

Mr. DICKSTEIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DICKSTEIN. May I submit a new list of conferees?

The SPEAKER. The Chair has stated that the Chair appoints the gentleman recommended by the gentleman from New York, and this ought to be sufficient if the Chair takes the responsibility.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I call up the conference report on the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

Mr. Speaker, this is the same report which was considered and adopted yesterday with reference to this bill. The statement is a long one. It was read yesterday and is reported in the RECORD this morning. I ask unanimous consent to dispense with the reading of the report.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to waive reading of the report, since it is the same as that acted on by the House yesterday. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(For conference report and statement, see proceedings of the House of June 30, 1932.)

Mr. BYRNS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PAYMENT OF PAGES OF THE SENATE AND HOUSE OF REPRESENTATIVES

Mr. BYRNS. Mr. Speaker, I present a joint resolution (H. J. Res. 455) making an appropriation for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932, and ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Joint Resolution 455

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to provide for the payment of 21 pages for the Senate and 41 pages for the House of Representatives, at the rate provided by law from July 1 to July 15, 1932, both dates inclusive.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, why is it necessary to make this provision? Does the pay of the pages stop on the 1st of July?

Mr. BYRNS. Yes. There is no appropriation with which to pay them.

The SPEAKER. Is there objection?

There was no objection.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ADJUSTMENT OF CLAIMS ON OLMSTEAD LANDS IN THE STATE OF NORTH CAROLINA

The SPEAKER. By special order of the House to-day has been set aside for the consideration of the Unanimous Consent Calendar. The Clerk will call the first bill.

The Clerk called the first bill, H. R. 10271, to authorize the Secretary of Agriculture to adjust claims to so-called Olmstead lands in the State of North Carolina.

Mr. STAFFORD. Mr. Speaker, I object.

OSAGE NATION OF INDIANS

The Clerk called the next bill, S. 2352, amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097).

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over.

The SPEAKER. Is there objection?

There was no objection.

AMENDMENT OF THE POST OFFICE DEPARTMENT APPROPRIATION ACT, 1913

The Clerk called the next bill, H. R. 11270, to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes."

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman explain this bill. This bill proposes to relieve publishers of the obligation of publishing in their papers semiannually the number of their subscribers. Why should not the advertisers in newspapers know exactly, under a sworn statement, as to the number of subscribers each six months rather than have it dependent upon an annual statement published in the papers?

Mr. LAMNECK. The argument is that this statement once a year is sufficient; that the ownership and subscribers' lists are published once each year and that is all they need.

Mr. STAFFORD. I think it is of value to carry out the existing law, which requires the publication of these facts twice a year not only for the purpose of permitting the people to know who the owners of the publications are but that the advertisers in the newspapers may know the number of actual subscribers. Mr. Speaker, I object.

HIRING OF VEHICLES FROM POSTAL EMPLOYEES

The Clerk called the next bill, H. R. 9555, to authorize the Postmaster General to hire vehicles from postal employees.

Mr. LaGUARDIA. Mr. Speaker, I object.

PALO VERDE VALLEY, CALIF.

The Clerk called the next bill, S. 4443, for emergency relief of Palo Verde Valley, Calif.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the purpose of this bill was circuitously obtained by having incorporated in the second deficiency bill an appropriation for the same purpose, but for a slightly less amount. I move that this bill be laid on the table as well as a similar House bill.

The SPEAKER pro tempore (Mr. WOODRUM). The gentleman from Wisconsin asks unanimous consent that the consideration of this bill be indefinitely postponed. Is there objection?

Mr. STAFFORD. Mr. Speaker, I moved that the bill be laid on the table.

The SPEAKER pro tempore. The Chair is advised that it is the usual procedure to indefinitely postpone the consideration of Senate bills rather than to lay them on the table.

Mr. STAFFORD. Then, Mr. Speaker, I move that the House bill be laid on the table.

The motion was agreed to.

MINNESOTA CHIPPEWA TRIBAL FUNDS

The Clerk called the next bill, H. R. 12174, to authorize the use of Minnesota Chippewa tribal funds to purchase certain land as a wild rice harvesting camp site, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from tribal funds on deposit to the credit of the Chippewa Indians of Minnesota, not to exceed the sum of $2,850, which amount may be expended in the purchase of not more than 70 acres of privately owned land in the vicinity of Rice Lake, Minn., for wild rice harvesting camp site, and for the construction of a connecting roadway thereto: *Provided*, That title to any land so purchased shall be taken in the name of the United States in trust for said Indians.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

SALT RIVER VALLEY WATER USERS ASSOCIATION

The Clerk called the next bill, H. R. 12359, to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I am wondering why the Secretary of the Interior should be called upon to pass upon these relinquishments, as provided in this bill. I notice the chairman of the Public Lands Committee is here and can answer my inquiry.

Mr. EVANS of Montana. I may say to the gentleman from Wisconsin that I do not happen to have a copy of this bill with me and really have not very much information on the subject at the present moment.

Mr. STAFFORD. My inquiry is not of a major character. I withdraw the reservation of objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill will be substituted for the House bill.

There being no objection, the Clerk read the Senate bill (S. 4735) as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized to accept a relinquishment filed by the State of Arizona for the east half northeast quarter southwest quarter section 9, township 1 north, range 4 east, Gila and Salt River meridian, and a relinquishment filed by the city of Tempe, Ariz., for all that part of the north half southeast quarter section 9, township 1 north, range 4 east, Gila and Salt River meridian, Arizona, south and west of a line parallel to and 250 feet distant from the center lines of the Phoenix-Tempe paved highway and Washington Boulevard, being more particularly described by metes and bounds as follows, to wit:

Beginning at a point on the north boundary of the south half south half of said section 9, distant 595 feet west of the middle point of the east boundary of the southeast quarter of said section 9 and 250 feet distant from the center line of the before-mentioned Phoenix-Tempe Highway, measured at right angles thereto; thence in a northwesterly direction, parallel to the center line of said highway, as follows:

North 41° 5′ west, 115 feet; thence along a curve to the left having a radius of 1,072.8 feet, a distance of 291.5 feet; thence north 56° 39′ west, 351.8 feet to a point 250 feet distant from the center line of said Washington Boulevard, measured at right angles thereto; thence parallel to the center line of said Washington Boulevard, north 56° 39′ west, 1,038.2 feet; thence along a curve to the left having a radius of 1,660.08 feet, a distance of 620 feet, more or less, to a point at intersection with north and south center line; thence south along said center line 1,260 feet, more or less, to a point at intersection with the east and west center line of the southeast quarter of said section 9; thence east along said center line 2,045 feet, more or less, to the point of beginning, containing 34 acres, more or less; granted under the conditions therein prescribed to the State of Arizona and the city of Tempe, respectively, by the act of April 7, 1930 (46 Stat. 142), containing in all a total of 54 acres, more or less.

SEC. 2. That the Secretary of the Interior be, and he is hereby, directed, upon acceptance of the relinquishments aforesaid and subject to any valid adverse claim, upon the payment of $1.25 per acre therefor by the Salt River Valley Water Users Association, to issue a patent to said association for maintenance and operation purposes for the land described in section 1 of this act: *Provided*, That there shall be reserved to the United States all oil, coal, or other mineral deposits found at any time in the lands and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H. R. 12359) was laid on the table.

COEUR D'ALENE AND ST. JOE NATIONAL FORESTS, IDAHO

The Clerk called the next bill, H. R. 6659, for the inclusion of certain lands in the Coeur d'Alene and St. Joe National Forests, State of Idaho, and for other purposes.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I want to get some information about this bill.

Mr. GOSS. I was about to ask unanimous consent that it be passed over without prejudice.

Mr. LAGUARDIA. I would like to get some information about it in the meantime.

I want to call the attention of the gentleman from Idaho to the report of the Secretary of Agriculture. In the next to the last paragraph of his letter of December 12, 1931, the Secretary makes this statement, which, to me, is rather significant:

Since the construction of the Chicago, Milwaukee, St. Paul & Pacific through this region in 1908 the timber has been heavily exploited. In addition it has proven to be a region of heavy fire hazard, and losses from that source have been extensive. The larger owners have organized a fire-protective association covering the region. Contributions to fire protection are obligatory upon all large owners. Scattered through the region are tracts of public land aggregating between 10 and 20 per cent of the whole. Some of this contains good stands of thrifty young growth which in a short time will grow into substantial values. They should be protected for their own sake, and this in turn will help lighten the load of protection costs which now threatens to cause the dissolution of the local association.

Is it the policy of the Government to take this land in the national-forest reserve, carry the expense of protecting it against fire hazard, and when it develops exchange it back, as the gentleman from Connecticut [Mr. GOSS] inquired a few days ago? In other words, are we simply to take this land now during the growing time of the timber, protect it against fire hazard—and this is costly because the Secretary admits it is costly—and then when it is ready to cut, instead of preserving it as a forest, exchange it with private owners?

Mr. FRENCH. No; I may say to the gentleman that under the policy that would be followed the land that would be acquired by the Government for the national forests would become a part of the permanent national-forest area and it, in turn, would not go back, if it were acquired, to its original owners. It would be forest land and would be reserved and be a part of the national forests.

Mr. LAGUARDIA. Permit me to call the gentleman's attention to the fact that every week on this calendar we have bills whereby we are asked to authorize exchange of forest land for other land.

Mr. FRENCH. Surely.

Mr. LAGUARDIA. As the gentleman from Connecticut has pointed out, are we simply to grow the timber, protect it, and then exchange it to be cut?

Mr. FRENCH. Oh, no.

Mr. GOSS. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. GOSS. It would be perfectly possible to do that because under the transfer act if, for instance, some other privately owned timber was closer to their mill they might want to swap this land which would be closer to them and it would be perfectly possible to make a transfer.

Mr. FRENCH. It would be possible, but gentlemen must remember that an exceedingly small percentage will be so handled. We are trying to correct and adjust margins of forest areas in various parts of the country and protect timber and watersheds. I do not care to take too much time of the House if objection must be made to the consideration of the bill. On the other hand, if the bill may be considered, I shall be glad to take whatever time may be necessary.

Mr. LAGUARDIA. It will require time, and the gentleman had better give the information.

Mr. FRENCH. I shall be most happy to give the information. These bills are much alike in their general purpose. They provide for adding areas of lands to the national forests. They are alike in this, that they pertain to lands on or near the border of existing forest areas, where a part of the land is public domain and part has passed into private ownership. Under present conditions it is exceedingly difficult to administer. The area embraced in the pending bill is adjacent to the St. Joe and the Coeur d'Alene National Forests, and it is proposed that it be made available for exchange under the provisions of existing law. This area is essentially suitable for the growth of timber, and that will continue to be the chief use of the area throughout the years to come.

Mr. LAGUARDIA. That is an important purpose.

Mr. FRENCH. That is a very important purpose. In addition, the area must be regarded as a watershed; it protects the headwaters of streams with all the meaning that such protection has for a multitude of uses.

Much of this land many years ago passed into private ownership. It is such land to which the Secretary of the Interior refers in the report the gentleman has read in part.

Remember first of all that the people of no county want any land placed within national forests that is not best suited for such purpose. The urge for population and homes and for taxes is too great.

The plan under which it is proposed that these lands be available for inclusion in our national forests has the approval of all the counties affected and of the local people. It has the approval of the Forest Service, and the text of the bill has been worked out largely by Forest Service officials or with their close consultation. It is our hope that the forests may be preserved for future time. Government lands are interspersed among private lands and all are contiguous to existing national forests. Present conditions contribute to fire hazards. We think that through the plan proposed in the bill we shall be better able to protect the land in the national forests and the public lands as well, and round out a forest area that natural conditions suggest should be administered as a single unit.

Mr. GOSS. Let me say that I went down to the Forestry Department to try and get some more information. There is one other feature which I learned, and that is that of this amount that is impounded back into the Treasury the Government keeps 65 per cent, and 35 per cent goes to the county. Am I not right?

Mr. FRENCH. In general, yes; that is, 25 per cent goes to the counties for schools and roads and 10 per cent to the forest reserve for road purposes. That would be true of all cash returns from national forests.

Mr. GOSS. I understand that most of these bills have the sanction of the counties before they come here. But there are many questions that seem to me a little suspicious, and I would like to get a little more time to look into these bills, and therefore, Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF TIME FOR SETTLEMENT OF WAR CLAIMS

The Clerk called the next business on the Consent Calendar, House Joint Resolution 416, to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes.

Mr. STAFFORD. Mr. Speaker, I ask that this joint resolution go over without prejudice.

There was no objection.

DETERMINATION OF CERTAIN CLAIMS OF THE SEMINOLE INDIANS

The Clerk called the next bill on the Consent Calendar, H. R. 5846, authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians.

Mr. STAFFORD and Mr. LAGUARDIA asked unanimous consent that the bill go over without prejudice.

There was no objection.

BRIDGE ACROSS POTOMAC RIVER, GREAT FALLS

The next business was the bill (H. R. 10092) to extend the time for completing a bridge across the Potomac River at or near Great Falls.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. I object.

Mr. STAFFORD. I object.

Mr. PATTERSON. I object.

Mr. SCHAFER. I object.

Mr. SMITH of Virginia. Will the gentlemen reserve their objections and let me make a brief statement?

Mr. LAGUARDIA. Certainly.

Mr. STAFFORD. Yes.

Mr. PATTERSON. Yes.

Mr. SCHAFER. I will reserve the objection.

Mr. SMITH of Virginia. Mr. Speaker, I asked the gentlemen to reserve their right to object to this bill in the hope that I may throw a little light upon the subject that might soften them in their opposition to the project. This is a bill to continue the right already granted by the Congress to erect a bridge over the Potomac River at Great Falls, which bridge of course is to be a pay bridge. I direct the attention of the House to the fact that Congress passed this bill and established that policy with respect to this bridge, because it gave the right to build it. The bill is merely for the purpose of extending the time for the construction of the bridge.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. STAFFORD. When we passed the authorization bill providing for the construction of this bridge at Great Falls, the Congress had not committed itself to the policy of building at great expense highways and boulevards on either side of the river; from Mount Vernon to Great Falls on the Virginia side, and from Fort Washington to Cabin John on the Maryland side. Does the gentleman believe, after a National Government has gone to the extent of building boulevards at a cost of millions of dollars, that we should give a private concern the right to tax every vehicle that happens to go across the connecting link over the gorge? Why not have the National Government build the bridge and have the highway free to all who traverse it?

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. If the gentleman will permit me to complete my statement, I think I shall answer the questions which the gentlemen are about to propound.

Mr. PATTERSON. I would like to propound a question right now. I read the following proviso from the bill:

That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within one year and completed within three years from the date of the approval hereof.

Mr. SMITH of Virginia. What is the question?

Mr. PATTERSON. They have not complied in any reasonable way with the original purpose of the act.

Mr. LAGUARDIA. That is not the half of it.

Mr. PATTERSON. I know there is some more behind it.

Mr. SMITH of Virginia. Perhaps if I heard all of the objections now I might save time. I yield to the gentleman from New York.

Mr. LAGUARDIA. All I want to say is this: This franchise or authority given is nothing more than a promotion scheme at any time. After the bill had been passed and before we got into the financial crisis the promoters were unable to finance it. Thereafter the Congress authorized the building of a public bridge at this point. I offered the amendment myself, and provision was made to pay this company for any legitimate outlay of money that they had made, plus 10 per cent profit. There is no sense in extending the time to construct a bridge, only to increase and enhance the damage which the Government will have to pay. There is no hope of building a private bridge at this point, because Congress has authorized the building of a public bridge at this point. There is no use of extending the time. To do so would be just increasing the damage which we will have to pay. I am sure the gentleman from Wisconsin subscribes to that.

Mr. STAFFORD. Certainly.

Mr. SCHAFER. I am one of the Members who objected to this private toll-bridge monstrosity and monopoly time after time when it was reached on the Consent Calendar. I do not believe that the Federal Government should spend over $20,000,000 of public money to build a great memorial parkway partially in the District of Columbia and have the connecting link between the two States, Virginia and Maryland, a private toll-bridge monopoly. I sincerely hope the gentleman from Virginia will request his Democratic majority on the Appropriations Committee to appropriate the money already authorized for a free bridge here, and I shall be very glad, and I know my colleague, Mr. LAGUARDIA, and the others who objected to this private toll bridge will be glad to render every assistance we can to appropriate for a free bridge at Great Falls. A bridge at this point is necessary and its building will also provide unemployment relief. I suggest that the gentleman go to his Democratic major-

ity and have them bring in an appropriation bill and if there are not enough Democratic votes to pass it, we will have enough Republican votes come to your assistance.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. Mr. Speaker, I object.

Mr. SCHAFER. Mr. Speaker, I object.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. PATTERSON. Mr. Speaker, I object.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent for five minutes in which to explain the bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I want to say something about this bill because I do not think it is as evil a project as my colleagues fear it is. This House authorized this project. The time, it is true, has expired, but all know perfectly well that in the last two or three years it has been impossible to finance any project of this kind. I am informed by the gentlemen who hold this concession or what is left of it that they are now able to begin the construction of this bridge, and that they can now proceed with the work. I have listened through this whole winter with a great deal of interest to speeches made by the gentleman from New York [Mr. LaGUARDIA] and the gentleman from Wisconsin [Mr. SCHAFER] because I know their sincerity and honesty of purpose in their desire to aid in the employment of labor.

Now, if I am correctly informed, this bill gives this House the opportunity to put somebody to work, where it is not going to cost the United States Government one cent. Let us see about the necessity for this bridge. There is no way now for the traveling public to see the Great Falls of the Potomac. The location of this bridge will be at the Great Falls and will afford an opportunity to see the Great Falls without costing the Government anything. The gentlemen spoke of the great expenditures that have been made. I think the gentlemen know that no expenditures have been made there.

Mr. STAFFORD. Not there, but on either side, on the highways, fifteen or twenty million dollars have been spent for building boulevards up to this point.

Mr. SMITH of Virginia. Not to the Great Falls.

Mr. STAFFORD. Now they are going to allow a private monopoly to charge the public for going across the connecting link.

Mr. SMITH of Virginia. I would say to the gentleman that not one dollar has been spent by the Government on the Virginia side. None will be spent there until the State matches it.

Mr. STAFFORD. Does the gentleman mean to say that nothing has been spent from Georgetown down to Mount Vernon? Or from Alexandria to Mount Vernon?

Mr. SMITH of Virginia. From Alexandria to Mount Vernon is down the river. Great Falls is 12 or 15 miles up the river.

Mr. ARENTZ. Mr. Speaker, can the gentleman from Wisconsin not observe the rules of the House and ask the gentleman to yield when he wishes to interrupt?

Mr. STAFFORD. Oh, it is not necessary for the Representative from Reno to tell me about the rules of the House.

Mr. ARENTZ. Then if the gentleman will follow the rules he will be better off.

Mr. SMITH of Virginia. There has been no money spent by the Federal Government in this vicinity and there will be none spent until it is matched by the States of Virginia and Maryland. I am informed by these gentleman that they are now ready, willing, and able to go to work on this bridge and that they themselves will build the connecting road. The Cramton bill, which was spoken of, which contemplates the expenditure of these large sums of money, contains a provision known as a recapture clause, which will permit the Government, upon an evaluation of this bridge, after it is constructed, at any time Congress sees fit to do so, to take over the bridge at such valuation.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. DYER. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for one additional minute in order that I may ask him a question.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. DYER. I would like to ask the gentleman if he has any information that the State of Virginia intends to comply with the Cramton Act, as far as it can, in doing its part to put that legislation into force?

Mr. SMITH of Virginia. The Governor of Virginia is intensely interested in the subject. I went before his budget commission last summer and got a preliminary appropriation recommended by the budget commission that passed the Legislature of Virginia. It was a small appropriation, it is true, but it was an appropriation showing that it is the purpose and desire of Virginia to cooperate with the Federal Government in carrying out that project.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA, Mr. SCHAFER, and Mr. PATTERSON objected.

CLAIMS UNDER SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to return to Calendar No. 411, House Joint Resolution 416, to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes, and with that I couple the request that I be permitted to address the House for three minutes to explain the bill.

Mr. STAFFORD. Mr. Speaker, I have no objection to the gentleman explaining the bill, but I do have objection to returning to the bill.

I ask unanimous consent, Mr. Speaker, that the gentleman be permitted to address the House for five minutes on the bill mentioned.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, House Joint Resolution 416, Calendar No. 411, is a joint resolution to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes. The object of this resolution is to allow claims to be filed up to to-day. Some 2,000 claims have been filed, and under the act they can not be paid. This is merely a request for the Secretary of State to ask the German Government to extend the time for the filing of those claims. The gentleman from Wisconsin, Mr. STAFFORD, says that these people had time within which to file these claims and they did not do so, and therefore the gentleman does not wish to extend the time.

These men who filed these late claims are seamen, and many of them were on American boats and many of them were on submarines. They sustained personal hardship and loss of property. They did not really know there was such an act establishing the Mixed Claims Commission between Germany and the United States. Those men did not have a chance to file their claims prior to this time as they did not have the information. There are some 2,000 small claims filed and are now in the department. It would not cost our country one dollar. Germany has provided the money. There are $27,000,000 now standing in the Treasury for the payment of all these claims. Not only is the money there for the payment of the claims, but there is money there for the payment of the salaries and expenses of this War Claims Commission. The money has been placed there by Germany for the payment of the claims and fees have provided for expenses. The money is there for the payment of the expenses, including the salary of the commission, and it will not cost our Government, as I said, one cent. The big claims have been paid. The million-dollar claims have been paid. These are the little claims of the sailors and men who were shipwrecked by disaster or submarined. I say we should give them a chance. Of course, we can not do it unless Germany agrees to do it. This resolution simply requests the Secretary of State to request Germany to do it. It does seem to me if we want to be fair to our own citizens,

if we want the little fellow to get his claim, while the million-dollar claims have been paid, we ought to pass this resolution. I am not personally interested in it, so far as knowing any of the claimants, but as chairman of the Committee on Foreign Affairs I would like to see it passed.

I shall renew my request, Mr. Speaker, and I ask the sympathy of the gentleman from Wisconsin for the little fellows, to allow the House to return to Calendar No. 411, House Joint Resolution 416. Mr. LAGUARDIA, one of the objectors, has kindly withdrawn his objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, there must be some time within which claimants are limited in the presentation of claims.

Under the treaties existing between this Government and Germany and Hungary there were three different commissions appointed for adjudication of the respective claims. Once, I believe, if not twice, the time was extended for the presentation of claims. It is stated in the report that if the time is extended for the presentation of these belated claims that negotiations will be required between our Government and that of Germany to permit the presentation and consideration of these claims.

I wish to bring the adjudication of these claims to a close and not keep reopening and reopening them all the time. That is the reason I object. I do not think it is fair to the German Government to keep on having the matter kept alive.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. MORTON D. HULL. There is no reopening of claims that have been considered. The only claims that would be considered are claims that have not yet been presented.

Mr. STAFFORD. Some three years or more ago a very good friend and constitutent of mine missed his opportunity to present his claim because he was too late. Nevertheless, I did not beseech the State Department to negotiate for the lifting of the time limit so he might be enabled to present his claim.

There must be some limit to the presentation of these claims. Many of these claims are nothing more than an effort on the part of claim agents to get money out of the Government at the expense of the German Government and the German people.

Therefore, I object to the request of the gentleman from Maryland, Mr. Speaker.

PORTAGE ENTRY LIGHTHOUSE RESERVATION

The Clerk called the next bill, H. R. 12251, to provide for the conveyance of the Portage Entry Lighthouse Reservation and buildings to the State of Michigan for public-park purposes.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, in these cases where we have a reversionary right I have been suggesting an amendment to the effect that it is further provided that the instrument of conveyance shall recite in the conveyance such reversionary rights.

The reason for this is that it places these reversionary rights on public notice and the Government would not have to go through a lot of litigation as to notice in the event it might sometime wish to exercise this right.

Mr. STAFFORD. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. STAFFORD. I notice from the bill that it has been introduced recently and subsequent to the time the Committee on Military Affairs adopted the policy that instead of granting outright the title to lands where municipalities wish to use them for public-park purposes that we grant a lease for 25 years, as we did in the case of the Fitzpatrick bill relating to the Fort Schuyler premises where the Government had no further need of the premises.

What has the gentleman to say with reference to incorporating this policy in the bill he has introduced which has been reported from the Committee on Interstate and Foreign Commerce?

Mr. JAMES. I would rather have it adopted the way I introduced it.

Mr. STAFFORD. Yes; but we have adopted a policy. Why should we not be consistent in our policy?

Mr. JAMES. Well, the gentleman from Wisconsin has me at his mercy.

Mr. STAFFORD. Oh, no. This land, I believe, was not heretofore granted by the State.

Mr. JAMES. I may say to the gentleman from Wisconsin this is a little different from the Fitzpatrick bill. Fort Schuyler is a property we might sometime need for military purposes. The same thing applies to the property at Eagle Pass. However, so far as this land is concerned for lighthouse purposes, the Government will never need it for that or any other purpose.

Mr. STAFFORD. The gentleman is positive there can be no conceivable use of this land for any governmental purpose?

Mr. JAMES. I am.

Mr. STAFFORD. What is the character of the land?

Mr. JAMES. It is just vacant land out there, with the exception there is an old lighthouse on it which has not been used for a good many years.

Mr. STAFFORD. I have difficulty in bringing myself around to the view that where the Government owns a tract of land we should give it away, for the taxpayers have some interest in it.

Why should not the State of Michigan pay for this land, which is public property of the United States?

Mr. JAMES. The State of Michigan will spend money on it, and it will be used for park purposes. We have little State parks all over the State of Michigan. There are four or five in my home county, and I am positive it will not be used for any other purpose.

Mr. STAFFORD. This is public property of the United States. Why should we give it to the State even if it is to be used for a public purpose? Why should it not be sold? Why should not they pay its value, or something approaching its value?

Mr. JAMES. It would not amount to very much.

Mr. JENKINS. If it is of no value to the Federal Government, of what value would it be to the State?

Mr. JAMES. Its value to the State would be for park purposes.

Mr. LAGUARDIA. It would make a pretty park.

Mr. JAMES. We have four or five State parks in this part of Michigan.

Mr. STAFFORD. I am only fearful that we will establish a precedent by giving away something of value, even though it is to be used for park purposes.

Mr. JAMES. The gentleman need not worry about that. I am familiar with the land. It can not be used for any other purpose.

Mr. STAFFORD. What is the value of the land?

Mr. JAMES. In these days I doubt if it has any.

Mr. STAFFORD. The tract comprises 57 or 58 acres.

Mr. JAMES. Its value might be around $100.

Mr. LAGUARDIA. If the gentleman's suggestion goes through, of course, mine is unnecessary. If the gentleman does not insist on his proposition, I think the amendment as to reversionary rights should be added.

Mr. STAFFORD. Mr. Speaker, I ask that this bill be passed over temporarily so I may prepare an amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

RESTORATION OF HOMESTEAD RIGHTS IN CERTAIN CASES

The Clerk called the next bill, S. 4029, to restore homestead rights in certain cases.

Mr. JENKINS. Mr. Speaker, reserving the right to object, from the report I have before me it appears that the usual price that these applicants were compelled to pay in order to get any consideration for an extension of time was $4 per acre, and as low as $2.50 per acre, while in this case only $1.25 an acre is required.

Mr. EVANS of Montana. The situation is this: We originally had the homestead law which provided that people might take public lands without paying for them. Subsequently, as the lands began to disappear, we began to open Indian reservations. We opened those reservations and provided that nobody could take lands on them except the people who had a homestead right not exhausted. However, it was provided that they must pay, in addition to exercising their homestead rights, a price of $4, $5, $2.50, or whatever it might be. Subsequently the Congress passed a provision that men who had been compelled to pay $4 or more an acre might go somewhere else and take up a homestead if they could find one. Then in 1925 we changed that again, and said that anybody who had paid $2.50 or more an acre for land, and exhausted the homestead right at the same time, should have the right to make another homestead entry, the lands becoming less valuable all the time. It is now intended that any man who has paid $1.25 or more an acre and at the same time has exercised and exhausted his homestead right shall have the right to make a homestead entry upon some of the remaining lands, many of which are practically of no value.

Mr. JENKINS. A homestead right is only one right, is it not?

Mr. EVANS. That is all.

Mr. JENKINS. When a man has exhausted that right, what further right does he expect?

Mr. EVANS of Montana. When he has exhausted that right he has no further right at all to take lands.

Mr. JENKINS. If a man paid $1.25 an acre, why should we give him permission to have any special extension?

Mr. EVANS of Montana. He not only paid $1.25 an acre but he exhausted his homestead right. He was taking what he thought was a free homestead whereas he paid for it. Now we provide that if he paid for his land his homestead shall not be exhausted and that he shall still have the right to make a further homestead entry.

Mr. STAFFORD. Will the gentleman yield?

Mr. EVANS of Montana. Yes.

Mr. STAFFORD. Why should you ask American citizens who have not availed themselves of the homestead right to have their rights preempted by some citizens who has heretofore exercised homestead rights?

Mr. EVANS of Montana. I do not think we deny him anything. We only give to the man who has exhausted his right, and at the same time paid for his land, the right to make an entry somewhere else.

Mr. COLTON. Will the gentleman yield?

Mr. EVANS of Montana. Yes.

Mr. COLTON. We are holding out every inducement to have the remaining lands pass into private ownership. They are practically worthless and will not be taken, but we are just trying to increase the class that we can induce to go out and take these lands. That is all this bill means.

Mr. BRIGGS. Will the gentleman yield?

Mr. EVANS of Montana. Yes.

Mr. BRIGGS. Is this land a part of that land to which veterans have been given a preference for settlement?

Mr. EVANS of Montana. It is a part of the public domain.

Mr. BRIGGS. I mean, are veterans given a preference?

Mr. EVANS of Montana. Indeed they are.

Mr. BRIGGS. Wherever they choose to make a homestead entry?

Mr. EVANS of Montana. They have that preference.

Mr. BRIGGS. And the veterans have received some benefits in accordance with that preference right.

Mr. EVANS of Montana. They get that over anybody else.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. EVANS of Montana. Yes.

Mr. LAGUARDIA. When they originally entered was it through a misapprehension of fact that they paid $1.25, $2.50, or $4 an acre? If they made a homestead entry when they were entitled to land free, why did they pay?

Mr. EVANS of Montana. They paid because we opened certain Indian reservations. We wanted to get what we could for the Indians; we appraised that land and said that no man could pay that appraised price unless he had a homestead right. He exhausted his homestead right and at the same time paid for the land.

Mr. LAGUARDIA. In other words, we added to this particular case an additional burden that other citizens entering under the homestead act did not have to carry.

Mr. EVANS of Montana. The gentleman is exactly correct.

Mr. BALDRIGE. Will the gentleman yield?

Mr. EVANS of Montana. Yes.

Mr. BALDRIGE. Would this bill have the effect of opening up more land?

Mr. EVANS of Montana. That would be the tendency, yes.

Mr. BALDRIGE. Do you not think we have entirely too much of this border land now?

Mr. EVANS of Montana. No; I do not agree with the gentleman.

Mr. BALDRIGE. We do not need more land.

Mr. EVANS of Montana. This does not produce any more land, but it produces some more settlers upon the land and puts the land on the tax roll of the county and the State in which it is located.

Mr. LAGUARDIA. Why did you have three classes of prices, $4, $2.50, and $1.25? It is not really germane, but I would like to know about that.

Mr. EVANS of Montana. I think I can explain that to the gentleman. When the first reservations were opened the lands were considerably more valuable and they were appraised higher and the settler paid $4. By and by, as the lands became depleted, they let him take it for $2.50, and now that the lands are almost exhausted, they let him pay $1.25; but every time he must exhaust his homestead rights.

Mr. LAGUARDIA. The first act, I notice, was passed in 1917.

Mr. EVANS of Montana. Yes.

Mr. STAFFORD. Have not these entrymen heretofore had their rights under the public land law of the United States?

Mr. EVANS of Montana. Literally, these people have had their rights under the public land laws, but they were put upon a different status from the other citizen who also had his rights under the law. The later homesteader not only had to exhaust his homestead rights, but had to pay $2.50, while Tom, Dick, and Harry, who preceded him, got their homestead right free.

Mr. STAFFORD. I think a solution of the prevailing industrial depression that is so rampant in our large industrial centers is to have the men go back to the land.

Mr. EVANS of Montana. And that is exactly what we are trying to do.

Mr. STAFFORD. No; you are simply barring them because you are allowing some one who had this privilege heretofore to renew his privilege against any others.

I ask unanimous consent, Mr. Speaker, that this bill may be passed over without prejudice, so that I may give it further consideration.

The SPEAKER. Without objection, the bill will be passed over without prejudice.

There was no objection.

PORTAGE ENTRY LIGHTHOUSE RESERVATION

Mr. STAFFORD. Mr. Speaker, a moment ago I asked unanimous consent to have passed over temporarily the bill introduced by the gentleman from Michigan, Mr. JAMES (H. R. 12251), to provide for the conveyance of the Portage Entry Lighthouse Reservation and buildings to the State of Michigan for public-park purposes.

I ask unanimous consent that we may now return to the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to transfer and convey to the State of Michigan the following-described parcels of land and buildings comprising the property of the abandoned Portage River Light Station, situated in the county of Houghton, State of Michigan, and located on Keweenaw Bay, Lake Superior, about 1 mile northeasterly from the southern entrance to Keweenaw waterway: The southwesterly corner of lot 1, section 19, township 53 north, range 32 west, principal meridian of Michigan, beginning at the shore of Keweenaw Bay, Lake Superior, at the southeasterly corner of lot 2, and running northerly along the quarter section line to a point 1,250 feet south of the quarter section corner; thence south 41° east to the shore of Keweenaw Bay; thence southwesterly along the shore line of said bay to place of beginning, containing about 1.05 acres, and adjacent parcel of land described as lot 2, section 19, township 53 north, range 32 west, beginning on the shore of Keweenaw Bay, Lake Superior, at the southeasterly corner of lot 2, section 19, and running northerly along the quarter section line 1,626 feet, more or less, to the quarter section corner between sections 18 and 19, township 53 north, range 32 west, principal meridian of Michigan; thence westerly along the boundary between sections 18 and 19, 1,320 feet to a point; thence south 1,800 feet, more or less, to the shore of Keweenaw Bay; thence northeasterly along the shore line of said bay to the place of beginning, comprising 57.5 acres, more or less; the same to be held and made available permanently by said State for public-park purposes: *Provided*, That should the State of Michigan fail to keep and hold the described parcels of land and buildings for public-park purposes or devote same to any use inconsistent with said purpose, then title to said land shall revert to and be reinvested in the United States.

Mr. LAGUARDIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 3, in line 6, after the word "States," insert:

"*Provided further*, That the instrument of conveyance shall recite said condition and reversionary right."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

OTOE AND MISSOURIA TRIBES OF INDIANS

The Clerk called the next bill, H. R. 10927, conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouria Tribes of Indians to compensation on a basis of guardian and ward.

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I think I shall object——

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NORTHERN CHEYENNE INDIAN TRIBAL COUNCIL

The Clerk called the next bill, H. R. 11896, to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe.

Mr. GOSS. Mr. Speaker, reserving the right to object, I notice in the report on page 2, from the assistant commissioner, the following language:

We offer no objection to the personal contact between representatives of the tribe and the Washington office and where funds are available and there is necessity for such contacts, authority is usually granted for a tribal delegation to come to Washington.

Nothing appears of record in the files of the Indian Office to indicate the necessity of a tribal delegation from this group of Indians visiting Washington at the present time.

I notice there is $19,109 in their fund, and this appropriates $2,500 out of that fund without any time limit within which it is to be expended. I also notice that last year in the deficiency bill there was some money turned back from a prior appropriation. It seems to me as though this is just a junket trip for some of the head men in these tribes, in view of the fact that it would seem that they could carry on whatever matters they may have here by correspondence and that it would not be necessary to take over 10 per cent of their money out of the tribal funds for any such purpose.

Mr. LEAVITT. If the gentleman will yield, in 1926, as shown in the report, there was authorized $1,000, and to show the good judgment used by these Indians and the department, part of that was turned back. This is merely an authorization. The bill as first introduced was in the form that would allow the expenditure, but a recommendation was made that it be amended so that it is merely an authorization.

Mr. GOSS. But it does not carry any time limit.

Mr. LEAVITT. No; the Indians can continue the use of it——

Mr. GOSS. If we pass this law taking the money out of the tribal funds, they can use it whether it is necessary or not. Why does not the gentleman put in a time limit?

Mr. LEAVITT. This money belongs to the Indians, and it is to pay their own expenses. It is only to pay for a trip to Washington on the part of the delegation, and to continue holding tribal councils, which is the same to them as the Congress is to the United States. It is necessary to have some authorization for their expenses.

Mr. GOSS. What has the gentleman to say about the comments of the commissioner?

Mr. LEAVITT. The commissioner says there is no reason for their coming to Washington at this time. If they did not come, the money would not be expended.

Mr. GOSS. But it would still be available to hold their councils?

Mr. LEAVITT. Yes.

Mr. GOSS. Would the gentleman object to an amendment limiting it to a 2-year period or cutting down the amount? It seems a pity, in the view of the commissioner, to take this amount at this time, with no limit.

Mr. BALDRIGE. I do not understand how it is that these Indians need money and food and clothing—why they should take this money and come to Washington at this time.

Mr. LEAVITT. These Indians, since I have been in Congress, I believe, have been here but twice, and not more than two Indians at a time. If the gentleman wants to offer an amendment reducing the amount to $1,000 or $1,500, I could not resist it because we are proceeding under unanimous consent.

Mr. GOSS. And limit it to two years.

Mr. LEAVITT. We do not want to compel them to use it in two years unless it is necesssary.

Mr. GOSS. Mr. Speaker, if the gentleman will accept an amendment reducing the amount from $2,500 to $1,000, I shall not object.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to expend $2,500, or as much thereof as may be necessary, of the funds standing to the credit of the Northern Cheyenne Indians in the Treasury of the United States for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe.

With the following committee amendment:

In line 3, strike out the words "the Secretary of the Interior be, and he is hereby, authorized to expend" and insert in lieu thereof "there is hereby authorized to be appropriated the sum of."

The committee amendment was agreed to.

Mr. GOSS. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Line 5, after the dollar sign, strike out the figures "2,500" and insert "1,000."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS LAKE CHAMPLAIN, VT.

The next business was the bill (S. 1980) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. I am constrained to object because of the recommendation of the Department of Agriculture against favorable action on this bill.

Mr. GIBSON. Mr. Speaker, will the gentleman reserve his objection?

Mr. LaGUARDIA. Yes.

Mr. GIBSON. Mr. Speaker, as I understand it, the gentleman objects because of an adverse recommendation by the Department of Agriculture. If the gentleman will look at the first page of the report, he will find that the committee took that objection into consideration, studied it, and has this to say in regard to it:

The adverse report of the Department of Agriculture is based upon the failure to proceed with the project under previous authorizations. The committee has examined into this phase and finds that general economic conditions have been responsible for prior delays. It is advised by the senior Senator from Vermont that he is in receipt of a message from Mr. Ladd, dated April 22, stating that "land for the approach from the Alburg side has been arranged for," and stating "it is my earnest desire to begin construction as soon as possible this year." In the face of these assurances, it would appear that the Department of Agriculture's objections are substantially met and that the bill should pass.

The bill has the approval of the War Department, as will appear by the following letter:

WAR DEPARTMENT,
December 23, 1931.

Respectfully returned to the chairman Committee on Commerce, United States Senate.

So far as the interests committed to this department are concerned, I know of no objection to the favorable consideration of the accompanying bill (S. 1980, 72d Cong., 1st sess.) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg to West Swanton, Vt.

PATRICK J. HURLEY,
Secretary of War.

This bridge connects two points wholly within the State of Vermont. Grand Isle County in Vermont is made up of islands, and at the present time we have only one way of approaching these islands and that is from the extreme south. It is proposed by the erection of this bridge to give us access from the northern mainland to the northern part of the islands.

Mr. LaGUARDIA. Mr. Speaker, I ask the attention of the gentleman from Alabama [Mr. PATTERSON]. My colleague from Vermont is making such a fine plea that I am weakening, and I want the gentleman to stay on guard.

Mr. PATTERSON. Mr. Speaker, I shall have to object.

Mr. GIBSON. Mr. Speaker, will the gentleman yield?

Mr. PATTERSON. Yes.

Mr. GIBSON. I will say directly to the gentleman from Alabama that we have a county in our State known as Grand Isle County, which is made up of two or three islands. We have from the mainland only one approach at the present time, and that is from the extreme southern point. What we want is a bridge connecting the northern mainland with the northern end of one of these islands. It will be a very great convenience. This is the only bill that we from Vermont have had on the Consent Calendar, and I trust the gentleman will not object.

Mr. PATTERSON. Mr. Speaker, I must object, before it goes very much farther, because the distinguished gentleman from Vermont has made such a contribution to this House and the Congress and the country that I can not withstand his plea very much longer, but with the policy that we have adopted and that I have been following out in my own way, in looking after these bills, I am constrained to object.

Mr. BURTNESS. Mr. Speaker, will the gentleman yield?

Mr. PATTERSON. Yes.

Mr. BURTNESS. Here is the situation. I am not interested in this matter, but our committee reports these bills out as we have a lot of others, to which the gentleman has objected. The bills are later passed by the Senate, and they come over here, and they are eventually passed, so that these objections that have been made in the House with reference to these bills that are purely extensions of time, where the bridges have been authorized, simply amount to further delay. Why not now, toward the end of the session, let them go through?

Mr. PATTERSON. I do not think the gentleman's point is well taken in the way he presents it. I am not just fooling around with these things. I am in earnest, and I believe in what I am doing.

Mr. BURTNESS. Nevertheless, many of these bills come back here and have become laws.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PATTERSON. Yes.

Mr. COCHRAN of Missouri. What the gentleman from North Dakota [Mr. BURTNESS] says is true. They have passed bills in the House here over our objection. Many bills have been reported and passed in this House providing for the construction of bridges, some across the Mississippi River. The bridges have all been constructed, and with but one exception they are now in the hands of a receiver and you can buy the bonds for a few dollars, although they sold for $100. By passing such legislation we have caused private citizens to buy bonds to the extent of millions and millions of dollars, which they have lost, because the construction of the bridge was not warranted from a financial standpoint. It is simply a case of convenience with those who urge the building of bridges. If the community here will build the bridge itself and lose the money, I would have no objection; but when you come out to my city and sell bonds to my people and they lose the money, then I do object.

Many Members have urged a revision of the bridge act. Why can we not get a hearing?

When a community is really in need of a bridge and it will pay on the investment, let the city build it or let the State build it, but do away with the promoters who are only in the game—and it is a get-rich-quick game—for the financial benefit they receive. The reason you need an extension is because you can not get the financial backing. The publicity that has resulted from the opposition to the bills here has put the public on guard, and bridge bonds can no longer be sold. Stop the indefensible practice of building toll bridges; that is what Congress should do.

Mr. REED of New York. While I am not a resident of Vermont, I know this country very well, and this proposed bridge is to connect certain farming areas for the convenience of the farmers of that section. Now, they must take a ferry with their loads of hay and cattle and produce, and they are delayed and put to great inconvenience and expense. I hope the gentleman will not object under those circumstances.

Mr. PATTERSON. If they will get some public community or county or something like that, I would not object; but for the present I must object.

The SPEAKER. Is there objection?

Mr. PATTERSON. Mr. Speaker, I object.

BRIDGE ACROSS MISSOURI RIVER AT OR NEAR FLORENCE, NEBR.

The Clerk called the next bill, S. 4759, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr., authorized to be built by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees by act of Congress approved June 10, 1930, are hereby extended one and three years, respectively, from June 10, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ADDITIONAL FACILITIES FOR CLASSIFICATION OF COTTON

The Clerk called the next business, House Joint Resolution 434, to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act, and for the dissemination of market-news information.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

TO STABILIZE LIVESTOCK INDUSTRY

The Clerk called the next bill, H. R. 11816, to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

Mr. COLTON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

COMPACT BETWEEN THE STATES OF IDAHO AND WYOMING

The Clerk called the next business, House Joint Resolution 369, to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes.

Mr. GOSS. Mr. Speaker, if the gentleman will accept an amendment whereby the Federal Government will be put to no expense on the per diem allowance, and so forth, for the man appointed by the President of the United States, I would not object; but I think that is a matter that the States of Idaho and Wyoming should pay themselves and not put any burden upon the Federal Government.

Mr. SMITH of Idaho. I do not object to the amendment. In all probability the Commissioner of Reclamation will be designated by the President to sit in with the representatives of the two States.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. Without objection, a similar Senate joint resolution (S. J. Res. 148) will be substituted for the House joint resolution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Whereas the Snake River and its tributaries are interstate streams flowing through the States of Idaho and Wyoming; and

Whereas the above-named States are vitally interested in the possible development of the Snake River and its tributaries for irrigation, power, domestic, and navigation uses; and

Whereas the plans for future reclamation development must take into consideration the needs of the States and the water-right problems of interstate streams, and an agreement must be reached by the States concerned regarding the economic apportionment of waters of said interstate streams; and

Whereas it is desirable that a compact for the economic apportionment of the waters of the Snake River and its tributaries for irrigation, power, domestic, and navigation purposes be entered into by and between the said States of Idaho and Wyoming, and that the interests of the United States be considered in the drawing of said compact, by authorized representatives of each of said States and of the United States: Now, therefore, be it

Resolved, etc., That consent of Congress is hereby given to the States of Idaho and Wyoming to negotiate and enter into a compact or agreement not later than January 1, 1934, providing for an equitable division and apportionment between said States of the water supply of the Snake River and of the streams tributary thereto, upon condition that a suitable person shall be appointed by the President of the United States, from the Department of the Interior, who shall participate in said negotiations as the representative of the United States and shall make report to Congress of the proceedings and of any compact or agreement entered into: *Provided*, That any such compact or agreement shall not be binding or obligatory upon any of the parties thereto unless and until the same shall have been approved by the legislature of each of said States and by the Congress of the United States.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. GOSS. Mr. Speaker, I offer an amendment. On page 3, after line 2, insert:

Provided further, That all expenses of these negotiations shall be borne jointly by the States of Idaho and Wyoming.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. LAGUARDIA. Does not the United States have a representative in the conference?

Mr. SMITH of Idaho. Yes.

Mr. LAGUARDIA. The gentleman does not want the States to pay the expenses of the Government official?

Mr. GOSS. Certainly, for the reason that this man is appointed only to sit in to help the States of Idaho and Wyoming, so that they will avoid litigation in the future in connection with these water rights. It is not of any interest to the Federal Government.

Mr. LAGUARDIA. Oh, yes, it is. He is the representative of the United States Government. He acts there as conciliator, umpire, and also safeguards the interests of the United States Government.

Mr. GOSS. What are those interests?

Mr. LAGUARDIA. Whatever they may be, they are navigable streams, power. I would not have it paid by the State.

Mr. GOSS. I had an understanding with the gentleman from Idaho that he would not object to this amendment or that I would not object to the consideration of the bill if he accepted the amendment.

Mr. ARENTZ. I think the gentleman misunderstood the gentleman from Connecticut.

Mr. SMITH of Idaho. No. I agreed to the amendment to get the bill considered.

Mr. LAGUARDIA. I think it is ill advised.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. Goss: At the end of section 1, strike out the period, insert a colon and the following: "*Provided further*, That all expenses incident to the negotiations shall be borne jointly by the States of Idaho and Wyoming."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I notice that the Senate bill does not incorporate the committee amendment as reported to the House bill. I think it should be inserted in protection to the other States which have interests in the waters of the Snake River. I offer that amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Just preceding the amendment offered by Mr. Goss, and just adopted, insert: "*And provided further*, That the rights of other nonparticipating interested States shall not be jeopardized by such compact."

The amendment was agreed to.

Mr. LAGUARDIA. Mr. Speaker, I move to strike out the last word.

I do this for the purpose of having the RECORD show that the amendment just adopted, providing that the States shall pay all expenses of the representative of the Federal Government, by no means meets with the unanimous approval of this House. The gentleman from Connecticut was absolutely within his rights when he reserved the right to object and suggested the amendment. I was not listening at the time, my attention having been diverted momentarily by a colleague who was talking to me about another bill, or I would have objected. I am sure that upon reflection the gentleman from Connecticut will realize that as a matter of governmental policy, when the Federal Government sends its representative to sit in a conference between two or more States, he represents the interests of the United States Government, and the Government should pay the expenses incident thereto.

Mr. STAFFORD. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. STAFFORD. I think the amendment is further open to criticism in the fact that it says the expenses shall be paid equally by the respective States.

Mr. GOSS. The amendment did not say that.

Mr. LAGUARDIA. But this representative of the Federal Government is not sent there at the invitation of the States. He is sent there as a condition Congress imposed. He has a distinct duty to perform, with distinct interests to safeguard. I submit we should not establish that precedent. It is not a matter of the few dollars or the expense involved. It is the matter of sovereignty. It is the matter of fundamental right.

I just want the RECORD to show this in order that the error may be corrected before the bill is finally passed.

Mr. ARENTZ. Mr. Speaker, I move to strike out the last word.

In the interest of the Federal Government, and in their own interest, too, naturally, two States in the West through which streams either pass or have their source got together to allocate the flow in those streams. Upon those streams in the future power plants will be constructed, dams constructed, and reservoirs impounded in the interest of the general welfare. We have then the Federal Power Commission stepping into the picture because of these power sites, the Reclamation Service because of the use of the impounded water for irrigation, and, besides these, the Forest Service and the General Land Office, with the States determining the rights of United States citizens regardless of where they may be located as to the use of the waters within those streams.

Now, the allocation of the water is of great and paramount interest to the Federal Government because the present and future disposal of the stream flow under any agreement touches many interests; and we have a compact proposed to be entered into between two States which calls upon a disinterested person, a member of the official family of the administration, the Department of the Interior and/or the Agriculture Department, and in the case of a navigable stream of the War Department, to step into the picture to determine the rights of the Federal Government with respect to the water of these streams. It is not fair to have an amendment—proposed here in all good faith, I say, by the gentleman from Connecticut—requiring the two interested States to pay the expenses of this representative or group who represents the Government, who steps into the picture in the interest of all the people of the United States, who is employed the year round by the Department of the Interior, who goes to the two States involved looking after the interests of the Federal Government and the interests of the people everywhere throughout this Union—persons not of this generation alone but of generations yet unborn.

Mr. GOSS. Will the gentleman yield?

Mr. ARENTZ. I yield.

Mr. GOSS. The only reason I did that was for this purpose: My own State of Connecticut and the State of Massachusetts have the same type of river, but we did not have such a compact.

The only reason for having the United States act on this is to avoid litigation in the future in connection with those two States, not the Federal Government. It would seem as though, that being the reason and purpose of it, the States should pay the expenses.

Mr. ARENTZ. There is this difference, though, I may say to the gentleman from Connecticut, in respect of Idaho: That in that State and all contiguous States there are public lands; a large proportion of the States are public lands. The waters flow through forest reserves and great areas of public land. Some time in the future—it may be a hundred years, it may be a hundred and fifty years, or it may be only 50 years—the Federal Government will allocate certain areas to settlers for settlement and irrigation; it may do certain river work in the interest of navigation, power plants may be constructed, and water may be diverted for use in some large city. The water that comes out of that stream in this allocation, if the Federal Government is not there to protect its rights, may be passed down the river, filed on by users in the lower reaches of the river, put to beneficial use, and lost for all time to the State on the upper reaches of the river. The rights have passed on down toward the mouth of the stream rather than in perpetuity being attached to the land within the State. I hope the gentleman from Connecticut will vacate the action had on his amendment in view of the fact that the Constitution makes it mandatory that Congress agree to these compacts.

Mr. LEAVITT. Will the gentleman yield?

Mr. ARENTZ. I yield.

Mr. LEAVITT. Just at this point I think it should be said that the two States can not enter into an agreement that will bind the States without the consent of Congress.

Mr. ARENTZ. Absolutely so. According to section 1, Article X, paragraph 3, of the Constitution, it is provided:

> No State shall, without the consent of Congress, * * * enter into an agreement or compact with another State—

And so forth.

Mr. LEAVITT. So if under the terms of this bill two States wish to enter into an agreement, it must be ratified by Congress. Therefore the Federal Government from the beginning has an interest in the matter and is entitled to be represented in order that Congress may be properly informed.

Mr. GOSS. Does the gentleman claim that two States can not enter into a compact without authority of Congress?

Mr. LaGUARDIA. Of course they can not.

Mr. STAFFORD. The Constitution prohibits it.

Mr. LEAVITT. No.

Mr. BALDRIGE. Will the gentleman yield?

Mr. ARENTZ. I yield.

Mr. BALDRIGE. I do not see that this is a matter in which the Federal Government has any interest. This is merely an issue of interstate water rights between two States.

Mr. ARENTZ. Consider the situation with respect to Wyoming and Nebraska or any other of the 11 public-land States. Surely the Federal Government has an interest in interstate streams for the reasons I have enumerated above.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House joint resolution (H. J. Res. 369) was laid on the table.

ORDER OF BUSINESS

Mr. KLEBERG rose.

The SPEAKER. The gentleman from Texas has advised the Chair that he has a bill on the Consent Calendar that was passed over without prejudice which he desires to call up at this time. The Clerk will report the bill.

Mr. STAFFORD. Mr. Speaker, it is hoped we may have a call of the Consent Calendar from the beginning some day next week. This bill is on the Consent Calendar. There are other bills that will be brought up without objection at that time. Will the gentleman withdraw his request for the time being?

Mr. LaGUARDIA. Mr. Speaker, I shall offer an amendment to this bill when it is called up.

Mr. STAFFORD. I think we will have an opportunity to consider this entire calendar anew, and I ask the gentleman from Texas to postpone his request to some day next week. There are several other bills of the same character on the calendar.

Mr. KLEBERG. Does the gentleman from Wisconsin object?

Mr. STAFFORD. Yes; for the time being I object.

LELA B. SMITH

Mr. CLAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3811) for the relief of Lela B. Smith, with a Senate amendment, and concur in the Senate amendment.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill H. R. 3811, with a Senate amendment, and concur in the Senate amendment. The Clerk will report the bill by title and the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Page 2, line 13, after "$1,000," insert: " : *Provided further*, That nothing in this act shall be construed to prevent Lela B. Smith from receiving a pension."

The SPEAKER. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. CLAGUE. Will the gentleman reserve his objection?

Mr. EATON of Colorado. I will.

Mr. CLAGUE. When the bill was before the House the gentleman from Ohio [Mr. MOUSER] put on an amendment which he did not think would interfere with this woman's receiving a pension. This man was an aviator in the Army and was killed through no fault of his own. We have always allowed in such cases six months' pay. The gentleman from Ohio [Mr. MOUSER] added an amendment to the bill which provided that the amount carried in the bill should be in full settlement of all claims against the United States. This lady is drawing a pension under the law. We did not suppose that language would interfere with the pension, but the War Department says that is likely to be the case. The Senate amended the bill so that the payment of the amount carried in the bill will not interfere with the payment of this woman's pension. I have consulted with the gentleman from Ohio [Mr. MOUSER] and he is perfectly agreeable that this shall be done.

Mr. EATON of Colorado. Mr. Speaker, my objection was based upon the theory that this was absolutely unnecessary and that we were establishing a bad precedent. I am familiar with the debate in the Senate and the reasons that were advanced for proposing this amendment. My understanding is it was improvidently insisted upon and that it should not be in the bill. However, if my objection is going to bother the gentleman I will withdraw it.

Mr. CLAGUE. It will stop this lady's pension.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

EMPLOYMENT OF LANDSCAPE ARCHITECTS

Mr. REED of New York. Mr. Speaker, the bill H. R. 10372, No. 425 on the Consent Calendar, has not been on the calendar for three days. Therefore I assume it will not be in order to take it up at this time.

The SPEAKER. The gentleman from Wisconsin advised the gentleman from Texas [Mr. KLEBERG] that he did not think it would be proper to call up any more bills on the Consent Calendar in view of the fact that they would be called up in the near future. Does the gentleman from Wisconsin adhere to that position?

Mr. STAFFORD. I do.

ADJOURNMENT OVER

Mr. RAINEY. Mr. Speaker, I move that when the House adjourns to-day it adjourn to meet on Tuesday next.

Mr. SNELL. Will the gentleman yield for a question?

Mr. RAINEY. Certainly.

Mr. SNELL. I want to say to the gentleman from Illinois that I have been one of the Members of the House who thought it was incumbent upon the House to keep in session. I have talked the matter over with the Speaker, and he has agreed with me. However, I understand the other body has already agreed to adjourn until Tuesday next, so that there is nothing which can come to the House. For that reason I can not see any objection to this request.

Mr. LAGUARDIA. If the gentleman will permit, this is what is worrying me quite a bit, and I would like to have the attention of the gentleman from Illinois, because I think it is a very serious matter: Ours is a constitutional form of Government, and it is my belief that when we arrive at a point where no appropriations have been made no department of Government can function. In the absence of the annual supply bills after July 1, it is my belief that there is no authority in law for any department or bureau to function. A continuing resolution should be passed. That alone can provide the basis. I do not want to establish a dangerous precedent. Suppose Congress purposely refrains from appropriating for any department of Government because it does not want that department to function. Surely the Executive would not have the right to keep that department in operation. Our failure to act in this instance may well establish a precedent which some day may come home to plague us. Bear in mind that the people's control of our Government is in the hands of Congress through the absolute control of public funds.

Mr. RAINEY. I do not think there is anything in the gentleman's position. These appropriation bills will all be passed and the money will all be available before anybody needs it. Nobody is going to quit his job because there is not an appropriation bill passed, because he knows that by the end of the month it will be passed.

Mr. LAGUARDIA. I question the authority of an office to function unless there is an appropriation for it. It is the appropriation which gives continuing life to a department of Government and not the organic law.

Mr. RAINEY. There is not a department that will not live until we pass these bills.

The SPEAKER. The gentleman from Illinois moves that when the House adjourns to-day it adjourn to meet at 12 o'clock Tuesday next.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 67, noes 5.

Mr. SCHAFER. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-nine Members are present; not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 131, nays 124, answered "present" 1, not voting 174, as follows:

[Roll No. 108]

YEAS—131

Adkins	Englebright	Lea	Rudd
Almon	Estep	Leavitt	Sanders, Tex.
Andrew, Mass.	Evans, Calif.	Lehlbach	Sandlin
Andrews, N. Y.	Fitzpatrick	Lichtenwalner	Seger
Bachmann	Foss	Lindsay	Seiberling
Baldrige	French	Linthicum	Shreve
Barton	Gambrill	Lonergan	Smith, Idaho
Bloom	Gavagan	Lozier	Smith, Va.
Boehne	Gifford	Luce	Snell
Bolton	Gilchrist	McLaughlin	Snow
Bowman	Goldsborough	McLeod	Somers, N. Y.
Briggs	Goss	Major	Spence
Burtness	Haines	Martin, Mass.	Stafford
Campbell, Pa.	Hancock, N. Y.	Michener	Steagall
Cavicchia	Hardy	Milliard	Stewart
Celler	Hogg, W. Va.	Mobley	Stull
Chindblom	Holmes	Morehead	Swing
Clague	Hopkins	Nelson, Me.	Tilson
Cochran, Mo.	Hornor	Niedringhaus	Tinkham
Cooke	Houston, Del.	Palmisano	Treadway
Cox	Huddleston	Parker, Ga.	Underwood
Crisp	Hull, Morton D.	Parker, N. Y.	Vinson, Ga.
Cross	Jeffers	Parsons	Watson
Crowe	Johnson, Tex.	Partridge	West
Crowther	Jones	Perkins	White
Darrow	Kerr	Polk	Whittington
Davenport	Kleberg	Pou	Wilson
Davis	Kniffin	Prall	Wolverton
Delaney	Kunz	Rainey	Wood, Ga.
DeRouen	Kvale	Ramseyer	Woodrum
Dickstein	LaGuardia	Ramspeck	Wright
Dies	Lamneck	Ransley	Yates
Drewry	Lankford, Va.	Rogers, Mass.	

NAYS—124

Allen	Dallinger	Hull, William E.	Pratt, Ruth
Allgood	Dominick	Jenkins	Reed, N. Y.
Amlie	Dyer	Johnson, Mo.	Robinson
Andresen	Eaton, Colo.	Johnson, Okla.	Romjue
Arentz	Erk	Kading	Schafer
Ayres	Evans, Mont.	Kahn	Schneider
Bacon	Fish	Kelly, Pa.	Selvig
Barbour	Free	Ketcham	Shallenberger
Beedy	Fulbright	Kinzer	Shott
Black	Garber	Knutson	Simmons
Boileau	Garrett	Kopp	Sinclair
Britten	Gasque	Lambertson	Sparks
Browning	Gibson	Lambeth	Strong, Kans.
Buckbee	Glover	Larrabee	Strong, Pa.
Burdick	Green	Loofbourow	Swanson
Butler	Gregory	McClintock, Ohio	Swick
Byrns	Guyer	McFadden	Tarver
Campbell, Iowa	Hadley	McReynolds	Taylor, Colo.
Carter, Calif.	Hall, Ill.	Manlove	Taylor, Tenn.
Carter, Wyo.	Hall, N. Dak.	Mapes	Temple
Cartwright	Hare	Mead	Thomason
Chiperfield	Haugen	Miller	Timberlake
Christgau	Hill, Ala.	Moore, Ohio	Wason
Christopherson	Hill, Wash.	Nelson, Mo.	Weaver
Clancy	Hoch	Nolan	Welch
Clarke, N. Y.	Hogg, Ind.	Norton, Nebr.	Wigglesworth
Cole, Iowa	Holaday	Oliver, Ala.	Williams, Mo.
Colton	Hooper	Patterson	Williams, Tex.
Cooper, Tenn.	Hope	Person	Williamson
Crail	Horr	Pettengill	Withrow
Culkin	Howard	Pittenger	Wyant

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—174

Abernethy	Curry	Johnson, S. Dak.	Pratt, Harcourt J.
Aldrich	De Priest	Johnson, Wash.	Purnell
Arnold	Dickinson	Karch	Ragon
Auf der Heide	Dieterich	Keller	Rankin
Bacharach	Disney	Kelly, Ill.	Rayburn
Bankhead	Douglas, Ariz.	Kemp	Reid, Ill.
Beam	Douglass, Mass.	Kendall	Reilly
Beck	Doutrich	Kennedy	Rich
Bland	Dowell	Kurtz	Rogers, N. H.
Blanton	Doxey	Lanham	Sabath
Bohn	Drane	Lankford, Ga.	Sanders, N. Y.
Boland	Driver	Larsen	Schuetz
Boylan	Eaton, N. J.	Lewis	Shannon
Brand, Ga.	Elizey	Lovette	Sirovich
Brand, Ohio	Fernandez	Ludlow	Smith, W. Va.
Brumm	Fiesinger	McClintic, Okla.	Stalker
Brunner	Finley	McCormack	Stevenson
Buchanan	Fishburne	McDuffie	Stokes
Bulwinkle	Flannagan	McGugin	Sullivan, N. Y.
Burch	Frear	McKeown	Sullivan, Pa.
Busby	Freeman	McMillan	Summers, Wash.
Cable	Fuller	McSwain	Sumners, Tex.
Canfield	Fulmer	Maas	Sutphin
Cannon	Gilbert	Magrady	Swank
Carden	Gillen	Maloney	Sweeney
Carley	Golder	Mansfield	Taber
Cary	Goodwin	Martin, Oreg.	Thatcher
Chapman	Granfield	May	Thurston
Chase	Greenwood	Milligan	Tierney
Chavez	Griffin	Mitchell	Tucker
Clark, N. C.	Griswold	Montague	Turpin
Cochran, Pa.	Hall, Miss.	Montet	Underhill
Cole, Md.	Hancock, N. C.	Moore, Ky.	Vinson, Ky.
Collier	Harlan	Mouser	Warren
Collins	Hart	Murphy	Weeks
Condon	Hartley	Nelson, Wis.	Whitley
Connery	Hastings	Norton, N. J.	Wingo
Connolly	Hawley	O'Connor	Wolcott
Cooper, Ohio	Hess	Oliver, N. Y.	Wolfenden
Corning	Hollister	Overton	Wood, Ind.
Coyle	Igoe	Owen	Woodruff
Crosser	Jacobsen	Parks	Yon
Crump	James	Patman	
Cullen	Johnson, Ill.	Peavey	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Doughton with Mr. Aldrich.
Mr. Busby with Mr. Dowell.
Mr. Cullen with Mr. Cooper of Ohio.
Mr. Bankhead with Mr. Bacharach.
Mr. McDuffie with Mr. Johnson of Washington.
Mr. Corning with Mr. Purnell.
Mr. Rayburn with Mr. Hollister.
Mr. Lanham with Mr. Rich.
Mr. Ragon with Mr. Hawley.
Mr. Douglass of Massachusetts with Mr. Reid of Illinois.
Mr. O'Connor with Mr. Brumm.
Mr. Crosser with Mr. Pratt.
Mr. Arnold with Mr. Wood of Indiana.
Mr. Blanton with Mr. Thatcher.
Mr. Fuller with Mr. Hess.
Mr. Clark of North Carolina with Mr. Thurston.
Mr. Griffin with Mr. Hartley.
Mr. Collier with Mr. Finley.
Mr. Mansfield with Mr. Murphy.
Mr. Swank with Mr. Cochran of Pennsylvania.
Mr. McSwain with Mr. Wolfenden.
Mr. Stevenson with Mr. Kendall.
Mr. Driver with Mr. Wolcott.
Mr. Larsen with Mr. Lovette.
Mr. Buchanan with Mr. Bohn.
Mr. Patman with Mr. Maas.
Mr. Beam with Mr. Mouser.
Mr. Kelly of Illinois with Mr. Whitley.
Mr. Cannon with Mr. Goodwin.
Mr. Greenwood with Mr. Stalker.
Mr. McCormack with Mr. Sanders of New York.
Mr. Igoe with Mr. De Priest.
Mrs. Wingo with Mr. Jacobsen.
Mr. Abernethy with Mr. Boland.
Mr. Montet with Mr. Harlan.
Mr. Oliver of New York with Mr. Yon.
Mr. Disney with Mr. Dickinson.
Mr. Karch with Mr. Overton.
Mr. Brunner with Mr. Parks.
Mr. Kemp with Mrs. Owen.
Mr. Brand of Georgia with Mr. Doxey.
Mr. Kennedy with Mr. Burch.
Mr. Rankin with Mr. Reilly.
Mr. Lankford of Georgia with Mr. Drane.
Mr. Bulwinkle with Mr. Lewis.
Mr. Elizey with Mr. Sabath.
Mr. Fernandez with Mr. Canfield.
Mr. Shannon with Mr. Fiesinger.
Mr. Fishburn with Mr. Sirovich.
Mr. Carden with Mr. Smith of West Virginia.
Mr. Flannagan with Mr. Carley.
Mr. McMillan with Mr. Sutphin.
Mr. Gilbert with Mr. May.
Mr. Collins with Mr. Maloney.
Mr. Cary with Mr. Sweeney.
Mr. Hancock of North Carolina with Mr. Connery.
Mr. Keller with Mr. Beck.
Mr. Warren with Mr. Connolly.
Mr. Hart with Mr. Magrady.
Mr. Auf der Heide with Mr. Woodruff.
Mr. Crump with Mr. Stokes.
Mrs. Norton with Mr. Golder.
Mr. Hastings with Mr. Underhill.
Mr. Ludlow with Mr. James.
Mr. McClintic of Oklahoma with Mr. Weeks.
Mr. Schuetz with Mr. Frear.
Mr. Tierney with Mr. Turpin.
Mr. Montague with Mr. Freeman.
Mr. Hall of Mississippi with Mr. Taber.
Mr. Milligan with Mr. McGugin.
Mr. Tucker with Mr. Cable.
Mr. Chapman with Mr. Doutrich.
Mr. Rogers with Mr. Nelson of Wisconsin.
Mr. Douglas of Arizona with Mr. Eaton of New Jersey.
Mr. Boylan with Mr. Guyer.
Mr. Dieterich with Mr. Summers of Washington.
Mr. Moore of Kentucky with Mr. Kurtz.
Mr. McKeown with Mr. Sullivan of Pennsylvania.
Mr. Fulmer with Mr. Peavey.
Mr. Sullivan of New York with Mr. Coyle.
Mr. Martin of Oregon with Mr. Johnson of Illinois.
Mr. Sumners of Texas with Mr. Brand of Ohio.
Mr. Vinson of Kentucky with Mr. Chase.
Mr. Bland with Mr. Curry.
Mr. Chavez with Mr. Gillen.
Mr. Condon with Mr. Mitchell.
Mr. Granfield with Mr. Griswold.

Mr. BLACK. Mr. Speaker, my colleague the gentleman from New York [Mr. CULLEN] is absent from the House attending the convention. Were he present, he would vote "no."

The result of the vote was announced as above recorded.

The doors were opened.

COMPACT BETWEEN THE STATES OF IDAHO AND WYOMING

Mr. GOSS. Mr. Speaker, I ask unanimous consent to vacate the proceedings by which an amendment which I offered to Senate Joint Resolution 148, to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes, was agreed to.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to vacate the proceedings by which the Senate joint resolution was passed and to take it back to the amendment stage. Is there objection?

There was no objection.

Mr. GOSS. Mr. Speaker, I ask unanimous consent to withdraw the amendment.

The SPEAKER. Without objection, the amendment will be withdrawn.

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House joint resolution (H. J. Res. 369) was laid on the table.

ORDER OF BUSINESS

Mr. PITTENGER. Mr. Speaker, I had planned to ask unanimous consent for the consideration of a measure, but the watchdog of the Treasury from Milwaukee has asked me to wait until after 6 o'clock, so I can not make the request.

The SPEAKER. In order that gentlemen may understand the situation, let the Chair state how it is the Chair recognizes certain gentlemen. The Chair must decline to recognize a great many gentlemen who have meritorious matters, because the Chair must have some yardstick that can be applied to every Member of the House. The gentleman from Minnesota [Mr. PITTENGER] had a bill that had passed the House unanimously, had gone to the Senate, and had an amendment placed on it there, adding one name. The Chair thinks in a case of that kind, where unanimous consent has to be given, it is well enough for the Chair to recognize the Member for that purpose; but the Chair will not recognize gentlemen to take up as an original proposition private claims or other matters unless they are of an emergency nature and apply to the general public rather than to one individual.

Mr. STAFFORD. Mr. Speaker, may I say with regard to the proposed request of the gentleman from Minnesota that

the amendment is embodied in a bill that will come up later in the consideration of the calendar and I wish to have an opportunity to examine the matter. I will be in position to consider it on Tuesday.

PULASKI AND WASHINGTON

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the joint resolution (H. J. Res. 443).

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, House Joint Resolution 443, introduced by Mr. RAGON, is a copy of House Joint Resolution 192, introduced by me on January 8. The same resolution has been introduced by a number of other Members.

I am certain that the Polish-Americans of the Nation, regardless of party, are appreciative of the courtesy of the Speaker [Mr. GARNER] in recognizing me to ask unanimous consent that this bill be given immediate consideration. In view of the tremendous pressure upon his time in the closing days of the session, his courtesy is valued all the more. He recognizes, as do all of us, that there are matters more important than tax bills and appropriations, and among them are those deep things of the spirit for which men like Washington and Pulaski were glad to pledge "their lives, their fortunes, and their sacred honor."

Our ship of state again sails through stormy seas. The time has come once more for courage at the wheel. As we ride the storm this resolution will awaken memories of other "times that tried men's souls"—of Washington, the great commander, and Pulaski, his captain of cavalry, who was borne—

> From life's battles on his spears
> To the great Valhalla cloisters
> Of the ever-living years.

This resolution requests the President, as a part of the George Washington Bicentennial Celebration, to proclaim October 11, 1932, for the observance and commemoration of the life of Brig. Gen. Casimir Pulaski.

It is peculiarly fitting, Mr. Speaker, that this be done on this anniversary year. Poland has recognized Washington, and America recognizes Pulaski. Poland is the only country in the world that honored the memory of Washington this year by issuing a postage stamp of its own with the picture of our great leader. We reciprocate that courtesy by setting aside October 11, 1932, the one hundred and fifty-third anniversary of his death from battle wounds received in defense of our flag, as a special day to commemorate Pulaski's character as a man, and his courage as a soldier.

I do not doubt that the occasion will be made notable by appropriate exercises all over the United States. Possibly, too, in another session of Congress this body will make this anniversary one of perpetual observance. There is also a bill pending to erect a memorial tablet at Savannah, Ga., where Pulaski received his death wounds, which I will be glad to support with a view to completing the same in 1933, the two hundredth anniversary of the founding of that city.

As the report which accompanies this bill states—

> The purpose of this resolution is to pay a special mark of respect during the George Washington Bicentennial Celebration to Brig. Gen. Casimir Pulaski, who died as a result of wounds received at the siege of Savannah. The brilliant military record of General Pulaski in the War of the Revolution is known to every student of American history. He was one of the chief lieutenants of General Washington in the conduct of the war, and Washington particularly relied upon him for his knowledge and mastery of cavalry tactics of which the American Army was greatly in need. Upon the recommendation of Washington, General Pulaski was commissioned a brigadier general by Congress and made Chief of Cavalry.
>
> Under his superb leadership from that time forth the American Cavalry proved more than a match for that of the British, which formerly had met with little resistance. Not only did General Pulaski devote his knowledge of military tactics to the service of the Continental Army but he also gave generously of his private financial resources in order to equip, organize, and train the Pulaski Legion, which was named in his honor and which he led with distinction in the southern sector of the war.
>
> It was while leading a charge at the head of his cavalry that he fell, mortally wounded, at Savannah, from which wounds he died on October 11, 1779. It is, therefore, thought to be especially fitting and proper that in this year of the celebration of the two-hundredth anniversary of Washington's birth the country pay a special tribute of respect and admiration to one whom General Washington would surely desire his country to honor.

Pulaski, like Washington, could have chosen the easy course. They were both men of large means. But they recognized what wealthy men of to-day so often do not recognize, the responsibilities of rank and the trusteeship of wealth. It is the failure to recognize this responsibility that has contributed so much to the difficulties of to-day. Men have used wealth only to accumulate more wealth; they have used the vantage places of position and power to exploit rather than to serve. Washington, the first or second wealthiest man of the Colonies, placed his fortune at the hazard of combat. He served without pay. Pulaski, defeated in his native land, loved liberty wherever she was worshiped, and worshiped her wherever she was loved. He came to our shores and offered Washington his sword and his purse. He is said to have spent $50,000 of his own funds in equipping the famous Polish Legion. General Washington, in a letter to Congress recommending Pulaski for a commission as brigadier general, wrote:

> This gentleman has been, like us, engaged in defending the liberty and independence of his country and has sacrificed his fortune to his zeal for these objects. He derives from thence a title to our respect.

Mr. Speaker, what a lesson to us these words are after a decade of selfish pursuit of selfish ends; after 10 years when country was forgotten and only the dollar remembered. The men who in recent years have amassed their millions to the impoverishment of their fellows are already forgotten, or remembered only to hate, but Washington and Pulaski still live. It is the old parable of sacrifice, of the seed that is lost in the ground. Not he who makes a fortune, but only he who is willing to "sacrifice his fortune * * * derives from thence a title to our respect."

It is only men like Washington and Pulaski who can save us now.

Republics may be ungrateful, but God is just. He saves in His treasure chest all that great souls give away. He keeps what is lost. He preserves in human hearts a just account of every sacrifice upon the altar of freedom and country. And so in this anniversary year we read once more the time-worn truth that he that loseth his life shall find it, and lay our wreaths of love on the green graves of Pulaski and his great commander.

INTEREST ON INCOME TAX REFUND

Mr. HOGG of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from the Comptroller General on tax refunds.

There was no objection.

Mr. HOGG of Indiana. Mr. Speaker, the provision concerning the payment of interest on claims against the Government is contained in section 177 of the Judicial Code of March 3, 1911, 36 Stat. 1141, which provides that—

> No interest shall be allowed on any claim up to the time of the rendition of judgments thereon by the Court of Claims, unless upon a contract expressly stipulating for the payment of interest.

As Congress has not provided appropriations authorizing contracts to stipulate for the payment of interest, it follows that no judgment on an ordinary claim against the United States may carry interest until after the date of rendition of judgment.

The rule is otherwise with respect to refund of taxes. It was brought out in the hearings in November, 1930, before a subcommittee of the House Committee on Appropriations from the testimony of Assistant to the Commissioner of Internal Revenue Harris F. Mires that the average yearly refunds, including interest, which had been made during the past five fiscal years, amounted to $147,474,625, and that the ratio of interest paid on refund to the principal of the taxes involved during the fiscal years 1926 to 1930, inclusive, has averaged a little better than 30 per cent.

Mr. Evans, of the Bureau of Internal Revenue, testified before the House Committee on Appropriations, in connection with the Treasury Department appropriation bill for

1933, that a large proportion of the amounts refunded as taxes consisted of interest. He presented a table for the fiscal years 1927 to 1931, showing the refunds allowed, including interest, and the amount of interest on the refunds. The table is as follows:

	Refunds allowed, including interest	Interest paid on refunds
1927	$103,858,657.78	$21,243,900.53
1928	142,393,567.17	28,258,170.93
1929	190,164,359.48	40,905,057.84
1930	126,836,333.22	37,971,711.73
1931	69,476,930.26	17,311,567.99
Total	632,729,877.91	145,690,409.02

It may be argued that interest should be allowed on refund of taxes because the Government had the use of the money. The Government does not have the money in the sense that it may use the same for other purposes while it is so retained; that is, it may not be used as working capital. Consequently, when refund is made the Government must repay the principal as well as the interest. The ultimate result is that the public in general must assume the principal as well as the interest. However, there is no more reason why interest should be allowed on refund of taxes than on any other claim against the Government. If the claim arose under a contract for the delivery of material or supplies, the Government likewise had the use of the material or supplies during the period between delivery and payment therefor.

There is even less reason for payment of interest on refund of taxes. The tax returns are prepared by the taxpayer; and if he makes a mistake therein and overpays his taxes, there is no reason why the United States should pay for that mistake in the form of interest at 6 per cent or even at 4 per cent—the amount of interest now reduced to 4 per cent, section 318, H. R. 11267, Seventy-second Congress, first session.

If the United States made a deficiency assessment and compelled the taxpayer to pay the taxes in an excess amount, there might be some reason for paying interest on the excess amount while it is held by the Government. However, it is my understanding that such cases are comparatively few and that practically all of the interest has been paid the taxpayers who have made mistakes in their tax returns and overpaid the Government in taxes. In such cases they should be compelled to await the ordinary processes of the Government to act on their claims for refund of the amount. As a matter of fact, the taxpayer does not always have to file a claim for refund, but the Commissioner of Internal Revenue voluntarily certifies overpayments when they are discovered in the audit and settlement of tax accounts.

As an example of the present procedure of payment of interest on refund of income taxes, I cite the case of the Ashland Iron & Mining Co., decided by the United States Court of Claims in March, 1932, wherein judgment was rendered against the United States for the recovery of income tax in the sum of $387,568.30 with interest, making the total of the judgment aggregate $705,638.79. In other words, the interest on the refund amounted to $318,071.49.

It is to be observed also that after the judgment has been entered settlement is not made until after the period for appeal has expired, 90 days, this notwithstanding the fact that the Department of Justice has stated that no appeal will be taken from the judgment of the court, and notwithstanding the fact that the General Accounting Office has recommended no appeal in the meantime, or rather during the 90-day period interest runs at the rate of 6 per cent. The proposed amendment would correct this procedure also.

OPINION OF COMPTROLLER GENERAL OF UNITED STATES

With reference to this bill, I have requested from Hon. J. R. McCarl, Comptroller General of the United States, his opinion. In answer to my inquiry, he has written me in part as follows:

As a reason in support of legislation discontinuing the payment of interest it may be stated in general that interest chargeable against the United States as interest, in substance means that moneys left with the United States do not have any real investment-producing increase so as to justify the payment of interest.

Whatever theory such interest be based upon resolves itself mainly into an assumption that the United States by having the money is relieved from borrowing; that through such borrowing the United States would have to pay interest, and that, hence, the moneys of other parties on deposit with it should be treated as borrowed from such other parties, and hence, earning interest. The actual fact is the United States itself does not put the public moneys out at interest in the investment sense. There are no investments of general public moneys of the United States in what is properly known as interest-bearing investments. Consequently, when refund of income tax is made the Government must repay the principal as well as the interest. The alternate result is that the public in general must assume the principal as well as the interest.

Under the act of March 3, 1875 (18 Stat. 481), interest is allowed at the rate of 6 per cent when judgments are recovered against the United States for amounts withheld under certain circumstances. Under the act of March 3, 1887 (24 Stat. 507), and the act of September 30, 1890 (26 Stat. 537), interest at the rate of 4 per cent is authorized upon judgments of the Court of Claims. Section 615 of the tariff act of May 29, 1928 (45 Stat. 877), also authorizes interest at the rate of 6 per cent per annum upon judgments or refund of internal-revenue taxes.

In such times as these every possible charge against the Government should be investigated. It can not be denied that the Government has been very liberal in the payment of interest on claims against it. It is time that such expenditure should be eliminated.

AMELIA EARHART PUTNAM

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on Senate Joint Resolution 165, authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to Senate Joint Resolution 165, authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1 and 2.

LISTER HILL,
W. FRANK JAMES,
JAMES M. FITZPATRICK,
Managers on the part of the House.

DAVID A. REED,
DUNCAN U. FLETCHER,
F. C. WALCOTT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to Senate Joint Resolution 165, authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: Provides for the presentation of the distinguished-flying cross, as proposed by the Senate, instead of the distinguished-service medal, as proposed by the House.

On No. 2: Leaves the title as proposed by the Senate.

The House proposed the award of the distinguished-service medal for Mrs. Putnam, as it felt that this would be a fitting recognition of her splendid exploit. Our attention has been brought to the fact, however, that the original act providing for the award of the distinguished-service medal limits the award to persons whose feats were performed while serving in the military or naval establishments of the

United States and that there is no such limitation on awards of the distinguished-flying cross in the original act which provided for this decoration. Our attention has also been brought to the fact that the distinguished-flying cross has been awarded by special authority of Congress to a number of persons not in the military or naval service of the United States. Such awards have been made to:

Col. Francesco de Pinedo, the Italian Air Force.
Lieut. Dieudonne Costes, the French Army Reserves.
Lieut. Commander Joseph Lebrix, of the French Navy.
Maj. James Fitzmaurice, chief of the Irish Free State Air Force.
Baron Gunther Von Huenefeld, Germany.
Capt. Harmann Koehl, of the German Army, retired.
Mr. Orville Wright.
Mr. Wilbur Wright.
Mr. Benjamin Mendez, of Colombia.

In view of the facts it is apparent that the distinguished-flying cross is the proper decoration for award to Mrs. Putnam.

LISTER HILL,
W. FRANK JAMES,
JAMES M. FITZPATRICK,
Managers on the part of the House.

The conference report was agreed to.

MR. LAMBERTSON'S OBJECTION TO EXTENSION OF REMARKS

Mr. STRONG of Kansas. Mr. Speaker, I ask unanimous consent to address the House for four minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEHLBACH. Mr. Speaker, at the conclusion of the remarks of the gentleman from Kansas, may I be permitted to address the House for 10 minutes?

The SPEAKER. Is there objection? The Chair hears none.

Mr. STRONG of Kansas. Mr. Speaker, I rise for the purpose of complimenting my Kansas colleague from the first district, Mr. LAMBERTSON. There have been a great many unanimous-consent requests made and granted this afternoon to extend remarks in the RECORD. A like large number of requests are being made every day. It has been the custom every since I have been here, for the last 13 years, at the close of the Congress, to give unanimous consent for all Members of Congress to extend their remarks in the RECORD.

In this Congress my colleague from the first district has objected to such requests, even though made by the Speaker of the House. Some Members have come to me and charged that I was responsible, that my colleague was objecting to prevent my extending my remarks in the RECORD. I thought that might be true. But I found out yesterday that I was mistaken; it was not on my account, and I want to acknowledge it. My colleague from Kansas has had a change of heart in his economy views. He voted to pay the compensation certificates, amounting to twenty-four thousand million dollars, but now objects to extension of remarks in the RECORD on the ground of expense, and because he has found that Members extend their remarks in the RECORD after the session is over.

I quote from yesterday's RECORD, on page 14388, after our leader had asked unanimous consent for each Member to extend his remarks until 10 days after the adjournment of Congress:

> Mr. LAMBERTSON. Mr. Speaker, reserving the right to object, I do not want to be arbitrary or unfair, but it does seem to me that when we are trying to economize this is one of the places where we can set an example. It is my notion that matters which are placed in the RECORD by way of extension of remarks or speeches made on the floor are intended to influence legislation. When the session is over there is no such excuse left, and any remarks placed in the RECORD after the close of the session are placed there purely for political purposes.
>
> My observation two years ago, after the close of the short session, was that there were speeches put in the RECORD which men would not have had the temerity to make in the faces of their colleagues or even extend such remarks in the RECORD when they could be answered. I think it is a bad practice to allow these extensions after the House has adjourned, when there is no excuse for it.

That takes a rather high ideal of such matters, and to show you the change of heart that has come over my colleague, I call attention to the fact that after the last session of Congress two years ago, to which he refers and which adjourned on the 3d day of July, on the 7th of July my colleague put a speech in the RECORD by extension of remarks, four days after the Congress had adjourned, which was franked out generally over his district, and nearly every home in that district received a copy of it. I am told that 40,000 copies were sent out to the voters of his district. All of these copies, of course, were franked at the expense of the taxpayers, and the gentlemen of this House can see how he has changed his position from two years ago to the present time. To so extend his remarks he took advantage of the general consent for Members to extend their remarks on the tariff bill until the end of that session secured by Congressman HAWLEY on June 14, 1930. My colleague dated his remarks June 14, 1930, but it was not printed in the CONGRESSIONAL RECORD until July 7, 1930, four days after Congress had adjourned. Recently he had his colleague from the third district of Kansas get unanimous consent to insert in the RECORD a radio speech of his, and I thought that again he intended to send it out by the thousands of copies; but I am glad to stand here before you and say that I was mistaken, because he evidently had no such intention. He has repented from his policy of two years ago, and he is not going to put a burden on the taxpayers by sending out thousands of copies of that radio speech. I congratulate my colleague on his change of heart.

The SPEAKER. The time of the gentleman from Kansas has expired.

PROHIBITION

Mr. LEHLBACH. Mr. Speaker, the Republican Party in New Jersey several years ago formulated a policy with respect to the regulation and control of intoxicating beverages and has adhered to it consistently to this date regardless of views expressed in other quarters. That policy was clearly enunciated by the late Dwight W. Morrow when he was a candidate for the Republican nomination for United States Senator from New Jersey. In his speech at Newark, N. J., he said:

> I believe that the way out of the present difficulty is to recognize clearly the fundamental difference between the nature of the Federal Government and the State government. I believe this involves a repeal of the eighteenth amendment and the substitution therefor of an amendment which will restore to the States the power to determine their policy toward the liquor traffic, and vest in the Federal Government power to give all possible protection and assistance to those States that desire complete prohibition against invasion from the States that do not. If I should be elected to the United States Senate, I should be prepared to vote for a resolution submitting to the several States an amendment to the Constitution in any form that would accomplish the foregoing purpose.

In accordance with the policy of the New Jersey Republicans thus set forth, I introduced in the Seventy-first Congress, on January 21, 1931, House Joint Resolution 477, which reads as follows:

> ARTICLE —
>
> SECTION 1. Article 18 of the amendments to the Constitution of the United States is hereby repealed.
>
> SEC. 2. The Congress shall have the power to aid the States in the enforcement of their respective laws to regulate or to prohibit the manufacture, sale, or transportation of intoxicating liquors for beverage purposes and may exercise all powers reasonable and necessary for that purpose.
>
> SEC. 3. This amendment shall take effect on the first Monday of December after its ratification.

On the 8th of December, 1931, in the opening week of the present session of the Seventy-second Congress, I reintroduced this resolution. This amendment would restore to the respective States the right to inaugurate and maintain their own policies with respect to the regulation of the traffic in alcoholic beverages. In all States where prohibition by State action now exists this policy would continue without further legislation by the State until such State should on its motion modify it. Any State would have the power to inaugurate such policy on the subject as would best meet the local needs. It could inaugurate a system of local option with prohibition over large areas and a form of control in congested centers

of population. It is true, it may be urged that a State would have the right to return to the conditions that obtained before the war. As a practical matter, there is not a single State in the Union that would adopt such a course.

The amendment then would enable Congress to pass any reasonable legislation to protect each State in carrying out its own policy on this question without let or hindrance from any source whatsoever. Attempts in the past by the Federal Government to extend such aid to the respective States, such as the Webb-Kenyon Act, were unsuccessful because Congress was restricted in the enactment of such legislation to the commerce clause of the Constitution. Under this new amendment the field is wide open to the Federal Government to take whatever steps may be necessary to guarantee to the States the effectiveness of their liquor laws as against outside interference. The advocates of prohibition at the time of its adoption argued that national prohibition was not desired in order to impose the will of one section of the country upon another, but that it was necessary for the purpose of protecting dry territory from outside invasion.

Thus the policy on this question inaugurated and supported by the Republican Party of New Jersey has been pending without action in two Congresses. This policy has the indorsement of the united Republican delegation from New Jersey, and the resolution repealing the eighteenth amendment has their united support. The New Jersey Republican Representatives feel that this session of Congress should not come to a close without another effort on their part to write the wishes of their constituents into the law of the land. Accordingly, at their request, I shall, when accorded the opportunity, move that the rules be suspended and the resolution repealing the eighteenth amendment passed. [Applause.]

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. BRITTEN. The gentleman evidently does not place much credence in the plank just adopted at the Chicago convention which provides and requests and begs for an immediate modification of the Volstead law, does he?

Mr. LEHLBACH. That is a different proposition I have not touched on, but I expect to get united support for my motion from that side of the aisle.

Mr. BRITTEN. Oh, the gentleman will not get any support from the Democratic side of the House, because they have all just now voted to adjourn the House over until next Tuesday.

RECESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the House now stand in recess subject to the call of the Speaker.

The SPEAKER. The Chair desires to make a statement in respect to that request. If the request is granted, he will do as he did yesterday—cause three bells to be rung 15 minutes before he terminates the recess. The House has decided to adjourn over until Tuesday next. There are some appropriation bills still in conference; and it is desired, if possible, to dispose of them to-day. Virtually everything will have to be done, of course, by unanimous consent. Is there objection?

Mr. SCHAFER. Mr. Speaker, I reserve the right to object. Are we to understand that the Democratic majority of the House and its leaders have now completed the business here and are ready to adjourn, and that all they have to do is to wait for the final passage of the appropriation bills?

Mr. BYRNS. Oh, no; I think there will be a relief bill and, perhaps, some other legislation.

Mr. SCHAFER. Does the gentleman believe that we will have a chance to vote on a repeal of the eighteenth amendment and modification of the Volstead Act?

Mr. BYRNS. I do not know anything about that.

Mr. SCHAFER. Does the gentleman believe that some of his Democratic colleagues who have been rebaptized in the Chicago convention and infused with the wet spirit will have an opportunity to vote for a modification of the Volstead Act and repeal of the eighteenth amendment before the Congress adjourns?

Mr. BYRNS. I would not venture to say what I believe.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, may I ask the gentleman from Tennessee what conference reports are likely to be presented?

Mr. BYRNS. I am not so sure that there will be any, but I have made this request with this end in view. I want to take the matter up and see if there is any possibility of reports on the agricultural bill and the Army bill coming in to-night. I do not know that they will come in.

Mr. STAFFORD. Will the gentleman know within the next hour or so?

Mr. BYRNS. I think so.

The SPEAKER. Is there objection?

There was no objection.

Accordingly (at 2 o'clock and 45 minutes p. m.) the House stood in recess, subject to the call of the Speaker.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4.25 o'clock p. m.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 29, 1932:

H. R. 5649. An act to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana, respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes;"

H. R. 10587. An act to provide for alternate jurors in certain criminal cases; and

H. R. 10599. An act to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws.

On June 30, 1932:

H. R. 406. An act to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Pacific States Box & Basket Co., a corporation, involving certain portions of right of way in the vicinity of the town of Florin, county of Sacramento, State of California, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 1383. An act for the relief of certain United States naval officers;

H. R. 1700. An act for the relief of Walter S. West;

H. R. 1804. An act for the relief of Frank Woodey;

H. R. 1903. An act for the relief of Harrison Simpson;

H. R. 2418. An act concerning the claim of Jacob Landry;

H. R. 2633. An act for the relief of William R. Cox;

H. R. 2695. An act for the relief of David Albert Robeson;

H. R. 3624. An act for the relief of Minnie Hopkins;

H. R. 4059. An act for the relief of Rosamond B. McManus;

H. R. 4264. An act for the relief of Lieut. Col. H. H. Kipp, United States Marine Corps, retired;

H. R. 4743. An act to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended;

H. R. 5595. An act for the relief of Harry Manning Lee;

H. R. 6003. An act for the relief of A. L. Marshall;

H. R. 6334. An act for the relief of Lieut. M. A. Sprengel;

H. R. 6336. An act for the relief of George W. Steele, jr.;

H. R. 6444. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama

Society of Fine Arts the silver service presented to the United States for the U. S. S. *Montgomery;*

H. R. 6599. An act to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy;

H. R. 6735. An act to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy;

H. R. 6860. An act for the relief of Florence Northcott Hannas; and

H. R. 7238. An act to amend section 5 of the suits in admiralty act, approved March 9, 1920;

H. R. 8031. An act to provide for expenses of the Crow and Fort Peck Indian Tribal Councils and authorized delegates of such tribes;

H. R. 8548. An act authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes;

H. R. 8777. An act for the relief of J. N. Gordon;

H. R. 9004. An act for the relief of Agnes C. Reder;

H. R. 9369. An act to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a lease to Phillips County Post, No. 57, of the American Legion, Department of Montana;

H. R. 10022. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes.

H. R. 10161. An act amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes;

H. R. 11267. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 11452. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 11639. An act to authorize extensions of time on oil and gas prospecting permits, and for other purposes;

H. R. 11944. An act to facilitate execution of and economy in field season contracts of the Forest Service;

H. R. 12078. An act to extend the times for commencing and completing the construction of a bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.;

On July 1, 1932:

H. R. 996. An act for the relief of Mildred B. Crawford; and

H. R. 7793. An act to secure the departure of certain aliens from the United States.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 165) entitled, "Joint resolution authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 4780) entitled "An act to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer fallowing, during the year 1932," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NORBECK, Mr. STEIWER, and Mr. FLETCHER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10600) entitled "An act to exempt from the quota husbands of American citizens," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REED, Mr. HATFIELD, Mr. JOHNSON, Mr. KING, and Mr. COPELAND to be the conferees on the part of the Senate.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 165. Joint resolution authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 308. An act to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the secretary;

H. R. 3845. An act for the relief of Charles L. Barber;

H. R. 3961. An act for the relief of Catherine Bell;

H. R. 3992. An act for the relief of Anna A. Hall;

H. R. 4056. An act for the relief of Emma Shelly;

H. R. 7504. An act to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone;

H. R. 7507. An act to regulate radio equipment on oceangoing vessels using the ports of the Canal Zone;

H. R. 8694. An act to amend section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), and for other purposes;

H. R. 8818. An act to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes";

H. R. 8980. An act to provide for the sale of a portion of the site of the post office and customhouse building in Newark, N. J., to the city of Newark for the use as a public street;

H. R. 9331. An act for the relief of Octavia Gulick Stone;

H. R. 9349. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 11638. An act to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes;

H. R. 12360. An act to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for postoffice and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937; and

H. R. 12443. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes.

RELIEF OF FAMILIES OF EMILIO CORTEZ RUBIO AND MANUEL GOMEZ (S. DOC. 133)

The Speaker laid before the House the following message from the President of the United States which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State recommending the enactment of legislation for the purposes described therein, and the draft of a bill for this purpose.

The recommendations of the Secretary of State have my approval and I request the enactment of legislation for the purposes indicated in order that this Government may carry out the projects and meet the obligations outlined in the report.

HERBERT HOOVER.

(Inclosure: Report of the Secretary of State.)

APPROPRIATION BILLS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. BYRNS. Mr. Speaker, since the recess was taken I have conferred with several Senators with a view to seeing if it would not be possible to have some disposition made of the two remaining appropriation bills before adjournment was taken. I had hoped very much that it would be possible to dispose of those bills and thus clean up the appropriations for this session before adjournment was taken.

I find that the Senate, up to 30 minutes ago, had not yet taken up the report on the Post Office and Treasury Departments appropriation bill, which was adopted by the House this morning. I understand they will take that up as soon as a bill pending over there has either been concluded or laid aside. That leaves two more bills that have not yet passed. Of course, if an adjournment is taken, these bills must go over until we meet on Tuesday.

My information from all those Senators was that they did not think there was any possibility of any action being taken over there, or anything that they could take up with the House with reference to those appropriation bills. Therefore, as far as they are concerned, I know of no reason why the House should remain in session.

However, I do want to say that even though the House may adjourn at this time I do not think anyone can possibly say that the failure to pass these bills before we meet here next Tuesday, July 5, the time named for our meeting, is due to any failure upon the part of the House to make every effort it possibly could to see that those bills were passed.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. CLARKE of New York. The gentleman says "all those Senators." How many Senators are left over there?

Mr. BYRNS. There were a number on the floor when I was over there.

Mr. BARBOUR. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BARBOUR. Did the gentleman from Tennessee learn anything from any of the Senators as to about when the conferees on the War Department appropriation bill might meet again?

Mr. BYRNS. No; I did not; but I am hopeful that possibly between now and Tuesday they may agree to meet with you gentlemen and further discuss the matter.

Mr. BARBOUR. As one of the conferees, I wish to say that I shall be here and will be pleased to meet between now and Tuesday.

Mr. BYRNS. I think I can give the same guaranty for the gentleman's colleagues on the conference committee on the part of the House.

Mr. BARBOUR. I think so.

Mr. BYRNS. I want to notify the country and the Senators—I am not a member of the conference on the War Department appropriation bill—that those gentlemen will be here. They have been anxious to conclude consideration of that bill ever since they went into conference.

In my judgment they have gone far, far beyond the 50-50 proposition upon the matter in dispute. Two of the Senators who are members of that conference committee have been away from here, but it does not seem to be agreeable to those who are remaining; but I wish to say now for the benefit of the country that the failure to agree upon a report with reference to the War Department appropriation bill is due to the Senate conferees and not to the House, and I speak with some authority on the subject.

Mr. SCHAFER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SCHAFER. Is not that failure also due to the absence of a great many Senators from the gentleman's party in Chicago talking promises instead of being here at their posts of duty and acting the way they should under their oaths of office?

Mr. BYRNS. No; I do not think so. As a matter of fact, that Senate conference committee has been composed of one Republican and one Democrat. I understand the Republican member holds a proxy for the two absent Republican Senators, and the Democratic Senator holds a proxy for the one absent Democrat.

Mr. BLACK. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLACK. As a matter of fact, two weeks ago a great number of Senators, members of the other party, were in Chicago doing nothing. Our Senators have been doing something real. [Applause.]

Mr. SIMMONS. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SIMMONS. It is my understanding that the Department of Agriculture appropriation bill has been on the Speaker's desk since last Monday.

Mr. BYRNS. Yes.

Mr. SIMMONS. Why can we not take that up and dispose of it?

Mr. BYRNS. The gentleman is thoroughly familiar with why we can not take it up and why we do not intend, as far as I am concerned, to call it up. If hardship results in the Department of Agriculture by reason of failure to pass that bill, the gentleman from Nebraska is more responsible for that than any other Member of this Congress. [Applause.] I want to say to the gentleman, since he has raised the question, he is a member of the House conference committee. The gentleman from Texas [Mr. BUCHANAN] was chairman of the conference committee. There is no more conscientious Member of either body than the gentleman from Texas [Mr. BUCHANAN], who remained here for a week or two weeks in order that that Agriculture Department appropriation bill might become law before he left.

The gentleman did not leave Washington until he was satisfied in his own mind, on the assurance, he says, of the conference, of which the gentleman was a conferee, that the bill had practically become a law when the House, by record vote of 214 to 124, rejected the amendment in which the gentleman is interested.

The gentleman from Texas told me when that vote was cast and the report of the Agricultural Committee conferees was adopted that the passage of the bill was practically assured because he had a general understanding with the conferees that if the House voted upon those amendments not agreed upon and disagreed to them that the Senate conferees, when it went back to the Senate, would yield. Yet twice since that the Senate has sent it back here, accepting all the amendments except the one in which the gentleman is interested, and in which he has been so much interested that he has been traveling between the House and the Senate repeatedly almost every day.

I am going to read to the House, since the gentleman has brought it up, a telegram I received from the gentleman from Texas [Mr. BUCHANAN], whom I wired and asked for the facts because I wanted to be certain. He says:

BRENHAM, TEX., *June 27, 1932.*

Hon. JOSEPH W. BYRNS,
House Office Building:

Your telegram received. The facts are: When the conference committee reached the Senate grasshopper amendment, it being clearly legislation, we passed it to be submitted to the House under the rule When we concluded the conference meeting there were other Senate amendments, carrying additional appropriations, but no legislation which the House conferees refused to recede to. Thereupon a general understanding was reached that the Senate conferees would abide by a vote of the House. No particular amendment was singled out in this understanding.

Congressman J. P. BUCHANAN.

Yet, twice since then, although the Senate conferees carried out that general understanding with the gentleman from Texas with reference to all the other amendments, due, I charge, principally to the gentleman himself, they failed to take such action with reference to the amendment in which the gentleman is interested.

Now, we voted three separate times upon this amendment. I want to say to you not once has the Senate voted upon it, but it was sent back simply because some Senator offered

the amendment and then moved to disagree and send the bill back to conference. Not even a division vote has been taken upon it in the Senate.

This House having voted upon it three times, it seems to me that fact demands that the Senate should take a vote on it before we are required to vote four times upon the same amendment, and this is the reason for my position in the matter. I think something is due the House by the Senate. I do not think the House ought to permit itself to be treated in this sort of way.

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. SIMMONS. Mr. Speaker, in view of the fact that the gentleman from Tennessee has singled me out and attempted to place upon my shoulders responsibility for the failure of this bill, I am sure it would not be wrong to call the attention of the House to the fact that the gentleman from Tennessee is in charge of the bill, that no action can be taken by me or anyone else until he calls up the conference report for consideration by the House. If he will yield to me for that purpose, I will be glad to call up the bill and dispose of it this afternoon.

Mr. BYRNS. Yes; because the gentleman knows there are from 35 to 40 Democrats away from here attending the national convention. That is the reason the gentleman is so anxious to have a vote upon it now.

Mr. SIMMONS. All right. The thing the gentleman from Tennessee wants to tell the farmers who are interested in this item I have been fighting for is that the gentleman is going to make the defeat of the item appropriating funds to aid in the grasshopper fight a partisan matter and place upon the Democratic Party the responsibility for the defeat. Now, if you want that, let us vote on it now and let us dispose of it, but the gentleman can not put upon me the responsibility for the failure of this bill when under the rules of the House the gentleman from Tennessee is the only man who has the right to call it up and I have not that right.

One other thing, the gentleman attempts to convey to the House that I violated an agreement and an understanding.

If there is an agreement of that kind, it has been made between the gentleman from Texas [Mr. BUCHANAN] and the Senate conferees. I know nothing about it, although I think I know what the gentleman from Texas [Mr. BUCHANAN] is talking about, which is a number of amendments referred to as the McKellar amendments in the Senate, and some amendments in which certain Senators have specific interest and which they asked us to bring to the House and get a decision upon, they agreeing to abide by the result of that decision.

We did that, and that agreement has been kept; but I call to the attention of the gentleman from Tennessee this fact: That when we had that understanding with the Senate conferees which I have just related, the Democratic Members and Republican Members, conferees on the part of the House, had agreed that the appropriation to aid in the grasshopper fight should be passed by the House. Is the gentleman willing to abide by that agreement? If so, let us appropriate the money, which the gentleman from Texas [Mr. BUCHANAN] favored and which the other conferees on the part of the House favored, and which the gentleman alone has prevented this House from acting upon for the last two months.

Mr. SCHAFER. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. SCHAFER. In view of the extraordinary statement of the leader of the Democratic Party that he did not want to vote on this agricultural appropriation bill to-day because 35 or 40 Democratic Members of the House are absent attending a convention which is making promises to the farmers, he certainly can not condemn the gentleman from Nebraska or place the blame at the door of the gentleman from Nebraska for not having it acted upon.

Mr. SIMMONS. If it comes to a matter of deciding between the dignity of this House and aiding the farmers in the Northwestern States who are fighting for their lives, their crops, and their homes, then I am ready to fight for their lives, their crops, and their homes, and the gentleman from Tennessee can put his party on record as favoring the dignity of the House above human want and need and hunger. [Applause.]

I take it that it is no offense to ask the House to pass upon amendments that come to us from the Senate. I am saying now to this House that I am ready to stay here, and I will make the same motion that I did last week to continue to concur in the Senate amendment with an amendment just so long as the Senate sends that bill back, and the gentleman from Tennessee may abuse me as he sees fit in the meantime.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I am not abusing anybody; I have no disposition to abuse anybody, but I simply felt that the House was entitled to the statement which I have made. I reiterate that the telegram from Mr. BUCHANAN speaks for itself. He says there was a general understanding—and I know he told me he would not think of leaving Washington if he did not understand that the appropriation bill was practically a law when he left here. I am sorry that this general understanding was not carried out.

Let me say to the gentleman from Nebraska that three times—once on a teller vote, once by a record vote of 90 majority or 214 to 124—and if you will look at that record you will see it was not partisan.

Mr. SIMMONS. Will the gentleman yield?

Mr. BYRNS. I asked the gentleman to yield to me, but he would not. I will be more courteous to the gentleman and yield.

Mr. SIMMONS. The record vote on the grasshopper proposition shows that the Democrats voted 2 to 1 against it and that the Republicans voted 2 to 1 for it.

Mr. BYRNS. I do not think that is true. Let me say this: Three times the House has voted upon that proposition, once on a teller vote, once on a record vote, and again on a division vote of more than 30 majority. How many times does the gentleman from Nebraska expect the House, at the will of one or two Senators, to vote upon that particular proposition? How long is the gentleman from Nebraska going to insist that we shall continue to vote from time to time upon that proposition? It seems to me there ought to be an end to this proposition.

The gentleman speaks of absentees. Let me tell the gentleman that the record vote to-day shows that there are 115 Democrats and 61 Republicans absent. There is no Republican convention in session now, although there were just as many absent when the Republican convention was in session as there are Democrats absent at this time. I am not criticizing those gentlemen for being absent, but it is going very far, under that sort of a record, for anybody to undertake to criticize Democrats for being away from the floor of the House at this particular time.

Now, gentlemen, this is not a partisan matter. I am standing here not because I like to do it, but the gentleman from Nebraska told me—and I have charged it several times and he has never denied it—that if he did not get this appropriation by March 1 there would not be time in which to purchase the necessary poisons and make them effective. Then when he did not get it he said April 1. Then 60 days ago the Speaker, who was in sympathy with him, recognized him for a motion to suspend the rules. He said then that if it was not obtained in 10 days it would be too late. Then the Secretary of Agriculture, on June 10, wrote a letter in which he said it was then too late and no longer could any effective control be had by the appropriation, and four days later he confirmed that by a telegram, and both that letter and telegram are in the RECORD. Senator SHIP-

STEAD sent him a wire upon that same day or three weeks ago. That telegram was put in the RECORD.

In that telegram Senator SHIPSTEAD said that if he could get the appropriation that week it would serve some good purpose. More than three weeks have elapsed, and now in July you are asked to appropriate all the way from $600,000 to $1,450,000 for a purpose which would not help anyone save those who are pressing this for their personal political advantage.

Gentlemen, I feel a responsibility to the taxpayers and to the Treasury of the United States, occupying the position I do. I feel I should not agree that an appropriation of $600,000 or $1,450,000 be made out of the Treasury for this purpose, when it is admitted that it is now too late. I was not responsible for the delay in March or April. The bill was held up in the Senate for a number of weeks. Later, when it reached the floor of the House, I opposed it because of the statements made by the gentleman from Nebraska [Mr. SIMMONS] and later confirmed by the Secretary of Agriculture.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I ask that the gentleman from Tennessee have an additional minute in order that I may ask him a question.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. The question I want to propound is this—I do not know anything about the grasshopper discussion among the conferees, but as I understand it, this agricultural appropriation bill now lies on the Speaker's table. It seems to me that this House should not let an annual appropriation bill be delayed, because there is some squabble, whether it be political, whether it be sectional, whether it be——

Mr. LaGUARDIA. Biological. [Laughter.]

Mr. MICHENER. Whether it be biological, it seems to me the gentleman from Tennessee has it within his control to call this bill from the Speaker's table and rise above sectionalism.

[Here the gavel fell.]

EXTENSION OF REMARKS

PERMANENT AND TEMPORARY AGRICULTURAL RELIEF

Mr. HAUGEN. Mr. Speaker, not having received a favorable report from the Rules Committee on the request of the Committee on Agriculture for a special rule making H. R. 12617 and H. R. 12730 in order, and the fact that we are within a few days of adjournment of this session of Congress, I felt it incumbent on myself to vote against adjournment from Friday, July 1, to Tuesday, July 5, and I avail myself of this opportunity to urge upon the Committee on Rules to grant a special rule requested by the Committee on Agriculture for the immediate consideration of H. R. 12617 to amend the agricultural marketing act approved June 15, 1929, and H. R. 12730 to provide temporary aid to agriculture for the relief of existing national economic emergency.

Unfortunately, the only way the farm-relief measures can be brought up for consideration is under a special rule, which must be reported out by the Committee on Rules, except on call of committees, generally about once in every two years.

All appreciate the farmer's plight. As a reminder of the urgent need of farm relief, may I call attention to the party platform pledges made, but so far unredeemed, and the distressful condition of agriculture.

The National Industrial Conference report points out the disparity in incomes of the various groups. The farmer, eliminating the interest credited and the items charged against his account, has an income reported to be $730, as compared to:

All workers	$1,256
All workers outside of the farm	1,415
Wage earners in manufacturing	1,572
Transportation	2,141
Clerical	1,678
Ministers	1,295
Teachers	1,650

The farmer's income is reported to be about 1 to 3 to that of those employed in transportation, and about 1 to 2 of all workers outside of transportation.

The Business Men's Commission on Agriculture for 1927, on page 56, reports that the average return per farm for labor and management, 1920–1925, to be only $613.

The Attorney General's report of June 30, 1931, reports that of the 60,322 cases in bankruptcy during the year, 4,026 cases were classed as farmers.

According to the Bureau of Economics, Department of Agriculture, existing farm mortgage indebtedness increased from $3,320,470,000 in 1910 to $9,468,526,000 in 1928, with a drop in farm land values from $66,316,002,602 in 1920 to $44,145,210,966 in 1931, a decline of $22,170,791,636; the purchasing power was reduced 49.1 per cent, and the index number of farm tax increased from 100 in 1914 to 266 in 1930. Farm income dropped from approximately $16,000,000,000 in 1919 to less than seven billions this year.

According to the Bureau of Agricultural Economics, Department of Agriculture, the index of prices received by farmers in 1926 averaged 136 per cent of pre-war, and 139 per cent in 1928, and dropped to 56 per cent in 1932.

According to the Bureau of Labor Statistics, the value of farm products has fallen 52.9 per cent since July, 1929, whereas farm implements have fallen only 13.4 per cent.

According to data submitted to the Interstate Commerce Commission by the National Grange, 682,850 farms were transferred as a result of foreclosures and delinquent taxes during the years 1926 to 1932.

This picture should be sufficient to convince all of the urgent need for real, quick, and lasting farm-relief legislation, also of the cause of all our troubles. With approximately 44 per cent of the population classified as rural in the last census, with a farm population of thirty and a half million, operating 6,288,648 farms, suffering from these adverse conditions, and with 56 per cent dependent upon the tillers of the soil, it indicates the urgent necessity for farm relief.

Now that remedial legislation along other lines has been enacted, and which, of course, our Democratic friends will claim credit for, I trust that it may not be said that agriculture, the foundation and basis on which our whole economic structure is founded, shall be overlooked and ignored.

RELIEF FROM TOP INSTEAD OF BOTTOM

Although the relief program started from the top with currency and financing instead of from the bottom with agriculture, I trust that, even at this late day, the party having the responsibility and the power to initiate and pass agricultural relief here in the House, though late, will before adjournment see the wisdom of redeeming party platform pledges "to place agriculture on an equality with industry and labor."

Better still, had it started with the foundation, building up, instead of from the top in the hope that what has been done might trickle down to the foundation of all progress and prosperity. With the hope held out and solemn platform pledges and the existing deplorable conditions known to all, I trust that some explanation will be duly forthcoming why seven months since taking control in the House have elapsed without agricultural-relief legislation being taken up for consideration.

Shall it be said that the measure drafted by the heads of the three national farm groups—the American Farm Bureau Federation, Farmers' Union, and the National Grange—at the suggestion of the committee—in other words, to invite the farmers to suggest legislation—be met with indifference after their seven months of earnest and united efforts, after they have been here working night and day for seven months in an earnest appeal for relief? Shall it be said that they asked for bread and received a stone? I sincerely trust not.

After reading articles on the existing deplorable conditions in Russia and the restrictions imposed upon every word and action of its people, well may we be proud that we live in this land of splendid opportunities; that we live in this age of marvelous expansion; and that we have been moving forward

with a mighty pace. All would, I am sure, be pleased to see the wheels of industry moving and progress, prosperity, and happiness in evidence in our beloved land at all times. All feel, I am sure, their duty to strive to benefit this country, to protect the weak, to relieve the distressed, to uplift humanity, to give honest and thoughtful consideration in securing full benefit of the natural resources for the development of mechanical appliances, for the skill and genius of American labor, to see to it that nobody is imposed upon and that all are given adequate protection against any invasion on the part of unscrupulous interests, in order that we may have the fullest development of every worthy and legitimate enterprise. Thanks to Providence, the industry and intelligence of our people, we are now a Nation of 122,000,000 of most industrious, intelligent, peaceful, liberty-loving, and law-abiding people. Notwithstanding the heavy burden of expenditures as a result of the World War and the depressed economic conditions in general—as a result of depressed conditions in agriculture—according to the Committee on Coinage, Weights, and Measures, the total wealth of the United States is estimated to be $320,800,000,000:

Bank deposits, including savings	$56,864,700,000
Currency	6,201,400,000
Gold stock	4,388,500,000
Corporation bonds	47,118,000,000
State, county, and municipal obligations	12,608,700,000

It is needless to say if the grand march onward and upward is to be revived and continued there is need for the rehabilitation of our basic industry, agriculture, fundamental to progress and prosperity, to labor, and every worthy and legitimate enterprise. What shall be done about it?

WHY THE DEPRESSION AND UNEMPLOYMENT

Why the agricultural, industrial, commercial, and financial depression and the millions of men and women out of employment? Why the crash in the stock and bond market? The stock market, like a balloon, may be inflated to a certain point; if beyond that point, the balloon bursts. Agriculture is the foundation of all prosperity. If so, prosperity predicated upon anything but agriculture is like a structure built on an insecure foundation. When prices of agricultural commodities, which are the foundation of all, are deflated and prices of what the producer has to buy are inflated, down goes the farmer, and with him the banker, the merchant, the manufacturer, the speculator, and all. It is needless to say that unless our farmers have an income they in turn are unable to buy what the rest of the country produces, and as a result factories and mills crumble, railroads rust from idleness, and labor is out of employment. One might as well undertake to float a ship, a man-of-war type, on dry land as to undertake to build up employment and commercial and industrial prosperity in the absence of agricultural prosperity.

WHY THE CONTINUED ECONOMIC DEPRESSION

Evidently it did not start with the crash in the stock market, nor unemployment, closing of banks, and lack of sufficient collateral to obtain credit—which so often is charged as the cause of our trouble. No; as everybody knows, we came out of the World War, many suffering from physical and mental disabilities, with large loss of human blood and lives—yes, the cream of our Nation—and ended up with a national indebtedness of twenty-six and one-half billion dollars. The people of our Nation have always stood for proper recognition of the services rendered by the men and women who have answered their country's call, for liberal provisions by pension laws for the disabled survivors and the widows and orphans of those who fell. It has not only manifested its love and appreciation for the services rendered by the men and women who have answered our Nation's call in our direful days, but has made liberal appropriations for preparedness against future invasions which might deprive us of our liberty and constitutional rights. As evidence of its appreciation, during 1931–32 we expended more than a billion dollars for compensation insurance, hospitalization, and pensions, and more than $800,000,000 for the establishment and maintenance of Military and Naval Establishments; and as a result of the war approximately a billion is paid annually for interest and public-debt retirement.

FEDERAL, STATE, AND MUNICIPAL EXPENDITURES

According to the President's statement, during his address to the governors of the various States, Federal expenditures in 1913 amounted to $700,000,000, whereas States expended in that same year $400,000,000, and local expenditures amounted to $1,800,000,000. For the year 1932 the Federal expenditures were $4,200,000,000, whereas State expenditures were $7,500,000,000. Of the $4,200,000,000 of the annual expenditures, approximately $2,000,000,000 is the result of the indebtedness incurred during the war, which largely accounts for the tremendous increase in Federal expenditures, and the retirement of approximately five billions from our national debt. The Federal debt has been reduced approximately $5,000,000,000 from 1924 to 1930, whereas, during the same period, the State indebtedness increased from $1,100,000,000 to $1,800,000,000, or a net increase of $700,000,000, while local or municipal indebtedness increased during the same number of years from $8,000,000,000 in 1924 to over $12,000,000,000 in 1930, or a net increase of $4,000,000,000, as compared with a reduction of five billions in the Federal debt.

According to the Statistical Abstract, 1931, the Iowa gross debt less sinking fund increased from $50,000 in 1902 to $17,619,000 in 1929, the per capita indebtedness increasing from $0.02 in 1902 to $7.15 in 1929. The Iowa combined debt, including State, municipal, village, township, county, and other civil divisions, increased from $17,440,000 in 1902 to $151,614,000 in 1922, the per capita debt increasing from $7.84 in 1902 to $62.11 in 1922, the latest year statistics are available in comparative form.

As a result of the large expenditures, undoubtedly much of it well expended, and undoubtedly much might have been avoided, which is the case of, as stated by President Hoover, not only the Federal but State and municipal governments as well, we have the heavy burden of Federal expenditures, estimated at $4,827,000,000 for the year 1931–32, of which amount it is estimated that 90 per cent are war taxes and 10 per cent for other purposes. Much is said about retrenchment in expenditures, especially reduction in salaries.

Many contend that expenditures should be cut to $2,000,000,000. The salary roll of this Government for Army and Navy is $259,000,000, for civilian activities $1,056,000,000, which includes the salaries of the legislative branch—Senate and House—which is only one-half of 1 per cent of the total cost of the Government; the total for all salaries is $1,315,000,000.

The deficit for the year 1931 was more than $900,000,000. The deficit for this year, 1932, is $2,885,000,000, due to a 33 per cent decrease in receipts and an increase of about 20 per cent in expenditures. If all salaries—$1,315,000,000—were eliminated from the $2,885,000,000 deficit, for only this year, we would still have the shortage of $1,157,000,000. It is estimated that the new tax provisions will bring in $1,118,500,000, which will be supplemented with $2,143,000,000 accruing under the 1928 measure, or total revenue of $3,261,500,000. With the depressed conditions, of course, all on the public pay roll should contribute to the extent of their ability, but with a salary roll of $1,315,000,000 and a deficit of $2,885,000,000, even if all salaries were eliminated there will be a shortage of $1,570,000,000 to be made up from other sources.

WHY THE UNEMPLOYMENT

Why the unemployment? Exactly as stated by Mr. Edgar Wallace, representing the American Federation of Labor, who appeared before the Committee on Agriculture a number of times urging passage of the McNary-Haugen bills:

> The farmers are our customers; when they have no money, we can not work. We are the farmers' customers * * * Hence I think it is to the interest of all the workers * * * I can not see any hope for improvement except the farmers can buy. These are the people on whom we depend. Now, Mr. Chairman, I do not see any difference in confiscating a farmer's product by force or forcing upon him confiscatory prices that will have the same effect. * * * What does it profit us if we can get meat for 10 cents a pound if we haven't the 10 cents?

It is needless to say that low prices and lowering the standard of living on the farm would result in lower wages and lower standard of living to labor. Mr. Wallace makes that clear, and also called attention to the increased per capita production and results thereof:

I am convinced that our conditions have risen. I believe that we have the highest standard of living to-day * * * I believe our standard of living is higher than that of any country in the world—higher than it has been anywhere. But it is not enough, because our per capita production has appreciated faster than our added income, and hence we have these periods of stagnation when nobody can work because the other fellow can not buy the product of his work.

All appreciate the important place agriculture holds in the economic life of our Nation. Recent experience has demonstrated with absolute finality that the stability, the growth, and greatness of our Nation, the progress, prosperity, and happiness of our people depend upon the success of the tiller of the soil. All wealth springs from Mother Earth. Every year the farmer by his labor affords the opportunity of the sun, rain, and soil to bring into existence the essentials of life—the food we eat, the clothes we wear. The only way to get wealth is to create it by the slow process of applying labor and energy to raw material.

WHY THE CONTINUED ECONOMIC DEPRESSION IN AGRICULTURE

Why the continued economic depression in agriculture? First, due to the disparity in prices of agricultural commodities and the products of industry and labor—the high prices paid by the farmers for labor and the products of industry as compared with the low prices he receives for what he has to sell; and, second, the shrinkage in value of farms and agricultural commodities has resulted in the destruction of the farmer's credit and income.

All will agree, by the shrinkage in value of agricultural commodities the farmer's credit was destroyed; as a consequence, not only the farmers' but the railroads', manufacturers', merchants', and bankers' credit was also destroyed. The credit of the insolvent creditor, due to the depreciation in value of his assets, can only be restored by increasing the value of his assets, and only then will his credit be reestablished. When the credit of the farmer, the producer of new wealth, the foundation of progress and prosperity of commerce, industry, and labor, has been reestablished, the millions in banks and in hoarding will again go into circulation; until then evidently the pouring into the banks and loaning of billions and expending hundreds of millions of dollars in the construction of roads and public buildings is merely putting off the date of rehabilitation. Hence the thing to do is to start, not at the top, as was done, but at the foundation of all prosperity, agriculture, to restore not only the credit and confidence but also restore a parity between the price of agricultural commodities and the products of industry and labor, restore the purchasing price of the farmer's dollar; in short, redeem party platform pledges.

AGRICULTURAL RELIEF PLEDGES

The Republican platform of 1924 pledged the party as follows:

We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take the necessary steps to bring back a balanced condition between agriculture, industry, and labor.

The Democratic platform of 1924 pledged the party—

to stimulate by every proper governmental activity the progress of the cooperative-marketing movement and the establishment of an export-marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

The Republican platform in 1928 pledged the party as follows:

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success.

It not only pledges the party to take the necessary steps to bring back a balanced condition between agriculture, industry, and labor, but insures enactment of measures which will place agriculture on a basis of economic equality with other industries to insure its prosperity and success.

The Democratic Party platform of 1928 states:

There is need of supplemental legislation for the control and orderly handling of agricultural surpluses, in order that the price of the surplus may not determine the price of the whole crop. Labor has benefited by collective bargaining and some industries by tariff. Agriculture must be as effectively aided. It pledges the united efforts of the legislative and executive branches of Government, as far as may be controlled by the party, to the immediate enactment of such legislation and to such other steps as are necessary to place and maintain the purchasing power of farm products and the complete economic equality of agriculture. * * * Farm relief must rest on the basis of an economic equality of agriculture with other industries. To give this equality of agriculture with other industries a remedy must be found which will include, among other things, the creation of a Federal Farm Board to assist the farmer and stock raiser in the marketing of their products, etc.

President Hoover, in his speech of acceptance, August 11, 1928, stated:

An adequate tariff is the foundation of farm relief. The domestic market must be protected. Foreign products raised under lower standards of living are to-day competing in our home markets. I would use my office and influence to give the farmer the full benefit of our historic tariff policy.

In his message of April 16, 1929, President Hoover stated:

The great expansion of production abroad under the conditions I have mentioned renders foreign competition in our export markets increasingly serious.

President Coolidge in his message at the opening of the last session of the Sixty-ninth Congress said:

The important place which agriculture holds in the economic life of the Nation can not be overestimated. The National Government is justified in putting forth every effort to make the open country a more desirable place to live in, and no condition meets this requirement which fails to supply a fair return on labor expended and capital invested.

All goes to show the important place agriculture holds in the economic life of the Nation, and the struggling, adverse conditions and deep distress in agriculture, and the solemn pledges made to restore equality between agriculture, industry, and labor.

It is pleasing and gratifying to know that the Republican and Democratic platforms of this year, and men of influence and prominence such as Barney Baruch, William Gibbs McAdoo, Owen D. Young, and others now acknowledge the important place that agriculture holds in the economic life of the Nation, as indicated by the remarks of Mr. Owen D. Young, published in the New York Herald Tribune of May 10, 1932, as follows:

The equalization fee for agricultural products might be the solution for the Nation's economic troubles. * * * At this point in our rise to unprecedented heights of luxury in our every-day living the industrialists realized that to sell their products they had to raise the farmers' buying power along with that of the industrial worker, and the installment plan of buying was developed and foisted upon an unsuspecting public. Farm-loan banks were chartered and other inducements held out to the farming class in order to get them to buy more land, more machinery, more household equipment, more unnecessary but highly to be desired articles. This went on until the agriculturists had discounted and mortgaged their earnings for a number of years in advance. When the farmers began to realize that they could no longer continue to meet their installments buying ceased. With the cessation of the buying frenzy manufacturers could no longer maintain their production; with production cut, their purchasing power was curtailed and a reduction in costs was made necessary. Wages were reduced, labor discharged, and your economic cycle was complete. With this crippling paralysis in business upon us there seems but one further plan which we may attempt to work out to start the spiral of purchasing power, production and consumption, back up the scale rather than continuing downward, as at the present time. Our salvation may lie in the adoption of the equalization fee, which, if properly organized and administered, would give the agriculturist something of the protection enjoyed by the industrialist.

AGRICULTURAL MARKETING ACT AND OPERATIONS OF THE FEDERAL FARM BOARD

An earnest and honest effort has been made to overcome the unfortunate inequality in returns between our basic industry, agriculture, and others, one step in that direction having been taken. We have the agricultural marketing act, which, with a few changes in the phraseology and the elimination of the equalization fee, is practically the same as the McNary-Haugen bills, passed two times in the House and the Senate with the Farm Board vested with unlimited

authority to overcome the inequality, to adopt and carry out its own plan, and with $500,000,000 at its disposal to carry out the declared policy of the act, "to maintain advantageous domestic markets and to prevent such surpluses from causing undue or excessive fluctuations or depressions in prices for the commodities"; in other words, to make the tariff effective, as made effective by organized industry. So far the board has not succeeded in effecting a workable plan to carry out the declared policy. Its efforts have been devoted to effecting a reduction in acreage and 100 per cent cooperation and control of the whole production, essential in carrying out the declared policy of the act, and in experimenting with the subsidy plan, which has been helpful to only a few commodities, such as cotton and wheat.

In calling attention to the board's failure to carry out the declared policy of the act, it is not to find fault or adversely criticize the board. No; it is fair to say that, owing to the world-spread economic depression, but little could be accomplished under any plan. The board undertook to do the impossible. No; a 100 per cent cooperation of 6,000,000 farmers, or any 6,000,000 people, can not be effected voluntarily. To be accomplished it must be made mandatory, as provided in the McNary-Haugen bill.

The board's operations prove conclusively that by removing the surplus from the market, to prevent such surpluses from unduly depressing the price, that the tariff can be made effective.

Had the board continued its policy to buy at the pegged price of wheat, and to take over the surplus wheat and to assume the loss, and had it exported the wheat according to the prices furnished by the Grain Futures Division of the Department of Agriculture, bought in January, 1931, at the Chicago price of 78½ cents, it would have brought the Liverpool price of 62½, thereby taking a loss between the domestic and the foreign price of 16 cents a bushel, with added cost of 16 cents for insurance and freight or a total loss of 32 cents a bushel, or a net price of 30½ cents. If sold now, since depressing the price on the domestic market, by donating to the Red Cross first 40,000,000 and later another 45,000,000 bushels for domestic consumption, the price would be the Liverpool price of 50¼ less freight and insurance of 16 cents and storage of 27 cents, or net price of 7¼, as against the possibility of receiving 30½ cents, being a net loss on every bushel of 23¼. Unfortunately, since placing the surplus wheat held by the Farm Board and making it available through the Red Cross for distribution in competition with the domestic market, the Chicago price, which went as high as 33 cents above the Liverpool price during the stabilization period, is now 2½ cents below the Liverpool July futures price, the Chicago price being 47¾ cents, as against the Liverpool price of 50¼ cents on July 1, 1932. Nevertheless the board has been helpful to the wheat producers.

As a result of the operations of the board, the producers were benefited during the month of December, 1930, from 5 to 20 cents, and from December, 1930, during the marketing operations, from 18 to 20½ cents a bushel, which seems to prove conclusively that by removing the surplus from the market to thus prevent the surplus from unduly depressing the price, the tariff can be made effective by the subsidy plan, and by continuing the plan it would undoubtedly carry out the declared policy of the act. The objection to the plan is that the cost is borne by the stabilization fund—in other words, by the Federal Treasury—whereas under the equalization-fee plan each producer would share equally in the cost of equalizing the price and share alike in the profits and receive even greater benefits without cost to the Federal Treasury.

Had the board succeeded in effecting 100 per cent cooperation, essential in carrying out the declared policy in making the tariff effective, and applied the equalization-fee plan, the producer of wheat, if operating under the equalization-fee plan, during the period of operations, would have received the price of the competing market (Winnipeg) ranging from 56 to 66 cents, an average of about 60 cents, plus the tariff of 42 cents, freight and other expenses incident to importation of 8 cents, or a total of $1.10, a net gain over the price received under the subsidy plan of 34 cents a bushel, minus the equalization fee of 14 cents, or a net gain of 20 cents over the price received. This gain of 20 cents, if applied to the whole production of 860,000,000 bushels, would be $172,000,000, without cost to the Federal Treasury.

Under the debenture plan, if the 21-cent debenture rate were applied to the entire 1930 crop of wheat, 860,000,000 bushels, the producers of wheat would have been benefited to the extent of $180,600,000 at a cost to the Federal Treasury of $54,600,000. Under the equalization-fee plan the gain to the producers would have been, after paying the cost of equalizing the price, $172,000,000 without expense to either the producer or the Federal Treasury. In other words, under the debenture plan the gain to the producers would have been $180,600,000 at an expense of $54,600,000 to the Federal Treasury, and deducting the $54,600,000, the net gain would have been only $126,000,000.

Under the allotment plan, in other words, another way of equalizing the price, the results would be the same as under the equalization-fee plan, except the cost of production would be the basis instead of the tariff. If the cost of production, and on the other hand the world price, plus the tariff are the same, the results would be identical, as, for instance, if the competitive price (Winnipeg) is 50 cents, plus freight of 8 cents and tariff 42 cents, the total would be $1. Under the cost plan, if the cost of production is $1.10, the cost plan would be 10 cents to the good.

EQUALIZATION-FEE PLAN NOT INCLUDED

Why was the equalization-fee plan embodied in the McNary-Haugen equalization fee plan bill not included in the agricultural marketing bill? Many contended that farm relief might be made effective through voluntary cooperation and control—others contended that a balanced production might be effected by and through reductions in acreage. The sponsors of the equalization fee contended that in view of experience of many excellent men in their efforts to effect 100 per cent cooperation and control in marketing commodities having failed in securing voluntary cooperation that nothing short of making cooperation and control mandatory and complete would accomplish the results desired.

No agreement could be reached on any particular plan, hence it was determined to leave it to the board to work out its own plan to carry out the declared policy of Congress, "to maintain advantageous domestic markets, and prevent the surplus from unduly depressing the price of the commodity."

Many believed that as neither of the major parties were committed to any specific plan, and as both were committed to farm relief legislation, and as it did not seem possible to pass a measure carrying the equalization-fee plan, many of us, including the legislative representatives of the various farm organizations—the Farm Bureau, Farmers' Union, and the National Grange, and others—most reluctantly yielded to the suggestions to leave it to the board to adopt its own plan. As a result we have the agricultural marketing act. The act gives the board unlimited power, makes $500,000,000 available to carry out the declared policy, and places the responsibility to carry out the declared policy upon the board to adopt its own plan to bring about the desired result.

ACT SIMILAR TO PRIOR BILLS

The act is along the lines of the Norris-Sinclair bill (H. R. 2659), introduced by Mr. Sinclair December 6, 1923, Sixty-eighth Congress, first session, under title of the "farmers and consumers' corporation act," which provided for the purchase and sale of farm products by a corporation, with capital stock of $100,000,000, subscribed by the Federal Government, with management vested in a board of directors of three members, empowered to build, buy, lease, and operate elevators and storage warehouses; buy agricultural commodities from any person within or without the United States in the natural or prepared state; to make advances for the purpose of assisting in financing the sale or exporta-

tion and sale of agricultural products for the purpose of providing a market for the sale of agricultural products, and to eliminate so far as possible the commissions and charges that are exacted upon agricultural products. The corporation to issue and have outstanding at any time its bonds maturing in 10 years in amount of not more than five times its paid-up capital, with interest rate fixed by the board of directors, with approval of the Secretary of the Treasury, and the net earnings not required for its operation to be accumulated as a reserve up to $100,000,000, such bonds to be exempt from all taxes, both as to principal and interest, and interest on bonds held by any one individual not exceeding $5,000 to be exempt from such taxes.

The act, with the exception of a few changes in phraseology, is identical with the declared policy of the McNary-Haugen bill, except that the McNary-Haugen bill provided for a specific plan, the equalization-fee plan, to carry out the declared policy, the purpose of the equalization fee being to collect from each unit a ratable share of the cost of equalizing the price and to pay each producer a proportionate share of the profits therefrom, thus resulting in full control in the marketing of the whole production of agricultural commodities, without a drain on the Federal Treasury, whereas under the act it is up to the board, in conjunction with the producers, to adopt its own plan to effect 100 per cent cooperation and control necessary to maintain advantageous domestic markets and to prevent the surplus from unduly depressing the price, as directed in the declaration of policy.

The board has not succeeded in effecting 100 per cent cooperation or control. Undoubtedly many friends of real farm relief are much disappointed. Evidently it has not come up to the expectations of its sponsors.

I assume that the producers, Members of Congress, and all concerned are as much interested in farm relief as ever, and now that the board has failed in adopting a workable plan all will join hands in renewed efforts in the enactment of a law specifically directing how and when to give the farmer advantageous domestic markets, to prevent the surplus from causing undue and excessive fluctuations and depressions in the price of commodities, thus placing the farmer on the promised parity with labor and other industry.

Will Congress come to the rescue of the farmers to relieve them of their continued economic depression? Will the Members of Congress put their shoulders to the wheel in an honest effort to redeem their party platform pledges to place agriculture on equality with others? Though late, shall the farmers be given the benefit of our protective laws?

All that the farmers ask is that they be enabled to market their commodities as organized industry and labor are and have been doing, and that Congress make the 100 per cent cooperation possible, and that they be given the benefit of our protective laws—in other words, that they be given a fair and square deal. They are not now, nor have they been in the past, asking for charity or a subsidy. They and millions of others believe in and have most consistently asked for a definite workable plan.

Instead of further experimenting with plans known to be unsuccessful except at a high cost, and thus subjecting the producers to a long, lingering financial extinction—in other words, a slow and certain economic death—why not try some known workable plan, never known to have failed, the equalization-fee plan or the allotment plan tried out by organized industry, as, for example, the allotment plan, the miller's plan, which seems to have worked out favorably to them.

As, for instance, prices of wheat at Chicago during January and February, 1931, ranged from 81 to 83 cents. The average price at Minneapolis during the same period was 76 cents. Four and six-tenths bushels of wheat are required to make a barrel of flour. One barrel of flour, with 38 per cent moisture added, makes 276 one-pound loaves of bread, and generally 14-ounce loaves are sold as pound loaves, which would increase the number to about 300 loaves. At 77 cents a bushel the cost of the wheat (4.6 bushels) entering into the production of a barrel of flour would be $3.54. According to the quotations, Minneapolis flour on February 17, 1931, was $5.20 to $5.40 a barrel, in addition to which there is about 70 pounds of shorts and bran, which generally sell at about a cent a pound, making a total of $5.90 to $6.10 a barrel.

At Los Angeles, 3,000 miles away, where it is necessary to sell at a lower price to meet competition, with freight charges paid, the price was $4.90 to $5.13, plus the 70 cents for by-products, making $5.60 to $5.83. Under this plan the millers receive the profit of from $2.36 to $2.56, less the cost of processing, which I understand to be 52.6 cents a barrel, or a net profit of from approximately $1.83 to $2.03 per barrel at Minneapolis, and from approximately $1.53 to $1.76 at Los Angeles, less freight charges.

It will be noted that the producers sold their wheat at 77 cents minus, on an average of approximately 17 cents freight and hauling, net about 60 cents a bushel, or $2.76 a barrel, while the millers receive for a barrel of flour and by-products from $5.90 to $6.10, and the consumers pay, when the flour is made into 276 one-pound loaves of bread and sold at 10 cents a loaf $27.60, or when made into 300 14-ounce loaves of bread, approximately $30. The millers, under the allotment plan, make a profit of $1.83 to $2.03 per barrel. In the case of the millers, the allotment plan under voluntary agreement seems to have worked out well in their behalf, and would work out equally well for the farmers, were it possible to effect 100 per cent cooperation and control; but with the millers, of whom there are only a few in number, it is possible to effect control by voluntary agreements, but is out of the question in the case of the many millions, as in the case of the farmers.

During the years of continued economic depression, many have consoled themselves with the delusion that prosperity is just around the corner, while the truth has been concealed, and as a result we are now paying the fiddler. Now, after years of feasting on the erroneous misconception, I take it that by this time all agree that nothing can be accomplished by concealing the facts. If we are ever to mend the bad situation, it is necessary to squarely face the facts; as everybody knows the World War destroyed the accumulated wealth of nations and left the world bankrupt, and better give consideration to the cause and remedy.

Economists, educators, politicians, statesmen, bankers, in fact many of high type and with sincere purpose, have suggested remedies to overcome the unfortunate economic conditions. Party platforms have been profuse in words of praise and commendation, and in giving assurances to every worthy and legitimate enterprise of immediate relief.

REMEDIES ENACTED AND PROPOSED BY THIS CONGRESS

Many remedies have been proposed. Committees of Congress have worked night and day in an honest effort to improve the conditions. Congress started at the top and specialized on credit expansion, and as a result we have the enactment of the $2,000,000,000 Federal Reconstruction Finance Corporation act, which will help rural banks and credit corporations from its general fund, intermediate credit banks from an earmarked fund of $200,000,000, and allocates $50,000,000 to the Secretary of Agriculture for loans for feed and seed where emergency conditions exist. Congress also passed the amendment to the Federal land bank act authorizing the Secretary of the Treasury to subscribe to $125,000,000 of bonds, which it was confidently believed would be helpful in securing extensions, renewals, and new loans.

There was also enacted the Glass-Steagall bill to broaden the eligibility requirements of reserve banks in emergencies to make Government securities purchased by the reserve banks eligible as collateral for Federal reserve notes, thus increasing the latitude of reserve banks and adding to the free gold, by permitting member banks in emergencies to borrow from the reserve bank upon assets which, though good, have not previously conformed to the requirements imposed by the Federal reserve act; authorizing the Federal reserve banks to make advances to groups of five, or to any single member bank of $5,000,000 or less, which has exhausted its supply of eligible paper, which should include all but 62 of the 7,600 member banks, which was intended to

increase the free gold by $741,000,000, to a total of $1,205,000,000.

Also the act to provide $10,000,000 revolving fund for organization and refinancing of agricultural credit corporations. There was also passed by the House what is termed the honest dollar bill, which declares it to be the policy of the United States that the average purchasing power of the dollar for the years 1921 to 1929 shall be restored and maintained by the control of the volume of credit and currency, and the Federal Reserve Board and Federal reserve banks are charged with the duty of making effective the policy. The bank guarantee bill also passed the House.

There was also enacted a resolution to authorize the Secretary of Agriculture to aid in the establishment of agricultural credit corporations; and the Secretary is authorized to make advances or loans to individuals, up to 75 per cent of the par rate, under such regulations as he may prescribe, for the purpose of assisting in forming local agricultural credit corporations, livestock-loan companies, or like organizations, or increasing the capital stock of such corporations or institutions, qualified to do business with Federal intermediate credit banks, and authorized a $10,000,000 appropriation therefor.

Yes, circulation has been increased by metes and bounds. Apparently, everything possible along that line has been done, but unfortunately, without accomplishing the anticipated results.

Notwithstanding the large increase in volume of currency, prices of commodities, stocks and bonds, real estate, in fact everything has declined to the lowest point in many decades. Evidently the volume of money is not a panacea for all ills—be it fiat or gold money. Evidently the cause of our trouble is not due so much to the scarcity of money, as it is to the lack of a market for our commodities at prices commensurate with the cost of production. For example, in 1929, at the time of the crash in the stock market money went begging—call money or money backed up by first-class collateral was never loaned at a lower rate, which is also true to-day. A large volume of money is essential, but unless distributed gratuitously or without consideration, be it cheap or good money, it can not be obtained without giving something in return. Why is money not in circulation? Are we right in saying that Congress, industry, commerce, and agriculture are at a standstill? Cities are overbuilt, factories and mills are crumbling, railroads rusting from idleness, and some nine millions are out of employment. There were 60,332 people in bankruptcy in 1932. Farmers are selling cotton at less than 5 cents, oats at 15 cents, corn at 20 cents—all below the cost of production. Taxes are high, and with 2,298 banks with $1,691,510,000 deposits suspending operations in 1931, insurance companies, bankers and capitalists, and men and women with money to invest naturally are reluctant to extend credit to losing enterprises; hence there is no place nor inclination to invest. The use of credit and the investment of money can not be compelled by legislation.

Another suggestion to restore employment is increased circulation by passing the "pork barrel" to add two more billions to the $19,036,916,643 debt as of May 31, 1932—if so, employment is an assured thing. No; something more will be needed. For many years mass production, mass buying, mass distribution has been suggested as a tremendous advantage, and certain cure for all our ills. The contention has been that if the manufacturer would merge, so as to produce in greater quantities, it would be at a lower cost; and that if mail-order houses and general stores and large distributors would buy in large quantities they could distribute at lower costs, and if carried to a successful conclusion the cost of living would be materially reduced.

Inventive genius was called into action, and manufacturing plants were equipped with so-called labor-saving devices. Electric, steam, and water power was substituted for human power, which not only doubled the per capita production, but which in many instances increased it from ten to fifteen times. It is needless to say that when the so-called labor-saving devices were substituted for human power, increasing the per capita production from ten to fifteen times, an equal number of men and women found themselves without employment. Exactly as stated by Mr. Edgar Wallace, representing organized labor, when appearing before the House Committee on Agriculture in support of farm relief legislation, when he said: "The farmer is a customer of labor—when they have no money, we can not work—because our per capita production has appreciated faster than our added income, we have these periods of stagnation when nobody can work because the other fellow can not buy the products of his work." Evidently increased circulation would fall short of the mark.

Dr. Nicholas Murray Butler, in his address before the Economic Club at Chicago, April 15, 1932, in speaking of the disaster which has come over us, stated:

> To-day there are more men out of work than there were under arms in the Great War, and the direct financial losses which have been incurred since 1918 have already exceeded the direct financial losses of that war. To the United States alone the money cost of the war has been by our best authorities estimated at $37,500,000,000. (The Statistical Abstract gives the money cost of the war to the United States Government to June 30, 1930, including interest paid, at $51,546,619,000.)
>
> These amazing conditions bear no relation whatever, either in origin or in character, to those which we are accustomed to associate with the years 1837, 1857, 1873, 1893, and 1907. Those ingenious persons who are drawing graphs and making tables to show when business will return to normal and when prices will rise, following the precedents of those earlier depressions, are wasting their time. Unless we remove the basic causes of this present depression there is no assurance of any automatic check to it whatever until there comes about a complete paralysis of all business activity. What is needed, first of all, is a quick, drastic, and permanent reduction or complete abolition of all existing intergovernmental obligations which arose out of the World War. It is merely a tantalizing putting off of the day of reckoning to propose the moratorium, for a moratorium only postpones the day when the real issues must be definitely faced, no matter how grave they may be.

In other words, Doctor Butler's suggestion is to cancel $11,678,093,000 obligations of foreign governments to the United States, and all will be well. According to the Statistical Abstract, the public debt of the United States was $16,931,938,000 in July, 1931, and is now more than $19,000,000,000. The general practice of merchants, bankers, and farmers has been to collect on paper and accounts held and to apply collections made on their indebtedness. With me, I have always found that to borrow is simply the cancellation of an old debt by the creation of a new one. I take it that the same applies to the Nation as well as to the individual. If a debt can be canceled as suggested, how stupid it must have been of the many thousand banks that have been closed and the 60,322 in bankruptcy in 1931? How stupid it was of them not to cancel the obligations due them, rather than to collect on paper and accounts. Rather than to cancel our obligations it would seem the old way, the proper way, and most just way would be to collect what can or may be collected of the $16,931,938,000. Even by France paying its $3,900,000,000 and Great Britain paying its $4,426,000,000 it would lessen our burden by $8,326,000,000 or would cancel one-half of our indebtedness.

If the war departments of France can support an organized force of 6,942,539; Italy, 5,985,597; Poland, 1,977,095; and Great Britain, 744,646, they should certainly be in position to pay off their national debt. In January, 1931, the last year in which any payment on account of principal and interest was received, the sum of $215,000,000 was paid to the United States Treasury on war debts. This amounted to but one-half of 1 per cent of the national incomes of the countries which made the payments, and but 2.7 per cent of their annual budgets. In fact, they paid eight times as much for armaments as they paid us on their war-debt accounts.

If foreign nations may pay their war debts to us by applying one-half of 1 per cent of the national income—in other words, 50 cents out of every $100 income—or 2.7 per cent of their annual budgets; in other words, $2.70 out of every $100 represented in the budgets; or can afford to pay eight

times as much for armaments as they pay us on their war-debt accounts, they are undoubtedly solvent and in position to meet their obligations, and should without question, pay.

Doctor Butler states:

> There must be a quick movement for a world-wide revision and reduction of tariff schedules if industry and trade in the United States and elsewhere are to revive * * * our tariff has made it exceedingly difficult and almost impossible for debtors in other lands to pay their obligations to us, and it has thereby penalized our American banks and investors. It would not be difficult to trace a definite connection between our tariff schedules and some of the recent defaults on foreign bonds.

The lowering of the tariff or free trade, according to Doctor Butler, is essential to revive industry and trade in the United States and in maintaining the price on foreign bonds and to obviate default. In other words, it is necessary to lower the American high standard of living in order to collect foreign debts and to maintain the price of foreign bonds and prevent default at the expense of the producers and labor. Before plunging headlong into the proposal it is well to examine the record and see what would happen to the farmers.

After 18 months of consideration by Congress, which met in special session for the purpose of benefiting American agriculture and revising the tariff act, the present tariff act was passed, and, if effective, these new tariffs would increase the prices something like 41 per cent above foreign prices. One witness before the committee testified that the value of protection under the present tariff act, if effective, would be $3,640,800,000, whereas it is only effective to the extent of $103,700,000 on the main agricultural commodities such as wheat, corn, oats, barley, rye, rice, potatoes, cattle, hogs, tobacco, and so forth; and the nominal protection on butter and other dairy products would be $742,600,000, whereas it is only effective to the extent of $212,800,000.

The May future price of corn at Chicago during January and February, 1931, ranged from 64⅛ up to 74⅝ cents; at Kansas City from 58¼ to 68⅝ cents, whereas the Buenos Aires price ranged at the same time from 28⅜ to 32¾ cents, a spread of from 36 to 42 cents a bushel between the Buenos Aires and Kansas City prices. Had it not been for the tariff, we would have been selling our corn on the world market in competition with Buenos Aires prices ranging from 28 to 32 cents, plus ocean freight and export tax of approximately 13 cents, making it about 42 cents f. o. b. New York, as compared with 64 to 74 cents in Chicago, approximately 22 to 32 cents a bushel in our favor.

The price of flaxseed at Minneapolis during January and February, 1931, ranged from $1.50 to $1.64, whereas the Winnipeg price ranged from 95 cents up to $1.07, and the Buenos Aires price ranged from 30¾ cents up to 96⅜ cents a bushel, being a difference of from 56 to 57 cents between Minneapolis and Winnipeg and from 67⅝ to 69¼ cents between the Minneapolis and Buenos Aires prices. Had it not been for the tariff on flax, we would have been selling our flax in competition with Winnipeg and Buenos Aires at about 50 cents below the Minneapolis price.

The average price of cattle per 100 pounds at Chicago, on good steers 1,100 to 1,300 pounds, according to the Bureau of Agricultural Economics of the Department of Agriculture, ranged from $9.93 to $11.26 during the last five months of 1930, as against prices on medium steers over 1,050 pounds at Winnipeg ranging from $4.58 to $6.31 per 100 pounds. Again, owing to the tariff, cattlemen benefited to the full extent of the $3 tariff plus expenses incidental to importation.

Had it not been for the tariff we would have been selling our cattle in competition with Canada at approximately $5 per hundred pounds less than the prices received.

With due regard to the holders of foreign bonds, I suggest to thus lower the standards of the American producer and American labor the sacrifice is too great, most certainly at a time when the farmer is selling his wheat at 25 to 30 cents and oats and corn at 15 cents in the country.

PROPOSED AMENDMENTS TO THE AGRICULTURAL MARKETING ACT

H. R. 12733 provides three plans—the equalization-fee, the debenture, and the allotment plans—and was urged in a joint statement of the American Farm Bureau Federation, the Farmers' Union, and the National Grange, which was printed in hearings on the bill before the Committee on Agriculture, and is as follows:

> We insist that the agricultural marketing act shall be continued in force as a principal method of stimulating cooperative marketing and advancing the cause of disposing of surpluses so that they will not depress the domestic price.
>
> The marketing act should be amended immediately by the inclusion of the debenture plan, equalization fee, or any other method which will make it effective in controlling surpluses, in making tariffs effective on farm crops and in securing for American farmers cost of production on those portions of their crops sold for consumption in our own Nation; nothing less is a remedy for the agricultural marketing problem.

The equalization-fee plan has received consideration in both House and Senate and has passed both bodies on two occasions, but failed to receive Executive approval. Very briefly, the fee is assessed on each unit of the commodity as it moves into commerce, builds up a stabilization fund derived wholly from the commodity, and during a marketing period, when the plan is put into operation, builds up the fund from the assessments on the commodity, rather than to make up the fund from the United States Treasury, which has been the course of procedure for the past three years under the present agricultural marketing act.

The debenture plan has been much discussed in both House and Senate, and prior to the passage of the agricultural marketing act it was passed in the Senate three times; failed of passage in the House by a vote of 250 to 113 on June 13, 1929. Very briefly, the debenture plan provides that exporters of those agricultural products of which we produce a surplus would receive from the Treasury Department certificates having a face value established by Congress, being negotiable in payment of import duties, and provides that the debenture shall be one-half the tariff rate, with the exception of corn or maize, at 7½ cents per bushel; rice, ½ cent per pound; wheat, 21 cents per bushel; cotton, 2 cents per pound; and tobacco, 2 cents per pound.

The allotment plan has not been before either Senate or House, although it has been discussed and has received some consideration in the committee. Very briefly, the allotment plan provides that the Federal Farm Board is to ascertain and promulgate the average cost of production of the commodity for the year during which the commodity was produced, to estimate the portion to be used for domestic consumption, and all licensees handling the commodity required to purchase that portion of the product necessary for domestic consumption at a price not less than the cost of production, as ascertained by the board.

EMERGENCY AGRICULTURAL RELIEF PROPOSED

H. R. 12730 declares the existence of an emergency, and shall cease to be in effect one year after date of its approval. Under its provisions the Secretary of Agriculture shall estimate what in his judgment will be needed for domestic consumption of wheat, cotton, hogs, rice, tobacco, corn, livestock, and dairy products, and each producer of wheat, cotton, and the products enumerated shall be entitled to have issued to him promptly an adjustment certificate covering the domestic consumption percentage of each lot of the commodity of his own production, which adjustment certificates are to be paid by the first processor, and such adjustments shall be at the tariff rate fixed by the bill as follows: Wheat, 42 cents per bushel; cotton, 5 cents per pound; hogs, 2 cents per pound, and so forth, and the adjustment certificates when presented any time after 30 days and not more than one year shall be redeemed at face value in legal tender money.

This insures the full benefit of the tariff, less a prorate share of the administrative expenses. For instance, assuming that the Secretary estimates the wheat crops to be eight hundred millions, and six hundred millions of bushels are

processed for domestic consumption, the producers would be entitled to 42 cents a bushel on the six hundred million bushels, or $252,000,000.

A comparison of the plans is indeed most interesting. I shall include in my remarks a summary indicating the cost to the Government of the debenture plan, its benefits to the producers, and the net gain to the producers after deducting the cost to the Government, and the net gain to the producers without expense to the Government, under the equalization plan.

Commodity	Years	Debenture plan			Equalization plan, net gain after deducting equalization fees	Difference in favor of equalization plan
		Gain in price of whole production	Cost to Federal Treasury	Net gain after deducting cost to Government		
Wheat	4 years, 1924–1927	$705,263,280	$142,484,630	$562,783,650	$960,949,742	$398,166,092
Corn	do	802,866,000	4,990,500	797,875,500	1,690,046,033	892,170,533
Total		1,508,134,280	147,475,130	1,360,659,150	2,650,995,775	1,290,336,625
Beef	3 years, 1924–1926	339,435,000	1,560,000	337,875,000	1,068,144,800	750,269,800
Butter	do	284,005,960	949,260	283,056,700	353,397,742	70,341,042
Total		623,440,960	2,509,260	620,931,700	1,441,542,542	820,610,842
Grand total		2,131,575,240	149,984,390	1,981,590,850	4,001,642,317	2,110,947,467

NEED FOR RELIEF MORE THAN EVER BEFORE

The policy of Congress as declared in the agricultural marketing act of June 15, 1929, was:

To promote effective merchandising of agricultural commodities, so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control, and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their food products—by minimizing speculation; by preventing inefficient and wasteful methods of distribution; by encouraging organization of producers; by aiding in preventing and controlling surpluses in any agricultural commodity through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from causing undue and excessive fluctuations or depressions in prices for the commodity.

That was the policy of Congress in 1929; it can not be said that the conditions which brought about the enactment of the agricultural marketing act at that time have changed for the better and that the need for real farm relief is not just as acute to-day as it was at the time of the passage of the act. One need only refer to the bankruptcies and the annual reports to ascertain the present conditions as compared to that time.

Under the agricultural marketing act, by applying the subsidy plan, or in the absence of the equalization fee or some self-sustaining plan, hundreds of millions have been and will continue to be lost, with little temporary relief, and no lasting relief—it has proven that it can only be made effective at a large expense to the Federal Treasury, and proved to be not only expensive but accomplished just exactly what was predicted it would do by Mr. Frederick B. Wells, vice president of F. H. Peavey & Co., grain merchants and warehousemen, Minneapolis, Minn., before the Committee on Agriculture, April 4, 1929 (hearings, Serial A, part 8, p. 714). Speaking under the authorization and with the concurrence of the grain markets at Chicago, New York, St. Louis, Kansas City, Minneapolis, Duluth, and Omaha, he stated in response to a question by Doctor Aswell, a member of the committee, "If such a bill should be enacted and put into operation and it was successful, would not this board in a few years be doing the business you and your associates are doing now?" replied, "Eventually that would be my expectation and my hope." In other words, it put a crimp in speculation and placed the cooperatives largely in control.

Shall the expensive act, devoid of lasting results, be continued, or shall it be amended so as to meet the requirements and the suggestions made by the heads of the farm groups, with membership of 4,000,000, so as to in a large degree start the 6,000,000 farmers on the highway to prosperity?

If Congress adjourns without redeeming party pledges to place agriculture on a parity with industry and labor, may it not be said that party platforms are sincere expressions founded on integrity, but mere scraps of paper, built to get in on but not to stand on. If the proposed measures are enacted, they might not at this late day solve the problem, but they will go far toward the recovery of our basic industry, agriculture, and, in turn, start the ball rolling all along the line.

If the 3-plan bill, H. R. 12733, were in effect to-day, July 1, 1932, the benefit to producers would be:

July wheat at Liverpool, quoted at 50¼ cents, minus transportation and handling charges of 16 cents, would be net 34¼ cents. If the full rate of the tariff of 42 cents is added to the price, it would be 76¼ cents, and after deducting the equalization fee of 12½ cents the net price would be 63¾ cents as against the Chicago price of 47¾ cents, a net gain of 16 cents a bushel under the equalization-fee plan.

Corn, quoted at London at 41.6 cents, minus transportation and handling charges of 14 cents, would be net 27.6 cents. If the full rate of the tariff of 25 cents is added to the price, it would be 52.6 cents, and after deducting the equalization fee of 1 cent the net price would be 51.6 cents as against the Chicago price of 30 cents, a net gain of 21.6 cents under the equalization-fee plan.

New Zealand butter, quoted at London at $0.158, minus transportation and handling charges of $0.03, would be net $0.128, and if the full tariff of 14 cents is added the price would be $0.268, minus the equalization fee of about one-tenth of a cent, would be $0.267, as against the Chicago price of $0.16 for 92 score, or a net gain of $0.107 per pound under the equalization-fee plan.

Copenhagen butter, quoted at London at $0.164, minus transportation and handling charges of $0.03, would be net $0.134, and if the full tariff of 14 cents is added the price would be $0.274, minus an equalization fee of $0.001, would be $0.273, as compared with the Chicago price of $0.16, a net gain of $0.113 per pound under the equalization-fee plan.

THE REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. POLK. Mr. Speaker, on last Wednesday there was introduced in the House of Representatives a resolution (H. J. Res. 452) providing for the immediate repeal of the eighteenth amendment. This resolution is as follows:

Resolved, etc., That the Secretary of State be directed to immediately communicate with the governors of the several States, directing them to call at once conventions of delegates elected by the voters of the several States to ratify the following resolution of the Congress: "The eighteenth amendment to the Constitution is hereby repealed."

In order that I may clearly state my position on this and all such resolutions, permit me to say again as I did on March 10, 1932, with reference to voting on the motion to discharge the Committee on the Judiciary from further consideration of the Beck-Linthicum resolution, that I am firmly convinced the voters and taxpayers of our country have a right, and should be permitted, to vote on the question of the retention or repeal of the eighteenth amendment.

In the previously mentioned resolution, which provides for immediate and outright repeal of the eighteenth amendment, no substitute is offered to take its place. This brings us to what I believe to be the fundamental question involved, namely: Have living conditions under the operation of the eighteenth amendment been better than they were before its adoption? This question is the subject of widespread controversy. My personal opinion, however, is that conditions under prohibition, bad as they are, at this time are still better than they were back in the saloon days.

I am unalterably opposed to the return of the saloon.

To repeal the eighteenth amendment without a workable substitute will soon lead back to those undesirable conditions which existed before its adoption.

Consequently, if and when the eighteenth amendment is repealed there must be substituted for it some form of governmental liquor control to take its place. This system of governmental control must be better than the present prohibition system, else it would be useless to repeal the eighteenth amendment.

I will not vote to repeal the eighteenth amendment as provided in House Joint Resolution 452. However, I will vote for repeal just as soon as there is presented a more satisfactory and workable plan for governmental control of the manufacture and sale of alcoholic liquors; and such plan which is to be substituted for the present eighteenth amendment must appear to provide for better conditions than now exist.

THE HOOVER ADMINISTRATION IS THE MOST COLOSSAL FINANCIAL AND ADMINISTRATIVE FAILURE IN OUR NATIONAL HISTORY

Mr. LOZIER. Mr. Speaker, since Mr. Hoover entered the White House he has ceaselessly wandered in a wilderness of impractical and unworkable illusions and in a zone of successive and ever-deepening administrative failures. As the intolerant devotee of a selfish and sordid school of political philosophy, the President proposed a number of panaceas, each of which he asserted would touch the slumbering economic forces of the Nation and quicken them into new life and virility, only to find each unworkable and disappointing, whereupon he, with the credulous and fickle fancy of a child, turned first to one and then to another toy plan, in turn proclaiming each a cure-all for our economic ills, each of which, like the mirage of the desert, allures with a hope that distance creates but contiguity destroys.

Hesitancy and indecision have marked his actions. With one foot in the sea of ultraconservatism and the other on the shore of unprecedented radicalism he plows in the water of opportunism and unwisely sows his crops in the sands of expediency. He holds with the hares and runs with the hounds. His policies are like some apples, fair to look upon but rotten at the core. In the priestly garb of conservatism he invests and covers the body politic with a socialism ranker than that of any European disciple of Karl Marx. The governmental formulas he incubated were not crystal nor iron, but gilded common clay. The President's schemes were disappointing and as difficult to administer as it is to imprison the sunbeams or the sparkle from the morning dew. Every phantom he pursued mocked him. As variable as the monthly changes of the moon, a disciple of expediency, an advocate of temporary palliatives rather than a constitutional treatment of governmental and economic ills, unstable as water, carried about with every wind of doctrine, the President has given the American people an outstanding example of instability, indecision, and incapacity to foresee the trend of events and break the force of the blows that are impending and about to fall.

The President repeatedly and vigorously proclaimed unchangeable opposition to the dole, and yet in the Reconstruction Finance Corporation and other governmental activities he not only embraced the principle of the dole but accepted it in toto, and while denying its benefits to the millions of unemployed and needy he gleefully granted a $2,000,000,000 dole to the banks, railroads, and big business institutions of the Nation.

But especially in the administration of our financial affairs the President has shown monumental ineptitude.

Under the Hoover administration, for the first time in our national history, the United States Treasury has been in a practically bankrupt condition almost continuously for 24 months in succession. For 11 years the Republican Party has been in absolute control of the Presidency and both branches of Congress. While the Democrats have controlled the House since December, they are not responsible for this national bankruptcy, which is the result of 11 years of Republican maladministration.

All tax laws and all other laws that have for the last 11 years oppressed the people were framed by Republican committees, approved by the Republican steering committees, passed by a Republican House and a Republican Senate, and signed by a Republican President, and during all those 11 years all of our national affairs have been managed by Republicans.

By no subterfuge or ingenious process of reasoning can the Republican Party escape the responsibility for the present desperate and tragic condition of our public affairs. In the 1928 campaign Mr. Hoover was represented as a superman who as President would abolish poverty and deluge the Nation with unprecedented prosperity. He would wave his magic wand over the Nation, the poorhouse would disappear, every man would have a job, with two automobiles in every garage, two chickens in every pot, and all vocational groups would live on the fat of the land. His administration has been a bitter disappointment to the American people and the most colossal failure in our national history. Ten million people are idle, walking the streets, seeking employment, and begging for bread.

Practically every vocational group has been plunged so deep into the pit of insolvency that they must look up to see the bottom. Distress is nation-wide. The earnings and accumulations of former years have been swept away, and tens of millions of men who a few years ago were living in affluence are now reduced to the verge of penury. Our agricultural, financial, and economic structures have been strained almost to the breaking point.

The Hoover administration closed the fiscal year ended June 30, 1931, $902,716,845 in the red; that is to say, the expenditures exceeded the receipts, in round numbers, $902,000,000, to cover which Mr. Mellon, Secretary of the Treasury, issued Government bonds and borrowed $1,056,053,660, thereby increasing the national debt by more than a billion dollars. The total expenditures for the year ended June 30, 1931, were $4,219,950,338, an increase of $225,797,851 over the expenditures for the preceding year.

The total expenditures charged against ordinary receipts from July 1, 1931, to June 30, 1932, were $5,006,000,000, or $786,000,000 larger than the previous year. The deficit for the fiscal year ended June 30, 1932, according to the Treasury statement, was $2,885,000,000, which deficit has been or will be met by the President's Secretary of the Treasury issuing United States bonds, thereby and to that extent increasing our national debt.

The expenditures for the last 12 months, $5,006,000,000, were greater than for any year since 1921, when they amounted to $5,538,209,189; but at that time prices were high and the peace-time expenditures were still materially influenced by slowly ebbing war-time conditions.

The fact is that to pay the expenses of the Government the Hoover administration for the fiscal year ended June 30, 1931, issued bonds at the average rate of $75,000,000 a month, or $2,500,000 a day; and for the 12 months ended June 30, 1932, the administration issued bonds at the average rate of $240,000,000 a month, or $8,000,000 a day.

President Hoover in his Budget message of December 7 said:

> As already stated, the deficit for the fiscal year 1931 is $902,000,000, and the estimated deficits for 1932, $2,123,000,000, and 1933, $1,417,000,000, or a total of $4,442,000,000, which, after deducting statutory debt redemptions and increased cash in the Treasury, show for these three fiscal years a total probable net increase in our national debt of $3,247,000,000.

Here we have an admission in writing over the signature of President Hoover that unless there is a very substantial increase in taxes, for the last three years of his 4-year term, the excess of expenses over receipts would be so great as to necessitate borrowing $3,247,000,000 and increasing the bonded indebtedness of the United States to that extent. But inasmuch as the deficit for the last 12 months was $2,885,000,000, or $762,000,000 in excess of the President's estimate, it follows, according to the President's admission, that unless additional taxes are levied the net result of the last three years of his 4-year term would be an addition of $5,204,000,000 to our Nation's bonded indebtedness; a pretty expensive administration, I call it, even if the miracle man and highly advertised world's greatest engineer has been at the helm.

Now, President Hoover came to Congress in December and in effect said that for the fiscal years of 1931 and 1932 his administration had made a deficit of $3,025,000,000. A recent Treasury statement shows that he underestimated the deficit for the fiscal year of 1932 $762,000,000, and substituting the actual deficit for the estimated deficit, the deficits for the fiscal years 1931 and 1932 aggregated $3,787,000,000, or approximately $1,900,000,000 annually. The President appealed to Congress to increase taxes. Here is what he recommended, and I am quoting from his message:

I recommend that Congress provide for an increase in taxation for a definite limited period and upon the general plan of taxation which existed under the revenue act of 1924 with such changes as may be appropriate in the light of altered conditions. The Secretary of the Treasury has prepared recommendations along these lines which he will present at the proper time. * * * This plan, it is estimated, will realize $920,000,000 next year and thus meet the above conditions of balancing the Budget for the fiscal year 1933 except for the statutory debt retirement. * * * It would provide about $390,000,000 for the current year, leaving us with the necessity of borrowing an amount which will represent a net increase in the public debt by about $182,000,000.

In other words, he asked Congress to impose additional taxes amounting to $1,310,000,000 in order that the wasteful Republican administration might balance its Budget and save its financial face.

In recommending that Congress reestablish the high 1924 tax rate the President said:

The public has paid such taxes in the past and has found them not intolerable and has found that they do not prevent increased prosperity.

But the President should and, of course, does realize that business conditions and the ability of the people to pay taxes are very different in 1932 from what they were in 1924, and notwithstanding the fact that the American people were already staggering under a tax burden far in excess of their ability to bear, the President, with whip and spur, rode Congress until he secured the enactment of a revenue bill that laid on the purses of the American people $1,250,000,000 additional taxes.

I am proud of the fact that I did not vote for the recent tax bill. It contained several provisions to which I can not conscientiously subscribe. It unequally and inequitably distributes the burden of taxation. It places an excessive charge on a people already bent double by an unbearable tax load. It imposes tariff taxes on lumber, oils, gasoline, and other commodities extensively used by the masses. The tax on bank checks is not only a nuisance but is unjust. This is no time to increase taxes when the people have practically no ability to pay.

In peace times no other administration in our history has made such a sorry showing as that of President Hoover. Under no other administration have the peace-time activities of the Government cost the American people even a small fraction of a billion dollars annually more than the receipts, but the second, third, and fourth years of President Hoover's 4-year term would have, according to his own admission, cost the American people $1,734,000,000 for each of those three years in excess of the normal income if Congress had not heeded the President's frantic appeal and passed a tax bill to help him balance the National Budget for the ensuing year.

I quote from a Treasury statement released July 1, 1932:

The fiscal year 1932 closed with a total gross public debt at $19,487,000,000 as compared with $16,801,000,000 on June 30, 1931, or an increase of $2,686,000,000.

But that is not all. It seems that the Hoover administration has contracted the habit of increasing the bonded indebtedness of the Government. According to the report of Secretary Mellon for the fiscal year of 1931 the public debt on June 30, 1930, was $16,185,309,831, but by June 30, 1931, it had increased to $16,801,281,491, or an increase for the fiscal year 1931 of $615,971,660. According to the Treasury reports the increase in our bonded or public indebtedness was $3,302,000,000 in the last two years of the Hoover administration.

Obviously the President is not a successful administrator. He has failed to measure up to the expectations of the American people and to the demands of the exalted office he occupies. He is destined to go down in history as a "1-term President" whose administration was the most unsatisfactory and disappointing in our annals.

HOME LOAN BANK BILL

Mr. LARRABEE. Mr. Speaker, it is my belief that the home loan bank bill is one of the most sound and just measures passed in this session of Congress to aid in economic recovery.

The American home is and must be the foundation of all that is good and sound and wholesome in American life. Any legislation that will aid the home owner or the man who owns an equity in a residential property from losing it or that will make it possible for him to develop and improve his property becomes important legislation. Legislation that will make it possible for those not owning their homes to do so becomes even more important, it must follow.

Building and loan associations have proven to be the means whereby people of moderate or ordinary circumstances, who otherwise could not do so, may own their own home.

Building and loan associations have suffered like everything else in the present panic. The home loan bank bill will steady and assist the building and loan associations to function properly and normally, to the great benefit of more than 12,000,000 members.

The agency proposed in the home loan bank bill is sound and conservative, and planned to meet and cope with existing conditions for the benefit of existing institutions. It gives financial support and safety insurance to the existing home financing, thrift, or savings institutions, which are an integral part of every community.

The bill fills an immediate need, since financial institutions have millions of dollars of preferred first mortgages on homes, upon which they can not raise a dollar to pay withdrawing depositors and shareholders, or to make loans either upon property that is unencumbered at the present time, or to refinance existing mortgages which have been called, come due, or are being foreclosed by receivers, private investors, and banks racing for complete liquidity.

The bill creates a system of 12 Federal home loan banks in districts determined by the Federal home loan board.

Building and loan associations, cooperative banks, homestead associations, savings banks, trust companies, banks with time deposits, and insurance companies, if subject to inspection and regulation, are eligible for membership. The members supply the permanent capital, and upon becoming members subscribe $2,500 plus 1 per cent of the mortgages eligible for collateral or discount. This subscription may be paid on the quarterly basis, and immediately upon payment of the first quarter a member is eligible to borrow twelve times its subscription.

Eligible institutions in States whose laws do not permit stock purchases are admitted through the waiving of these requirements under procedure prescribed in the bill. All member institutions are subject to examination, although State examinations are accepted if adequate. Members may withdraw under provisions that are quite similar to those in the Federal reserve act.

Each of the banks will start with a minimum capital of at least $5,000,000. Subscriptions will be opened and at the end of 30 days the subscriptions are to be totaled and the Government subscriptions to stock bring the total initial capital for all 12 banks to $150,000,000. The Government subscription, in fact, is merely an advance and is to be repaid as additional institutions join the system. An early retirement of the Government capital is anticipated under the provisions of this bill.

The bill assumes, as does the Federal reserve act, that it can best serve the small reserves and the home owners by serving the home-financing institutions in all the small towns and cities in the United States. These home-financing institutions are primarily building and loan associations and the small or country banks. Therefore, no loans are made direct to home owners, home buyers, builders, or even to private brokerage mortgage companies. In this way no new competition is set up that could in any way endanger the now-established building and loan association in the local community.

The mortgages which the members may place as collateral are divided into two classes: First, amortized or monthly repayment, mortgages for eight years or more, and on such mortgages a home loan bank may advance or lend not in excess of 60 per cent of the unpaid principal; second, other home mortgages on which may be advanced 50 per cent of the unpaid principal. No advance can exceed 40 per cent of the appraised valuation of the real estate, and there are additional restrictions in regard to the relation of the loan to the appraised valuation. No mortgage can have more than 20 years to run to maturity nor can the unpaid principal exceed $15,000. These advances are, in addition to the mortgages deposited as collateral, secured by a note, a primary and unconditional obligation of the member.

It is plain to be seen that under this system every element of possible danger or weakness has been considered and adequately safeguarded.

The system insures the credit and strength of the building and loan association and the small banks at a time when they are most in need of this security.

By so doing it insures their continued operation for the general welfare of the entire community in which they operate.

It gives new hope and new courage in the smaller communities, the "Main Street town and city," and thaws out frozen assets where such liquidation is most needed.

In Indiana even additional protection is provided in that membership or affiliation in the home loan banks comes under the protection of the local circuit courts, as the Indiana State law provides that mortgages held by building and loan associations may only be assigned with the approval of the circuit court.

The only difficulty that arises here is that participation in the benefits of the home loan bank system may be delayed to some Indiana institutions. However, if such is found to be the case, the loan associations should have no difficulty in having the State law corrected by the Indiana State Legislature.

The only opposition to this bill came from the mortgage bankers and some misinformed bankers in the ordinary banking business. The mortgage bankers, in fact, are not bankers but brokers, deriving their revenue from acting as such. The opposition from other bankers was slight, and apparently the majority favor it, as they realize the value to their own interests in having the building and loan associations and the smaller banks in their communities protected by the home loan bank system.

REPORT, EXPERIENCE, AND IMPORTANT ISSUES—SEVENTY-SECOND CONGRESS, FIRST SESSION

Mr. WHITTINGTON. Mr. Speaker, the citizens are stockholders in the Government and the business of government is of paramount importance. All must share in the discharge of civic duties. Those who are unwilling to shoulder civic burdens or participate in public affairs have no right to complain of injustice or misrule.

The State or National Government will be good or bad as the citizen serves or neglects his country. A good government means a happy and prosperous people. A bad government means a discontented and an oppressed people. All government is human. None is perfect. Governments, like individuals, make mistakes, and they should profit by their mistakes.

There is much confusion in the public mind to-day. Nothing is certain except death and taxes. But I have an abiding confidence in the people, and I believe they will pursue the proper course in the campaign of 1932 when they once analyze and realize the issues involved.

FUNCTION

What is the real function of government? It is not to engage in business or to compete with private enterprises. It is not to supplant private initiative or destroy the place of the individual in our economic life. Its aim is to protect society and promote the peace and progress of the people. In the language of Thomas Jefferson—

> The freedom and happiness of man are the sole objects of all legitimate government.

INTEREST

Since I became a Member of Congress on March 4, 1925, I have reported to my constituents on the important measures considered by Congress and the chief issues confronting the country. As the representative of the third congressional district of Mississippi, I have rendered an account of my stewardship. I have endeavored to stimulate interest in the affairs of government by discussing and analyzing public problems. I am aware that especially since 1880 there has been a marked increase in the tendency by those entitled to vote to remain away from the polls. I have urged citizens to become acquainted with public questions in prosperous as well as depressed times.

EXPERIENCE

It is a high honor to be a Representative. Congress is the greatest legislative body in the world and it enacts laws and passes measures for the welfare and protection of 125,000,000 people, and for the expenditure of billions of dollars annually.

The Representative is interested in questions affecting his district, in problems confronting his State, and in issues in the Nation. He must be informed of world conditions and of the interest of the United States in world problems. He is interested in peace at home and in peace in and with all other countries.

Members of Congress are useful and influential largely as a result of their experience. Every new Member must commence at the foot of the class, as Champ Clark put it, and spell up. The House of Representatives measures a Member at his true worth. It takes his full and accurate stature. No matter how prominent or influential he may have been in his county or State, new Members all look alike to the membership of the House until they have made good in that body.

The friendships which result from long association are of great value to Members. Seniority obtains in the House of Representatives. The officers of the House and the chairmen of committees are Members of longest service. The work of Congress is largely done in committees.

The late Nicholas Longworth, Speaker for six years, served 26 years. JOHN Q. TILSON, the majority leader in the last Congress, is serving his twenty-first year. JOHN N. GARNER, now Speaker of the House, is serving his thirtieth year. BERTRAND H. SNELL, the minority leader, is serving his eighteenth year, while HENRY T. RAINEY, majority leader, is serving his twenty-eighth year.

Committee assignments and rank are determined by seniority. I am a member of the Committee on Flood Control. I have served as a member of this committee for seven years. I am the second ranking member of the committee at the present time. RILEY J. WILSON, the chairman of the committee, is now serving his eighteenth year, while the ranking member of the committee, WILLIAM J. DRIVER, of Arkansas, is serving his twelfth year. Change in member-

ship means a sacrifice in rank and in committees. The men of the longest service have the highest rank. Useful and influential Congressmen, in the language of Champ Clark, are made largely by experience and by practice.

I have been fortunate. I have not neglected my district, but as a result of reelection without opposition I have been able to devote my entire time to the public service.

Ability, honesty, faithfulness, and capacity mean a lot, but experience must not be overlooked, especially in the third congressional district of Mississippi. Our problems differ from those of the other districts. Both the district and the State are vitally interested in the improvement of the Mississippi River and in the protection of the Mississippi Delta.

THIRD DISTRICT

Under the census of 1930, Mississippi, heretofore entitled to eight Members in Congress, lost one Member. The legislature redistricted the State. In practically all of the bills considered, there was no change in the third district, which embraces all of the counties wholly within the Delta and Holmes County, located partly in the hills and partly in the Delta. The third district embraces one-fifth of the State's population and substantially one-fourth of its assessed valuation. It pays about 25 per cent of the ad valorem taxes of Mississippi. It embraces the largest and most productive region in the lower Mississippi Valley. It contains approximately four and one-half million acres of the most productive land in the world, but it has been made valuable as a result of the efforts of man. It is subject to overflow when the Mississippi River is in flood.

The local levee boards and the Federal Government have constructed and maintained the levee line extending approximately from Memphis to Vicksburg, a distance of 350 miles. Prior to the great flood of 1927 the levees had been built largely at the expense of the local taxpayers. Without the levees the cultivated lands would have been confined to the lands along the rivers and bayous of the Delta.

FLOOD CONTROL

On May 15, 1928, Congress passed the flood control act, which provides for the expenditure of $325,000,000 for the improvement of the lower Mississippi River. It is the largest internal improvement ever undertaken by the United States or any other government in human history. The future of the Delta and the future of Mississippi were at stake. Under the terms of this act approximately $45,000,000 will be expended in the Delta in relocating, strengthening, raising, and enlarging the levee line between Memphis and Vicksburg, without local contribution. The districts are only required to provide rights of way for the levees. Some $12,000,000 will be expended in bank revetments to protect caving banks in the river bends, in aid of navigation, as well as for the preservation of the levees. Approximately $60,000,000 will be expended by the Federal Government for the protection of the Yazoo Basin and for navigation. The work is now approximately 65 per cent complete.

I am a member of the Flood Control Committee. It is well known that I had an important part in the shaping and passing of the flood control act. I did my part and my best. The flood control act not only provided for the protection of life and property but for the improvement of the Mississippi River, for commerce and for navigation. It is the longest navigable river in the world.

Prior to the great flood of 1927, the levee districts, largely at the expense of the taxpayers, had constructed levees that they believed to be adequate. These levees are now being rebuilt and enlarged. I know of no public project in which the people of Mississippi and the people of the Delta are more interested than in flood control and the improvement of the Mississippi River. The Federal Government has appropriated more money for flood control during the seven years I have been in Congress than in all previous years. For the first time levees have been constructed at Federal expense.

Experience should not be sacrificed for inexperience. It is no time to experiment. People are looking to the leaders in both business and government, who have been tried, to solve the perplexing problems of the existing depression. They are not rejecting those who have had places of responsibility. The country understands that the Democrats have a small majority in the House, while the Senate is controlled by the Republicans. The Democrats have nominated as their candidates two of the outstanding public officials of the day. They have not repudiated their leaders. Gov. Franklin D. Roosevelt is now in office, and so is JOHN N. GARNER. They have done their best. Democracy has indorsed and rewarded them. There is much criticism of Congress, a great deal of which is Republican propaganda to discredit Congress and to distract attention from the failures of the Hoover administration. The people understand and will not be deceived.

It is easy to criticize. In the language of England's great statesman, Disraeli, "It is much easier to be critical than to be correct."

There is no magic about Congress. Those who succeed at home and in their business or profession succeed in Congress. Success in business or profession is a good barometer of success in Congress. No man is transformed by membership in the House. If he fails in his business or profession, he will fail in Congress.

COMMITTEES

As I have stated, I am one of the ranking members of the Committee on Flood Control. I am also a member of the Committee on Roads. Mississippi is vitally interested in Federal aid to highways.

I am a member of the important Committee on Expenditures in the Executive Departments. There is no more important committee in Congress, for this committee deals with expenditures in all executive departments. I have advocated and promoted at every opportunity reduction in all Federal wages and salaries.

I am a member of the Committee on Merchant Marine, Radio, and Fisheries. The American merchant marine is essential in both peace and war. The South is especially interested in foreign trade and commerce. This committee has supervision over fisheries, which is one of the most important industries in the Nation. It also has jurisdicton over radio legislation.

VITAL ISSUES

I have supported legislation to place agriculture on an equality with industry. I believe that such legislation can be accomplished by the reduction of high tariffs. I have advocated the construction of internal improvements. I have given much time to taxation and revenue. I know the importance of reasonable tariffs and of trade relations with other countries.

Agriculture is the chief industry of the third district and of the State of Mississippi. As a practical cotton grower, I know from both study and experience the needs and problems of the district and State.

I am familiar with all departments of the Government, but in the very nature of the case I have given more time and attention to those questions and issues which are of vital importance to the district and State. Flood control and agriculture are the vital and paramount issues in the third district.

LEGISLATION

Under the flood control act of 1928, several hundred thousand dollars have been expended in studies and surveys for the preparation of a comprehensive plan for flood control along the Yazoo-Tallahatchie-Coldwater River system. These surveys will be of inestimable value in the solution of both the drainage and flood-control problems of the Mississippi Delta. Flood control of the Mississippi River will never be fully accomplished until there has been flood control along the tributaries. There is no more important tributary of the Mississippi River than the Yazoo River.

I took the initiative in promoting legislation to reimburse the Mississippi State Highway Department for repairs to the Federal-aid highways in the Mississippi Delta following the flood of 1927. Congress appropriated several hundred thousand dollars for this purpose.

No State will benefit more than Mississippi from the flood control act of 1928. The flexibility of the plan is such that

it can be extended to protection along the backwater areas as soon as the main-line levees have been strengthened and enlarged. I have urged adequate flood control for the backwater areas and for the tributaries of the Mississippi River. I realize that comprehensive plans can only be made after thorough investigations have been completed. I believe that the Chief of Engineers will complete and submit a plan for the flood control of the Yazoo-Tallahatchie-Coldwater River system to the next session of Congress.

I have advocated Federal aid for drainage districts. Drainage in the South is synomymous with reclamation in the West. I will continue to urge drainage legislation.

FEDERAL FARM BOARD

While I hold no brief for the Federal Farm Board, I have supported its legitimate activities to promote cooperative marketing. I have repeatedly condemned the speculation of the Federal Farm Board in farm products. Its stabilization operations in wheat and cotton have been disastrous. I approve the policy respecting the Federal Farm Board as enunciated by the Democratic platform. The speculations of the Farm Board in farm products have been indefensible. The board has advocated the policy of restricting domestic production to the demands of domestic markets. This is an unwise policy. It would be disastrous to the cotton growers of the South.

EIGHTEENTH AMENDMENT

I voted against discharging the Judiciary Committee from the consideration of the Beck-Linthicum resolution to change or modify the eighteenth amendment. This was the only resolution respecting the eighteenth amendment voted on in the House and the vote was only an indirect one. There were many defects in the resolution. It contained the power to regulate or prohibit. Such power was given to both the Federal Government and the States. There was a division of power and authority that would always put the question into politics. The wording of a constitutional amendment is most important. Its meaning was indefinite. There is as much difference between this resolution and the Democratic platform as there is between the Democratic and Republican platforms on the 18th Amendment. It had not been thoroughly considered. In the language of an able critic of the eighteenth amendment, "the situation would have been confused and bedeviled by the division of power, duty, and responsibility." It did not provide for a direct vote of the people. It provided for ratification by State conventions. This method has never been invoked. There are no provisions for such conventions in Mississippi or any of the other States. Adequate statutes will have to be passed. The conventions should be under the control of the States.

I voted against H. R. 10017. This was a bill to provide for the sale of lager beer, ale, and porter. The Supreme Court of the United States, speaking through Justice Brandeis in the case of Jacob *v.* Ruppert (251 U. S. 303), said: "Everybody knows that ale and porter are intoxicating." This bill had never been reported by the committee. It was not within the limits of the Constitution.

The great difficulty with respect to the Beck-Linthicum amendment and the O'Connor-Hull beer bill is that they both gave the States and the Federal Government the right to control the manufacture and sale of liquors. This was the only beer bill considered, and it was on a motion to discharge the committee. The true solution of the matter, in my judgment, is for each State to determine its own course. The Federal Government could tax as it did prior to the eighteenth amendment. It should also protect the States in the determination of their rights.

I have promoted prohibition in public and private life. I stand for temperance. I am opposed to the saloon. Regulations respecting habits and customs should be by statute rather than Constitution. Laws respecting social relations depend upon public sentiment for their enforcement. Public sentiment changes.

I am a Democrat. I believe in party government. I believe in majority rule. I preferred the submission rather than the indorsement of repeal. But it is fair to state that each citizen, as to prohibition or control or regulation in the State, is under no pledge and may vote his views and convictions. If the eighteenth amendment is repealed and the Volstead Act modified within the limitations of the Constitution, prohibition would obtain and be protected in Mississippi until the State prohibition statutes are amended. I stand on the Democratic platform of 1932. This applies to the eighteenth amendment and to the Volstead Act. The people of the United States have indicated that they desire to vote either directly or through their representatives on the eighteenth amendment. It is the people's Government, and they have the right to determine the laws under which they live. Personally, I will continue to support measures that will promote temperance and prevent the return of the saloon.

What does the Democratic platform say with respect to the eighteenth amendment?

It favors repeal. It demands that the question be submitted to State conventions. Personally, I preferred that the question be submitted to the legislatures of the States. I favor an amendment to provide for a direct vote of the people on the eighteenth amendment and all other amendments to the Federal Constitution. I oppose any sort of congressional supervision over any State conventions or any State elections. The platform urges enactment of measures by the States to promote temperance, prevent the return of the saloon, and place the liquor traffic under the control and supervision of the States. It demands that the Federal Government protect the States against the importation of intoxicating liquors in violation of their laws. It favors a modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution. Personally, I think the modification will be confusing. It would not be either satisfactory or satisfying.

Intoxicating liquors can not be sold until the eighteenth amendment is repealed or modified. It is idle to talk of collecting taxes in any considerable amounts, much less to balance budgets on beverages by amending the Volstead Act. No one wants to pay high taxes on liquors that are not intoxicating, and intoxicating liquors can not be sold until the eighteenth amendment is changed or repealed. The sale of intoxicating liquors has never prevented or cured any depression. People can not drink themselves into prosperity. Again, before the eighteenth amendment and the Volstead Act were adopted only one-fourth of the liquor taxes came from beer and wines, three-fourths being collected from spirituous liquors.

What would be the effect of the repeal of the eighteenth amendment?

Constitutional prohibition obtains in 20 States and statutory prohibition obtains in some 36 States. Prohibition would continue until the laws of the States had been repealed. The Legislature of Mississippi would have to repeal or modify its prohibition laws before intoxicating beverages could be sold in the State.

What additional laws are necessary to protect Mississippi and other States that have prohibition if the eighteenth amendment is repealed?

Fortunately, there is no room for doubt. The Supreme Court of the United States in the case of McCormick *v.* Brown, on May 14, 1932 (13 Advanced Opinions, 76 Law Edition 771), announced that neither the eighteenth amendment nor the Volstead Act repealed those provisions of the Webb-Kenyon Act not in conflict with either the provisions of the amendment or the Volstead Act. The States where prohibition is retained are protected.

What about an amendment to the Volstead Act in the meantime?

Congress might increase the percentage of alcohol, but Congress can not declare that to be nonintoxicating which is intoxicating in fact. I maintain that the matter of manufacture or sale should be left to the States. This was another vice of the O'Connor-Hull bill. The State of Mississippi prohibits the sale of beer of any kind, no matter how small the alcoholic content, and the statute has been sustained by the Supreme Court of the United States. (Purity Extract Co. *v.* Lynch (226 U. S. 192). No beer can be sold in

Mississippi if the eighteenth amendment is repealed or the Volstead Act is amended until and unless the Legislature of Mississippi repeals the prohibition statutes.

A referendum will determine public opinion. There is need for a campaign of education. Whenever public sentiment justifies, real temperance and the public interest will be promoted by the expression of the people at the ballot box. I repeat I oppose the return of the saloon. I shall continue to advocate temperance. I will continue to support law observance. I would support a change in prohibition only to advocate a better substitute.

The people through their representatives in national convention assembled have stated decisively and emphatically that they desire the repeal or submission of the eighteenth amendment. A referendum will give the youth of to-day the opportunity to study both the benefits and defects of prohibition. The campaign will crystallize public sentiment.

There is no perfect solution of the liquor problem. All governments either prohibit, regulate, or control. All advances and improvements in solving the problem have been made over the organized opposition of the selfish liquor interests.

The question will never be solved by selfish and misleading propaganda. There are evidences that the powerful money interests are promoting the liquor agitation at the present time, in an effort to divert the minds of the people from the vital issues in the world-wide depression.

The problem will never be solved by the fanatical drys or by the fanatical wets. The reconstruction problems following the war between the States would never have been solved if the fanatical radicals of the North and the fanatical radicals of the South had continued in control. There was a compromise of policy, but not of principle. The problems were solved when the calm, patriotic sentiment of the North recognized the justice of the claims of the patriots of the South. The calm sentiment of the Nation should assert itself in the liquor problem. The question will never be solved by those who would protect their selfish purposes or political ambitions by misrepresenting either statute or Constitution. It will only be solved by the men and women of unselfish purpose and well-balanced judgment who would promote temperance and preserve the benefits and eliminate the defects that have come from prohibition.

Every man is entitled to his views on prohibition, but when he becomes a candidate for political preferment the people want to know his record on other important and paramount questions. They are interested to know whether his views are influenced by his itch for office or whether they were generally known and advocated before he aspired to public office. The people are more interested in the honesty, capacity, ability, and loyalty of the man who aspires to political preferment than they are in his views on prohibition.

PERSONAL SERVICE TO CONSTITUENTS

There are many opportunities for personal service to constituents. A Member of Congress can either work or shirk. He can be helpful if he is able and industrious. Citizens in all walks of life are interested in the Government.

Personal services include requests for information relative to laws or legislation, assistance in the claims of ex-service men, bills for pensions, assistance in income and inheritance matters, discharge of enlisted men from the Army, Navy, and Marine Corps, the selection of candidates for West Point and Annapolis, the supplying of bulletins and the distribution of publications furnished by the Government.

NATIONAL PROBLEMS

I am not content merely to praise Democracy or to criticize Republicanism. I assert that we can best preserve the finest in government by improving the service that government renders. It was never so important for people to think clearly and see accurately. In all matters and all contests, I put human rights above property rights.

BONUS

While I favored the payment of the bonus in cash at the time the bill was passed, I opposed the cash payment of the remainder of the bonus. The question involved the payment of a debt not due for 13 years and the payment in dishonest dollars. It increased the tax burdens at a time when the taxpayers are called upon to pay the most burdensome peace-time taxes in history. It is said that $21,464,888 would have been paid to the World War veterans of Mississippi. There is no way for the Government to pay except to collect in taxes.

However, there is another side to the picture. To pay the full face value of these certificates would lay a tax or charge of $20 on every man, woman, and child in the United States, and this means on every man, woman, and child in Mississippi. It would cost every family in Mississippi $100. Mississippi's share of the cost of paying the bonus would be $40,000,000, while its share of the receipts would be $21,000,000. It is said, however, that Mississippi only pays directly in Federal taxes about $1,500,000 a year. The answer is that we pay in indirect taxes as well as direct taxes. We pay in the increased costs of government and in increased costs of living. Whether we realize it or not, we pay much more in indirect taxes than we pay in direct taxes.

Again, the payment of the bonus would involve the payment of $2,400,000,000, whereas the cash or surrender value of the adjusted-service certificates is about $750,000,000—$1,650,000,000 represents interest and other payments that are to accrue during the next 13 years. Whatever else may be said, if the said sum of $1,650,000,000 is paid now, it would be a gift or gratuity. In the widespread unemployment that obtains, there should be no discrimination in favor of any group or class of citizens.

But it is said that the payment of the bonus would expand the currency. If such be the case, there is certainly a far better reason to pay the costs of government by the issuance of greenbacks than by the levying of taxes. I believe in a reasonable expansion of the currency, but it should be based upon a sound policy. If the distribution of large sums will aid the depression, it should be distributed among all citizens alike. The fact remains that loans on one-half the certificates a year ago did not materially aid the depression. The United States can only pay by borrowing or levying taxes. The veterans themselves would thus have more to lose in the long run than any other group by increasing the burdens of taxation at the present time.

I shall continue to advocate provision for all war veterans who suffered disability or disease caused by or resulting from service in time of war and ample provision for their dependents. I can think of nothing, however, that would retard economic recovery more than the issuance of $2,400,000,000 in fiat money.

The need of the hour is courageous statesmanship. To me the path of duty is plain. If the citizen must economize, so must the Government. The steps are few but they are important. The expenses of government must be further reduced. There should be no appropriations or new charges which are not necessary except for humanitarian purposes and taxes with as broad bases as possible should be levied to balance budgets.

OTHER QUESTIONS

I should like to report on the many and difficult questions that have confronted Congress during the present session. I should like to speak of tax revision and tax reduction and revenue acts of the past eight years. I should like to discuss the expansion of highway construction, and the important matter of Government expenditures. I would like to discuss loans to farmers and loans to bankers and other institutions. No gifts have been made to any class or group. The limitation and reduction of armaments are questions that come before Congress at every session. I would like to speak of veterans' legislation and of the importance of the American merchant marine. I would like to discuss propaganda in legislation, but I can only speak now of some of the major problems and issues.

MORATORIUM AND FOREIGN-DEBT SETTLEMENTS

I supported the reduction in the foreign-debt settlements, based upon the capacity of our debtors to pay. I never at any time voted to cancel any part of the principal. The reduction was in the matter of interest. The debts were contracted when cotton was selling at 40 to 60 cents a pound.

It was not a question of our giving our former allies anything. It was a question of collecting as much as we could. I confess that I was not altogether unselfish. We sell from 50 to 60 per cent of our cotton abroad. It was evident that our foreign war debtors could not buy our cotton and pay their war debts. I gladly promoted the matter of providing markets for cotton growers in reducing the war debts, to the capacity of the debtors to pay.

The President of the United States, while Congress was in recess during 1931, recommended that an extension be granted to our foreign debtors and that the installments to be paid be postponed for one year. I gladly cooperated We had one of the best cotton crops on record in 1931. Markets were essential. Foreign trade was imperative. Our former allies are our best foreign cotton customers.

OPPOSE CANCELLATION OF FOREIGN DEBTS

I have repeatedly announced that I oppose the cancellation of the foreign debts. I have insisted that every dollar of the principal be repaid. I am now convinced that the policy of granting further extensions should be discontinued. We have been more than just. The United States has been generous. Our former allies should pay in accordance with their agreement.

ECONOMY AND RETRENCHMENT

The costs of government must be further reduced. There must be retrenchment. Waste and extravagance must be further eliminated. Rigid economy must be practiced. I have advocated and voted for the reduction of all wages and all Government salaries. I voted for a 25 per cent reduction in the salaries of Members of Congress. I believe in the policy of a graduated reduction in wages and salaries. There should be a larger cut in the higher salaries than in the lower salaries.

I have supported all measures for the reorganization and consolidation of governmental departments where economy would result. The salaries of Members of Congress this session have been reduced $1,000, their office assistants one-twelfth, and their mileage one-third. All other salaries have been reduced one-twelfth. I voted and stood for larger reductions. The allowance for clerical work and office assistance can not be drawn by one employee and if not drawn every month lapses. The work is heavier at times; more help is needed some months than others. More than one clerk or secretary is needed. Often several employees are required at the same time. I maintain offices in both Greenwood and Washington when necessary, and my office functions every day in the year. My chief secretary has always drawn the major part of the allowance, provided for Members of Congress to be expended in their discretion, and the remainder whether drawn by a member of my family for about two and one half years or by others during the remainder of my tenure of more than seven years has been expended by me in the discharge of my official duties, and not a dollar has been retained by any member of my family. I certainly oppose any abuse of the discretion, and the practice of unjustifiable nepotism. I pride myself on the promptness and efficiency of my office. I may modestly say that I have given my constituents real service.

THE DEPRESSION

This is neither the time nor the place to discuss the causes and cures for the depression. The wild speculation and the frenzied finance promoted by the Republican administration were among the principal causes of the depression. I am convinced that high taxes and governmental extravagance had much to do with causing the world-wide economic crisis and suffering that now obtain. But the Government alone did not cause nor can the Government alone cure the depression. We now know the way in and we know that one of the ways out of the depression is for the Government to reduce just as business and commerce have reduced costs of operation. I have insisted that the Government Budget be balanced by decreasing expenditures, rather than by increasing taxes.

EQUALITY FOR AGRICULTURE

It is increasingly apparent that cotton and wheat, of which we produce an exportable surplus, receive no benefits from the tariff. The tariff case, however, is different with long-staple cotton. I have promoted all legislation that extended to agriculture the equivalent benefits now accorded to industry. The blunders of the Farm Board must not be repeated. There must be no further wasteful, extravagant stabilization or speculative operations.

THE TARIFF AND WORLD TRADE

Excessive tariffs have resulted in retaliatory tariffs in other countries. The South is dependent upon foreign trade for its welfare. Unjustifiable tariffs must be repealed. There must be international economic conferences. I will continue to support all measures for the restoration of foreign trade and commerce. World trade is essential to the prosperity of the South.

FARM DEBTS

It is apparent that farmers will be unable to repay the loans made by Federal land banks, joint-stock land banks, and other institutions unless there is an increase in commodity prices. It is unjust and unreasonable to expect landowners who borrowed on their homes and farms when cotton was worth 18 cents a pound to repay the loan when cotton is worth 5 cents a pound. We were interested to help our foreign war debtors. We should be more concerned about saving our own people. If we were justified in granting moratoriums and extensions to foreign debtors, we are all the more justified in granting extensions to worthy borrowers by Federal land banks and other institutions. The farmer has lost through no fault of his own. His lands are just as intrinsically productive. He has lost because of the unstable dollar and because of the shifting value of the dollar. I will continue to urge aid for the land owners and for the home owners who are unable to repay their loans because of the low prices of commodities. There must be refinancing of mortgages by reduction or extension, or both.

COMMODITY PRICES

The money system and the currency of the Nation have been manipulated to rob citizens. There has been indefensible expansion and contraction of credits for private gain at the expense of the public. The Federal reserve system has been operated to crush people and deprive them of their savings in the severest of all depressions. I charge that this system, which enabled us to finance the greatest of all wars, could have been utilized to prevent the frenzied rise in the price of securities, as well as the unprecedented decline of commodity prices. There will be no real prosperity until the dollar is stabilized, and I mean the purchasing power of the dollar, whether that dollar be gold or silver.

There must be a controlled inflation of the currency. I should like to see the coinage of more silver. It does strike me that the United States can aid by purchasing silver bullion and by negotiating agreements with other countries for the stabilization of silver. I shall continue to advocate that silver be utilized in expanding the currency. I know that under the Federal reserve system the question of free silver is no longer paramount.

Congress should authorize the Treasury to purchase at least 5,000,000 ounces a month at the market price and to coin it into standard dollars to redeem new silver certificates. In other words, I would expand the currency by providing new silver certificates. This would promote trade with China, South America, and other countries where silver is used. I believe in a sound currency, but there must be a controlled inflation of the currency. It can be promoted by the Federal Reserve Board putting into effect the principle of the Goldsborough bill, for which I voted. This measure provided that the Federal reserve banks buy Federal securities so that the ordinary banks may release their money in productive enterprises.

The dollar should be stabilized so that it may become the servant and not the master of the American people. There should be international monetary conferences for the rehabilitation of silver and related questions. The stabilization of the dollar, the restoration of commodity prices to the 1926 level, and economy and retrenchment in government are the paramount issues confronting the American people.

COURAGE AND VICTORY

On March 21, 1932, Justice Brandeis of the United States Supreme Court, in a notable opinion, among other things said:

The people of the United States are now confronted with an emergency more serious than war.

It has been said that patriotism consists just as much in believing in one's country in a depression as in fighting for it in war. All should do their bit and all should play their part. There is no place for the selfish nor is there any place for the slacker.

We have learned some things in the past three years. While everybody seems to know what ought to be done, nobody can do it. We have learned, however, that we have had enough credit. We know now that producers of cotton and wheat need prices and not credit. We know that labor needs work and not a dole. While we can not tax ourselves out of the depression, we know that there can be no return to stability and prosperity unless we pay as we go, both in business and in government.

The organized minorities have brought us to ruin in governmental expenditures, but the unorganized majorities are now demanding that special favors be shown to none and that equal rights be given to all. It is time for courage. It is time for confidence. The trouble is not with the Government. It is fundamentally sound. The difficulty has been in the administration of government. The Republican administration has been weighed in the balance and found wanting. The Government should be restored to the people.

Morale is essential. This is no time for despair. A spirit of defeatism would be more dangerous now than in 1917. Panic would precipitate indescribable disaster. The United States has never lost a war, and it will not lose this one. Calm courage and triumphant confidence will be victorious. Faith and work have always won, and they will win again in both business and government.

TARIFF AND FARM RELIEF

Mr. GARBER. Mr. Speaker, Members of the House, in its 1932 platform the Democratic Party pledges its representatives to the support and enforcement of the policy of—

a competitive tariff for revenue with a fact-finding commission free from Executive interference; reciprocal tariff agreements with other nations; and an international economic conference designed to restore international trade and facilitate exchange.

"A competitive tariff for revenue" means a guaranty of competition of foreign farm and labor products in our home market. "Protection" means to shut out such competition. With our home market flooded and piled high with surpluses, depressing the prices below the cost of production, why admit the products of foreign countries for still greater competition and further price depression? Every farmer knows that our own surpluses have always been the stumbling block in the way of better prices for farm products. Then why add to these surpluses? Why buy foreign farm products when we are already bankrupt because of surpluses produced at home? Of course, such competition would insure a continuance of low prices for the consuming centers, but just in what way would low prices for farm products reestablish our farmers from their present bankrupt condition? A competitive tariff for revenue is a pledge of free trade in so far as protection is concerned. Competition is the main objective, the main consideration, and revenue is only secondary.

The latest legislative record we have of revenue tariff rates is embodied in the rates of the Underwood Act, passed by a Democratic Congress and signed by a Democratic President in 1913. Let us compare such rates with the rates adopted by the Republican Party in the Fordney-McCumber Act of 1922 and the Hawley-Smoot Act of 1930, about which you have heard so much, but with which so little has been done by the Democratic House majority in its refusal to reduce or change a single rate.

Cattle weighing less than 700 pounds were on the free list in the Underwood Act of 1913. In the Fordney-McCumber Act a duty was provided of 1½ cents per pound. In 1929, 245,834 head of cattle came in from Mexico, where land is rented at from 5 cents to 6 cents an acre, labor costs run from 37½ cents to $1 per day, and where cattle are produced for less than half of the cost of production in the United States. In such year, 1929, a total of 503,269 head of cattle were imported into this country and sold in competition in the home market with our own cattle growers. In the 1930 act we increased the duty from 1½ cents per pound to 2½ cents per pound to keep the cattle out. Our Democratic friends under their competitive tariff policy would now reduce the rates to let the cattle in, so that the cattle from foreign countries would compete with the cattle grown by the American farmer.

In the 1930 act we increased the duty from 1½ cents to 2½ cents on stocker and feeder cattle, and from 2 cents per pound to 3 cents per pound on cattle suitable for slaughter. Under the policy of a tariff for revenue only, a 700-pound steer came in free of duty. Under the protection afforded by the Fordney-McCumber Act of 1922 it paid $10.50, and under the 1930 act it is required to pay $17.50 before permitted to enter the market in competition with our farmers. To-day in a foreign country the owner of a fat steer weighing 1,000 pounds has to pay $30 for the privilege of selling him in our market. Such is the price protection requires the foreign producer of cattle to pay for the privilege of selling his cattle in competition with our own cattle growers. A competitive tariff would change this, would give the foreign producer the privilege, free of cost, in order to insure competition of foreign products in our home market.

The Underwood Act left beef and veal on the free list. The McCumber Act provided a duty of 3 cents per pound. In 1929 there were imported from foreign countries 142,882,358 pounds of beef and veal, with a total valuation of $5,175,649. In other words, we paid such amount to foreign producers for beef and veal during that year. That money went abroad instead of to our own producers. In order to shut out such competition the rates were increased from 3 cents per pound to 6 cents per pound. We doubled the rate to keep the beef and veal out. A competitive tariff will lower the rate to let the beef and veal in.

Sheep, mutton, and lamb were on the free list in the Underwood Act. The Fordney-McCumber Act provided a duty of $2 per head on sheep, 2½ cents per pound on mutton, and 4 cents on lamb. In 1929, 27,480 head of sheep were imported into this country, and 4,810,750 pounds of mutton and lamb, at a valuation of $683,363. We increased the rate on sheep to $3 per head in the 1930 act, doubled the rate on mutton, and increased the rate on lamb to 7 cents a pound to keep out such importations. A competitive tariff will reduce the rates to let them in.

Scoured wool was on the free list in the Underwood Act. The Fordney-McCumber Act taxed wool at 21 cents per pound. In 1929 there was imported into this country 49,389,874 pounds of wool, valued at $15,088,768. The 1930 act increased the duty on wool from 31 cents to 34 cents per pound to keep the surplus of foreign wools out. A competitive tariff will reduce the rates to let them in.

The Underwood Act provided a duty of 1 cent a pound on dressed poultry. The Fordney-McCumber Act increased the rate to 6 cents per pound, with a duty of 3 cents per pound on live poultry. In 1929, 6,700,276 pounds of poultry, dead and alive, valued at $1,881,120, were imported into our market and sold in competition with our poultry growers. To remedy this we increased the rate in the 1930 act to 8 cents and 10 cents per pound on the live and dressed products, respectively. We did this to protect our poultry growers from such competition. A competitive tariff would reduce such rates in order to let such competition in.

Fresh eggs were on the free list in the Underwood Act. The Fordney-McCumber Act provided a duty of 8 cents per dozen. In 1929, 307,912 dozen eggs were imported. In the 1930 act we increased the rate from 8 cents to 11 cents per dozen to protect our poultry growers from such competition.

A duty of 2½ cents per pound on butter was provided in the Underwood Act. This rate was increased to 8 cents per pound in the McCumber Act. In 1929, 2,772,746 pounds of butter were imported into our market and sold in competi-

tion with our own dairy products. The total valuation of such imported butter was $1,036,378, but that does not begin to measure the loss to our dairy producers by reason of the price depressant of such competition. In the 1930 act the rate was increased from 8 cents per pound to 14 cents per pound to protect our dairy producers. It is now proposed to reduce these rates to insure the competition of foreign butter.

Cream was on the free list in the Underwood Act, and the Fordney-McCumber Act provided a duty of 20 cents per gallon. In 1929 foreign producers sold in our home market in competition with our own producers 2,969,889 gallons of cream, valued at $5,194,482. That money, sent abroad, should have been paid to our own producers at home.

Milk was on the free list under the Underwood Act. The Fordney-McCumber Act placed a duty of 2½ cents per gallon on milk. In 1929 there was imported 4,245,833 gallons of milk, which was sold in competition with our own producers in our home market. The 1930 act increased the rate from 2½ cents per gallon to 6½ cents per gallon to protect against such importations, but such rates, under a competitive tariff, would be reduced so that foreign milk producers may compete with our own in this country.

Cheese and substitutes were on the free list under the Underwood Act. The Fordney-McCumber Act placed a duty of 5 cents per pound on them. In 1929 there were imported 76,381,795 pounds of cheese, valued at $22,282,200. Such imports were sold in this country in competition with our own producers, and the moneys thus expended went to the foreign producers in preference to our own. We increased this duty to 8 cents per pound to keep them out. It is now proposed to reduce the rate to let them in.

Potatoes were on the free list in the Underwood Act. The Fordney-McCumber Act provided a duty of 50 cents per 100 pounds. In 1929 foreign countries dumped into the American market 256,550,828 pounds of potatoes, with a valuation of $4,304,757. Believing that the American potato growers were entitled to protection from such competition, the duty was increased in the 1930 act from 50 cents per 100 pounds to 75 cents.

A duty of 20 cents per bushel was provided in the Underwood Act on flaxseed. The Fordney-McCumber Act increased it to 40 cents a bushel. In 1929 there were imported and sold in our home market 24,242,905 bushels, nearly all of which came from Argentina. Believing that the American farmer should not be required to compete with the cheap lands and cheap labor of Argentina in the production of flaxseed, the 1930 act increased the duty from 40 cents to 65 cents per bushel. Of course, a competitive tariff will reduce these rates, so that the Argentine producer will be able to compete with the American farmer, not only in flaxseed but in cattle and wheat as well.

We could continue with such illustrations, showing the need of the protection afforded the American farmer in the 1930 act, from the ruinous competition of the products of cheap lands and cheap labor, with a lower standard of living in foreign countries. Briefly summarizing, in 1929 edible animals with a valuation of $22,183,888 were imported into our home market; meat products valued at $40,893,474; dairy products, $30,414,937; eggs, including dried, frozen, and prepared eggs, yolks and albumen, valued at $8,584,960; $20,004,180 worth of grains and preparations; vegetables and preparations, $47,796,873; fruits valued at $58,558,063; oilseeds $79,335,487; unmanufactured cotton, $53,333,212; wool (including mohair, and so forth, unmanufactured) valued at $87,344,471—representing approximately $450,000,000 worth of competitive farm products in the American market in 1929.

It was to shut out this ever-increasing flood of cheap foreign products that the duties were increased in the existing law. They are denounced as the robber rates, when, in fact, they are simply the protective rates imperatively necessary to protect our home market from the flood of cheap foreign products coming in.

While the rateless tariff bill passed by the Democratic majority in the House did not reduce or change a single rate in the 1930 act, such bill was passed before the national convention. With this fresh pledge of "a competitive tariff for revenue" written into their 1932 platform by the free-trade members of their committee on resolutions, you may rest assured that if and when they are restored to power they will immediately proceed to again put into effect their ancient policy of free trade, with a revenue tariff always low enough to insure the competition of foreign products with the products of our own producers in our home market.

The second issue raised by plank No. 4 is the pledge of "a fact-finding tariff commission, free from executive interference." This means a repeal of the flexible provision of the 1930 act providing for a continuous revision and readjustment of the rates to meet the changing conditions of commerce.

The present law establishes a bipartisan tariff commission with jurisdiction to hold hearings, make investigations, and determine the difference between the cost of production at home and abroad. Under its flexible provisions anyone can make complaint to the commission that a rate is either too high or too low. Such privilege is even extended to the representatives of all foreign countries, and the commission itself, upon its own initiative, can make such investigation. Upon receipt of a complaint, the commission affords a speedy hearing, giving due notice to all parties in interest desiring to be heard. After such a hearing, and such investigation as it may make through its own experts, it determines the difference between the cost of production and reports the facts and such differences so determined to the President. It thus determines from the facts whether a rate is too high or too low when measured by the standard of the difference in the cost of production at home and abroad. Upon receipt of the finding of fact and such determination, the President is authorized to increase or lower any rate 50 per cent, and the new rate determined from such finding becomes immediately effective. The purpose of this flexible provision is to take the tariff out of politics and treat it as purely an economic question. During the two years of its operation the commission has conducted 291 investigations; 54 per cent verified the existing rates, increases were made in 16 per cent, and decreases in 30 per cent. Such procedure provides a scientific method for readjustment of rates, removing the inequalities and discriminations from the act.

The Democratic pledge is, "With a fact-finding tariff commission, free from Executive interference," which, when construed in reference to its legislative commitment in its rateless tariff bill, means that when the commission makes an investigation and report, Congress alone shall have jurisdiction to increase or lower the rate. This is what is meant by "free from Executive interference." The Democratic plank pledges a repeal of the flexible provision providing for this shortened procedure that has worked so well and provided a scientific method for readjustment of rates and, instead, proposes that Congress shall enact a separate tariff bill based upon each finding of fact and report of the Tariff Commission. Under such procedure, during the last two years, Congress would have received 291 separate reports, requiring the introduction and consideration of 134 separate tariff bills, or more than one tariff bill for every other day when Congress was in session.

In view of the recent pledge of the national platform to immediately adopt and enforce a competitive tariff, one that will insure competition of foreign products in our home market, and the readoption of its policy of protection by the Republican Party to protect against such competition of foreign products, it will readily be seen that each tariff bill would precipitate a prolonged controversy and the unnecessary consumption of the time of Congress in partisan dispute and debate over tariff matters, which are now speedily revised and adjusted upon a scientific economic basis, determined by a bipartisan tariff commission.

The third proposal of the plank in the National Democratic platform provides for—

Reciprocal tariff agreements with other nations and an international economic conference designed to restore international trade and facilitate exchange.

"Reciprocal tariff agreements with other nations" can only mean that we would enter into an agreement with other nations that in consideration of a reduction of their duties on foreign importations we would reduce our duties upon foreign importations, this to facilitate exchange and restore trade. To just what extent the reductions in duties will be permitted by such agreements and on what products does not appear in the platform or from any information given by the leaders of the party. Will such agreements be permitted to trade our duty of 42 cents a bushel on wheat with Canada for a reduction of duties on her products to be imported in order to insure competition in our market? Will such agreements permit of the reduction of our duties on eggs and poultry from China and Japan; milk, butter, and cheese from Switzerland and Denmark; lamb, mutton, and wool from Australia; cattle and beef from South America; and all the products of the farms produced in foreign countries, so that they may be admitted into this country upon a competing basis with the farm products of our own country?

When construed with the specific pledge of "a competitive tariff for revenue," such agreements would certainly require such reductions to secure such competition. Our ports of entry would be opened wide to the flood of cheaply produced foreign products from every country into our home market, upon a competing basis with our home producers. All protection from such competition would be removed; and our market, which now consumes 90 per cent of our home production, would be thrown wide open, to become the free market of the world for the producers in foreign countries, whose standard of living is 50 per cent lower, and whose production costs, because of cheap lands and cheap labor, are from 50 per cent to 75 per cent lower than our own.

We do not believe that the American people are yet willing to abandon the policy of buying at home and selling at home everything which we can reasonably produce economically in this country. We do not believe that they are ready to adopt the fallacious policy of buying foreign products because they can buy them cheaper. We do not believe that they are willing to give employment to foreign labor in preference to our own. We do not believe they are willing to trade our home market for the markets abroad. We believe that protection against the competition of cheap foreign products is the safe and sound policy for us to pursue to give jobs to our unemployed and better prices for farm products, in contrast with the policy of visionary theorists, free traders, and international bankers, bent upon the collection of their foreign loans, and a cancellation of foreign debts.

In his speech of acceptance the Democratic nominee for the Presidency made three recommendations for the relief of the farmers. The first was reforestation of abandoned farms and cut-over lands now growing up in worthless brush, to be financed by the issuance of bonds secured by the timber crops to be grown as adequate security for the investment. Illustrating the efficacy of the policy for unemployment and the farmer, he said:

> I have a very definite program for providing employment by such means. I have done it and I am doing it to-day in the State of New York. I know that the Democratic Party can do it successfully in the Nation. That will put men to work, and that is an example of the action that we are going to have.

Evidently the nominee was unacquainted with the national policy of reforestation that has been conservatively carried on for a number of years. We now have 160,000,000 acres of national forest preserves, employing about 6,200 men in their care and replanting, or about one man to every 25,000 acres. This is a long-time policy being carried on without the issuance of bonds at a minimum cost to the Government to insure a continuing future supply of lumber. It is not looked upon nor represented to be a remedy for the present unemployment or for agricultural relief. At best, the timber crop will not mature in a period less than 50 or 60 years. The interest on bonds issued for such purposes, over such a period of time, would more than double the amount of the principal.

The State of New York is attempting to reforest 1,000,000 acres over a period of 15 years at a cost of $20,000,000. The program furnishes the equivalent of permanent employment to 279 men. On this basis, it is not difficult to figure out how many billions it would cost to employ a million men in reforestation.

The farmers need help now! They are making their last desperate stand in the last ditch. Thousands of farm mortgages have been foreclosed and the farmers dispossessed of their lands. They are unable to pay their taxes, interest, current obligations, and coming-due mortgages. Relief 50 years hence will not save them!

Continuing, the nominee said:

> Now as a further aid to agriculture, we know perfectly well—but have we come out and said so clearly and distinctly—we should repeal immediately those provisions of law that compel the Federal Government to go into the market to purchase, to sell, to speculate in farm products in a futile attempt to reduce farm surpluses. * * * Why the practical way to help the farmer is by an arrangement that will in addition to lightening some of the impoverishing burdens from his back, do something toward the reduction of the surpluses of staple commodities that hang on the market. It should be our aim to add to the world prices of staple products the amount of a reasonable tariff protection. Give agriculture the same protection that industry has to-day. And in exchange for this immediate increased return, I am sure that the farmers of this Nation would agree ultimately to such planning of their production as would reduce the surpluses and make it unnecessary in later years to depend on dumping those surpluses abroad in order to support domestic prices.

It is very generally recognized that the agricultural marketing act should be amended by repealing the stabilization provisions, as experience with such has but resulted in losses, although it must be admitted that such experiment was made under adverse conditions during a period of falling prices.

The second proposal, to "add to the world prices of staple products the amount of a reasonable tariff protection," may mean either the debenture, equalization fee, or the allotment plan. We do not know which. To say the least, the language is very vague and indefinite upon a subject and at a time when we must have clear and definite statements.

And in exchange for such legislation it is stated, third, that "the farmers would agree to the planning of their production so as to reduce the surpluses and make it unnecessary in later years to depend on dumping those surpluses abroad in order to support domestic prices." Such proposal does not take into consideration that over 50 per cent of the cotton crop is raised for export or that no matter how carefully we might plan production, the variation in crop conditions would create surpluses which would necessarily have to be disposed of in foreign markets. Planning production and actually curtailing production are two entirely different propositions. The farmer, in his desperate straits to meet his financial obligations, increases production to offset the decrease in prices, and such willingness and industry upon his part to pay his creditors is most commendable.

Referring to the suggested legislation, the nominee stated:

> As to the actual wording of a bill, I believe that the Democratic Party stands ready to be guided by whatever the responsible farm groups themselves agree on. That is a principle that is sound, and again I ask for action.

At the beginning of this session of Congress the heads of the three great farm organizations of the country, namely, the Farmers' Union, the Grange, and the American Farm Bureau Federation, appeared before the Senate and the House committees with many witnesses and insisted upon early action. They agreed upon the wording of a bill, embodying their proposals for immediate relief from the ruinous price depression of farm products. Such bill was reported out by the House Agricultural Committee more than 30 days ago, but the House Rules Committee refused and still refuses to grant a rule for the consideration of such legislation! We are now within a few days of final adjournment. Unless such rule is granted, the Members of the House will not be permitted to consider such legislation. Why has the Rules Committee refused favorable action upon a bill reported out by its own Agricultural Committee and recommended by the three farm organizations? The Democratic nominee for the presidency said:

> I believe that the Democratic Party stands ready to be guided by whatever the responsible farm groups themselves agree on. That is a principle that is sound and again I ask for action.

Here is a bill agreed upon, reported out by the House Agricultural Committee but held up by the House Rules Committee, and its consideration denied. On several different occasions I have called the attention of the Members of the House to the imperative necessity for a major measure to counteract the ruinous price depression in farm products, to break the vicious circle, to increase the prices so as to make it possible for the farmers to continue production. And still no action has been taken and none is contemplated! Time and again the House has recessed when it should have been giving earnest consideration to the bill proposed by the farm organizations. I have voted against such recesses and insisted upon immediate action.

Members of the majority, your nominee for the Presidency has asked for action. The farm organizations have demanded action. The representatives of the farm States have demanded action. You are in control; you have a majority on the Agricultural Committee; you have a majority on the Rules Committee; a majority in the House. Yours is the responsibility for such action!

LEGISLATION AND EXPENDITURES AFFECTING WORLD WAR VETERANS

Mrs. ROGERS. Mr. Speaker, the following is a résumé of legislation and expenditures affecting World War veterans. It shows very clearly that more benefits have accrued to the veterans under a Republican Congress than under a Democratic Congress.

The war risk insurance act became law under a Democratic President and a Democratic Congress, but increased allowances and other benefits were brought about under a Republican Congress and a Republican President.

WAR RISK INSURANCE ACT

RÉSUMÉ OF THE ACT OF OCTOBER 6, 1917 (PUBLIC, NO. 90, 65TH CONG.)

Legislation for the benefit of World War veterans was originally incorporated in the act of October 6, 1917, establishing the Bureau of War Risk Insurance. This act provided for the purchase of war-time (yearly renewable term) insurance, allotments and allowances, compensation for death or disability resulting from personal injury suffered or disease contracted in line of duty, and benefits to dependents upon death of a soldier from service-connected disability.

Under this act the rate of compensation for total disability was $30 per month with additional allowance for dependents not to exceed $85. If the veteran was also so helpless as to be in constant need of a nurse or attendant, not exceeding $20 per month additional compensation was payable. If the veteran had lost both feet or both hands or both eyes or if helplessly and permanently bedridden, the rate was $100 per month with no additional allowance of $20 per month for nurse or attendant.

RÉSUMÉ OF THE ACT OF JUNE 25, 1918 (PUBLIC, NO. 175, 65TH CONG.)

Amendment of June 25, 1918, extended rights to Philippine Scouts, Insular Force of the Navy, the Samoan Native Guard, and Band of the Navy; liberalized the allotment and allowance provision; provided for presumption of soundness at time of enlistment and for automatic insurance under certain circumstances where term insurance was not applied for.

RÉSUMÉ OF ACT OF DECEMBER 24, 1919 (PUBLIC, NO. 104, 66TH CONG.)

Amendment of December 24, 1919, increased disability compensation; provided for double permanent total disability; nurse or attendant for helpless veterans; securing prostheses by purchase or manufacture; treatment, hospitalization, and transportation; automatic insurance to *Cyclops* victims; liberalized insurance provisions.

This amendatory act established the rate for temporary total disabilities as $80 per month with additional allowance for dependents without the limitations contained in the act of October 6, 1917. Total permanent disability established under this amendment carried a rate of $100 per month, with $200 per month for double total permanent disability. The denial of $20 per month additional allowance for nurse or attendant in any cases where constant need was shown was removed from the act of October 6, 1917.

RÉSUMÉ OF THE ACT OF AUGUST 9, 1921 (PUBLIC, NO. 47, 67TH CONG.)

On August 9, 1921, there was passed an act to establish a Veterans' Bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act. This law provided for the consolidation in one bureau in the Treasury Department, called the United States Veterans' Bureau, of the Bureau of War Risk Insurance, the rehabilitation division of the Federal Board for Vocational Education, and so much of the Public Health Service as then related to the examination, assignment to hospitals, and welfare of persons who served in the World War and who were patients of the Bureau of War Risk Insurance or of the rehabilitation division of the Federal Board for Vocational Education.

Provision was made for the decentralization of such activities of the Veterans' Bureau as was deemed necessary by the director thereof in the best interests of the work in carrying out the purposes of the law. Authority was given to establish 14 regional offices and suboffices not to exceed 50 in number. This law also provided for a penalty of $1,000 or imprisonment for not more than one year, or of both such fine and imprisonment, for the filing of false or fraudulent claims or the making of false statements relative thereto.

Under the previous law there was a provision that a person discharged from the service for desertion, mutiny, and so forth, would lose all his rights to insurance or compensation. In view of the fact that the premium rates for United States Government life insurance secure a certain cash surrender value the law was amended to give a person carrying such policy his cash surrender value in case he was discharged under the conditions set forth. The previous law had also denied rights to persons discharged as enemy aliens. An amendment in this law made an exception protecting the rights of an enemy alien who volunteered or was drafted and who was not discharged upon his own application and whose service was honest and faithful. Rights also were restored to those persons dishonorably discharged as a result of a court-martial trial if it was later established to the satisfaction of the director that at the time of the commission of the offense resulting in such discharge the person was insane.

This amendatory act further authorized the following benefits:

First. Rights of the act were given to those men provisionally accepted for service and ordered to camp or station for final acceptance.

Second. The bureau was relieved from the recovery of allotments and allowances erroneously paid, except where it was shown that the persons receiving the allowance did not bear the relationship to the enlisted man required by the act, and except also in cases of manifest fraud.

Third. The provision as to the presumption of sound condition at time of entering service which was authorized by the law of December 24, 1919, was modified by this amendment to apply only to those persons who served during the war period.

Fourth. An amendment authorized the apportionment of compensation between a veteran and his dependents.

Fifth. Provision establishing presumption of service connection for cases of pulmonary tuberculosis or neuropsychiatric disease arising within two years after discharge from service.

Sixth. The bureau was authorized to revise its awards and to make payments retroactive in accordance with the degree of disability found to exist.

Seventh. The time was extended for making application for certificate of injury.

Eighth. In cases of prosecution of causes of action for personal injury to service men by third parties, provision was made for paying witness fees, fees and mileage, and for reassigning causes of action to the beneficiary when it seemed to his best interest to do so.

Ninth. The law was amended to provide that no person admitted into service after six months from the passage of this amendatory act should be entitled to compensation or any other benefits or privileges provided by the act.

Tenth. Where a beneficiary of insurance at the time of designation was within the permitted class of beneficiaries and was the designated beneficiary at the time of maturity of the insurance, because of the death of the insured, such beneficiary shall be deemed to be within the permitted class even though the status of the beneficiary shall have been changed.

Eleventh. In cases where the insured whose yearly renewable term insurance matured by reason of total permanent disability and he was later found to be no longer so disabled, there was given an additional period of the years from the date of termination of permanent and total award within which the insured could convert such insurance.

Twelfth. It was provided that the United States Government should bear the liability for death or total disability of insurance payable as a result of the extra hazard of the military or naval service.

Thirteenth. Provision was made that where the estate of the insured would escheat to the estate, such insurance would not be paid but would escheat to the United States.

Fourteenth. Provision was made for reinstatement or conversion of insurance by disabled risks if the disability was due to war service, provided the applicant paid all back premiums with interest at the rate of 5 per cent. Provision was also made that where any person allowed his insurance to lapse while suffering from a service disability, for which compensation was due and uncollected in a sum equal to or in excess of the amount of premium due, and if such person died from said disability without collecting or making claim for said compensation, or being allowed to reinstate the insurance on account of his physical condition, then the insurance could be paid to the beneficiaries.

Fifteenth. Provision was made for waiver of premiums on insurance of (a) those veterans confined to the hospital for a compensable disability during the period while so confined and (b) those veterans rated totally and permanently disabled while so rated. Provision was so made that such premiums should bear interest at the rate of 5 per cent compounded annually and, if not paid by the veteran, should be deducted from the insurance when the same matured.

Sixteenth. It was authorized that rules and regulations should be issued for the payment of insurance premiums by a specially designed post-office money order and by the reinstatement and conversion of insurance through the post office.

Seventeenth. It was further provided that policies of insurance should be incontestable after six months from date of issuance or reinstatement, except for fraud or nonpayment of premiums.

RÉSUMÉ OF THE ACT OF DECEMBER 18, 1922 (PUBLIC, NO. 370, 67TH CONG.)

This act authorized the director, in his discretion, to pay $50 per month to disabled veterans who were blind, legless, or armless, and in constant need of a nurse or attendant.

This amended an act which authorized the payment of $20 per month to disabled veterans in constant need of a nurse or attendant.

RÉSUMÉ OF THE ACT OF MARCH 2, 1923 (PUBLIC, NO. 460, 67TH CONG.)

On March 2, 1923, the President affixed his signature to H. R. 10003, "An act to further amend and modify the war risk insurance act."

Prior to March 2, 1923, the law provided that when any payment was to be made to a minor or mental incompetent, such payment should be made to the person constituted guardian or curator, or to the person "otherwise legally vested with responsibility or care of the claimant." The Comptroller General ruled that the Director of the United States Veterans' Bureau could not determine the person "otherwise legally vested with the responsibility or care of the claimant," but that such determination should be made by the Comptroller General. The law was amended March 2, 1923, to vest in the director the authority to make this determination.

RÉSUMÉ OF THE ACT OF MARCH 4, 1923 (PUBLIC, NO. 542, 67TH CONG.)

On March 4, 1923, there was passed "An act to amend and modify the war risk insurance act."

First. This law amended the provision with reference to denial of benefits to persons dishonorably discharged to provide that persons guilty of treason, mutiny, spying, or any offense involving willful and persistent misconduct will not be deprived of benefits upon dishonorable discharge unless such discharge is the result of a finding of guilt by court-martial. It was provided that this amendment should be made retroactive to April 6, 1917, thus restoring rights previously denied.

Second. Provision was made for presumption of service connection of neurophychiatric and tubercular diseases shown to have developed to a degree of 10 per cent within three years after separation from service, providing such person was examined within this period by a medical officer of the bureau or a legally qualified physician. The word "pulmonary" was stricken from the law, making this provision applicable to all tubercular diseases.

Third. Provision was made that where a veteran of any war died after discharge or resignation from the service and did not leave sufficient assets to meet the expenses of his burial and the transportation of his body, the United States Veterans' Bureau shall pay for a flag to drape the casket—and after burial to be given to the next of kin of the deceased—a sum not exceeding $5; also for burial expenses a sum not exceeding $100. If death occurred while such person was receiving governmental medical, surgical, and hospital treatment or vocational training, the bureau shall pay in addition to burial expenses the actual and necessary cost of transportation of the body, including preparation of the body, to place of burial within the continental limits of the United States. This provision is applicable to veterans of all wars.

Fourth. Provision was made that transportation be furnished to veterans of the Spanish-American War, the Philippine insurrection, and the Boxer rebellion receiving hospitalization through the United States Veterans' Bureau. Under a ruling of the Comptroller General these veterans, although entitled to hospitalization, were not entitled to transportation to and from the hospitals.

Fifth. The time was extended for obtaining a certificate of disability.

Sixth. The provision of law with reference to termination or denial of rights because of dishonorable discharge was amended to make this prohibition apply only to discharges by sentence of court-martial and to limit the provision to the period of service for which such discharge was given.

Seventh. The law was amended to clarify and liberalize that provision which permitted revival of insurance by application as premiums of uncollected compensation.

Eighth. The section of the law which authorized waiver of premiums of insurance when ex-service men were temporarily totally disabled or hospitalized for service-connected disabilities would be extended also to mentally incompetent veterans for whom no legal guardian had been appointed, such waiver to extend to six months after the appointment of a guardian. A proviso was also added to take care of the reimbursement of the United States Government life-insurance fund from the military and naval insurance appropriation in cases where premiums on converted insurance were waived and the insurance was never thereafter continued to maturity.

Ninth. At the time of this amendment there was a provision of law which provided that a policy of insurance should be incontestable after six months from date of issuance or date of reinstatement except for fraud or nonpayment of premiums. It was found that decisions in a large number of cases containing similar provisions had held that the maturity of the policy would not stop the running of the statute, and that the statute could be stopped from running only by action brought in court to cancel the policy. In order to avoid any difficulty on this point the law was amended to provide that insurance should be incontestable after the policy "has been in force six months." It was also provided that a letter mailed to the insured at his last known place of residence informing him of the invalidity

of his policy should be deemed a contest. This section as amended was made effective as of April 6, 1917.

Tenth. The law was further amended to authorize the Secretary of the Treasury to invest Government life-insurance funds in bonds of the Federal farm-loan banks.

WORLD WAR ADJUSTED COMPENSATION ACT

RÉSUMÉ OF THE ACT OF MAY 19, 1924 (PUBLIC, NO. 120, 68TH CONG.)

On May 19, 1924, "An act to provide adjusted compensation for veterans of the World War and for other purposes" was passed over the President's veto. This law provided for the payment of adjusted compensation to veterans who performed active service in the military or naval forces during the World War in the following manner:

First. The issuance of a certificate to the veteran, if alive, of a face value equal to the amount in dollars of a 20-year endowment insurance that the amount of his adjusted-service credit increased by 25 per cent would purchase at his age on the birthday nearest the date of the certificate, if applied as a net single premium.

Second. To the dependents of the veteran if the veteran had died before making an application, the amount of his adjusted-service credit in 10 equal quarterly installments.

Third. Cash to the veteran or dependent if the amount of the adjusted-service credit was not in excess of $50.

The amount of adjusted-service credit was, under the provisions of this act, to be computed at the rate of $1 per day for each day of home service in excess of 60 days after April 5, 1917, and before July 1, 1919, and $1.25 for each day of oversea service during this period. The maximum amount of adjusted-service credit authorized for home service was $500 and the maximum amount for oversea service was $625.

The order of preference of dependents was as follows:

First. To the widow or widower, if unmarried.

Second. If no unmarried widow or widower, then to the children, share and share alike.

Third. If no unmarried widow or widower or children, then to the mother.

Fourth. If no unmarried widow or widower, children, or mother, then to the father.

The benefits payable under this act were exempted from taxation, assignment, and attachment or levy under any legal or equitable proceeds.

A penalty clause was incorporated in the act making it illegal for any person to charge any fee or other compensation for assisting a veteran or his dependent in obtaining the benefits of this act.

The veteran was permitted to designate any person as beneficiary for the adjusted-service certificate, and the face value of the certificate was made payable at the end of 20 years to the veteran, if alive, or if he died before the expiration of the 20 years the face value was payable to the designated beneficiary in a lump sum.

Provision was made whereby any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia might loan to the veteran, after the expiration of two years from the date of his adjusted-service certificate, an amount not in excess of the loan value thereof.

This act also contained provisions for the administration thereof.

RÉSUMÉ OF PROVISIONS OF ACT OF JULY 3, 1926 (PUBLIC, NO. 472, 69TH CONG.)

On July 3, 1926, the President approved H. R. 10277, "An act to amend the World War adjusted compensation act," which contains the following important provisions:

First. A provision to validate payments where the veteran died while his application for adjusted compensation was in the mail.

Second. A provision whereby application is valid if the Secretary of War or the Secretary of the Navy finds that it bears the signature of the applicant and discloses an intention to claim the benefits of the act regardless of whether the veteran is alive at the time of the filing of the application, provided application is filed by January 1, 1928.

Third. A provision whereby an adjusted-service certificate may be issued to the widow of a veteran who died between May 19, 1924, and July 1, 1924, without making application, provided the application is filed by the widow on or before January 1, 1928.

Fourth. A provision whereby no deductions shall be made from the adjusted-service credit or amounts due under the act on account of any indebtedness of the veteran to the United States.

Fifth. A provision whereby a widow or widower who remarries before receiving the 10 quarterly installments from a deceased veteran's adjusted-service credit shall not forfeit his rights by such remarriage.

Sixth. A provision whereby the mother or father of a veteran who was 60 years of age before January 2, 1928, or if the mother was unmarried before that date, shall be presumed to be dependent. In addition, the date of dependency was changed from the time of the death of the veteran to "at any time thereafter and before January 2, 1928."

Seventh. A provision whereby the sum of $60 is authorized to be paid in a lump sum to the dependents of the veteran who died while in the service and before July 1, 1919, if an adjusted-service credit has been or is, after this action taken, certified to the director.

RÉSUMÉ OF THE ACT OF MARCH 3, 1927 (PUBLIC, NO. 762, 69TH CONG.)

On March 3, 1927, the President approved H. R. 16886, "An act to authorize the Director of the United States Veterans' Bureau to make loans to veterans upon security of adjusted-service certificates," which provides authority to the director to make loans to veterans upon their adjusted-service certificates upon the same terms and conditions as are applicable in cases of loans made by a bank. The director was authorized to make such loans through the regional offices, suboffices, and hospitals of the bureau.

RÉSUMÉ OF THE ACT OF MAY 29, 1928 (PUBLIC, NO. 570, 70TH CONG.)

On May 29, 1928, the President approved H. R. 10487, "A bill to amend the World War adjusted compensation act, as amended," which contains the following important provisions:

First. A provision to extend the time for filing applications for the benefits of the World War adjusted compensation act to January 2, 1930.

Second. A provision to permit the Secretary of the Navy and the Secretary of War to certify to the Veterans' Bureau the adjusted-service credit of a veteran where an application had been made by the veteran but was lost after having been received by one of the departments.

Third. A provision to authorize the presumption of death of an individual where he has been absent from his home and family for a period of seven years, during which period no information of his existence has been received.

Fourth. A provision to authorize a veteran to designate more than one beneficiary under his adjusted-compensation certificate.

RÉSUMÉ OF ACT OF MARCH 4, 1929 (PUBLIC, NO. 1031, 70TH CONG.)

On March 4, 1929, the President approved H. R. 16395, "A bill to amend the World War adjusted compensation act, as amended, by reducing the rates of interest on loans made by the Veterans' Bureau upon the security of adjusted-service certificates, and for other purposes," which reduced the rates of interest on loans made by the Veterans' Bureau upon the security of adjusted-service certificates and provided for the issuance of duplicate certificates if the mutilated certificate is capable of identification and is surrendered by the holder to the Veterans' Bureau.

RÉSUMÉ OF ACT OF JUNE 5, 1930 (PUBLIC, NO. 303, 71ST CONG.)

On June 5, 1930, the President approved H. R. 9304, "A bill to amend the World War adjusted compensation act, as amended, by extending the time within which applications for benefits thereunder may be filed, and for other purposes."

This law has three principal objects:

First. To extend for a period of five years from January 2, 1930, the time within which veterans or their dependents may file application for adjusted-compensation benefits.

Second. In presumption of death cases, to permit the filing of an application by the dependent of the veteran at

any time during the 7-year absence of the veteran, or within one year after such period, provided such 7-year period began on or before January 2, 1935.

Third. To validate certain certificates already issued by the United States Veterans' Bureau where certification of an application without signature but bearing the identified fingerprints of the veteran has been inadvertently made by the War or Navy Department, in cases where the veteran is now dead.

RÉSUMÉ OF ACT OF FEBRUARY 27, 1931 (PUBLIC, NO 743, 71ST CONG.)

On February 27, 1931, there was enacted Public 743, Seventy-first Congress, which increased the loan value on adjusted-service certificates held by veterans of the World War from a maximum at that time of 22½ per cent to 50 per cent. At the time of the enactment of this legislation there were in force among living veterans approximately 3,400,000 adjusted-service certificates with a loan value of approximately $750,905,000, and on which immediately prior to the enactment of the new law there had been loaned by the Government approximately $325,000,000. The new law increased the gross borrowing power of veterans, with their certificates as collateral, to $1,711,500,000, or approximately $1,000,000,000 more than previously was possible. When this act was before the Congress for consideration it was estimated by the Administrator of Veterans' Affairs that three-quarters of the holders of certificates would take advantage of the increased loan value of their certificates and that loans to a value of approximately $1,000,000,000 would be requested by veterans.

Immediately upon the enactment of this legislation the Veterans' Administration took steps to handle as expeditiously as possible applications from veterans for loans, and its personnel both in Washington and throughout the United States was materially augmented through the employment of temporary clerks to assist in this work, there having been authorized by Congress a supplemental appropriation of $2,000,000 to become immediately available and to remain available through the fiscal year 1932 for expenses in connection with the administration of this new act.

WORLD WAR VETERANS' ACT

RÉSUMÉ OF THE PROVISIONS OF THE ACT OF JUNE 7, 1924 (PUBLIC, NO. 242, 68TH CONG.)

The World War veterans' act, 1924, approved June 7, 1924, was the result of a desire on the part of the officials of the United States Veterans' Bureau, representatives of veterans' organizations, and of the Congress itself, to remove the flaws and inadequacies that appeared in the preceding acts of Congress, codify the laws affecting veterans of the World War, and to enlarge upon the relief functions of the bureau. In this codification were incorporated all the pertinent provisions of the war risk insurance act, as amended, the vocational rehabilitation act, as amended, and the act approved August 9, 1921, establishing the United States Veterans' Bureau, and those acts were thereupon repealed, all rights accrued thereunder, however, being expressly saved. In the repeal of these old statutes and the codification of the provisions which the Congress desired to retain on the statute books, many important changes were made in the legislation, the most important of which may be summarized as follows:

Tuberculosis which developed to a degree of 10 per cent or more prior to January 1, 1925, was conclusively presumed to be of service origin, while neuropsychiatric diseases, paralysis agitans, encephalitic lethargica, and amœbic dysentery, developing to a degree of 10 per cent or more of disability before January 1, 1925, were given the benefit of a rebuttable presumption of service connection. This provision alone brought within the purview of the legislation thousands of veterans who theretofore had been unable to connect their disabilities with the service so as to be eligible for compensation and hospital treatment.

Veterans of any war, occupation, or expedition since 1897 who were not dishonorably discharged from the service were accorded the benefits of hospitalization without regard to the nature or origin of their disabilities, in so far as existing Government facilities would permit, preference to be given to those veterans who were financially unable to pay for hospitalization and necessary traveling expenses.

Provision was made for the establishment of regional offices and subregional offices, thus decentralizing the administration of benefits.

National guardsmen disabled after being called into the Federal service were brought within the provisions of the law in the same manner as inducted men.

The "line of duty" requirement was repealed, the misconduct provision, however, being continued. The time during which the disability or disease must have been contracted was limited to the period from April 6, 1917, to July 2, 1921.

Compensation for widows and children was increased as follows:

If there is a widow but no child, from $25 to $30 a month.

If there is a widow and one child, from $35 to $40 a month, with $6 a month for each additional child. This is an increase of $1 a month per child with no limitation on the number.

If there is no widow but three children, $40 a month, with $5 for each additional child.

The burial provision was liberalized to provide for payment of expenses of burial and transportation of the body in all cases without regard to indigency where the veteran dies while receiving compensation or vocational training, or away from home at a place to which he was ordered by the bureau for treatment or training, or while traveling under orders of the bureau.

Provision was made for a temporary total rating for a period of six months for veterans who, after a period of one year's hospitalization for tuberculosis, have reached a condition of complete arrest. Veterans hospitalized for tuberculosis for a period of one year and who, in the judgment of the director, will not reach a condition of arrest by further hospitalization, and whose discharge from the hospital will not be prejudicial to themselves or their families, were accorded the privilege of discharge from the hospital with a temporary total rating for three years.

The principles of ratings were changed so as to make the degree of disability dependent upon the average impairment of earning capacity resulting from injuries in civil occupations similar to the occupation of the injured man at the time of enlistment and not upon the impairment in each individual case as formerly.

The allowance for an attendant was increased from $20 to $50.

Provision was made for reimbursement for treatment obtained in emergencies from private sources.

Provision was made that, except in case of fraud, no reduction in compensation should be retroactive and no reduction or discontinuance should be effective until the first day of the third calendar month next succeeding that in which such reduction or discontinuance was determined.

The time for filing claims was extended one year longer in the discretion of the director.

Provision was made for payment of compensation for injuries incurred as result of treatment or training.

The final date for reinstatement and conversion of term insurance was fixed as July 2, 1926.

The provision relative to prevention of lapse of insurance where at time of lapse the insured had uncollected compensation, and such compensation was still uncollected at time of permanent total disability or death, in an amount sufficient to have covered the premium due, was changed to provide that in such a case the amount of insurance prevented from lapse should be the amount the uncollected compensation would purchase if applied as premiums. Under the previous law it was necessary to have uncollected compensation sufficient to cover premiums on the whole amount of insurance covered by the contract.

RÉSUMÉ OF PROVISIONS OF ACT OF MARCH 4, 1925 (PUBLIC, NO. 628, 68TH CONG.)

On March 4, 1925, the President approved the bill amending the World War veterans' act, 1924, more commonly known as the Reed-Johnson Act. This amendatory act

greatly liberalizes the provisions of the laws providing relief for ex-service men who served in the World War and also for veterans of any war, military occupation, or expedition since 1897.

One of the most outstanding features of this amendment is the provision which makes compensation payable to all those veterans of the World War who are suffering with paralysis, paresis, or blindness, or who are helpless or bedridden as a result of any disability, without regard to whether such disability is the result of willful misconduct and irrespective of whether the veteran is actually hospitalized. Prior to this amendment willful misconduct barred all right to compensation except where the veteran was suffering with paralysis, paresis, blindness, or constitutional lues as a result of a disease requiring hospitalization, and it was necessary that such veterans be hospitalized in Veterans' Bureau hospitals before any compensation could be paid.

Another important provision in the new legislation is the consolidation of the former provisions of the World War veterans' act relating to forfeitures of compensation. Under the amendment each period of service stands alone and a dishonorable discharge from one enlistment will have no effect on the payment of compensation for disabilities incurred during an enlistment from which the man was honorably discharged. It is also provided that the forfeiture provisions shall apply to conscientious objectors only where they refused to perform military duty or to wear the uniform and further that aliens, allied or neutral, shall not be affected by the forfeiture provisions if their service was honest and faithful and they were not discharged prior to November 11, 1918, on their own solicitation because of alienage.

All insurance is removed from the operation of these forfeiture provisions except where death was inflicted as a lawful punishment for crime or military offense. Under the law as it formerly stood, a dishonorable discharge from the service on the ground that the man was guilty of any offense involving moral turpitude or willful and persistent misconduct would bar his right to insurance as well as compensation and training. The amendment, as stated above, takes insurance out of the operation of this provision unless death was inflicted as a lawful punishment for crime or military offense. It is further provided that the discharge of a person for having concealed the fact that he was a minor at time of enlistment will not bar the benefits, provided that service was otherwise honorable. These amendments are all retroactive to April 6, 1917.

The provision for burial expenses has been extended to include "funeral expenses" as well as "burial expenses." Congress has also left it to the judgment of the director as to whether the deceased leaves assets sufficient to meet the expense of his funeral and the transportation of his body, eliminating the language formerly in the statute requiring an administrative finding as to whether or not such expenses were otherwise provided for. The director is also authorized to provide by regulation what items shall be included as expenses of burial and funeral and to what persons payment shall be made. The restriction as to the payment of transportation expenses within the continental limits of the United States has been removed, and it is now possible for the bureau to pay the expenses of transportation of the body of a deceased veteran to the place of burial in the United States or its Territories or possessions.

The provisions of the statute which prohibited the concurrent payment of compensation and pension to child, widow, or parent, other than a mother, have been removed. Under the amendment a person who is entitled to receive a pension on account of some one other than the person on whose account the compensation is payable will be permitted to receive both.

The director is also given authority to furnish at the expense of the Government special clothing made necessary by the wearing of prosthetic appliances furnished by the bureau to correct disabilities of service origin.

A provision is also included in the amendment by virtue of which the director is authorized to apportion disability compensation of insane inmates of institutions to the wife, children, and dependent parents of such inmates under regulations to be prescribed by the bureau.

The section of the law under which veterans of any war, expedition, or occupation since 1897 are hospitalized in Government hospitals, irrespective of the nature or origin of their disabilities, has been amended to permit the bureau to furnish such hospitalization in other than Government hospitals in the insular possessions, where at the present time there are no Government hospitals which will receive tubercular and neuropsychiatric patients.

A new section has been enacted whereby the director is authorized to designate persons at hospitals who shall have the authority to make arrests for crimes or offenses against the United States committed on the hospital reservation. This authority will be a potent factor in the maintenance of order and the enforcement of laws, especially the liquor and narcotic laws, on hospital reservations.

The amendment also brings within the compensation provisions of the law disabilities incurred while pursuing courses of vocational training under the Federal Board for Vocational Education and disabilities suffered as a result of examination ordered by the bureau in connection with claims for compensation or medical treatment. Before this amendment disabilities incurred during training under the Federal board were not compensable, and neither were injuries suffered during examination in connection with claims and treatment. The time in which application may be made for this compensation is extended to two years from the date of the passage of the amendment on March 4, 1925, or to two years after the injury occurs, whichever is the later. Where an injury compensable under this provision occurs under circumstances which place the liability on some one other than the Government to pay damages, the Government is subrogated to the rights of the claimant.

There are also many insurance features covered by the amendment, among which are the following: (1) The restoration of the essential policy provisions formerly contained in the war risk insurance act, which were repealed by the World War veterans' act, 1924, such as the unqualified right to change a beneficiary within the permitted class without the consent of the designated beneficiary, and the provision which provides that where a beneficiary at the time of designation is within the permitted class and is the designated beneficiary at the time of maturity because of the death of the insured, such beneficiary shall be deemed to be within the permitted class even though the status of such beneficiary shall have been changed, and so forth; (2) the provision permitting reinstatement of insurance within three months after lapse provided that insured is at time of reinstatement in as good health as at time of lapse; (3) the elimination of the necessity for actual proof of service origin where the disability has been connected with the service for compensation purposes; (4) the provision for payment of insurance in one sum to the estate where no beneficiary is named or the designated beneficiary dies before receiving all the installments of insurance. This provision will preclude the necessity of distributing payments over a period of perhaps 20 years, and thus permit the expeditious closing of estates.

Authority is also given to the director to make regulations under which trainees who have completed their courses may be allowed to retain books and equipment which they have used during training and which may be useful to them when entering employment in line with their training.

The amount allowed as a fee to attorneys who bring suits against the bureau is increased from 5 per cent to 10 per cent of the amount recovered. The duty of deducting this amount is placed upon the bureau, and such deduction is to be made before the judgment is paid. A penalty of $500 or imprisonment at hard labor for two years, or both, is provided for those attorneys who charge fees in excess of the amount allowed.

The general penal provisions of the statute are amended to provide a penalty of fine and imprisonment for persons who receive maintenance and support allowance, as well as compensation, insurance, or any other money or check without being entitled thereto with intent to defraud the United States or any beneficiary of the bureau, and also to provide a penalty of fine and imprisonment for any person who shall make a fraudulent claim for maintenance and support allowance. Claims for maintenance and support allowance were not included in the penal provisions heretofore.

A new section is added to provide for fine and imprisonment of guardians, curators, committees, or persons otherwise legally vested with the responsibility or care of a claimant or his estate who embezzle or fraudulently convert to their own use money paid to them in a fiduciary capacity under any law administered by the Veterans' Bureau.

RÉSUMÉ OF THE PROVISIONS OF THE ACT OF JUNE 2, 1926 (PUBLIC, NO. 325, 69TH CONG.)

On June 2, 1926, Public, No. 325, Sixty-ninth Congress, was approved by the President, which extended the time for reinstatement and conversion of yearly renewable term insurance one year—to July 2, 1927—with a further provision that this time might be extended by regulation where reinstatement and conversion were impracticable or impossible due to the mental condition or disappearance of the insured. This act also provided that where the amount of an individual monthly payment was less than $5 such amount might be allowed to accumulate without interest and be disbursed annually.

RÉSUMÉ OF THE PROVISIONS OF THE ACT OF JULY 2, 1926 (PUBLIC, NO. 448, 69TH CONG.)

Section 4: The director's salary is increased from $10,000 to $12,000.

Section 10: Authority is granted for the hospitalization of women veterans in other than Government hospitals.

Authority is granted for the alteration, extension, and improvement of existing hospital and out-patient dispensary facilities without the approval of the President, providing that such alteration, extension, or improvement does not materially increase the bed capacity.

Section 21: Authority is granted to the director to refuse to make further payments to any guardian, curator, conservator, or other fiduciary in the District of Columbia who, in the opinion of the director, is acting as fiduciary in such a number of cases as to make it impracticable to properly conserve the estates or supervise the persons of the wards. In any case where a fiduciary is not properly executing the duties of his trust or is collecting inequitable fees or commissions the director is authorized to appear in court and make presentation of such matters. Suspension of payments may be made in any case where the fiduciary neglects or refuses to render an account showing proper application of payments for the benefit of the ward. Authority is granted for payment of court or other expenses incident to investigation or court proceedings relative to appointment or removal of fiduciaries.

Section 26: Where the accrued amount due at the time of the death of the beneficiary is $1,000 or less, payment may be made direct to the person who would take under the laws of intestacy without accessity of letters of administration.

Section 28: Provision is made for the reimbursement of the Government life-insurance fund from the military and naval insurance fund in any case where recovery is waived of an overpayment under a converted policy.

Section 31: Provision is made for reimbursement of beneficiaries who sustain loss of personal effects through fire in bureau hospitals. This provision is retroactive.

Section 33: Authority is granted for the provision of courses of instruction for the professional personnel of the bureau.

Authority is also granted for the detailing of not more than 2 per cent of the professional personnel to attend professional courses offered through nongovernmental agencies, employees so detailed to be entitled to payment of their expenses, in addition to their compensation.

Section 200: Women citizens of the United States who were taken from the United States by the Government, and who served in base hospitals overseas, are included within the provisions of the World War veterans' act, as amended.

Spinal meningitis is included among those diseases conclusively held to be of service origin when developing to a degree of 10 per cent or more prior to January 1, 1925.

Section 201: The allowance for burial expenses is made available for women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901.

The director is authorized to decide when a veteran leaves assets which should be applied to burial and funeral expenses, his decision to be binding for all purposes.

Section 202: Organic loss of speech is included among those conditions classed as permanent and total disability.

Provision is made for the reimbursement of State hospitals for hospitalization furnished the disabled ex-service man prior to the time he was taken over by the bureau. It is also provided that if the disabled person or his estate has borne the expenses of such hospitalization, reimbursement shall be made to such person or his estate.

Section 202 (7): This section is amended by substituting the phrase, "Government of the United States" for the word "bureau," so that the subdivision will apply where the veteran is hospitalized in any Government institution. Provision is made for the payment of such additional sum as would equal the total sum by which compensation is reduced through this subdivision in the event the disabled person recovers his reason and is discharged.

Provision is made for the payment of not less than $50 per month for life in arrested tuberculosis cases. This provision is effective as of the date of the passage of the act and is specifically made not retroactive.

Women who served as Army nurses between April 21, 1897, and February 2, 1921, are brought within the provisions of section 202 (10).

Authority is granted for the furnishing of clothing and prosthetic appliances (and repairs thereto) to veterans entitled to the benefits of this subdivision who are financially unable to supply themselves with same. Pensions of veterans entitled to the benefits of this section are specifically removed from the purview of the now existing statutes which provide for deductions for board and maintenance while they are maintained in Government hospitals. The director is authorized to use other than Government hospitals in the Territories as well as insular possessions of the United States.

Section 203: Provision is made for a straight per diem allowance of $2.65 per day in lieu of loss of wages incurred while submitting to examination in connection with applications for treatment or compensation.

Section 206: The time for filing evidence of service origin of a disability is extended three years from the passage of the World War veterans' act; that is, until June 7, 1927.

Section 209: The director is authorized to extend the time for filing claim not to exceed five years for good cause shown.

Section 212: This section is amended to make the provision therein which states that compensation shall not be paid while a person is in receipt of active service or retirement pay effective as of April 6, 1917. This removes the present bar against payment of compensation while the veteran was receiving reserve pay.

Provision is also made that the schedule of ratings provided by the World War veterans' act shall hereafter be applicable to disabilities compensable only under the war risk insurance act, as amended—that is, disabilities incurred between April 6, 1917, and July 2, 1921—and which heretofore have been governed by the rating table adopted under the war risk insurance act.

Section 300: Applications for insurance heretofore made by reserve officers on active duty at training camp or station are validated.

Members of the Coast Guard are included within those entitled to apply for insurance.

Section 304: The time for reinstatement of insurance by ex-service men suffering with disabilities of service origin is

extended one year from the passage of this act. The unpaid premiums may be carried as an interest-bearing indebtedness against the policy to be deducted from any settlement made thereunder in a case where all the other requirements of reinstatement are complied with, but the veteran is unable to pay the premiums in arrears with interest. The time for reinstating yearly renewable term insurance generally is extended to July 2, 1927.

Section 305: This section is amended to apply to canceled or reduced insurance as well as lapsed insurance, and a new proviso is added limiting the payment of insurance revived under this section to the insured, his widow, child or children, or dependent parents, and in the order named unless otherwise designated by the insured during his lifetime or by his last will and testament.

Section 308: This is a new section to provide that where the insurance lapsed and the insured forwards not later than the seventh day of the month following the grace period an amount sufficient to reinstate the insurance, reinstatement may be made whenever it is shown that the insured was in the required state of health at time of remit.

Section 309: This is a new section to provide that where any person allowed his insurance to lapse and died after February 24, 1919, prior to collecting the $60 bonus, the insurance shall not be considered to have lapsed during such period as the uncollected bonus would, if applied in payment of premiums when due, equal or exceed the same. The payment of insurance revived under this section is payable only to the classes mentioned in the proviso added to section 305.

Section 406: This section is amended to extend the time for those veterans in placement training on June 30, 1926, to January 1, 1927, and to those in institutional training two years from the date this legislation is enacted.

Language is also included in this section which will permit the payment of the two months' allowance provided by section 404 to all trainees whenever rehabilitation is determined. Under the old law, by reason of the language in section 406, providing that no training allowance should be paid after June 30, 1926, those men who were rehabilitated after May 1, 1926, were discriminated against in respect to the two months' allowance.

Section 506: This is a new section extending the penal provisions of the statute to the Philippine Islands.

RÉSUMÉ OF THE PROVISIONS OF THE ACT OF MARCH 3, 1927 (PUBLIC, NO. 762, 69TH CONG.)

On March 3, 1927, paragraph 7 of section 202 of the World War veterans' act, as amended, which provided for the reduction of compensation of all veterans in hospitals, who had no dependents, to $40 a month as of June 30, 1927, was repealed.

RÉSUMÉ OF THE ACT OF MAY 29, 1928 (PUBLIC, NO. 585, 70TH CONG.)

On May 29, 1928, the President affixed his signature to H. R. 13039, "A bill to amend the World War veterans' act, as amended," which contains many important provisions, the most important of which are as follows:

First. A statute of limitations on insurance suits providing that suits on contracts of insurance must be brought within six years after the claim accrues or one year after the passage of the act, whichever is the later. At the present time, under the conformity act, the statutes of limitation of the different States apply.

Second. Provision for payment of original expenses of appointment of guardians.

Third. Provision for the payment of death compensation to a child after the age of 18 and until the completion of education or training, but not after such child reaches the age of 21 years.

Fourth. A provision that the payment of compensation to dependent parents shall be made during the period of dependency and that such compensation shall be payable whether the dependency arises before or after the death of the veteran.

Fifth. Provision for the payment of burial expenses in the amount of $107 in all cases in which the director, in his discretion and with due regard to the circumstances of each case, may decide that this sum may be allowed.

Sixth. A provision whereby widows and children of veterans are now being paid compensation by virtue of an accrued right under the war risk insurance act, as amended, which was repealed by the World War veterans' act of June 7, 1924, are placed on a parity with widows and children of veterans who are receiving compensation under the World War veterans' act.

Seventh. A provision to authorize the director, in his discretion, to apportion compensation in the case of a disabled person who is a patient in a hospital or is living separate and apart from his wife and/or children. This provision was made to overcome the difficulties now existing which make mandatory the apportionment of compensation to persons who are undeserving or in behalf of persons who have been separated from their families for many years or can not be located.

Eighth. A provision to extend the time for filing evidence to establish service connection to April 6, 1930.

Ninth. A provision which authorizes the director, in his discretion, to extend the time for filing claim for benefits under this act to April 6, 1930.

Tenth. A provision which permits the use of uncollected compensation not payable because of the provision of section 310 of the war risk insurance act and section 210 of the World War veterans' act, as amended, for the purpose of reviving insurance under section 305 of the World War veterans' act, as amended. This provision places the legislative stamp of approval on the interpretation of section 305 of the World War veterans' act, as amended, heretofore made by the bureau but which has recently been overruled by the Comptroller General.

Eleventh. A provision whereby reconversion of insurance to a lower premium rate may be made upon proof of good health satisfactory to the director.

Twelfth. A provision which removes the restriction on the designation of beneficiaries for United States Government life (converted) insurance.

Thirteenth. A provision whereby application for United States Government life (converted) insurance may be made by any person who has heretofore applied or been eligible to apply for yearly renewable term insurance or United States Government life insurance, provided that such person is in good health and furnishes evidence satisfactory to the director to that effect.

Fourteenth. A provision whereby persons now holding United States Government life insurance and who are in good health may apply for the insertion in their contract of a disability clause providing for the payment of disability benefits where total disability has existed for 12 months. The director, under this amendment, is required to fix a rate of premium for this added feature to the insured to cover the necessary cost of the same.

RÉSUMÉ OF THE ACT OF JULY 3, 1930 (PUBLIC, NO. 522, 71ST CONG.)

On July 3, 1930, the President affixed his signature to H. R. 13174, "A bill to amend the World War veterans' act, as amended," which contains many important provisions, the most important of which are as follows:

First. Provides that the director's decisions of questions of fact and law affecting any claimant to the benefits to Titles II, III, or IV of the World War veterans' act shall be final.

Second. Directs that regulations relative to evidence provide that due regard be given to lay and other evidence not of a medical nature in connection with the adjudication of claims.

Third. Authorizes the director to secure recreational facilities, supplies, and equipment for patients generally and for employees at isolated stations.

Fourth. Authorizes the refund of premiums paid beyond the date of maturity on war-risk term insurance.

Fifth. Authorizes the courts as part of the judgment to direct the refund of premiums.

Sixth. Extends the time during which suits on term-insurance contracts may be instituted one year from the date of the approval of the amendatory act and authorizes that subpœnas be issued for witnesses who live at a greater dis-

tance than 100 miles from the place where the suit is to be tried; authorizes the payment of regular travel and subsistence allowance to attorneys assigned to assist in the trial of suits and to regular employees of the bureau when ordered by the director to appear as witnesses; permits the director to order part-time and fee-basis employees of the bureau to appear as witnesses in suits and to pay them a fee in an amount not to exceed $20 per day; authorizes official leave for employees who are subpœnaed to attend trials as witnesses for veteran plaintiffs and defines the term "claim" and the term "disagreement," which are technical terms used in the statute, to fix the time during which the limitation period for bringing suits is suspended.

Authorizes the director to pay compensation to the person having custody and control of an incompetent or minor beneficiary during the time compensation payments to a legally appointed guardian are suspended or withheld because of the misconduct of the guardian, and authorizes the continuance of a fund which the bureau is administering for the benefit of certain incompetent beneficiaries.

Seventh. Makes retroactive to June 7, 1924, the section which authorizes the director to waive recovery of overpayments under certain circumstances. The disallowances standing against disbursing officers which will be affected by this amendment are approximately $218,500.

Eighth. Provides that the director, subject to such regulations as he may prescribe, may permit the representatives of service organizations named in section 500 of the World War veterans' act to inspect bureau records in their capacity as representatives of the claimants.

Ninth. Provides that checks issued to beneficiaries which are undelivered shall be retained in the bureau for three full fiscal years, rather than forwarded to the General Accounting Office after three months, as is now the practice under regulations of the General Accounting Office.

Tenth. Authorizes the purchase of uniforms for all personnel employed as watchmen, elevator operators, and elevator starters in the Arlington Building, Washington, D. C.

Eleventh. Directs the Secretary of War to assemble in the city of Washington all medical and service records pertaining to veterans of the World War.

Twelfth. Adds a paragraph authorizing the payment of a disability allowance to any honorably discharged ex-service man who entered the service prior to November 11, 1918, and served 90 days or more during the World War, and who is suffering from a 25 per cent or more permanent disability not the result of his own willful misconduct, which was not acquired in the service during the World War, or for which compensation is not payable. The disability allowance is as follows: Twenty-five per cent permanent disability, $12 per month; 50 per cent permanent disability, $18 per month; 75 per cent permanent disability, $24 per month; total permanent disability, $40 per month. The disability allowance provided by this paragraph is in no event to commence prior to the passage of the amendatory act; is to date only from the time of application therefor; and is not to be payable to any person not entitled to exemption of the payment of the Federal income tax for the year preceding the filing of application. The application for the benefit is to be made on such form as the director shall prescribe. Provision is made whereby a person drawing either compensation or disability allowance, who later becomes entitled to the other in a greater amount than the one he is receiving, may elect to take the greater benefit; but in no event can one person draw the two benefits at the same time, and any payments previously made over the period covered by a new award are to be deducted from the amount payable under the new award.

The term "compensation" as used in Titles I and V is defined to include the disability allowance. This is for the purpose of making the guardianship provisions, the tax-exemption provision, and other similar provisions in Title I applicable to the disability allowance and to make the penal provisions of Title V applicable to the disability allowance.

The Secretary of the Treasury is directed to furnish the director with a certificate stating whether or not the applicant for disability allowance was entitled to exemption from the payment of the Federal income tax for the year preceding the date of filing his application.

Thirteenth. Provides that if there are a dependent father and mother the amount paid them shall in no case be less than $20 per month. Under existing law dependent parents can not receive in excess of the difference between the total amount payable to a widow and children and the sum of $75.

Fourteenth. Provides for the payment of burial and funeral expenses, and transportation of the body to the home, for those veterans who die in national military homes. At the present time these expenses are paid when a veteran dies in a Veterans' Bureau hospital. This section also amends the law by authorizing the furnishing of a flag to drape the casket of any veteran of any war regardless of the cause of death.

Fifteenth. Provides additional compensation of $25 per month, independent of any other compensation which may be payable, to persons who suffered injury resulting in the loss of the use of a creative organ or one or more feet or hands as the result of an injury received in the active service in line of duty between April 6, 1917, and November 11, 1918, with a proviso that if such disability occurred while the veteran was serving with the United States military forces in Russia the dates therein stated shall extend from April 6, 1917, to April 1, 1920. This amendment is a recognition of disabilities incurred during actual hostilities as a preferred class.

Sixteenth. Removes the necessity for showing the "constant" need of a nurse or attendant where claim for nurse or attendant allowance is made.

Seventeenth. Discontinues payments in all cases of hospitalized insane veterans who have no dependents where their estates equal or exceed $3,000.

Eighteenth. Directs that a minimum rating of permanent partial 25 per cent be included in the bureau rating schedule for arrested tuberculosis.

Nineteenth. Authorizes the hospitalization of contract surgeons who served overseas in the Spanish-American War under the provisions of subdivision (10), section 202, when facilities are available.

Twentieth. Defines the term "Spanish-American War" for the purposes of the section to mean the period between April 21, 1898 and July 4, 1902, and the term "veteran" is deemed to include those persons retired or not dishonorably separated from the active list of the Army or Navy.

Twenty-first. Provides that any person who is now receiving a gratuity or pension from the United States shall not receive compensation under this section unless he shall first surrender all claim to further payments of such gratuity or pension by providing that where such surrender of pension is made, any disability incurred in the military service of the United States, by reason of which said pension would be payable, shall be evaluated in accordance with the provisions of subdivision (4), section 202, and shall be payable as compensation under this act. Provision is also made for the combining of such rate with other ratings.

Twenty-second. Repeals sections 206 and 209.

Twenty-third. Adds a provision to the effect that nothing contained in that section—section 210—shall be construed to permit the payment of compensation under the World War veterans' act, as amended, for any period prior to June 7, 1924.

Twenty-fourth. Provides that a claim filed for compensation under the war risk insurance act or the World War veterans' act shall be deemed to be a claim for compensation under both acts and all subsequent amendments thereto.

Twenty-fifth. Authorizes the director, in his discretion, to pay to dependents of an incompetent veteran drawing compensation who disappears, the same amount of compensation as is provided for the same class of relatives of a veteran who dies of a service-connected disability.

Twenty-sixth. Authorizes the reinstatement of insurance by a small class of veterans which is still permitted to carry term insurance.

Twenty-seventh. Makes all contracts of insurance issued by the Government incontestable from date of issuance except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces. The plea of estoppel formerly interposed by the Government in certain cases is also eliminated.

Twenty-eighth. Clarifies the provisions thereof relative to insurance against total disability to be issued by the Government at a premium rate commensurate with the risk.

RÉSUMÉ OF ACT OF MAY 21, 1932 (PUBLIC, NO. 147, 72D CONG.)

On May 21, 1932, there was passed "An act to amend the World War veterans' act, 1924, as amended," which provided that where the disabled person is a patient in a hospital, or where for any other reason the disabled person and his wife are not living together, or where the children are not in the custody of the disabled person, the amount of the retired pay payable under Public Act No. 506, Seventieth Congress, approved May 24, 1928, may be apportioned in the same form and manner as compensation is apportioned.

RÉSUMÉ OF ACT OF JUNE 24, 1932 (PUBLIC, NO. 194, 72D CONG.)

On June 24, 1932, there was passed "An act to provide for the renewal of 5-year level premium term Government insurance policies for an additional 5-year period with medical examination," which provided that at the expiration of the 5-year period a 5-year level premium term policy may be renewed for a second 5-year period at the premium rate for the attained age without medical examination; and in case the 5-year period of any such policy has expired prior to and within five months of the date of the enactment of this amendatory proviso and the policy has not been continued in another form of Government insurance, such policy may be renewed as of the date of its expiration on the same conditions upon payment of the back premiums within five months after such date of enactment; and the Administrator of Veterans' Affairs shall cause notice to be mailed to the holder of any such policy.

HOSPITAL CONSTRUCTION PROGRAM

AUTHORIZATIONS	APPROPRIATIONS
March 3, 1919, Public, No. 326, Sixty-fifth Congress, $9,050,000.	March 3, 1919, Public, No. 326, Sixty-fifth Congress (sec. 9). Appropriates $9,050,000 ($8,840,000 for construction, $210,000 for furniture and equipment).
March 4, 1921, Public, No. 384, Sixty-sixth Congress, $18,600,000.	March 4, 1921, Public, No. 384, Sixty-sixth Congress, $18,600,000. Not over $6,100,000 to be used for remodeling and extending existing plants.
April 20, 1922, Public, No. 194, Sixty-seventh Congress (sec. 3), $17,000,000.	May 11, 1922, Public, No. 216, Sixty-seventh Congress. Appropriates $12,000,000 and allowed the director to incur obligations for remaining $5,000,000 authorized by Public, No. 194, Sixty-seventh Congress. April 2, 1924, Public, No. 66, Sixty-eighth Congress (pp. 4–5). Appropriates the remaining $5,000,000 authorized by Public, No. 194, Sixty-seventh Congress.
June 5, 1924, Public, No. 197, Sixty-eighth Congress (sec. 2), $6,850,000.	December 5, 1924, Public, No. 292, Sixty-eighth Congress (p. 11). Appropriates $3,850,000 to remain available until June 30, 1925, and gave authority to incur obligations for the remaining $3,000,000. March 4, 1925, Public, No. 631, Sixty-eighth Congress (p. 6). Extended the time above. Appropriation may be used until June 30, 1926. March 3, 1926, Public, No. 36, Sixty-ninth Congress (p. 4). Appropriates $3,000,000 authorized by Public, No. 197, Sixty-seventh Congress.
March 3, 1925, Public, No. 587, Sixty-eighth Congress, $10,000,000.	March 3, 1926, Public, No. 36, Sixty-ninth Congress. Appropriates $5,000,000 authorized by Public, No. 587, Sixty-eighth Congress. April 22, 1926, Public, No. 141, Sixty-ninth Congress (p. 18). Appropriates $4,000,000 authorized by Public, No. 587, Sixty-eighth Congress. February 11, 1927, Public, No. 600, Sixty-ninth Congress (p. 18). Appropriates the remaining $1,000,000 authorized by Public, No. 587, Sixty-eighth Congress.
May 23, 1928, Public, No. 480, Seventieth Congress, $15,000,000.	May 29, 1928, Public, No. 563, Seventieth Congress (p. 8). Appropriates $7,000,000 of amount authorized by Public, No. 480. February 20, 1929, Public, No. 778, Seventieth Congress. Appropriates $6,000,000 of the amount authorized by Public, No. 480, with authority to incur obligations for the remaining $2,000,000.
May 23, 1928, Public, No. 480, Seventieth Congress, $15,000,000.	April 19, 1930, Public, No. 158, Seventy-first Congress. Appropriates the remaining $2,000,000 authorized by Public, No. 480, Seventieth Congress.
December 23, 1929, Public, No. 29, Seventy-first Congress, $15,950,000.	March 26, 1930, Public, No. 78, Seventy-first Congress. Appropriates $8,000,000 of the amount authorized by Public, No. 29, Seventy-first Congress. February 23, 1931, Public, No. 720, Seventy-first Congress. Appropriates $7,950,000, the remaining amount authorized by Public, No. 29, Seventy-first Congress.
May 16, 1930, Public, No. 230, Seventy-first Congress, $750,000.	February 23, 1931, Public, No. 720, Seventy-first Congress. Appropriates $750,000, the full amount authorized by Public, No. 230, Seventy-first Congress.
June 21, 1930, Public, No. 405, Seventy-first Congress, $2,000,000.	February 23, 1931, Public, No. 720, Seventy-first Congress. Appropriates $1,000,000 of the amount authorized by Public, No. 405, Seventy-first Congress.
July 1, 1930, Public, No. 492, Seventy-first Congress, $650,000.	February 23, 1931, Public, No. 720, Seventy-first Congress. Appropriates $650,000, the full amount authorized by Public, No. 492, Seventy-first Congress.

AUTHORIZATIONS	APPROPRIATIONS
July 3, 1930, Public, No. 505, Seventy-first Congress.	February 23, 1931, Public, No. 720, Seventy-first Congress. Appropriates $1,000,000 of the amount authorized by Public, No. 505, Seventy-first Congress.
March 4, 1931, Public, No. 868, Seventy-first Congress (sec. 3), $20,877,000.	March 4, 1931, Public Resolution No. 138, Seventy-first Congress. Appropriates $5,000,000 of the amount authorized by Public, No. 868, Seventy-first Congress.
	December 21, 1931, Public Resolution No. 3, Seventy-second Congress. Allowed administration to incur obligations for full amount authorized.
	June 30, 1932, Public, No. 228, Seventy-second Congress. Appropriates (1) $10,877,000 of amount authorized by Public, No. 868, Seventy-first Congress; (2) $1,000,000 authorized by Public, No. 505, Seventy-first Congress; and (3) $1,000,000 authorized by Public, No. 405, Seventy-first Congress.
Total, $118,727,000.	Total, $113,727,000.

EMERGENCY OFFICERS' RETIREMENT ACT

RÉSUMÉ OF THE ACT OF MAY 24, 1928 (PUBLIC, NO. 506, 70TH CONG.)

The Senate and House of Representatives passed over the President's veto a bill, S. 777, "An act making eligible for retirement under certain conditions officers and former officers of the Army, Navy, or Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in service of the United States during the World War." This bill provides for the retirement of ex-emergency officers of the Army, Navy, and Marine Corps who were disabled in line of duty during the World War and who have or may hereafter within one year be rated by the bureau at not less than 30 per cent permanent for a disability directly resulting from war service, with pay at the rate of 75 per cent of that to which they were entitled at the time of discharge from their commissioned service (except pay under act of May 18, 1920). They are also entitled to the same privileges as members of the Regular Army, Navy, or Marine Corps retired for disability, and also to hospitalization and medical treatment under the World War veterans' act, as amended.

This act also provides for a register of all disabled emergency officers of the World War, and provides that such officers who have been or may hereafter be rated less than 30 per cent and more than 10 per cent permanently disabled for disability directly resulting from war service shall be entitled to the privileges of retired officers, excepting pay.

ACT OF JUNE 30, 1932 (PUBLIC, NO. 212, 72D CONG.) (PROVISION IN PT. II—ECONOMY PROVISIONS OF ACT)

Section 212 of economy provisions restricts the receipt of retired pay from the United States on account of military or naval service as a commissioned officer in those cases where the retired person is in the employ of the United States or the District of Columbia or any corporation the majority of stock of which is owned by the United States. If the retired person is in receipt of combined annual salary and retired pay in excess of $3,000, no retired pay in excess of that combined amount is payable. If the retired pay equals or exceeds $3,000 per annum, the employee may elect to the civil position or retired pay. Regular or emergency commissioned officers retired for disability incurred in combat with an enemy of the United States are exempt from this legislation.

VETERANS' ADMINISTRATION CONSOLIDATION ACT

RÉSUMÉ OF THE ACT OF JULY 3, 1930 (PUBLIC, NO. 536, 71ST CONG.)

On July 3, 1930, the President affixed his signature to H. R. 10630, "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans."

Prior to July, 1930, there were three separate and distinct agencies dealing with the relief of veterans. This resulted in increasing dissatisfaction on the part of beneficiaries, excessive overhead, uneconomical use of facilities, and considerable duplication of effort and functions.

On July 3, 1930, there was enacted a law authorizing the President to issue an Executive order consolidating and coordinating governmental activities affecting war veterans. An Executive order was issued July 21, 1930, consolidating the Bureau of Pensions, the National Home for Disabled Volunteer Soldiers, and the United States Veterans' Bureau, into an establishment to be known as the Veterans' Administration. Under the direction of the President, the Administrator of Veterans' Affairs was authorized and vested with power to administer the laws granting benefits to veterans.

The advantages to be obtained from this consolidation are summarized as follows:

(1) To enable the President to deal directly with one responsible head, who will be familiar with the entire situation; (2) permit the consolidation of all legislation in a unified program, which will eventually eliminate existing inequalities in benefits extended; (3) consolidate budget activities under one group; (4) eliminate duplication and enable veterans to apply to one agency for all forms of relief; (5) permit better administrative control and enable the agency created to take better advantage of existing facilities; for example, it will avoid the duplication of functions of soldiers' homes and veterans' hospitals; (6) to standardize treatment of all veterans.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 49 minutes p. m.) the House, under its previous order, adjourned until Tuesday, July 5, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

626. Under clause 2 of Rule XXIV, a letter from the chairman of the United States Tariff Commission, transmitting the report of the United States Tariff Commission on domestic value-conversion of rates, was taken from the Speaker's table and referred to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BUTLER: Committee on the Public Lands. S. 4522. A bill to authorize the conveyance to the State of Tennessee of certain land deeded to the United States for the Great Smoky Mountains National Park and not needed therefor; with amendment (Rept. No. 1742). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 12730. A bill to provide temporary aid to agriculture for relief of the existing national economic emergency; with amendment (Rept. No. 1747). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 1435. A bill for the relief of Clara C. Talmadge; with amendment (Rept. No. 1739). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 12605. A bill for the relief of Corinne Blackburn Gale; with amendment (Rept. No. 1740). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3375. An act for the relief of Wiener Bank Verein; without amendment (Rept. No. 1741). Referred to the Committee of the Whole House.

Mr. SUTPHIN: Committee on Naval Affairs. House Joint Resolution 414. A joint resolution to authorize the President to present the distinguished-flying cross to Lieut. Commander Charles Emery Rosendahl; without amendment (Rept. No. 1743). Referred to the Committee of the Whole House.

Mr. SMITH of Idaho: Committee on the Public Lands. S. 4806. An act for the relief of Earl A. Ross; with amendment (Rept. No. 1744). Referred to the Committee of the Whole House.

Mr. SMITH of Idaho: Committee on the Public Lands. S. 4807. An act for the relief of Frank P. Ross; with amendment (Rept. No. 1745). Referred to the Committee of the Whole House.

Mr. COLTON: Committee on the Public Lands. H. R. 12662. A bill for the relief of Ashel E. Caldwell; without amendment (Rept. No. 1746). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 3718. A bill to authorize full settlement for professional services rendered to an officer of the United States Army; without amendment (Rept. No. 1748). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 7785. A bill for the relief of William Irvine Blain; without amendment (Rept. No. 1749). Referred to the Committee of the Whole House.

Mr. STAFFORD: Committee on Military Affairs. H. R. 8648. A bill to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.; without amendment (Rept. No. 1750). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLARD: A bill (H. R. 12883) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. LINTHICUM: A bill (H. R. 12884) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. LaGUARDIA: A bill (H. R. 12885) to provide emergency financing facilities for unemployed workers, to relieve their distress, to increase their purchasing power and employment, and for other purposes; to the Committee on Banking and Currency.

By Mr. PURNELL: A bill (H. R. 12886) to amend section 726 of the revenue act of 1932, increasing temporarily the stamp tax on sales of produce for future delivery; to the Committee on Ways and Means.

By Mr. McMILLAN: A bill (H. R. 12887) to establish a commercial airport for the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. LAMBERTSON: Resolution (H. Res. 277) to protect the original owners of all copyrights used in connection with the George Washington Bicentennial, and for other purposes; to the Committee on the Library.

By Mr. BYRNS: Joint Resolution (H. J. Res. 455) making an appropriation for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932; to the Committee on Appropriations.

By Mr. MORTON D. HULL: Joint Resolution (H. J. Res. 456) proposing an amendment to the eighteenth amendment of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MILLARD: Joint Resolution (H. J. Res. 457) proposing an amendment to the Constitution repealing the eighteenth amendment; to the Committee on the Judiciary.

By Mr. CELLER: Joint resolution (H. J. Res. 458) authorizing the erection on public grounds in the District of Columbia of a monument or memorial to Frederick Douglass; to the Committee on the Library.

Also, joint resolution (H. J. Res. 459) proposing the immediate repeal of the eighteenth amendment of the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 12888) granting an increase of pension to Cecelia A. Burns; to the Committee on Pensions.

Also, a bill (H. R. 12889) granting an increase of pension to Lucinda Bender; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 12890) directing that copies of certain patent specifications and drawings be supplied to the New York Public Library, Astor, Lenox, and Tilden Foundations, of New York City, at the regular annual rate; to the Committee on Patents.

By Mr. McCORMACK: A bill (H. R. 12891) for the relief of Ellen Grant; to the Committee on Claims.

Also, a bill (H. R. 12892) for the relief of Lawrence Rooney; to the Committee on Naval Affairs.

Also, a bill (H. R. 12893) granting a pension to Theresa G. Noonan; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H. R. 12894) for the relief of the estate of Harry F. Stern; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8484. By Mr. CHRISTGAU: Resolution adopted by members of the Louis McCahill Post, No. 110, the American Legion, Lake City, Minn., favoring the hospitalization of veterans with emergency medical and surgical nonservice-connected disabilities in civilian hospitals; to the Committee on Ways and Means.

8485. Also, resolution passed by District No. 2, Land O'Lakes Creameries, at the summer meeting held at Cambrige, Minn., on May 26, urging support of Senate bill 1197, known as the Frazier bill; to the Committee on Banking and Currency.

8486. Also, petition signed by citizens of the village of Preston, State of Minnesota, asking for a more adequate effort toward the enforcement of the eighteenth amendment in the village of Preston, State of Minnesota; to the Committee on the Judiciary.

8487. Also, resolution passed by the City Council of the City of Winona, Minn., favoring legislation for the adequate protection of property and a fair and just compensation for all damages resulting from the construction and maintenance of the 9-foot channel on the upper Mississippi River; to the Committee on Rivers and Harbors.

8488. Also, resolution adopted by the members of the Olmsted County National Farm Loan Association on the 9th day of April, 1932, expressing the opinion that a moratorium for two years should be declared on all payments of interest and installments on Federal farm-loan mortgages; to the Committee on Banking and Currency.

8489. Also, resolution adopted by the Palmyra local of the Farmers Educational and Cooperative Union, Hector, Minn., urging support of the agricultural marketing act; to the Committee on Agriculture.

8490. Also, petition adopted by various attorneys of Waseca, Minn., approving recommendation made by President Hoover in his message to Congress on diversity of citizenship; to the Committee on the Judiciary.

8491. Also, resolution adopted by members of the Lac qui Parle County Farmers' Union, indorsing Senate bill 1197, introduced by Senator FRAZIER; Senate bill 2487, introduced by Senator WHEELER; and House bill 7797, introduced by Representative SWANK; and expressing opposition to the proposed Federal gasoline tax and similar sales taxes; to the Committee on Ways and Means.

8492. Also, resolution adopted by Albert Lea Chapter, No. 494, of the Railroad Employees' National Pension Associa-

tion, Albert Lea, Minn., urging favorable action on House bill 9391, known as the railroad pension bill; to the Committee on Pensions.

8493. Also, resolutions passed by the executive board of the Minnesota Farm Bureau at St. Paul, Minn., on March 18, 1932, one in support of the Federal farm marketing act, one in opposition to the Federal sales tax, and another in support of the provision in the Hawes-Cutting bill providing for the independence of the Philippine Islands; to the Committee on Insular Affairs.

8494. Also, resolution adopted by the members of the Chase Brook National Farm Loan Association of Milaca, Mille Lacs County, Minn., urging support of Senate bill 1197, known as the Frazier bill; to the Committee on Banking and Currency.

8495. By Mr. CRAIL: Petition of California State Organization of the Liberal Party, advocating the issuance of Treasury notes in the sum of $2,500,000,000, backed by the full credit of the Government, for the full payment of the soldiers' bonus compensation for their faithful service in the last war; to the Committee on Ways and Means.

8496. By Mr. YATES: Petition of E. S. Heeley, president; W. Fairchild, secretary; W. Frank White, E. N. Herron, W. A. Baker, and other members of the Chamber of Commerce of Shelbyville, Ill., urging reduction of Federal expenditures and the balancing of the Budget; to the Committee on Ways and Means.

SENATE

TUESDAY, JULY 5, 1932

(Legislative day of Thursday, June 30, 1932)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Thursday, June 30, and Friday, July 1.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Hull	Robinson, Ark.
Austin	Davis	Johnson	Robinson, Ind.
Bailey	Dickinson	Jones	Schall
Barbour	Dill	Kean	Sheppard
Bingham	Fess	Kendrick	Shipstead
Black	Fletcher	Keyes	Shortridge
Blaine	Frazier	La Follette	Smoot
Borah	George	Lewis	Steiwer
Bratton	Glass	McGill	Stephens
Broussard	Glenn	McKellar	Thomas, Idaho
Bulkley	Goldsborough	McNary	Townsend
Bulow	Gore	Metcalf	Trammell
Byrnes	Hale	Moses	Tydings
Caraway	Harrison	Norbeck	Vandenberg
Carey	Hastings	Norris	Walcott
Connally	Hatfield	Nye	Walsh, Mass.
Coolidge	Hawes	Oddie	Watson
Copeland	Hayden	Patterson	White
Costigan	Hebert	Pittman	
Couzens	Howell	Reed	

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

REPORTS OF THE CLAIMS COMMITTEE

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 1684) for the relief of Heimo Sarkkinen, submitted an adverse report (No. 974) thereon.

Mr. HOWELL, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

H. R. 1834. An act for the relief of Claude E. Dove (Rept. No. 975); and

H. R. 4910. An act for the relief of Gust J. Schweitzer (Rept. No. 976).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GLENN:

A bill (S. 4948) granting a pension to Estelle Palmer (with accompanying papers); to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 4949) for the relief of Corinne Blackburn Gale; to the Committee on Foreign Relations.

HOME-LOAN BANKS—AMENDMENT

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes, which was ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 4735. An act to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association; and

S. 4759. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.

The message also announced that the House had passed the joint resolution (S. J. Res. 148) to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 11896. An act to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe;

H. R. 12174. An act to authorize the use of Minnesota Chippewa tribal funds to purchase certain land as a wild rice harvesting camp site, and for other purposes; and

H. R. 12251. An act to provide for the conveyance of the Portage Entry Lighthouse Reservation and buildings to the State of Michigan for public-park purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 11896. An act to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe; and

H. R. 12174. An act to authorize the use of Minnesota Chippewa tribal funds to purchase certain land as a wild rice harvesting camp site, and for other purposes; to the Committee on Indian Affairs.

H. R. 12251. An act to provide for the conveyance of the Portage Entry Lighthouse Reservation and buildings to the State of Michigan for public-park purposes; to the Committtee on Commerce.

ARTICLE ON CONSERVATION

Mr. HAWES. Mr. President, Americans spend $650,000,000 a year on outdoor recreation connected with fishing and hunting. Thirteen million men and women take out hunting and fishing licenses each year.

The greatest of fresh-water fish is the black bass. It has a national importance because it is found in over 30 States.

A study of this question has been prepared by Dr. M. D'Arcy Magee, an eminent physician and scholar. Cooperating with him is Mr. Edward C. Kemper, a well-known architect. These gentlemen have given much of their time gratuitously to the preservation of this fish.

A study of the subject is contained in a letter to me, which will be found interesting and helpful to all sportsmen. I ask unanimous consent to insert it in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHICAGO, *July 1, 1932.*

MY DEAR SENATOR HAWES: Your life-long interest in conservation of our natural resources, and your accomplishments in that field, encourage me to call your attention to the threatened extermination of the black bass in many States of the Union.

The black bass is the most widely distributed and the most popular of all fresh-water game fish. It is being exterminated in a great many States by market fishermen and pot hunters who capture the bass in trap nets and seines, or kill them with dynamite and sell them to the fish markets in the large cities.

SURVEY BY BUREAU OF FISHERIES

A comprehensive survey of this abuse has been completed by the Bureau of Fisheries of the Department of Commerce. A copy is attached hereto as a part of this letter.

The survey shows that 7 States now permit the sale of black bass in their fish markets for part or all of the 12 months of the year. It also shows that there are 14 States which permit the sale of black bass taken outside their own boundaries.

This gives a total of 21 States in which the market sale of our greatest fresh-water game fish constitutes, in effect, a war of extermination which can have but one end.

Those States are: Alabama, Colorado, Delaware, Florida, Georgia, Indiana, Kansas, Massachusetts, Maryland, Missouri, New Mexico, North Carolina, North Dakota, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, West Virginia, and Wyoming.

THE POLICY OF CONGRESS

The Congress of the United States has unequivocally recognized the status of the black bass as a game fish and to the extent of its powers has given it legislative protection by passing the Hawes Act, which prohibits the export of bass by interstate transportation from any State which has a law forbidding such export; and by amending the laws of the District of Columbia to provide that bass shall not be sold in the fish markets of the District at any time of the year.

PURPOSE OF THIS LETTER

The purpose of this letter is not to seek additional legislation from Congress but to enlist your support in calling the attention of the public and of all the States to the abuses which exist in the 21 States above mentioned.

It is believed that full consideration of the facts set out herein by the public, by the State conservation commissions, and by the congressional representatives of the 21 States concerned would result in early and effective measures by the legislatures of those States, which would give adequate protection to their finest game fish.

THE REMEDY

No complicated legislative act is required in any State to stop the market sale of black bass. No expenditure of money is required. No new State agency has to be established. All that is required is a brief amendment to the existing game or fish laws of the State to the effect that "black bass shall not be sold at any time or exported for sale at any time, regardless of where taken." The legislatures of 43 States meet in 1933, affording an early opportunity for corrective measures.

If it is possible for you to call this matter to the attention of Members of Congress before the adjournment of this session, we believe that much good will result therefrom.

THE PRINCIPLES INVOLVED

No cause should be urged unless it is sound in principle and advantageous to a large majority of the people.

Therefore, I think you should have the reasons on which I base this plea for the protection of the black bass.

Those reasons are really a series of facts, which are set forth in the following sections:

NATURE OF THE BLACK BASS

(1) The black bass, large mouth and small mouth, is the most valuable fresh-water game fish of the United States.

(2) The black bass can not be propagated by artificial hatching of eggs like trout or salmon.

(3) The black bass can not be maintained in any State as a game fish if its commercialization as a food fish is permitted to continue.

(4) The black bass can maintain its numbers against all natural enemies, against the angler with rod and line, and against all other vicissitudes—except the haul seine, the trap net, and the stick of dynamite.

(5) The black bass can not survive as a source of outdoor enjoyment to the people and as a source of income to those who cater to the angling fraternity so long as there is a price on its head—that price being the price per pound on the fish market counter.

(6) The black bass is ten times more valuable to any State from any point of view, be it economic, recreational, or sentimental—when classified and protected as game fish than when sold as food fish.

THE RESULTS OF MARKET SALE

What is the general result and the economic effect on the community of the present open market for black bass in each and every one of the 21 States mentioned herein?

(a) Market sale of bass in any State means that the citizens of that State who love to fish for bass with hook and line are being deprived of the joy of going fishing by a comparatively few net fishermen and pot hunters who are unintentionally destroying a source of income to themselves which, if properly developed, would far exceed any income from bass sold at 5, 10, 20, or 30 cents in the fish markets of that State or any neighboring State.

(b) Market sale of bass in any State automatically removes opportunity for employment of many of its citizens who, if there were bass to be taken by rod and line, would be employed as guides, as helpers at boat landings, and as purveyors of live bait and fishing tackle. No such opportunities for employment can be found on any waters in which the black bass are held close to extinction by market fishing. Furthermore, the progress of civilization has no longer made it possible for those who would hunt and fish for sport and for food to secure by their own hands game or game fish for their tables—except in those States in which the fresh-water game fish are protected from wholesale methods of capture. In such fortunate States citizens can now take rod and line and secure in an afternoon not only healthful recreation but a gamey bass or two for the platter—which is as it should be.

(c) Market sale of bass in any State means that money spent by that State for hatching and planting bass in the streams of the State is spent against unnatural odds—in trying to maintain a game fish which is being exploited as a food fish. There are thousands of citizens in every State who fish for bass for the sake of sport, health, and recreation. All of them are taxpayers, and their rights should be given recognition in proportion to their numbers and in proportion to their interest.

(d) Market sale of bass in any State means that that State is losing hundreds of thousands of dollars annually—money that would be spent in every county and village contiguous to bass waters—if there were bass enough left to reward the anglers' efforts. All of the States listed herein as permitting the market sale of bass have many good streams and lakes to which bass are indigenous. If the bass in those States were not captured for commercial sale, their waters would become the mecca of thousands of anglers and tourists whose hobby is fishing for the sake of sport and who are willing to pay for that sport. In the aggregate, they would bring into the bass-fishing communities, villages, and counties hundreds of thousands of dollars which at week-ends and vacation time are now spent for other purposes less beneficial to the individual and to the State. Also, each angler would pay to the State a resident license fee of $1 or more a year or a nonresident license fee of $5 or more a year.

SOME STATE EXAMPLES

Maine: Years ago bass in the State of Maine were netted and shipped to market. Maine, one of the most successful of States in utilizing conservation resources for the advantage of the greatest number of her people, saw the fallacy of selling game bass for food at 20 cents a pound when the tourists and anglers from Boston and New York were willing to spend at the rate of $1 a pound for the privilege of taking those bass on a rod and line. Therefore, Maine enacted a law which closes her fish markets to bass and also imposes upon the fisherman with rod and line proper conditions for their protection. To-day the State of Maine is a magnet for literally thousands of men and women who go there for long vacation periods to enjoy some of the most productive and exciting bass fishing in the United States. The economic and the substantial value of the black bass as a protected game fish to the State of Maine will be attested by the commissioner of inland fisheries and game, the statehouse, Augusta, Me.

Maryland: Coming down the Atlantic coast, the first State encountered which has so far shown utter disregard of the proper use of the bass as a natural resource is the State of Maryland. That State permits the market sale of black bass throughout the entire winter season—eight months of the year—and in the winter of 1931–32 the fish markets of Baltimore were selling the State's finest fresh-water game fish—by the barrel—at prices as low as 5 cents a pound. A 2-pound bass for 10 cents. These bass came from the waters of Maryland and from the waters of Southern States, notably North Carolina and Florida. They glutted the market; they offered serious competition to the salt-water food fish of Chesapeake Bay, and the spectacle of black bass at 5 cents a pound set an example of wasteful practice and disregard of public welfare which has hardly been equaled in recent years of conservation history.

Florida: On a par with the conditions which exist in Maryland, and even worse in some respects, are those which obtain in Florida. Here is a State which caters to the tourist, a State which advertises throughout the Union the attractions of black-bass fishing, a State which derives a large annual income from visiting sportsmen, and a State which is now exporting to the fish markets of other States, each year, more than 700 tons of black bass.

Such economic short-sightedness is almost unbelievable. Its results are so obvious that apparently they have been overlooked.

The citizens of Florida who love to fish for bass with rod and line are being deprived of that privilege by the commercial net fisherman whose seines and trap nets work night and day in

exterminating the greatest fresh-water game fish which the State possesses.

The northern anglers who go to Florida for the bass fishing are finding that bass fishing is getting thinner and thinner each year. Everywhere they learn that favorite lakes and rivers have been depleted of bass by the commercial fisherman.

The advertising of good bass fishing in Florida by State agencies, chambers of commerce, the Florida State hotel commission, cities and towns, resort owners, and others is becoming a joke to the northern sportsman. Every month he reads in the press or in some outdoor magazine about the commercial exploitation of bass taking place in Florida. He knows by experience, or by reliable hearsay, that wherever he goes in Florida he must compete for his few black bass each day with a crew of net fishermen or a seine or gill net—150 feet long. Not the strangest part of the picture is that the 700 or more tons of bass now shipped annually from Florida go to northern cities to compete with their own food fish and in some States with bass from local waters.

The whole Florida set-up is as bad in principle and as economically wasteful as it would be for the citizens of that State to cut down orange trees for firewood or to post its boundaries against winter visitors.

The Department of Game and Fresh Water Fish of Florida has fought courageously and ably to stop the destruction of Florida bass. That department should have the support and the approval of every conservationist in the country.

Missouri: Here is a State which tries to protect its own, but willingly despoils its neighbor. The laws of Missouri prohibit the sale of bass and other game fish taken within the State, but permit their market sale if they come from some other State. The inevitable results are twofold. The fish markets of St. Louis are consuming the black bass of Florida, Tennessee, and other Southern States, which permit their export, and they are also consuming many bass illegally taken from the Ozark and other Missouri streams and sold under the label of imported fish.

TWENTY-ONE STATES IN ALL

The States of Maryland, Florida, and Missouri, here mentioned, are listed as a cross section of conditions which now exist in 21 States.

The State of Maine is cited as an outstanding example of wisdom in conservation—a wisdom which has been exercised by 27 other States and the District of Columbia by act of Congress, which follow Maine and give absolute protection to their black bass against market exploitation.

AN ANALOGY

Years ago Congress approved the migratory bird treaty with Canada, and accompanying legislation. The effect was to prevent the market sale of migratory birds. Since the passage of that law it has been demonstrated to the satisfaction of legislators, of the public, and even to the satisfaction of the erstwhile market hunters that ducks and geese and quail in any county in any State of the Union are worth ten times more to that county and State as game birds than as poultry.

The same principle applies to the black bass.

There are more than 600 species of edible food fish from fresh and salt water. Their supply is abundant. Their protection against extermination and their propagation for future use has received the close attention and the liberal support of Congress and of State conservation commissions for many years. There is no famine of food fish. There is no sound reason why a comparatively few men should be permitted to take valuable game fish and put them on the market in competition with the catch of the regular market fishermen.

There is no good reason why the 10,000,000 citizens of the United States who fish at least once a year with rod and line should not have reserved for their enjoyment the black bass of every lake and stream.

THE MARKET FISHERMAN

It has been demonstrated by experience in many States that the closing of their markets to the sale of bass has not resulted in financial hardship to the commercial fisherman formerly engaged in catching bass for market. It has been found that those fishermen have made more money and easier money—a better living for themselves and for their families—by furnishing boats, lodging, meals, guide service, and the like to the vacationists and the angling fraternity. In addition, much money is spent in their immediate communities by these groups, who purchase gasoline, automobile supplies, and local products of the farm and garden.

THE BLACK BASS IS A GAME FISH

The black bass is America's premier game fish. The time has come to classify black bass in every State as a game fish and to protect him from commercial slaughter.

The black bass was described by Dr. James Henshall as "inch for inch and pound for pound the gamest fish that swims."

The black bass is a smart fish. He can outsmart the angler, his natural enemies, high water and low water. But he can not beat a 50-yard gill net or a haul seine.

In conclusion, and I venture to say on behalf of every one of our 10,000,000 citizens who go a-fishing at least once a year, let me earnestly seek your support in helping to convey this message to the public, to our legislative leaders, and to the States concerned.

Very truly yours,

M. D'ARCY MAGEE, M. D.,
National Vice President,
The Izaak Walton League of America.

Hon. HARRY B. HAWES,
United States Senate, Washington, D. C.

Sale of black bass

Sale prohibited regardless of where taken	Sale prohibited if taken within borders; not, if taken outside	Sale permitted if taken from certain waters of State	Sale allowed without restriction	Sale permitted at all times if taken outside of State	Sale prohibited certain times regardless of where taken
Arizona.	Colorado.	North Carolina.	Alabama.	South Carolina (fish taken within the State of South Carolina can be sold July 1 to Mar. 31).	Georgia: Apr. 15 to June 1. Maryland: Apr. 1 to July 31, inclusive.
Arkansas.	Delaware.	Tennessee.			
California.	Indiana.	Florida.			
Connecticut.	Kansas.				
District of Columbia.	Massachusetts				
Idaho.	Missouri.				
Illinois.	New Mexico.				
Iowa.	North Dakota.				
Kentucky.	Oregon.				
Louisiana.	Rhode Island.				
Maine.	South Dakota.				
Michigan.	Utah.				
Minnesota.	West Virginia.				
Mississippi.	Wyoming.				
Montana.					
Nebraska.					
Nevada.					
New Hampshire.					
New Jersey.					
New York.					
Ohio.					
Oklahoma.					
Pennsylvania.					
Texas.					
Virginia.					
Vermont.					
Washington.					
Wisconsin.					

This table has been prepared for the guidance of those interested in the present status of black-bass legislation. The Bureau of Fisheries assumes no responsibility for legal interpretation of individual laws.

In the year (1933) the legislatures of 43 States will be in session and afford an opportunity to provide further protection to the black bass by improving State laws. To adequately protect these game fish and obtain the full benefits from the Federal black bass law, State laws should provide: (1) A closed season fully covering the spawning period; (2) a law prohibiting the sale at all times regardless of where taken; (3) a daily limit small enough to discourage large catches; (4) a size limit large enough to permit spawning at least once before capture (a 10-inch limit will meet this requirement); (5) prohibit export except a licensed angler may carry or ship out a reasonable number for personal use.

The following is a tabulation of State laws, as they now exist, for use in planning necessary changes in 1933. The requirements to meet the above are set forth in the last column.

State	Present laws provide			Future laws should provide	
	Closed season	Daily limit for anglers	Size limit	Sale	Requirements
Alabama	No closed season	None	7 inches	No restrictions	Legislature does not meet in 1933. Closed season, limits, and no sale.
Arizona	do	15 or 25 pounds	10 inches	No sale permitted	State-wide closed season.
Arkansas	do	15	None	do	State-wide closed season, size limits.
California	6 months	15	9 inches	do	10-inch limit and no local exceptions.
Colorado	6½ months	None	None	Permitted if caught outside of State.	Daily and size limit; no sale, regardless of where taken.
Connecticut	8 months	10	10 inches	No sale permitted	Satisfactory.
Delaware	3 months, 25 days	6	do	Permitted if caught outside of State.	Might include balance of May and part of June in closed season. No sale, regardless of where taken.
District of Columbia.	2 months	None	None	No sale permitted	Longer closed season; daily and size limits.
Florida	No closed season	12 large-mouth; 12 small-mouth.	12 inches	Permitted from certain waters of State.	State-wide closed season; no sale, law covering all waters.
Georgia	1½ months	None	None	Permitted certain times	Closed season should be longer; daily and size limits; no sale at all times.
Idaho (2 zones)	Each 2 months (exceptions, 1½ months).	25 or 15 pounds and 1 fish.[1]	6 inches	No sale permitted	Closed season should be extended; 10-inch size limit.
Illinois (2 zones)	3½ months (north central zone); 3 months (southern zone).	10	10 inches	do	Closed season might be extended.
Indiana	1½ months	6	11 inches	Permitted if caught outside of State.	Closed season extended; sale prohibited regardless of where taken.
Iowa (2 zones)	Each 6½ months	15	10 inches	No sale permitted	No-sale law limited to commerce; might be extended to cover everybody.
Kansas	No closed season	15	do	Permitted if caught outside of State.	State-wide closed season. Prohibit sale regardless of where taken.
Kentucky	1 month	12	do	No sale permitted	Closed season extended. Legislature does not meet in 1933.
Louisiana	No closed season	20	do	do	Closed season. Legislature does not meet in 1933.
Maine	8.7 months 11½ (fly season).	25 or 15 pounds and 1 fish.	do	do	Satisfactory.
Maryland (2 zones)	4 months, tidewater; 7 months, nontidewater.	10 bass (tidal water) "10 each of bass of any species" (nontidal waters).	do	Prohibited 4 months only	No sale at all times; uniform season in both zones; uniform state-wide limit; combine and reduce limit to 20 in aggregate.
Massachusetts	5 months	6	do	Permitted if caught outside of State.	Prohibit sale regardless of where taken.
Michigan	5½ months	5	do	No sale permitted	Satisfactory.
Minnesota (2 zones)	6⅔ months (northern zone), 6 months (southern zone).	6	None	do	10-inch size limit.
Mississippi	Commissioners making regulation under new law.	25	8 inches	do	State-wide closed season; smaller daily and larger size limit. Legislature does not meet in 1933.
Missouri	2 months	10	None	Permitted if taken outside of State.	Prohibit sale regardless of where taken; provide 10-inch limit; extend closed season.
Montana	2 months and 1 week	25 or 20 pounds and 1 fish.	7 inches	No sale permitted	Extend closed season; increase size limit.
Nebraska	1½ months	15 large-mouth, 15 small-mouth.	Both 10 inches	do	Extend closed season; combine and reduce daily and size limit.
Nevada	6½ months, 7 months, 5½ months.	25 or 10 pounds	None	do	10-inch limit.
New Hampshire	6 months, 11½ months (on flies in certain waters).	10 pounds	9 inches	do	Satisfactory.
New Jersey	6½ months	10	do	do	Do.
New Mexico	4 months	15 pounds and 1 fish	10 inches	Permitted if taken outside of State.	Prohibit sale regardless of where taken.
New York	7 months, 6½ months, 9 months.	15 or 25 per boat [1]	do	No sale permitted	Satisfactory.
North Carolina	1½ months; in mountain counties, small-mouth, 9½ months.	8 large-mouth,[1] 8 small-mouth.[1]	12 inches, large-mouth; 10 inches, small-mouth.	Permitted from Currituck Sound.	Longer state-wide closed season; prohibit sale from all waters.
North Dakota	7½ months	5	10 inches	Permitted if taken outside of State.	Prohibit sale regardless of where taken.
Ohio	1½ months	8	11 inches	No sale permitted	Longer closed season.
Oklahoma	No closed season	10	8 inches	do	State-wide closed season; 10-inch size limit and enforcement of no-sale law.
Oregon	do.[1]	20 pounds and 1 fish [1]	6 inches	Permitted if taken outside of State.	State-wide closed season; 10-inch size limit, prohibit sale regardless of where taken.
Pennsylvania	7 months	10	9 inches	No sale permitted	Satisfactory.
Rhode Island	4 months	8	10 inches	Permitted if taken outside of State.	10-inch limit; prohibit sale regardless of where taken.
South Carolina	No state-wide closed season.[1]	None	None	Permitted July 1 to Mar. 31 if taken within State; at all times if taken outside of State.	State-wide closed season; daily and size limits; prohibit sale at all times regardless of where taken.
South Dakota	3½ months; exception 3 months.	8	do	Permitted if caught outside of State.	10-inch size limit; prohibit sale regardless of where taken; closed season might be increased by a month.
Tennessee	2 months	None	8 inches; reelfoot, 9 inches.	Permitted from certain waters.	Closed season should be extended; 10-inch size limit, also daily limit; prohibit sale regardless of where taken.
Texas	do	do	11 inches	No sale permitted	Closed season extended; establish daily limits.
Utah	7½ months [1]	30, or 10 pounds and 1 fish.	7 inches	Permitted if caught outside of State.	Smaller daily and larger size limits; prohibit sale regardless of where taken.
Vermont	6 months	10	10 inches	No sale permitted	Satisfactory.
Virginia	3 months	15 to 150 a season	do	do	Closed season extended 1 month; legislature not in session in 1933; commissioners have regulatory powers.
Washington	Local county seasons	30 or 20 pounds and 1 fish.	None [1]	do	State-wide closed season; 10-inch size limit and smaller daily; state-wide.
West Virginia	7 months [1]	10	8 inches	Permitted if caught outside of State.	Prohibit sale regardless of where taken; 10-inch size limit.
Wisconsin	3⅔ months; exception, 4 months.	10	10 inches	No sale permitted	Satisfactory.
Wyoming	4 months	30 or 15 pounds	None	Permitted if caught outside of State.	Prohibit sale regardless of where taken, 10-inch size limit.

[1] Exceptions.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

The PRESIDENT pro tempore. The bill is on its second reading and open to amendment. The Senator from Indiana [Mr. WATSON] has the floor.

Mr. WATSON. Mr. President, on Friday I spoke at length, with many interruptions, on the provisions of the pending home loan bank bill. There were certain questions asked at that time, and I shall very briefly address the Senate this morning in an effort further to answer them.

One class of questions had to do with safeguards relating to membership, and in order that they might be culled out and segregated, and therefore easily comprehended, I have prepared a very succinct statement with regard to those safeguards.

First. They must be subject to regulation and inspection under the banking laws of the State or the United States (p. 4 of the bill, lines 15–17).

Second. In the case of banks, the time deposits of the institution must, in the judgment of the board, warrant the institution making long-term loans (p. 4, lines 17–22).

Third. No institution can obtain the privileges of the system unless, in the judgment of the board, its financial condition is such that advances may safely be made to the institution (p. 4, lines 22–26).

Fourth. No institution can obtain the privileges of the system unless, in the judgment of the board, the character of its management and its home-financing policy are consistent with sound and economical home financing and with the purposes of this act (p. 4, line 26; p. 5, line 2).

Fifth. A member may be removed from membership if, in the opinion of the board, the member has failed to comply with the act or the regulations of the board or has become insolvent (p. 11, lines 13–20).

Sixth. A member withdrawing, either voluntarily or involuntarily, must first settle its indebtedness (p. 11, lines 20–24).

The safeguards relating to stock ownership and dividends on stock succinctly stated seriatim are as follows:

1. STOCK HELD BY THE UNITED STATES

United States stock is subject to call only with the approval of the Secretary of the Treasury (p. 9, lines 19–22).

The United States can not spend more than $125,000,000 (p. 10, lines 1–3).

United States stock is entitled to dividends paid at the rate of 2 per cent per annum cumulative from the date of investment (p. 12, lines 17–20).

Fifty per cent of the sums paid in by members for stock after their stock subscriptions equal that of the United States is to be devoted to retiring the stock of the United States (p. 10, lines 18–25).

The bank, with the approval of the board, may retire the stock of the United States in whole or in part at any time (p. 10, line 25; p. 11, line 3).

The board may require the bank to retire the stock of the United States, in whole or in part, if the board thinks the bank has resources therefor (p. 11, lines 3–6).

Under regulations of the board part of the built-up reserves of the bank may be devoted to retirement of the stock of the United States.

2. STOCK HELD BY MEMBERS

Stock is to be issued at not less than par, thus assuring that the stock will not be watered (p. 6, lines 14–18).

Stock held by each member is always equal to 1 per cent of the amount due on all mortgages held by the member, and can not be less than $1,500 worth (p. 6, line 19; p. 7, line 3).

Advances to a member can not exceed twelve times the stock subscribed (p. 19, lines 1–6). In the farm-loan system it is twenty times the stock subscribed.

Stock subscriptions must be paid for in cash (p. 7, lines 19–24; p. 8, lines 1–2).

Stock may be transferred by a member only to another member or to another institution to enable it to become a member (p. 12, lines 12–15).

3. SAFEGUARDS WITH RESPECT TO LENDING BY HOME-LOAN BANKS TO MEMBER INSTITUTIONS

Only first mortgages may be discounted (p. 2, lines 11–20).

Each member must make general application, approved by the bank, to secure advances (p. 16, lines 19–26).

The amount borrowed can in no case exceed 60 per cent of the amount due on the mortgage or 40 per cent of the value of the real estate (p. 17, lines 8–16).

Let me say in this connection that I have some doubt as to whether or not that is a proper percentage. Forty per cent of the value of real estate at this time is equivalent to about 28 per cent of the value of the real estate three or four years ago.

Mr. NORRIS. Mr. President——

Mr. WATSON. I yield to the Senator from Nebraska.

Mr. NORRIS. I think that would be one of the practical difficulties, as the Senator has already suggested; but what is the machinery by which the valuation is determined? Who determines the value?

Mr. WATSON. It is determined by the board. I am coming to that next.

Mr. NORRIS. Very well.

Mr. WATSON. The value may be established by such evidence as the board may require (p. 18, lines 5–8), and the bank has the power to make such appraisals as it may deem necessary. These matters have all been studied and worked out, I will say to the Senator from Nebraska, with a view to meeting certain objections and answering certain questions which came up on Friday.

Furthermore, the borrower must not only give the security of home mortgages for the advance but the borrower's stock is also held as security (p. 18, lines 23–25).

The total amount owed by a borrower at one time can not exceed twelve times the amount of the borrower's stock subscriptions (p. 19, lines 1–6).

The bank is required to provide in the loan that the borrower must put up additional or substituted security upon the demand of the bank (p. 19, lines 13–18).

If, in the opinion of the board, the State law of any State is such that adequate protection to the bank in making and collecting advances is not provided for in the State law, the board may withhold or limit the operation of the bank in such State until the State law shall be amended (p. 15, line 25; p. 16, lines 1–7).

The Treasury Department, the Comptroller of the Currency, the Federal Reserve Board, and the Federal reserve banks are authorized to make available to the banks for their confidential use information relating to the condition of institutions with which the banks do business or of persons whose obligations are offered to or held by the home-loan bank (p. 36, lines 11–25).

As to the safeguards relating to the management of the banks, the United States always appoints 2 of the 11 directors of each bank (p. 13, lines 1–5).

The board, as representative of the United States, appoints all the directors who are to serve for the period required, to enable the banks to get started, until the end of the calendar year 1932 (p. 13, lines 6–10).

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. WATSON. I yield.

Mr. ROBINSON of Arkansas. I realize the Senator is attempting to make a connected speech, and that interruptions may thwart his purpose, but I wish to call his attention to one provision in this bill which, in my judgment, may render it largely futile. In section 10, paragraph (b), providing what home mortgages shall be accepted as collateral security for an advance by one of the banks this language is found. No advance shall be made—

> If * * * the home-mortgage loan secured by it has more than 15 years to run to maturity, or (2) the value of the real estate with respect to which the home mortgage is given exceeds $20,000, or (3) is past due when presented.

Much of the discussion in favor of this bill revolves around the fact that there are thousands of home mort-

gages which are past due and upon which foreclosures are threatened. In some cases within my personal knowledge mortgages for the amount, say, of $7,500 have been paid down to $500, but the $500 is now past due. It is the hope of those who are in that situation, who have mortgages on their homes, and who have paid off a large part of the original mortgage but still have a balance unpaid and that is past due that they may be able to avail themselves of the provisions of this measure. Under this language no benefit might accrue to them. Not only have real-estate values declined, as the Senator from Indiana stated a few moments ago, so that 40 per cent of the present values would be only about 28 per cent of the normal values, but it is also true that due to the failure of credit agencies to function and the shortage of money available for such purposes mortgages which have been almost paid off are in many cases being foreclosed. Homes worth $10,000 are being sold and sacrificed for $1,000. Under the provisions of this bill, as I read it, a mortgage in that situation can not be considered. Of course it might be that a new mortgage could be negotiated for the purpose of evading the provision, but the manifest object of the language is to shut out all past-due mortgages.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I have not the floor; the Senator from Indiana has the floor.

Mr. WATSON. I am yielding to the Senator from Arkansas, gladly.

Mr. ROBINSON of Arkansas. I will yield, then, to the Senator from Illinois, with the permission of the Senator from Indiana.

Mr. GLENN. In view of the statement of the Senator from Arkansas, and in view further of the knowledge that we have of the situation, is not the estimate of the Senator from Indiana that under present conditions the 40 per cent valuation is equivalent to only 28 per cent a very liberal estimate? Would it not be more like 15 per cent or 20 per cent?

Mr. ROBINSON of Arkansas. I am unable to say as to that; but the Senator from Illinois is not discussing the question which I raised. The problem which I am suggesting is this: In the case of one whose home is about to be sacrificed under an existing mortgage which has been paid down to a comparatively small sum and which he is unable to meet by reason of the fact that all credit agencies have practically ceased to function, why deny him the benefits of this proposed act and confine them to those who may want to build new homes or who happen to be in a position of having their mortgages not yet due?

Mr. COPELAND. Mr. President——

Mr. WATSON. Just one sentence before I yield to the Senator from New York. The object of this measure is to enable good mortgages to be discounted and the others to be carried along.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WATSON. Yes.

Mr. COPELAND. I should like to say to my friend from Arkansas that I intend to offer an amendment on page 18, line 4, after the word "due," to insert the words "six months or more," so as to read "past due six months or more." It is very evident, indeed, as the Senator from Arkansas suggested, that there are many mortgages now held payments on which have not been made for a few months, and if this language is left in the bill, of course they would not be eligible for rediscount; but if the amendment which I suggest is added, then, under the rules and regulations of the board, provision may be made for such mortgages as the Senator from Arkansas has in mind. It would be fatal, as he says, to leave it as it is here; but if we should add words I have suggested so as to make it read, "past due six months or more," then we would cover that point.

Mr. ROBINSON of Arkansas. I am not sure that would reach the special cases which I have in mind. I know one home upon which a mortgage for $10,000 was executed and the owner paid it down to $750. He wrote me a few days ago urging me to vote for this bill, on the theory that he would be able to get the money and pay off his mortgage or to negotiate a loan under the terms of this bill.

Mr. COPELAND. He would not be unless some change is made in this language. It is very necessary that there should be an amendment added at this point.

Mr. WATSON. Mr. President, I very seriously doubt that to be the case. We will discuss the Senator's proposed amendment when it is offered; I do not like to anticipate it, but I think that such an amendment would enable many bad loans to be dumped on the home-mortgage banks. My understanding is that what this language enables the home-loan banks to do is to discount good mortgages, I will say to my friend from Arkansas.

Mr. ROBINSON of Arkansas. Will the Senator yield?

Mr. WATSON. I want to say to my friend from Arkansas that mortgages can be renewed; new mortgages can be taken; but the point is that good mortgages can be discounted.

Mr. ROBINSON of Arkansas. What is a good mortgage?

Mr. WATSON. I am assuming that a good mortgage is such a one as is described in this bill.

Mr. ROBINSON of Arkansas. If a lien on property that is worth more than $10,000 is not good for $750, in what case could there be a good mortgage?

Mr. WATSON. I will say to my friend that a mortgage in default is not good, whatever the amount of the default.

Mr. ROBINSON of Arkansas. I understand that it is not a commercial mortgage, but how many mortgages are there in existence on homes that are not past due?

Mr. WATSON. I can not answer that question.

Mr. ROBINSON of Arkansas. I do not know of many.

Mr. WATSON. They are nearly all past due.

Mr. ROBINSON of Arkansas. Yes; they are nearly all past due.

Mr. WATSON. That is one of the great difficulties of the present situation, and one of the reasons which makes necessary the enactment of this proposed legislation.

Mr. ROBINSON of Arkansas. Yes; but what I am trying to point out is, Why limit it to new mortgages? If the security is perfectly good, why not put some provision in the bill that would enable one in the situation that I have described to renew so that his mortgage could be used as collateral?

Mr. REED. Mr. President, will the Senator yield?

Mr. WATSON. Certainly.

Mr. REED. It occurs to me that there is some confusion between mortgages that are past due and mortgages that are in default in current payments of interest. A default in interest does not make a mortgage due.

Mr. ROBINSON of Arkansas. Under the laws of nearly every State, at least in many States, when there is a default of any part of the indebtedness, by express provision of the mortgage, in some instances the entire amount becomes due, and in many other instances the entire amount becomes due at the option of the holder of the mortgage, but, in any event, where there is a default in the payment of any part of the indebtedness secured by a mortgage it might be held to come within the language "past due."

Mr. REED. It occurs to me that the bill ought to be made clear. If there has been a default in interest and if the mortgagee has used that default to declare that the principal is due, then, of course, that is obviously a past-due mortgage; but if there is mere delay in the payment of interest and the mortgagee has not declared the default, then the mortgage is not past due in any fair sense. I think the bill might be made clearer in that respect. While I am on my feet, may I ask the Senator another question about this matter of the mortgage? I do not find anything in the bill that requires that the mortgage which is discounted shall be a first lien upon the property.

Mr. WATSON. Oh, yes; such a provision is in the bill.

Mr. REED. Where is that found?

Mr. WATSON. On page 2, line 11.

Mr. REED. On page 2, line 11, a "home mortgage" is defined as being "a first mortgage upon real estate." But it may be a first mortgage and still have a judgment ahead of it for the whole value of the property. It seems to me

that there ought to be some provision that, in addition to being a first mortgage, it shall be a first lien.

Mr. WATSON. I am entirely willing to accept such an amendment; I think the suggestion a very reasonable one.

Mr. FLETCHER. Mr. President——

Mr. WATSON. I yield.

Mr. FLETCHER. I pointed out the other day that I proposed to offer an amendment when we get to it to strike out, on page 18, line 4, all after the numerals "$20,000," in line 3, down to and including the word "presented," in line 4, the words being "or (3) is past due when presented."

Mr. WATSON. What is the provision which the Senator thinks should be stricken out?

Mr. FLETCHER. The bill now, by express language, excludes anything that is past due. On page 18, line 1, it excludes a home-loan mortgage that has more than 15 years to run to maturity, or a mortgage on real estate the value of which exceeds $20,000. Then the bill says no home mortgage shall be accepted as collateral sucrity which "is past due when presented."

In other words, every mortgage which is past due when presented is ineligible as security for a loan.

Mr. WATSON. That is quite true.

Mr. FLETCHER. That, I think, ought to be stricken out. Most of the mortgages that are past due are perfectly good, as in the instance cited by the Senator from Arkansas, where only $750 was due, but the mortgage was past due, and therefore it could not be considered when presented to this board.

Mr. ROBINSON of Arkansas. Mr. President, of course if an obligation is past due, it may be subject to defenses in most of the States that could not be made prior to maturity, and some different provision would have to be inserted if past-due mortgages are permitted to be discounted; but the Senator from Florida supports the suggestion that I have made. If this provision is retained unmodified, it will result in denying the benefits of the act to the largest group and to those who are most in need of it, and the fact that many mortgages are past due has little relationship to the value of the security. The default grew out of conditions with which we are all familiar.

There has undoubtedly been a great shrinkage in real-estate values, as in all other values; but even comparing the amounts due on many mortgages with the present value of the real estate securing them, the amounts still due are, in many instances, comparatively small. It will be a great disappointment if some change in this act is not made which, while properly safeguarding the matter against bad loans, will put the man who happens to have a mortgage that is past due on ground that will enable him to secure an advance.

I do not know offhand just how it can be worked out, but I am sure it can be done, and it must be done.

Mr. HEBERT and Mr. COPELAND addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator from Indiana yield?

Mr. WATSON. I yield to the Senator from Rhode Island. Then I will yield to the Senator from New York.

Mr. HEBERT. Mr. President, I can well understand the reason for this provision in the bill so that these home-loan banks may not loan upon mortgages that are past due, but it seems to me that is very easy to obviate.

A building and loan association, for instance, has some mortgages that are past due, and unquestionably there are many of those right now; but the building and loan association has other securities which it can offer as collateral for a loan at these home-loan banks, and they in turn can take that money and loan it to their borrowers to bring their mortgages up to date; and if they need more money, then these mortgages that have been past due but have been made current can then be offered as security by the building and loan association.

It seems to me that this home-loan bank should not be asked to loan money upon security that is past due when it comes to it as collateral; but the mortgages can all be made current in due time, and if they are needed to secure additional funds then when they are current they do not come within the objection of this bill.

Mr. WATSON. I now yield to the Senator from New York.

Mr. COPELAND. Mr. President, of course the purpose of this legislation is to deal with the very problem presented by the Senator from Arkansas. The bill would be a failure, it would not be worth giving our thought to, if there were not provision for these past-due mortgages. There can be no question, too, that the present language is not clear. We are dealing largely in this bill with building and loan associations; but this language is not clear as to whether it intends to bar term notes only when the principal sum is past due or whether it also intends to make ineligible amortized or installment mortgages payable in monthly installments where only one or two or three of the payments may have become past due.

Practically all the building and loan associations, as I understand, are on the amortized monthly installment plan. These notes may run for years before any monthly installments become due and unpaid. Conditions might arise such as we are now encountering, and with the lapse of one installment payment these home-mortgage loans would become ineligible under this provision. Of course, in that case, it would defeat the very purpose of the legislation which is before us. We intend to remove the burdensome pressure from the home owner; but if the association is compelled to enforce collection because these mortgages could not be used for collateral with the home-loan bank, of course, the purpose of the bill would be defeated.

Mr. ROBINSON of Arkansas. That is the thought.

Mr. COPELAND. For that reason we must change this language on page 18, line 4, so as not to have it as it is now, past-due mortgages, but we must put in some time—"past due six months or more when presented," or some other language.

Then, may I call the attention of the Senator from Arkansas to page 17, the beginning of that page, section 10 (a):

> Each Federal home-loan bank is authorized to make advances to members and nonmember borrowers, upon the security of home mortgages, such advances to be made subject to such regulations, restrictions, and limitations as the board may prescribe.

Now, if we set up on page 18, line 4, that advances shall not be refused merely because the mortgage is past due, if not for too long a time past due, then under regulations which may be set up by the home-loan bank I am confident that the matter may be dealt with safely.

I thank the Senator.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. WATSON. Certainly.

Mr. VANDENBERG. And I should like to have the Senator from Arkansas and the Senator from New York follow this computation.

Speaking roughly, the building and loan association which joins this banking system subscribes 1 per cent of the balance due on its outstanding mortgages. It is in turn limited in borrowing to twelve times that subscription. Therefore, it is limited in its borrowing, speaking roughly, to 12 per cent of its outstanding balance. Thus, in turn, it follows that unless the building and loan assets are 88 per cent past due it does not find any necessity to reach its past-due accounts in order to make its rediscounts.

It seems to me the Senator from Arkansas and the Senator from New York are ignoring the fact that in rediscounting its good mortgages the building and loan association is thus obtaining the funds with which to provide the latitude for the balance of the mortgages; and in no event would it have to rediscount any past-due mortgages unless 88 per cent of these assets were past due.

Mr. COPELAND. Of course, if the Senator will permit me, the bill prescribes that the board may require the deposit of additional securities, or compel a substitution of other home mortgages; but we want to have as much lati-

tude as possible, to give the local building and loan association as much freedom and as much money as possible to carry on its activities; and I think it would be unfortunate to restrict the board and make it possible on a technicality to refuse to take a mortgage past due for a few months. I see, however, the force of what the Senator from Michigan has suggested.

Mr. WATSON. I think the Senator from Michigan is right. As I said in the beginning, the borrowing institution can rediscount its good mortgages to the extent of 12 per cent of them and thus obtain funds to carry the others. So I think in that respect the bill is amply safeguarded; and if we were to put in a 6-month clause, as suggested by my friend from New York, I am inclined to think it would enable the borrowers to dump a lot of "dead chickens" on the home-loan bank, which is not good financing.

Mr. COPELAND. Mr. President, if the Senator will yield, where a member of a building and loan association had not paid up for a month, or two months, or three months, he would not consider that that was dead timber. The exigencies of the present economic situation are such that many a man who has been paying his installments regularly for five or six years may now find, because of the pressure, that he can not pay for a month or two; and yet, by a strict construction of the provision as it is written here, the home-loan bank could not take a mortgage of that sort and rediscount it.

Mr. BLAINE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Wisconsin?

Mr. WATSON. I yield to the Senator.

Mr. BLAINE. It seems to me there is a misconception of the purpose of this bill. The home-loan banks are mere credit reservoirs; nothing else. They do not make loans direct to the home owner. These home-loan banks, as credit reservoirs, make loans to building and loan associations, savings and loan associations, cooperative banks, homestead associations, insurance companies, savings banks, trust companies, State banks, and other banking organizations. It is a mere matter of preserving the assets of the home-loan bank as to its stability and financial perpetuity; and the home-loan bank is in no way interested in the individual loan so far as the mortgagor is concerned. That is a matter that rests solely between the mortgagor and the institution from which the mortgagor has made the loan direct. So, in that conception of the bill, it would seem to me that in order to secure the financial stability of the home-loan bank it must conduct its business along the same lines as any other banking institution, and therefore it can not accept questionable security.

Moreover, when these securities are placed with the home-loan bank as security for loans to be made by one of these institutions—a building and loan association or any of the other institutions mentioned—the mortgagor of the mortgage that is hypothecated as security may have no concern whatever about himself.

It does not affect him, except that the mortgage he has given, which may be a gilt-edged security, is put up for the purpose of enabling a building and loan association, or other financial institution, to obtain money with which to carry on its business of advancing money for those who want to build homes, and for the purpose of advancing money so that the building association or other financial institution may provide for a deferment of payment of the principal or the interest on other mortgages which may be past due or partial payments past due. The one proposition that has bothered me respecting this matter is that when the individual mortgagor has given his mortgage to these financial institutions which become stockholders of the home-loan bank, his mortgage is put up as collateral security for a purpose in which he has no interest whatever, not the least. That mortgage will be assigned to the home-loan bank. That home-loan bank may be two or three hundred miles away from the city in which the home is located. I think there ought to be an amendment to protect that mortgagor, because he may pay his money to the local institution, the building and loan association or other financial institution, and that money may never be applied on his mortgage. In other words, that money may be used for the purpose of granting credit to other home owners and home builders. It may never reach the home-loan bank. Yet the home-loan bank will hold the mortgagor for every single dollar due on that mortgage. I think serious consideration should be given to that proposition.

Mr. FLETCHER. Mr. President, would not the transfer of this security by the building and loan association or other financial institution to the home-loan bank be subject necessarily to any payment that might be made on the mortgage by the borrower?

Mr. BLAINE. To whom; to the building and loan association?

Mr. FLETCHER. The bank.

Mr. BLAINE. The mortgagor would have a right to make his payment to the home-loan bank, but he may not know about the situation. He is not a party to the transaction.

Mr. FLETCHER. But does not the home-loan bank take it with that understanding?

Mr. BLAINE. But they are dealing with a security of a mortgagor, and his consent is not required and he is not notified that the home-loan bank has that in its possession, and he may pay to a building and loan association without the money being applied upon the security that is lodged with the home-loan bank. I just wanted to call attention to that situation.

Mr. FLETCHER. They will have to have appraisers to value the property and look into the securities and check them up, so that they are not obliged to accept everything that is tendered to them, anyhow.

Mr. BLAINE. I am speaking of the mortgagor. He ought to be notified that payments that are to be made must be made to the home-loan bank having actual notice of them.

Mr. ROBINSON of Arkansas. Mr. President, the Senator has raised an interesting proposition.

Mr. WATSON. He has.

Mr. ROBINSON of Arkansas. But the question he has raised applies to practically every farm-mortgage loan that is made now. Such loans are transferred as collateral security, and the same problem arises in connection with loans in existence as would arise under this measure. Besides, the Farm Board has the power to prescribe regulations for the protection of the borrower, and undoubtedly it would do so. It would be unconscionable to permit the maker of a mortgage to pay to the local institution and then hold him later because his mortgage had been transferred to the home-loan bank.

Mr. BLAINE. Mr. President, if the Senator will yield, what the Senator from Arkansas says is all very true; but I thought it was very essential and very important to call attention to that very probability, so that if this bill passes some one will have notice of a condition which might do great harm to the mortgagor.

Mr. ROBINSON of Arkansas. I think that is well worthy of consideration.

With respect to the subject we were discussing a moment ago I am not entirely satisfied with the explanation that has been made. It is entirely true that the borrower is not to get his money from the home-loan bank. He must get it from the local institution. But if the local institution is denied the opportunity of using as collateral a perfectly safe security which happens to be past due, for reasons which grow out of the present stringency, it appears to me entirely probable that the borrower who is in that situation may be overlooked. I am not advocating making loans on bad security. My whole proposition was hypothecated on the theory that the security is entirely adequate, more than adequate, but that there has been a default because banks are not functioning, business is not being transacted; there has been such a complete stagnation that not only has the value of the property itself declined but for the small amount remaining due there is no method by which the borrower can secure money with which to make payment. I desire

to be certain that that class of persons is not denied benefits which may result from this measure. I do not believe the explanation of the Senator from Michigan fully answers that proposition.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Indiana for a moment's time?

Mr. WATSON. Certainly.

Mr. VANDENBERG. Having in mind the fact that a building and loan association at most is limited in its borrowings from the home-loan bank to 12 per cent of the balance upon its mortgages, does it not follow that unless the building and loan association has more than 88 per cent of its mortgages in default, it would have ample security to take its maximum rediscount privilege?

Mr. ROBINSON of Arkansas. Not at all. The building and loan associations have thousands of mortgages which are not in default which may default unless some relief is afforded. In other words, the security is not good even though there has been no default. It does not follow at all that the mortgages which are not in default carry better security actually than some that are in default.

Mr. VANDENBERG. I agree to that. But does not the Senator agree that in the final analysis, so long as 12 per cent of the assets are in good standing, technically in good standing, the building and loan association is in position to use its maximum facilities under this bill?

Mr. ROBINSON of Arkansas. If it is in a position to borrow only from the home-loan bank——

Mr. VANDENBERG. I mean so far as this bill is concerned.

Mr. ROBINSON of Arkansas. That may be true, but few of them are in that situation. They are already heavily in debt, as the Senator well knows.

Mr. WATSON. Mr. President, I will say that the question raised by the Senator from Arkansas was discussed in the committee, though at no great length, but those who claim to know seem to be satisfied that this provision amply safeguards the apparently very weak point which the Senator from Arkansas has raised. Of course, if the good mortgages are going to become bad, that would not justify taking those which are already bad in the beginning, and the point is that this provision enables the associations to rediscount all the good mortgages, and by that means to obtain funds, which will enable them to tide over the other fellow.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. WATSON. I yield.

Mr. ROBINSON of Arkansas. That assumes that every mortgage that is not past due is good. Of course, that is not true. In a legal sense, a past-due obligation is, of course, discredited, because it may be subject to defenses which could not be made on an obligation that is to mature in the future. Certainly the general policy of accepting past-due mortgages is to be scrutinized very carefully. No one familiar with such transactions would deny that. It may be that new mortgages could be taken for the balance due, but that would be in a sense evading the provision of the statute relating to past-due mortgages.

Mr. WATSON. Mr. President, in the establishment of a new enterprise of this kind it is very difficult to hedge around by statutory regulations all possible phases of the business which may ensue. Broad powers, after all, must be given to the board, and, in the exercise of sound discretion, I am assuming that the board operating under the very section to which the Senator refers will safeguard not only the bank, the institution, but also the borrower.

I was proceeding when interrupted, and I was very glad of the interruption, because it has been illuminating——

Mr. FLETCHER. May I interrupt the Senator before he proceeds farther?

Mr. WATSON. I yield.

Mr. FLETCHER. I do not find anything in the bill which provides that the bonds or debentures issued by the home-loan banks may be used as collateral, that a note of acceptance or other paper collateraled by these bonds or debentures would be eligible for rediscount under the Federal reserve system. There is no provision of that sort in the bill, as I understand it.

Mr. WATSON. Does the Senator think one can rediscount any paper based on real estate or mortgages at the Federal reserve banks? I do not think so.

Mr. FLETCHER. I wanted to ask the Senator whether he contemplated that these bonds or debentures might be used as collateral for the purposes of rediscount.

Mr. WATSON. I have never thought they could be so used at the Federal reserve banks.

Mr. FLETCHER. I believe there is no provision in this bill to that effect.

Mr. WATSON. No. I do not understand that the mortgages contemplated in this bill are to be discounted under the Federal reserve system.

Mr. FLETCHER. I am not speaking of the mortgages; I am speaking of the bonds or debentures issued by the banks.

Mr. WATSON. I do not think so.

Mr. FLETCHER. I was wondering whether those bonds or debentures could be used, or whether it is advisable to make them eligible for rediscount under the Federal reserve system.

Mr. WATSON. I do not think so, and I do not think it is necessary. As the Federal reserve system was established to give credit to commercial institutions, and the Federal farm-land bank was established to give credit to the farmer, so this institution is established to give credit to the home owner through the building association, the savings association, or other association of like character. I do not think it is essential to tie up its notes, its debentures, its securities, with the Federal reserve system, because if this plan be carried out, it in and of itself will be amply sufficient to take care of the situation, without attaching it to the Federal reserve system. That is my judgment.

Mr. FLETCHER. Of course it would very much help the sale of bonds, realizing funds on the debentures and bonds; it would create a money demand among the public, if they could be used in that way.

Mr. WATSON. Safeguarded as it is, with the provision that a loan can not be made for more than 60 per cent of the amount of the loan, or for more than 40 per cent of the value of the real estate—and I think that is too low—together with the fact that each issue of bonds must be secured by home mortgages with amounts due on them equal to not less than 190 per cent of the bond issue, it looks to me as if that is amply safeguarded, and will make salable the bonds, if any bonds can be sold at this particular time.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. COUZENS. Does the Senator think the Reconstruction Finance Corporation debentures are not as sound as these?

Mr. WATSON. That is a question I would not want to attempt to answer.

Mr. COUZENS. Because apparently they can not sell those debentures. At least they are not offered for sale, and the board seems to be afraid to offer them for sale.

Mr. WATSON. I do not agree with the latter statement of my friend from Michigan. My understanding is that the Reconstruction Finance Corporation have ample funds to accommodate everybody they have to accommodate under existing circumstances. I think they have not offered their obligations for sale because I believe that right now they do not need to do so. I do not agree with my friend that they are afraid to do so.

Mr. COUZENS. If they ever attempt to offer the three-quarters of a billion of Reconstruction Finance Corporation notes or debentures, the Senator can see what would happen to Government bonds and notes. In other words, they keep on borrowing short-time money; and as long as they keep on doing that, they can borrow cheaper from the Reconstruction Finance Corporation than they can by selling the Reconstruction Finance Corporation bonds.

Mr. WATSON. After all, if anything at all is sound in character in our country it is mortgages on real estate, which we all have regarded as gilt-edged and golden during all our past history. Safeguarded as this measure is, and safeguarded as are the loans and the management of the proposed system, if such mortgages be not financially sound, then nothing is sound in this country. Where shall we go to find security if these be not security?

Mr. President, I was going on to discuss the various safeguards which are provided, but I believe the Senate is not interested in all of them.

Mr. NORRIS. Oh, I think we are. I would like to have the Senator proceed.

Mr. VANDENBERG. Mr. President, will the Senator permit a question before he proceeds?

Mr. WATSON. Certainly.

Mr. VANDENBERG. Does not the Senator think the securities at least should be eligible for postal savings deposits?

Mr. WATSON. Yes; and I think they are.

Mr. VANDENBERG. Of course, they are not under the terms of the bill.

Mr. WATSON. My understanding is that they are; at least, we thought they were, and we had some discussion of that question.

Mr. VANDENBERG. I think the Senator will find the security must be tax supported under the terms of the law before it can qualify for postal savings.

Mr. WATSON. I think that is true.

Mr. FLETCHER. But they are tax exempt.

Mr. VANDENBERG. It is my understanding that no security can qualify as collateral for postal savings except as the security is tax supported.

Mr. FLETCHER. I believe that is true. I did not apparently catch the Senator's previous statement.

Mr. WATSON. I think that is a correct statement.

I am setting forth the safeguards relating to the management of the bank as they have been culled out carefully. I sat down with Mr. O'Brien, who knows a great deal about the bill, and we worked for several hours to collect all the safeguards so that seriatim and very quickly and succinctly they could be stated and presented to the minds of Senators.

I come next to safeguards relating to the management of the banks.

First. The United States always appoints 2 of the 11 directors of each bank (p. 13 of the bill, lines 1–5).

Second. The board, as representative of the United States, appoints all the directors who are to serve for the period required for the banks to get started—until the end of the calendar year 1932 (p. 13, lines 6–10).

I will say to Senators that the page and lines of the bill covering the points I am discussing are set forth in the statement which I am presenting so that the whole picture is presented to anybody who may care to make a careful and thorough study of the subject.

Third. Whenever all the stockholders (except the United States) hold less than $1,000,000 worth of stock in a bank, the United States appoints directors to fill any vacancy that may occur (p. 14, lines 19–25).

That is, if all the members hold less than $1,000,000 then the Government steps in and takes charge and fills whatever vacancies may have occurred up to that time.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New York?

Mr. WATSON. I yield.

Mr. COPELAND. I suppose, under such circumstances as the Senator just mentioned, theoretically the Government will be the chief stockholder and therefore entitled to have more directors.

Mr. WATSON. Under such conditions as I have mentioned, of course the Government then would be the majority stockholder.

Fourth. The directorate of the banks is nominated and elected in such manner as to give fair representation to the member institutions, based upon their size (p. 13, lines 18–25).

There are three sizes, I may say, mentioned in the bill, and there are certain directors for banks of each size or each group, so that the directors are to be appointed in accordance with the size of the institution.

Next I come to safeguards to holders of obligations issued by the home-loan banks. The other day the Senator from Michigan [Mr. COUZENS] asked questions, and the Senator from Idaho [Mr. BORAH] directed himself particularly to a discussion of the particular subject, How do we know that when a building and loan association obtains money it will find its way to the home owner? Of course, that was a question which naturally directed itself to everybody because if the money does not reach the home owner there is no use of establishing this plan. The point is who owns the building and loan association? The stockholders.

Mr. COUZENS rose.

Mr. WATSON. I yield to the Senator from Michigan if he desires.

Mr. COUZENS. If the Senator is going to answer his own question, I will wait until he answers it, because I think there is nothing in the bill that gives any assurance that the money is guaranteed to go down to the home owners.

Mr. WATSON. Who owns the building and loan associations? The shareholders.

Mr. COUZENS. Yes; and the depositors.

Mr. WATSON. But largely the shareholders and the people whose mortgages are held by the building and loan associations and who pay them off from month to month. Does anybody suppose under those conditions, when they are the ones who want to be relieved and they have charge, that they are going to pour the money obtained into a rat hole? Certainly not. They are going to use it where it will do the most good.

Mr. COUZENS. Does the Senator contend that only the people who have mortgages on their homes are interested in the building and loan associations?

Mr. WATSON. I do not. There are the depositors.

Mr. COUZENS. What assurance has the Senator that the money they get from this institution will go to the home owner who owns the mortgage or to the man who has his money deposited with the building and loan association?

Mr. WATSON. The greater amount of the money that is owing to the building and loan association is because of mortgages on homes, and so the association has greater solicitude for the home mortgagor by all odds than for its depositors. What advantage in the world would it be to building and loan associations to obtain this money and not use it for the benefit of the mortgagors? Would they just pile it up and decline to pass it on to the man who has a mortgage on his little home, when the very object of the legislation, its main objective, is to relieve that man?

Mr. HEBERT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Rhode Island?

Mr. WATSON. I am glad to yield.

Mr. HEBERT. The mortgagor in the building and loan association is himself a depositor to a very large amount. Of course, there are the investment members, whose money has been taken to be loaned to the mortgagors, but the mortgagors in turn have paid back monthly on their mortgages, and that money has gone to repay the investment stockholders and for loans to other mortgagors. After all, these institutions belong to the mortgagors and the depositors, and more especially to the mortgagors because they have more at stake and have paid more money, and to assume that they are not going to be taken care of would be to assume that there is no object in passing the bill.

Mr. WATSON. No; the whole thing breaks down.

Mr. HEBERT. Besides, let me add for the information of the Senator, these directors are to be chosen from among the very building and loan associations that are going to borrow the money. They want to have their mortgages made current. If the mortgages are not made current, they

have to be foreclosed; and it is for the interest of these very directors that the mortgages should be made current, because it will stabilize their institution.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. COUZENS. Does the Senator propose that that feature of the bill which proposes not to rediscount past-due mortgages should be altered?

Mr. HEBERT. I do not. I do not see the necessity for it. The Senator's colleague, I believe, has explained that very clearly. After all, the building and loan associations may not borrow more than twelve times the amount of their investment and of the outstanding unpaid principal of their loans. If we assume that more than 88 per cent of the mortgages held by a building and loan association are in arrears, it looks like a hopeless situation, but I do not think we should assume any such condition.

Mr. COUZENS. I do not get the Senator's point with respect to making the mortgages current. If they are not going to use the past-due mortgages, how will they make them current?

Mr. HEBERT. In this way: The building and loan association takes, we will say, 12 per cent of its outstanding principal as collateral and borrows with that money and then reloans to its mortgagors to make those mortgages current, and keeps repeating the process so far as it is needed. In many instances it only involves $100, $200, or $300 to make the loans current and to enable the home owner to carry on until such time as he has sufficient income with which to pay his dues to the building and loan association. It seems to me it is a simple process.

Mr. NORRIS. Mr. President, may I ask the Senator from Rhode Island a question?

The PRESIDING OFFICER. Does the Senator from Indiana yield for that purpose?

Mr. WATSON. Certainly; I am glad to yield for that purpose.

Mr. NORRIS. I was going to ask the same question the Senator from Michigan [Mr. COUZENS] asked, but I want to pursue it a little farther now that he has asked it. The Senator answered, but not quite clearly to my mind. We are going to make these mortgages current by loaning to the mortgagor some of the money the building and loan association gets from the home-loan bank, so that the man who owes the building and loan association and is in default is going to borrow some more money from the building and loan association to pay to the building and loan association the interest that he owes to the building and loan association.

Mr. HEBERT. That is true.

Mr. NORRIS. Is not that making the mortgage current simply by taking another note from the same man? How is that going to be secured?

Mr. HEBERT. In this way: We will assume a piece of property has a value of $5,000. There is a mortgage outstanding held by the building and loan association for $1,000. In other words, 20 per cent of the value of the property is mortgaged. The security is ample. The building and loan association, instead of holding a mortgage for $1,000, might well hold a mortgage for $1,200 or $1,300 with absolute safety.

Mr. NORRIS. All right. Let us assume that and go ahead with the illustration.

Mr. HEBERT. On top of that $1,000 mortgage the building and loan association loans an additional $300, making the mortgage current out of the proceeds of that loan and continues it on until such time as the borrower can pay up.

Mr. NORRIS. Assuming all that to be true, what is the benefit or what is the use of it? A man owes a debt secured by a mortgage upon which he can not pay the interest. He borrows the money from the mortgagee to pay the interest to the mortgagee. If he gives him any security, it is a second mortgage, and the mortgagee already has the security of a first mortgage. Why not let it alone just as it is and let the mortgagee, if he wants to put it in writing, give the borrower an extension instead of going through all this machinery that, after all, does not increase the security and does not change the parties? The man who owes it still owes it just the same after it is over, except that we do not call the mortgage due. They could extend the indebtedness simply by saying so in writing.

Mr. HEBERT. It goes beyond that. In the first place, when a mortgage is in default some action must be taken by the mortgagee, the building and loan association; it must foreclose.

Mr. NORRIS. Why?

Mr. HEBERT. Because the law will not allow them to have mortgages in default; it will not allow such mortgages as assets; and in due time the associations come to be insolvent.

Mr. NORRIS. Yes; if they extended a mortgage indefinitely, that is true; but what is to hinder a building and loan association from extending a mortgage?

Mr. WATSON. Simply because such mortgages are piling up in such great numbers that they can no longer do it.

Mr. NORRIS. Very well. Now, let us take that statement at a hundred per cent. What it is proposed to do is to pile them up in just the same way, only a different name is given it. The same mortgagee loans to the mortgagor more money, so that the mortgagor may take the money that he borrows from the mortgagee and pay the money to the mortgagee and apply it on the debt he owes to the mortgagee.

Mr. WATSON. No; the object is by putting funds into the hands of the building and loan association or other savings association that hold these mortgages to enable them to make long-time loans, and, perhaps, at a lower rate of interest, and in that way help the borrower, the mortgagor.

Mr. NORRIS. Very well. There is nothing to hinder them doing it without getting this additional money.

Mr. WATSON. In other words, unless some such provision is made there is nothing for the building and loan association to do but to foreclose and to put the mortgagor out on the streets.

Mr. NORRIS. Oh, no.

Mr. WATSON. They can not carry the mortgages indefinitely, because, in ever-increasing numbers, they are accumulating.

Mr. NORRIS. They have got to carry them under the system proposed, it seems to me. As I understand the explanation of the Senator from Rhode Island, the mortgagors, the same men with the same securities, are going to be carried anyway.

Mr. WATSON. Until the man who owns the home secures a job.

Mr. NORRIS. Except there will be two mortgages instead of one.

Mr. WATSON. It is proposed to extend the mortgage and give a longer time at perhaps a lower rate of interest.

Mr. NORRIS. But the mortgagor gets money only for one purpose; he gets its from the mortgagee, and he gets it for the purpose of paying back to the mortgagee what he already owes to the mortgagee.

Mr. WATSON. No.

Mr. HEBERT. Mr. President, it is not exactly that.

Mr. NORRIS. I am only seeking light on it; I should like to know if that is not it, what is it?

Mr. HEBERT. The purpose is by the advance to make the mortgage current; in the first place, it provides funds with which to return money to the depositors where it is due.

Mr. NORRIS. Then it is proposed to use the money for a different purpose. I thought it would come to that. It has been said all the time up to this point that this money was going to be borrowed from the Government or from this bank, which is a Government agency, and then it was going to be loaned to the local building and loan association, in order that it might loan it to somebody who owed them and was in default, so that the debtor could pay it back to them and get out of the default and give another mortgage. Now it is said the money is going to be used for some other

purpose. I am not disputing but what the other purpose is very legitimate, but I want to find out what it is.

Mr. HEBERT. It is not for another purpose.

Mr. NORRIS. What are they going to do with the money? Are they going to take the money they get from the banks and make other and additional loans to new mortgagors? Are they going to extend their operations in any way? If, for instance, I wanted to place a mortgage on my home, which is not now mortgaged, could I get some of this money? Would any of it come to me?

Mr. WATSON. Not until the other feature is taken care of. My understanding is that this bill is not designed to finance new home construction; that is one objection which has been raised to it; but it is to take care of existing mortgages and mortgagors.

Mr. NORRIS. It seems to me all it would be necessary to do, if that is the purpose, is to extend a moratorium to the man who now owes the mortgagee, because the effect of this is just that, as I understand the explanation.

Mr. WATSON. I do not quite agree with the Senator in that respect.

Mr. NORRIS. The security is not made less secure because the mortgage is past due; the mortgage does not become invalid. On the other hand, if more money is going to be loaned to the mortgagor, and another mortgage is going to be taken, that must necessarily be a second mortgage.

Mr. WATSON. No. The first mortgage could even be taken up and another mortgage made in lieu of that, or the time could be extended so as to make a longer time loan.

Mr. NORRIS. If that is what it is proposed to do by this bill, I should like to know it.

Mr. WATSON. In the meantime the taxes and insurance certainly have got to be taken care of, and they must be taken care of in any event, because otherwise the security is liable to vanish in thin air.

Mr. NORRIS. Is this money going to be used for the purpose of paying taxes?

Mr. WATSON. That must be done, because if it is not done, the properties will be sold for taxes.

Mr. NORRIS. That would still leave the mortgage uncurrent, even if the taxes were all paid.

Mr. WATSON. The object of this entire measure is to save the little-home owner if it can be done, and I am willing to strain a point to do it, because I think we have come to a time in this country when it is absolutely essential to save the small-home owner, not alone from the economic standpoint but from the ethical standpoint and the patriotic standpoint, the home being the very basis of our patriotism.

Mr. NORRIS. Of course, nobody finds fault with that statement.

Mr. WATSON. Then what are we going to do about it?

Mr. NORRIS. But on the other hand we want to know how this system which is being set up is going to operate and whether the complexity of its operations can not be simplified and the object attained more directly.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. COUZENS. I was very much interested and somewhat gratified to hear the Senator say that this bill was designed to protect the home owner and was not for new construction. Would the Senator accept an amendment to that effect in the bill?

Mr. WATSON. I would want to limit it.

Mr. COUZENS. In what way?

Mr. WATSON. To a fixed period. I would not want to say that no new-home owner shall have any of this money, but my anxiety is to take care of the man who is already in debt because of a mortgage on his home.

It is not so much to take care of the depositors, I will say to my friend from Michigan, but to take care of small-home owners who have mortgages on their property. I do not know how many of them there are; it has been estimated that there are 12,000,000 with mortgages on their homes in building and loan associations. I do not think there are quite that many; but, however that may be, there are millions of them and they are in jeopardy in that they have mortgages on their homes and are out of employment. The sources of their income have dried up and their homes are about to be sold over their heads. What is going to happen to these people? I think that under the present circumstances we ought not to sit here "and divide a hair 'twixt south and southwest side" in the effort to provide a method of relief for these people, not only in view of the economic considerations involved but as well because of the sentiment underlying the proposal. I am willing, however, to say that none of this money shall be used for new construction for a period of time.

Mr. COUZENS. For how long a time?

Mr. WATSON. I do not know; I should like to study that question and discuss it with others.

Mr. COUZENS. I think that is one of the most important elements of the bill, because the Senator knows that fully half of the witnesses who appeared before the committee represented material men and real-estate men and builders who anticipated a greater development in home construction because of the passage of this bill. That is one of the objects to which I am opposed, because it is not just and it is not right. If the Senator will accept an amendment so that this money will not be used in new construction work, I think it will place an entirely different aspect on the bill.

Mr. WATSON. So far as I am concerned, I am entirely willing to accept such an amendment; but I want to say to the Senator from Michigan—and he, being a financier, and an able one, will understand it thoroughly, much better than I do—that it is not reasonable to suppose that the directors of the banks operating this fund would authorize loans to start new home construction and thereby in a sense weaken the security they already hold on old construction. It is much more reasonable to suppose that they would take care of themselves and their own situation. They have all these mortgages on old homes and they are bound to protect those mortgages. While they are doing that, is it safe to assume that they are going to lend money with which to build no new homes?

Mr. COUZENS. Does not the Senator admit that what I have indicated was the testimony before the committee?

Mr. WATSON. There is no question but that a number of witnesses—and I think one from the Senator's own State—testified that there was danger of an inflation of new home building when there was no great demand for new home construction. It is a mooted question——

Mr. NORRIS. Mr. President, will the Senator from Michigan permit me to interrupt him right on that point?

Mr. WATSON. Yes.

Mr. NORRIS. While I have not been on the committee, and, of course, I do not understand these details as the Senator does, I do know, as I think every other Senator, if he has had the experience I have had, must know, that one of the great forces to bring about this legislation has come from the material men. I have had local lumbermen send me letters that they had received from owners of sawmills and from wholesalers in which they were told to write their Senators and their Representatives to get behind this bill because if it were passed they were going to sell a great deal of all kinds of building material. Evidently those people themselves were of the impression that this proposed legislation was going to bring about the building of a very large number of new buildings.

Mr. WATSON. Of course, everybody who can is trying to get business.

Mr. NORRIS. Yes; and I am making no complaint of that; I simply submit that in answer to the suggestion of the Senator that at least for a time there could be no new building and that the real object after all is to take care of the man who is going to lose his home.

Mr. WATSON. That is the point.

Mr. NORRIS. That is something which everybody wants to do if it possibly can be done in every legitimate way.

Mr. WATSON. I will sacrifice everything else to do that, because I see what a tremendous danger the situation presents to us at this particular time.

Mr. COUZENS. I should like to point out that Mr. Wilson W. Mills, of Detroit, in his testimony before the committee emphasized the fact that—

I believe this bill offers more of a possibility for the revival of the building industry.

In other words, all through his testimony—he was not talking about the mortgages that are already outstanding—it is apparent that he wants to have money loaned in order that new homes may be built, when there is already an excessive number.

Mr. WATSON. He was not the only witness who testified in that manner. There were others who came before the committee and gave the same character of testimony. But, on the other hand, to be fair about it, an equally great number, if not more—and I have not looked that up—testified that there was no such danger because there was now no demand for that sort of construction, that there was nobody wanting to build new homes now. Of course, that may be quite true; I am rather inclined to think it is now. A man does not want to build a new home, he is going to hold on to the one he already has.

Mr. COUZENS. Not only that but there are millions of homes now on the market already constructed the owners of which would be delighted to sell them even at present depreciated prices.

Mr. WATSON. The Senator is exactly right about that; there is no question about it; I know how it is in my own section of the country.

Mr. COUZENS. I wish the Senator, before he gets through with this bill, would cite some testimony to support the statement made by the Senator from Rhode Island. I do not think the Senator from Rhode Island inadvertently made the statement; he said very plainly, as the RECORD will show, that much of this money would be used for the purpose of paying off depositors. The RECORD will show that the Senator said that, and I know that that is a fact. I do not know what the percentage is, but I know it is a fact that the building and loan associations want to pay off their depositors on demand. I do not know what percentage of the money may be used for that purpose, but I venture to say that a very great deal of it will be so used.

Mr. HEBERT. Mr. President, if the Senator will permit me, I made the statement that some of the funds made available would be used to pay depositors; that is necessarily so, and that is for the protection of the mortgagor.

Mr. COUZENS. Oh, no.

Mr. HEBERT. I shall show the Senator presently that it is so. Building and loan associations sell what are known as installment shares; they issue some shares that are payable in monthly installments; and when those shares are paid up the face value of them is due to the man who has paid for them. He makes a demand upon the building and loan association. What is the building and loan association to do but pay those shares? It comes squarely back to the same position in which a bank finds itself when it can not pay its depositors; and that will mean receivership for the building and loan association. If the building and loan association goes into receivership, then all these mortgages must be sold; and if the mortgagor is unable to find some money somewhere else, or to pay his mortgage, he loses his home. That is the process.

Mr. COUZENS. That was not the testimony before the committee. The testimony before the committee—and I will refer to it before we get through—was to the effect that many of these building and loan associations accept deposits on the same general terms that a bank does.

Mr. WATSON. No.

Mr. COUZENS. I mean in practice. When they accept them, of course, there is a qualification that the depositors must give notice. That is true with a savings bank and it is also true with a building and loan association. In practice, however, the building and loan associations have been accepting deposits in competition with the banks; so when a depositor approaches the building and loan association he expects to get his money the same as the depositor in a bank. This money is wanted in a large degree to pay off that depositor, who under the terms of his deposit might be held up for an indefinite time, but the building and loan association does not want to impose that hardship upon him, so it is trying to get money to pay him off the same as a bank does.

Mr. WATSON. I wish to say to the Senator from Michigan that generally and miscellaneously I do not think building and loan associations have been taking deposits.

Mr. COUZENS. Just analyze the condition here in the District of Columbia.

Mr. WATSON. The principal offender is Ohio. The Senator remembers the testimony about Ohio. By statutory regulation the building and loan associations there were permitted to take deposits, and it got them into all sorts of trouble. As the Senator knows, that was very graphically set forth before our committee.

Mr. COUZENS. Yes.

Mr. WATSON. I yield now to the Senator from Nebraska.

Mr. HOWELL. In the organization of a building and loan association there is initially but one class—investors. All such investors are on the same basis as investors. However, any investor can become a borrower either upon stock of the association as collateral or upon improved real estate of eligible character.

This bill provides for letting out of such associations part of the investors, the nonborrowing investors, a loaning agency created by Congress to take their places. That is what this bill means, except as to such portion of the money loaned to the associations as may be used to pay taxes and insurance. Of course, the insurance item would not be large in any case. However, the item of taxes is important. To repeat, this bill as now framed proposes to let out part of these mutual investors and leave the others to their fate, except for the interposition of a proposed Federal home-loan bank. Yet such withdrawing investors are as much obligated to go through as are those who are borrowers.

Mr. WATSON. What part will it let out?

Mr. HOWELL. It will let out every nonborrowing member of a building and loan association who is entitled to withdraw his money.

Mr. WATSON. The Senator means the depositors?

Mr. HOWELL. Yes; I mean the depositors. However, they are all members. All are on the same basis primarily, inasmuch as only members can become borrowers. Therefore all the members taken together divide into two classes—borrower members and depositor members.

Mr. WATSON. The nonborrower members?

Mr. HOWELL. Yes; the nonborrower members. The nonborrower members largely want to withdraw at this time and leave the association to its fate. Under this bill an association can let out borrower members, a Federal home-loan bank taking their places. That, in my opinion, is one of the primary purposes of this bill.

Mr. WATSON. Oh, no!

Mr. HOWELL. Well, that is the way the bill will operate in the end. Finally, borrower members, who are paying regularly, will find that money has been borrowed by virtue of authorization by Congress on their good mortgage as collateral, to the end of letting out nonborrowing members; and that, finally, they and others of their class will be the only ones left in with the other borrower members, whose loans are in arrears. What will be the result? Ultimately they will come here to Congress and urge "you ought not to allow us to be robbed—we who have been paying regularly. You should provide for an assumption of our losses." That is what will come out of such a measure as this ultimately. They will come here to Congress, just as they always come back, seeking governmental relief.

Mr. President, there is not a word in this bill that definitely indicates that a prior lien mortgage only is eligible as collateral for a loan, and I suggest that there be introduced on page 17, line 4, after the word "of," the words "prior lien."

Mr. WATSON. Mr. President, on page 2 there is provided:

The term "home mortgage" means a first mortgage on real estate.

Is not that a prior lien?

Mr. HOWELL. That might mean a prior lien if that is the interpretation placed upon a "first mortgage" as used in this bill. I had not noted the definition referred to.

Mr. HEBERT. Mr. President, if the Senator will permit me, a first mortgage might be subject to other liens. I think it would be well to change that wording and say "means a prior lien mortgage on real estate."

Mr. WATSON. That would be all right.

Mr. HEBERT. The statutes of most of the States fixing investments of savings banks use the term "prior lien."

Mr. HOWELL. I agree that "prior lien" is the preferable term to be used, and therefore I suggest that in that definition the words "prior lien" be substituted for "first."

Mr. WATSON. That is all right. I am willing to accept that.

Mr. HOWELL. Again, on page 18——

Mr. COPELAND. What page was it where the Senator proposed to substitute the language?

Mr. HOWELL. I proposed, on page 17, line 4, following the word "of," to insert the words "prior lien."

Mr. WATSON. Of course that does not precede taxes.

Mr. HOWELL. Of course not. Nothing precedes taxes.

Mr. WATSON. No; nothing precedes taxes. If the Senator will offer that prior lien mortgage amendment, I will accept it.

Mr. HOWELL. I will offer it.

On page 18, line 4, following the word "presented," I would suggest an amendment of this kind. At present it reads:

No home mortgage shall be accepted as collateral security for an advance by a Federal home-loan bank if at the time such advance is made—

Then there is "(1)," "(2)," and "(3)." I suggest adding the following:

or (4) has been refunded within six months prior to the approval of this act for a principal sum in excess of the principal sum due on the date of refunding.

In other words, I do not think refunded mortgages ought to be used as collateral for a loan.

Mr. COPELAND and Mr. HEBERT addressed the Chair.

Mr. WATSON. Let the Senator explain his amendment. What does it mean?

Mr. HOWELL. It simply means this:

Suppose officials of a building and loan association say to a member in arrears, "This act has been passed. We will make a new loan on your property, including your arrears"——

Mr. WATSON. That is, in place of a mortgage already existing?

Mr. HOWELL. In place of a mortgage already existing, "and then we can use this mortgage for discounting, as it will not be in arrears nor due."

Mr. WATSON. Yes.

Mr. HOWELL. That kind of a mortgage would not be first-class paper, and my idea is that that class ought to be excluded from the mortgages that can be used as collateral.

Mr. COPELAND. Why? It is still a good mortgage.

Mr. WATSON. I can not agree that it would not be a good mortgage. If one mortgage is surrendered and another for practically the same amount is taken on the same property, why is it not a good mortgage?

Mr. HOWELL. The bill provides that if a mortgage is past due it shall not be eligible for a loan. Suppose a past-due mortgage is refunded and all the deficits are added, does the Senator think that such a transformation should render it eligible?

Mr. HEBERT. Mr. President, I think I can answer the question of the Senator. If he will refer to page 17, section 10, paragraph (1), he will find that in no instance can an advance be made beyond 60 per cent of the unpaid principal of the mortgage.

Mr. HOWELL. True, the unpaid principal of the mortgage; but if they increase the principal of the mortgage by adding in the arrears they could use it, but they could not use a past-due mortgage.

Mr. HEBERT. No; but then again the bill says:

In no case shall the amount of the advance exceed 40 per cent of the value of the real estate.

These two elements must be present.

Mr. HOWELL. Yes; but in the case of a mortgage that is in default, the Senator knows just as well as I do that the character of the man is not infrequently of as much importance as the value of his property.

Mr. WATSON. That is all right, and that can be judged by the board. The board is to determine the character of the man.

Mr. HOWELL. Who will judge the character of the man? Does the Senator mean to say that the home-loan bank will take into consideration the character of every borrower whose mortgage is offered as collateral?

Mr. WATSON. Not the home-loan bank.

Mr. HOWELL. Or will they depend upon the building and loan association to take into account the character of the man?

Mr. WATSON. Certainly.

Mr. HOWELL. I do not think a building and loan association ought to pick out all its poor loans, refund them, and then use them for collateral to borrow funds from one of these proposed Federal organizations.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WATSON. I yield.

Mr. COPELAND. Why is not that mortgage just as good as another mortgage if it comes within the requirements suggested by the Senator from Rhode Island? If the collateral is good, and the security is good, suppose it has been refunded: What difference is there between that sort of a mortgage and one that has been running for five years?

Mr. HOWELL. Mr. President, you will find in all of these associations and banks certain mortgages that are in arrears. If you have had any experience in loans, you would look them over and probably say, "No; I do not want that mortgage." "Why, that is for only 50 per cent of the value or the property." "That is all well and good; I do not want that as collateral. You have had trouble with that man from the beginning. Now you want to wish him onto me, and I will not have him." That is exactly what you do in business; and you must conduct these proposed institutions in a businesslike manner if you are going to avoid material losses.

Mr. WATSON. That is true.

Mr. HOWELL. But coming back to my original proposition, I want it kept in mind by the Senators here present that the alleged purpose of this measure is to tide over the worthy borrower who is unable now to make his payments; yet instead of placing the money advanced in any case in a surplus fund and keeping it there, except what is necessary for taxes and insurance, to protect all the mortgages, an association is to be allowed to pay it out to depositors and thus let them out. I think that ought to be prevented. When it is said that a building and loan association is the same as a savings bank, in that depositors can withdraw their money merely upon giving, say 30 or 60 days' notice, that is not a fact. In the case of every building and loan association of which I have any knowledge they have a provision in their contract with every member to the effect that the association shall not be compelled to pay out, in any one month, more than one-half of its income. Senators know that this is a fact; but what these associations want to do is to pay out all, or the greater portion, of their incomes, including borrowings from these proposed home banks, and take care of these clamoring investing members. But remember, you will be doing a wrong to a borrower if you permit that to be done. Why? Because you may leave a mere shell as the result. These people all go in together to gain a fair rate of interest by combining investors and borrowers. They are all under the same contract. Now the investor member wants to get out and leave the borrower to his fate; and they—the associations—want to say to the investor, "We are going to get you out by substituting for you a loaning

agency created by Congress." That is what this bill proposes to do.

Mr. HEBERT. Mr. President——

Mr. COPELAND. Mr. President, I would not approve of what the Senator is saying; but if that happens it would not be any worse than the Reconstruction Finance Corporation letting the Missouri Pacific give seven millions of the money advanced to Morgan & Co. for interest, would it?

Mr. HOWELL. Mr. President, the able Senator from New York can cite one example after another of uneconomic dispositions made by Congress—such things as loaning money to the Dollar Steamship Line for one-quarter of 1 per cent for 20 years—but that does not justify them. The reason we have this tremendous deficit is not wholly because of the depression. It is largely because of the uneconomic dispositions heretofore made by Congress.

When are we going to stop? Now is the time to stop if we are ever to stop. When we do business for the Government of the United States let us do it in a businesslike way. Now we have a bill before us where we can apply the same business judgment and care which every one of us applies in his daily business. Why not do it? We want to see to just one thing, in my opinion; we ought to see to it that the worthy borrower who, because of the situation that confronts the country, is out of work and can not pay his installments, is taken care of. But that is as far as we ought to go. We ought to put in this bill a provision that no portion of this money shall be used for any purpose than caring for the worthy borrower who is in default, and not allow the money borrowed to be paid out to the mutual investors, letting them scuttle, and leave the building and loan association to its fate. Senators know very well that if they had borrowed from a building and loan association and were paying regularly, they would not want to see their mortgages used for collateral, to let out investors who had agreed to stay in and take building and loan chances, in order to make a good return upon their money.

Let us be fair to the paying borrowers in these home associations. Let us be fair to them before we are liberal with depositors. I propose to offer an amendment before I get through providing that anyone who uses any proportion of the money borrowed from a home-loan bank for other purposes than that of paying taxes, insurance, and arrears, to prevent foreclosure, shall be subject to prosecution.

Mr. FLETCHER and Mr. COUZENS addressed the Chair.

Mr. WATSON. I wonder if I might have a little of my own time.

Mr. NORRIS. I hope the Senator will finish his explanation of the bill.

Mr. WATSON. I always welcome interruptions, they are very pleasing to me and they add to the arguments which are being adduced, and are all very interesting, but there is no use for me to occupy the floor and have everybody else do the talking. If I may conclude, unless some Senator desires to interrupt materially and particularly, I shall not be long.

Mr. President, I have been trying to set forth the different safeguards which it is sought to provide in the creation of this institution both for the lender and the borrower. I come now to the safeguards to the holders of obligations issued by the home-loan banks.

First. They are safeguarded with respect to the business activity of the banks by the protections discussed in connection with the lending powers of the banks and the management of the banks above.

Second. All issuing of securities is subject to the approval of the board (p. 20, lines 1–9).

Third. Each issue of bonds, and so forth, is required to be secured by home mortgages with amounts due on them equal to not less than 190 per cent of the bond issue (p. 21, lines 6–11).

Fourth. The board may at any time require the deposit of additional or substituted mortgages for securing bonds (p. 21, lines 18–23).

Fifth. A bonded registrar, appointed by the board, who must not be connected with any of the banks or with any member institution or nonmember institution which is eligible, is to act as trustee for the bondholders (p. 20, lines 20–25; p. 21, lines 1–5).

Sixth. The banks are to be jointly and severally liable for all bonds, and so forth, issued (p. 22, lines 19–23).

Seventh. Assets of the banks not needed for the purposes of lending to members may be invested, subject to the control of the board, only in direct obligations of the United States or in the securities in which fiduciary and trust funds may be invested under the laws of the State (p. 25, lines 19–24).

Eighth. Banks can not purchase buildings to house the bank or lease such a building for a time greater than 10 years (p. 26, lines 7–10).

Ninth. Reserves are to be built up by applying 20 per cent of net earnings to reserve until the reserve account equals 100 per cent of paid-in capital. Thereafter 5 per cent of net earnings are to be applied to the reserve account (p. 28, lines 14–20).

Tenth. Dividends may be paid only with the approval of the board (p. 29, lines 1–5).

I think that in some respects the system proposed to be established by this bill resembles the farm land bank system but, so far as its solidity is concerned, I think it goes far beyond that, because it is more carefully safeguarded in every respect than that system was or is. I took occasion to consider that question with some care, and I am satisfied that this bill is more carefully safeguarded than were the provisions of the farm land bank act.

The contemplated banks will be very much like the intermediate-credit banks, and the intermediate-credit banks are safe and sound. As I understand, they are operating to the entire satisfaction of everybody who has anything to do with them; and so far as the provisions of the law under which those banks were created are concerned, the provisions of this act are very much like unto them.

Various provisions are made for institutions in States in which infirmities in the law thereof prevent them from taking advantage of the act. Such provisions are temporary, being in force until the next regular session of the State legislature after which, if the State law is not remedied, the institutions are no longer entitled to the benefits (p. 8, lines 3–25; p. 9, lines 1–12).

There is much discussion about that and much objection to it by certain Senators, who say that it will prohibit the proposed institution from operating in their States. That question will come up later on, I suppose, by way of amendment.

The board is authorized to permit or require one bank to discount or purchase the obligations of another (p. 23, lines 21–25; p. 24, lines 1–8).

Board membership is bipartisan—not more than three of the five may be members of the same political party (p. 29, lines 13–19).

We might have some trouble microscopically testing that question.

The expenses of the board after the end of the present fiscal year are to be paid by assessments on the banks, as in the case of the Federal reserve system (p. 31, lines 14–20).

The board must at least twice annually require examinations and reports of the condition to the banks (p. 32, lines 21–25).

The board must make an annual report to Congress (p. 33, lines 1–3).

Penalties are provided for dishonest and fraudulent practices in connection with the system (p. 33, line 12; p. 36, line 9).

Congress expressly reserves the right to amend the law, thus assuring that changes in the system may be made without interference therewith, based upon the theory of vested contract rights (p. 39, lines 20–21).

In other words, I believe the system thus to be set up is as carefully safeguarded as a system can be, so far as language can provide safeguards and control and regulation.

I think I have said all I care to say. Of course, there is the economic side of this question, and, too, as I said a while

ago, there is the ethical side of it. Sometimes I think that in the hurly-burly of our lives here we forget to look at the necessity of protecting the home life of America, which seems to me to be absolutely essential, because we all look upon the home, I know, as the very sheet anchor of the Nation's hope. It is also the source of all of our patriotic inspiration. No man has ever been found patriotic enough to shoulder a musket in defense of a boarding house, and I do not think that great bodies of troops will ever be found rushing down the gory fields of strife to protect apartment houses. It is the home where the simple family life is preserved that we are seeking here to preserve; the home, where are practiced and inculcated the plain, old-fashioned virtues, which, after all, constitute the basis of our society and the fundamentals of our civilization. The one thing I am particularly interested in is the saving of the little-home owner who has a mortgage on his home and who, being out of work because of the exigency and the economic situation, is no longer able to protect himself.

Mr. COUZENS. Mr. President, I send an amendment to the desk and ask that it be read, and then I will discuss it.

The VICE PRESIDENT. The clerk will read.

The CHIEF CLERK. The Senator from Michigan offers the following amendment: On page 3, line 17, strike out the words "not less than eight or more than twelve" and insert in lieu thereof the words "not more than four"; and on page 3, line 25, strike out "twelve" and insert in lieu thereof "four," so as to read:

FEDERAL HOME-LOAN BANKS

SEC. 3. As soon as practicable the board shall divide the continental United States, Puerto Rico, the Virgin Islands, and the Territories of Alaska and Hawaii into not more than four districts. Such districts shall be apportioned with due regard to the convenience and customary course of business of the institutions eligible to and likely to subscribe for stock of a Federal home-loan bank to be formed under this act, but no such district shall contain a fractional part of any State. The districts thus created may be readjusted and new districts may from time to time be created by the board, not to exceed four in all.

Mr. COUZENS. Mr. President, I want to take up the question of the advisability of establishing these banks; and assuming that we are going to establish some system of banks, my amendment proposes that there be established 4 banks instead of 8 to 12.

The committee of the Senate which took the testimony was a subcommittee of the Committee on Banking and Currency composed of the Senator from Indiana [Mr. WATSON] as chairman and several others of us. In reading the testimony one will find that there is a great diversity of opinion as to the needs of these banks. Particularly do I observe statements to the effect that this system of banks is to be a duplicate of the Federal reserve system. That is an unsound conclusion, in that in this bill there is not a single mandatory provision for anybody to become a member of the home-loan bank system.

Everyone knows that the Federal reserve banking system took a number of years to get under way, in spite of the fact that every national bank was compelled to become a member of it. There is not a single provision in this bill requiring a bank, a building and loan association, or any of the other proposed beneficiaries of this act, to become a member of the proposed home-loan discount bank system.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. COPELAND. Of course, it was considered desirable at the time we established the Federal reserve system to have as many as possible of the State banks go into the system, but it was impossible for us to demand that they do so. We did require that the national banks should join it, and we had the authority to make them do it. Of course, that is not quite true as to this proposal, is it?

Mr. COUZENS. It is not.

Mr. COPELAND. So it is only the loaves and fishes, so to speak; it is only the benefits which the local concerns will derive that will induce them to join the home-loan bank system.

Mr. COUZENS. That is true; and I want to point out, before I get through, that the requisites for joining are very easy and very limited. Whenever the money market loosens up, whenever the agencies which normally took care of mortgages, are operating, there will be no excuse or need of these banks; and I want to venture the prediction now that if we ever get out of the existing conditions and the ordinary agencies of financing begin to operate, there will be no continuation of these banks.

Mr. COPELAND. Mr. President, will it annoy the Senator if I interrupt him?

Mr. COUZENS. Not at all.

Mr. COPELAND. I wonder if the Senator is entirely right about that. For a good many years the building and loan associations of my State felt that if there were a way of getting more money for mortgages, there could be more construction. In other words, may I ask the Senator whether he does not think that when we return to normal times, as we will under the Democratic administration about to follow——

Mr. COUZENS. I hope so.

Mr. COPELAND. When we return to normal times, will there not then be the same demand for more mortgage money in order that there may be building such as the Senator feels at present ought not to be provided for by this bill?

Mr. COUZENS. I do not think so, Mr. President, because we have first to do something to stabilize the incomes of these people whom we expect to buy these homes. I see that the Senator's party proposes unemployment insurance and old-age insurance. They obviously should come before we advance more money for building homes that can not be paid for because of the instability of income of the purchaser.

What has caused this demand for home-loan banks? It is because millions of people have lost their jobs. What is the use trying to cure a disease unless we know the source of the disease? The source of the disease is not lack of desire to build homes. It is not because of lack of money to build homes. It is because of lack of income to pay for them. What is the use of setting up a multiplicity of financial agencies for the purpose of taking care of people when what we need to do is to set up agencies which will insure them an adequate income?

It seems to me it is absurd to set up one bureau after another of white-collar workers, whether private or public, and for what purposes? Not for the purpose of stabilizing the income of the man who works with his hands, the little man who should profit under our so-called home loan bill. It simply creates more jobs for people who live off the producer. Certainly it can not be said that the officials and employees of the 12 home-loan banks are producing anything. Off whom are they going to live? They are going to live off the men who work with their hands, the men who produce things, and who to-day are worse off in the Nation than the men who work with their hands.

It seems to me it is perfectly absurd that we should think of setting up 12 Federal banks before we devise ways and means for the man to pay for the home which we want to mortgage. What good will these banks do if the millions of people who want homes or who now own homes are unable to get an income adequate to support and pay for the home or are unable to be assured that from one week's end to the other they are going to have a pay check?

Notwithstanding the thousands of credit agencies now in existence, the billions of dollars of business done on the installment plan, we now talk about setting up more credit agencies for the purpose of carrying the man who is unable to carry himself because of the insecurity of his income.

I want to draw attention to some of the testimony to show that the demand for these banks is by no means universal. I do not know whether a majority of the people are in favor of them or not, and it is immaterial to me. The facts are that most of the propaganda and most of the demand for these banks came from material men, from contractors and builders. I am not opposed to the fact that they want these banks. I am not opposed to a man trying to devise ways and means to secure business. I am raising the question

whether the Federal Government should respond to the sales demand to put up money to build unneeded facilities. Even if the facilities were needed, how would the people buy these homes and pay the mortgages if they have no security of income?

Why do we keep on duplicating these credit systems? Every automobile, radio, iceless refrigerator, and every other kind of device has built up a credit system or credit agency. This has been done by the thousands to get the worker's dollar. They encourage and plead with him to spend his dollar with them. They offer all kinds of unsound schemes and devices to get the worker's dollar. If that were not true, the home situation would not be so bad. But notwithstanding all of these devices the worker is found in great distress, and now what have we proposed to do? We do not propose to set up any scheme of unemployment insurance or old-age insurance to provide Federal aid for that purpose, but to provide more credit systems so he can go farther into the hole than he now is.

The testimony in part before the committee——

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Florida?

Mr. FLETCHER. May I interrupt the Senator before he leaves that subject?

Mr. COUZENS. I yield.

Mr. FLETCHER. The Senator observed that the agencies behind the bill are material people, such as lumber people, building-material people, and contractors. Is it not a fact that the chief agency behind it and the chief beneficiary under the bill will be the building and loan associations?

Mr. COUZENS. That is true. I want to draw the attention of the Senate to a statement of Mr. John F. Scott, president of the Minnesota Building and Loan Association, and chairman of the legislative committee of the Minnesota League of Building, Loan, and Savings Associations of St. Paul. In answer to the question of the Senator from Indiana [Mr. WATSON] he related what his occupation and business are. The Senator did so much of the talking it is difficult to get down to the testimony of the witness, but it was all to the point.

Mr. WATSON. That is a Senatorial custom.

Mr. COUZENS. In answer to a query from the Senator from Indiana he said:

> I have just sketched off a few points, Senator.
>
> As this measure has been proposed by the President in his relief program, I am reluctant to oppose it, but I do so in order that the record may be kept clear, as I feel it is my duty to point out wherein it will not fulfill the purpose nor attain the objectives that the sponsors desire.
>
> The associations in Minnesota and the Northwest need no relief legislation, but if they did, this measure would not afford it. If we needed such relief, the passage of this legislation would be like sending a pulmotor to a drowning man by freight. At this time permissive legislation is necessary in most States of the Union before building and loan associations can qualify as members of the system and be entitled to avail themselves of the borrowing privileges.

Then he went on to tell why. I am not going into that, because I think most of us are familiar with the reasons why they can not avail themselves of the provisions of the bill.

Mr. FLETCHER. Mr. President, will the Senator give the page of the hearings on which that occurs?

Mr. COUZENS. It is page 265 of part 2 of the hearings.

After relating the inhibitions which would prevent prompt action, the witness then said:

> Consequently it would take at least three years before the necessary legislation could be secured from the various State legislatures. This would mean that the benefits of the act would be postponed for over three years. Any measure whose benefits accrue after three years can not be put in the emergency class.
>
> We in the Northwest believe that if it is to be regarded as emergency legislation, so far as the building and loan associations are concerned, we could not avail ourselves of the benefits of the act for a 3-year term, and some one has an entirely different idea of the length of this so-called depression from what we have.
>
> The general outline of the act follows that of the Federal reserve bank act, with this fundamental difference, that there is in the pending bill no authority to bring in the institutions listed as eligible to membership.
>
> When the Federal reserve act was passed I believe I am correct in stating that it took at least two years before it was successfully on its way. But under the Federal reserve act you already had Federal units in existence by way of your national banks who were compelled to join the system whether they wanted to or not. In this particular case you have no such Federal units or any units in existence over whom you have authority to insist that they join the system. There are existent at this time none of these Federal units which can be compelled to join.
>
> Consequently the number the financial institutions eligible to membership who would join is problematical.

That was one of the issues I raised all during the hearings. In other words, the Federal Government is proposing to subscribe $125,000,000 of stock. It is proposed to appropriate $500,000, in spite of an unbalanced Budget, to set up another bureaucracy in Washington. The demand of every political party is to the effect that we must consolidate the bureaus and commissions in Washington, that we must eliminate as much bureaucracy as possible. And yet under the terms of this bill it is proposed that there shall be set up another great bureaucracy, the success of which witness after witness testified is, in all probability, very doubtful. There is no provision in the bill which requires anybody except the Federal Government to take a dollar's worth of stock.

Mr. SHIPSTEAD. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. COUZENS. I yield.

Mr. SHIPSTEAD. Has there been any evidence to show that there is any great shortage of houses in the United States?

Mr. COUZENS. The testimony is all to the contrary.

Mr. SHIPSTEAD. That is what I thought. That is my information.

Mr. COUZENS. There are some very idealistic editors and social workers—with whom I find no fault—who say there is, of course, a great need for better housing. No one denies that. I am not finding fault with any effort to improve the housing facilities of the workers of the Nation. I can not employ such eloquent language as did the Senator from Indiana [Mr. WATSON] in my plea for the home owner, but I insist that my heart beats just as strong for them as his does. But I am not influenced by that pathetic appeal for a system to be established which in effect offers no such relief as the Senator from Indiana thinks it does.

Mr. SHIPSTEAD. My information, from people who are in the business of building and renting houses, is that they have difficulty now in renting houses they have already built and great difficulty in collecting rents from houses already built; that a large percentage of the vacancies have occurred because the people can not pay rent and so they have crowded together in close quarters, several families living in one flat because of a lack of income to rent the already existing facilities.

Mr. COUZENS. That is entirely true. Here we are doing everything we can to fight deflation. We shed tears when the bond market goes down, when the stock market goes down. We dislike to see the deflation of the farmer and the home owner; and yet it is proposed by this legislation—that is, by its most forceful advocates—that we continue to deflate the home owner by setting up another bureaucracy so that more homes may be built, thereby increasing production to the point of overproduction.

Mr. WATSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Indiana?

Mr. COUZENS. I yield.

Mr. WATSON. Does not my friend, by his own action, admit the necessity of something of this kind being done? First, he wants to take $400,000,000 out of the Reconstruction Finance Corporation to do this thing; secondly, by his amendment, he appears to be willing to provide four instead of eight banks; so, if the original proposition is 100 per cent bad, the Senator is willing to take one that is 50 per cent bad.

Mr. COUZENS. The Senator knows that we are confronted by a legislative condition. If we are going to have this bill passed—and the Senator says we are; he has issued public statements to that effect, and others say that the bill

is going through the Congress easily and without much opposition—then I want to make it as good as possible, although it is a bad job.

Mr. WATSON. I agree with the Senator about that; but the House passed it without a dissenting voice; the President is ready to sign it; and all that remains to be done is to have the Senate act upon it. I am hoping—I may have been speaking out of an abundance of hope, but I have been hoping—that the Senate will adopt it.

Mr. COUZENS. If we shall pass the bill, it will have to go to conference, and no one knows what kind of a measure will come out of the conference committee. I submit, however, that there was no general debate upon the merits of the bill in the House at all. I am not criticizing the House; they operate differently than do we; but they have not, of record, at least, given very close consideration to this bill.

Mr. WATSON. Mr. President, will the Senator pardon me a further interruption?

Mr. COUZENS. Yes.

Mr. WATSON. Did the Senator read the debates on the House side? I read every word of them.

Mr. COUZENS. They were not very extensive.

Mr. WATSON. There were portions of that debate which I thought were very instructive and very illuminating. Of course, all the debate was not of that character, but very much of it was; the points the Senator has been discussing were debated there. I was tremendously interested in that debate, I will say to the Senator.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Florida?

Mr. COUZENS. I yield.

Mr. FLETCHER. I think we all agree that the ideal condition would be for every head of a family in this country to own his own home; that is quite true; it is perfectly sound; I should like to see very citizen of the United States under his own vine and fig tree; but, taking the situation as it is to-day—and it is brought about by existing circumstances—is it not true that it is a very serious question whether it is not now cheaper for the workingman, for the head of a family, to rent than it is to buy or build a home? For instance, rents are very low, as the Senator from Minnesota [Mr. SHIPSTEAD] has mentioned; there are vacant houses. If a man buys or builds a home the taxes, as well as other items, such as paving, sidewalks, and that sort of thing, insurance, and, in fact, all expenses which an owner has to pay in order to keep up his property, are very high. He avoids them when he rents. So, as a matter of economy just at this time, I am inclined to think that it is better for a man to rent than to own property. I believe he saves money by that process at any rate.

Mr. COUZENS. Mr. President, there was testimony introduced by a witness who appeared before the committee to that effect—that many people would prefer to issue one check to a landlord than to have to mow and sprinkle the lawn, look after the flowers, and pay the taxes and repairs and upkeep, and all that sort of thing. However, I do not think that is the issue. I agree with the Senator from Indiana; it is desirable that everyone, if possible, should own his home. But while we are encouraging people to own homes, while we are pointing out the desirability of everyone having his individual home, and while, as the Senator from Indiana says, no one goes to war to fight for his boarding house but men will go to fight for their homes, yet that is not the basic thing; the basic thing is to provide a scheme, a system, a philosophy of economics or government, or both, which gives to that man who desires a home and is willing to work for it some assurance that he is going to have a job, an income to pay for it. What is the use of setting up this elaborate parasitical organization that produces nothing, for the purpose of getting the workingman's dollar, when we give him no assurance that he is going to get his dollar?

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I yield.

Mr. COPELAND. I am very much interested in the proposal the Senator makes to reduce the number of banks. Let me ask him could not all the work be done by one bank?

Mr. COUZENS. I think it could all be done by one bank, but my amendment provides for four, because there will obviously be some sectional jealousies as to where the banks are to be established; but, if they are going to be established, which I hope they will not be, then I thought we ought to have them in the North and the South and West and East. That is the reason I provided for 4 banks as a substitute for 8 or 12.

Concerning the testimony of Mr. Scott, I read further:

> Consequently the number of financial institutions eligible to membership who would join is problematical. The passage of this bill would be comparable to the building of a department store on a country crosaroad without visible assurance of any customers.

Mr. President, that is the point I raised with every witness who appeared before the Banking and Currency Subcommittee, of which the Senator from Indiana was chairman. I asked every witness that question. There was not one word of testimony that at least influenced me that there would be a sufficient number of financial institutions become members of this organization to justify its establishment.

Mr. COPELAND. Mr. President——

Mr. COUZENS. I yield.

Mr. COPELAND. The Senator has no doubt that the building and loan associations would take advantage of it, has he?

Mr. COUZENS. They would take advantage of it undoubtedly just so long as the banks refused to lend them money. There is testimony that heretofore every one of the building and loan associations has borrowed all the temporary money it needed from local banks. The associations have gotten along with borrowing money without security, just on their notes in any sums desired, paying for them and renewing them and getting all the money they needed until this time comes when the banks will not lend them. I submit that they will go back to the bank just as soon as credit loosens up, because, obviously, they do not want to put permanent capital into these banks if they can borrow money without having to put up any capital.

Mr. COPELAND. I do not remember what figure the witness used as to the number of months of delay, but he said he would never get any relief under this bill; that the relief would be too greatly delayed. Does the Senator believe that to be true? If this bill has any virtue for the relief of temporary symptoms, could it not be speedily worked out as in the case of the Reconstruction Finance Corporation?

Mr. COUZENS. Mr. President, if the Senator understands fully the plan proposed for setting up these banks, I think he will realize that they can not be established quickly. In other words, we first have five directors appointed here in Washington, who have to select the locations for the different banks; then they have to proceed in a very devious way, it seems to me, to select the directors of the individual banks; then they have to open their stock books for subscriptions. In that connection let me say that I think five directors in Washington are excessive and I am going to propose an amendment to reduce the number to three. I am going to do everything I can to get this bill in line in case it should pass or should be ready to be passed. Then I want to offer a substitute which will provide for the setting up of a home-loan division in the Reconstruction Finance Corporation, so that they can get to work the day after the bill shall be passed.

The Reconstruction Finance Corporation has 39 established agencies now located throughout the United States, with some 300 or 400 workers in the various agencies who

are active in the interest of their communities and are passing upon loans that are being asked from the Reconstruction Finance Corporation. That system is already working; it is already set up, and I think if we really want to stop foreclosures, if we really want to help building and loan associations and the other agencies that are enumerated in the bill, we can do so by immediately setting up a home-loan division in the Reconstruction Finance Corporation.

One of my colleagues said, "Well, they already have authority to lend to building and loan associations." That is true; they have authority, but the way they have proceeded under that authority is in the same manner that they have proceeded to lend money to banks and railroads and other agencies. I want a division to specialize in helping the small home owner. I am not concerned about the man who owes a fifteen thousand or twenty thousand dollar mortgage. I do not propose that he shall ride on this financial scheme which is being proposed on the plea that we are working and fighting for the small home owner. Everyone, so far as I can find out, knows that Congress would not be considering ways and means of setting up a permanent banking organization for lending money or extending the mortgages of those who live in $40,000 or $50,000 homes. So this whole measure is predicated on the theory that we are going to help the defenseless, small home owner. Everybody wants to help him, but it depends on how we approach that help. My view is that we can do nothing that will permanently help him unless we devise a system whereby he can be assured of an annual income. I am not talking about paying men who are not willing to work, about sustaining loafers, but I submit as to all the home owners whom we are endeavoring to help and whom it is urged are in danger of losing their homes, it is not mortgage money they need; it is an assurance of an annual income, so that they may pay, with their heads upstanding, their own debts without Federal aid.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. COUZENS. I yield.

Mr. BORAH. If they do get loans and do not have jobs, the loans will not in the end be of any benefit to them.

Mr. COUZENS. Absolutely not. As I have said, it is putting the cart before the horse; it is not the way to approach this question; the way to approach this question is to give a man the assurance of a job with an income, and then he will be able to obtain all the loans he needs in order to carry his home.

Mr. COPELAND. Mr. President, the Senator could render no greater service than to tell us how that may be done.

Mr. COUZENS. The Senator knows, I think, that many of us have proposed unemployment insurance. I have made speeches about it; I was chairman of the Committee on Education and Labor that held extensive hearings in the fall of 1928 and the early months of 1929 when we were supposed to be at the height of prosperity. The testimony then taken from all kinds of sources, including the president of the American Federation of Labor, showed overwhelmingly that there were millions of people unemployed in 1928 and 1929 because of technological improvements and mass production. From that time to this they have had no visible effort made to secure them an adequate income through an opportunity to work; and at that time the committee reported to the Senate its advice in regard to unemployment insurance. The Senator from Rhode Island [Mr. HEBERT], the Senator from New York [Mr. WAGNER], and the Senator from Illinois [Mr. GLENN] have, it is stated, done a lot of work in connection with the matter, but we seem to have had no report as yet.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. HEBERT. The report of that committee is in print now and probably will be ready for distribution in a day or two. It was submitted here several days ago, I may say for the information of the Senator.

Mr. COUZENS. I am glad to know it, because I have not seen anything heralded in the press to the effect that there was going to be any relief for the unemployed.

Mr. HEBERT. There will be no recommendation for Federal relief of that nature, I may say to the Senator; and beyond that I do not know that Congress has any authority to provide for unemployment insurance. Even if there had been the broadest system of unemployment insurance, either under State regulation or otherwise, no reserves which anyone ever contemplated would have been anywhere near sufficient to be a tithe of the need of those who are out of work.

Mr. COUZENS. O Mr. President, that is the old, old story. We never would have gotten into this condition if we had had a stabilizing fund. Everyone knows that you can not safely spend all your money in a few years and have nothing for a rainy day. I submit that if we had had, through State and Federal agencies and private employers, a stabilizing fund to have kept these people out of the depths of misery and unemployment, we never would have gotten into the condition that we have. Of course, we can not lift ourselves out by our bootstraps, now that we are in it, by any unemployment insurance reserve; but it is perfectly futile to stand here and say that the Federal Government has not any responsibility or authority or right to engage in looking after the welfare of its citizens.

I observe, Mr. President, that we had no difficulty in raising hundreds of millions of dollars for the shipping interests to loan at the rates just announced by the Senator from Nebraska [Mr. HOWELL]. I find that we have raised hundreds of millions and billions of dollars to build roads to aid the motor-car industry. We have spent hundreds of millions to help agriculture. We seem to be in a position to find all of the money that is needed and all of the aid that is needed to support capital, to support production. I am not finding fault with that. I believe in a government that aids its citizens; but I do not join with the Senator from Rhode Island and those other "rugged individualists" who believe only in helping one group of our citizens.

Mr. HEBERT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Rhode Island?

Mr. COUZENS. I yield.

Mr. HEBERT. I do not know that anything I have said would indicate to the Senate that I favor helping only one group of our citizens.

Mr. COUZENS. I did not charge that. I said the Senator was a rugged individualist.

Mr. HEBERT. I shall have to plead to that charge.

Mr. COUZENS. I am willing to plead to it, too.

Mr. HEBERT. And I have no apologies to make for it, because I realize that in the 150 years of history of this country the rugged individualism of its citizens has brought it to its high plane among the nations of the earth; and nothing else will bring it back out of the existing chaos, I may say to the Senator.

Mr. COUZENS. O Mr. President, I do not agree that that is so.

Mr. HEBERT. If the Senator will permit just one other observation——

Mr. COUZENS. Yes.

Mr. HEBERT. The Senator refers to reserves for unemployment insurance by the Federal Government. He has stated that he himself was a member of a committee that investigated that subject in 1928. As I recollect the report—and I assume the Senator agreed to the findings in that report—they did not favor any such reserves, and left it to the States to do whatever the States might judge proper to be done under existing conditions as they found them.

Mr. COUZENS. Yes, that is true; but the Senator must remember that later than that public statements were made by us. We were not in the depths of the depression then. We perhaps did not have vision enough to see what was necessary, what was in prospect, because in 1928 and 1929

we were supposed to be in the height of prosperity, although the testimony developed that there were millions of unemployed even at that time. But in October, 1931, statements were run throughout the press in which I indorsed a plan of Federal aid to the States in the organization of a reserve fund for industrial workers.

Mr. President, the Senator from Rhode Island says that for 150 years we have relied upon rugged individualism, and that that is what has made our country great. That is the reply always given by the standpatters. The Senator apparently overlooks the fact that in the last 25 or 30 years we have been deviating from the path of rugged individualism. Since the days to which the Senator refers we have set up a great Federal reserve system, sponsored by the Government, for the aid of banks and industry. I indorsed it and I indorse it now. Since the time that the Senator talks about we have spent billions of dollars in aiding the States in building good roads, all of which has been responsible for the great expansion and development of the motor-car industry. We have spent millions and hundreds of millions of dollars to develop the merchant marine. No one has heard me get up on this floor and oppose helping the merchant marine.

Where is all your rugged individualism? Why did not the rugged individualists of the United States build their own merchant marine? Why did not these great, rugged individualists that the Senator from Rhode Island worships so much build their own highways? Why did they not do all the other things? Why did they not set up their own system of banking? Why do they not now set up their own home-loan banks? If we believe in rugged individualism, just why does the Senator from Rhode Island support a home loan bank bill which puts the Government deeper and deeper into the banking business of the United States?

Where are our rugged individualists when it comes to helping one specific class? They stand here on the Senate floor and defend and support every appropriation for helping business, every appropriation for the Reconstruction Finance Corporation, every appropriation for the home-loan banks. Oh, but Mr. President, we must not touch Federal money for the purpose of establishing an unemployment or an old-age fund! That is a ruinous thing, Mr. President. That is the thing that breaks down our rugged individualism.

Mr. President, this cry of "rugged individualism" is for the purpose of relieving ourselves of the responsibility for a condition under which those citizens of ours who are least able to look after themselves are discarded and required to live under the principle of rugged individualism.

Whom do we find here standing up and defending the Government entering into the home-loan-bank business? Whom do we find but those who stand out all of the time in defense of rugged individualism? Why do not these building and loan associations establish their own home-loan banks? I understand that the State of New York has established a very efficient and competent home-loan bank. Why do they come to the Federal Government and plead that we spend a half million dollars in bureaucracy to set up a system of home-loan banks, and then provide the capital? There is not a word in this bill that requires a single individual to put up a dollar if he does not want to. I propose to offer an amendment that if this banking system is established, not one dollar of Federal money will go into it until the private interests who will benefit by it have put up at least 50 per cent of the money.

When I have stood here all these years and voted for and supported every reasonable aid that the Government can give to business, it seems to me that I am not inconsistent when I propose ways and means of looking after the man who is least able to look after himself. I do not think I can be called a demagogue under those circumstances.

I recognize that the Senator from Indiana [Mr. WATSON] and the Senator from Rhode Island [Mr. HEBERT] are great statesmen. They believe in rugged individualism, and so do I; but I am opposed to having these rugged individualists use the Federal Treasury and all the agencies of Government to help one group, and then stand up here and say that they disapprove of unemployment and old-age insurance through the aid of the Federal system or the Federal Treasury. It is wholly inconsistent and incompatible with what they have heretofore committed themselves to.

Mr. President, referring back now to the testimony that was given before the Banking and Currency Committee concerning this bill, I want to read some of the testimony that was given by Mr. B. C. Hardenbrook, vice president in charge of the banking department of the First National Trust & Savings Bank and the First National Bank of Chicago, which is, I understand, Mr. Traylor's bank.

The Senator from Indiana [Mr. WATSON] asked Mr. Hardenbrook what his experience was, and he said he had been connected with the business for 41 years. Mr. Hardenbrook said:

> I am vice president in charge of the banking department of the First National Trust & Savings Bank; also in charge of the real estate department. I am also vice president of the First National Bank of Chicago, doing whatever I am told to do.

The Senator from Indiana then asked him:

> Give us a statement about this bill as you see it and understand it.
>
> Mr. HARDENBROOK. I am opposed to it. I might say "we" are opposed to it, because if I understand it, the real purpose of this bill is to permit people to acquire homes.
>
> Senator WATSON. To keep the homes which they have already acquired under mortgage. It is supposed to be an emergency proposition and a permanent proposition.
>
> Mr. HARDENBROOK. I would like to conclude my sentence by saying that it does not accomplish it if that is the alleged purpose of the bill.
>
> As to retaining homes, I have heard a lot of talk about foreclosures and that the banks are calling loans and insisting upon their repayment and that the borrowers are unable to refund elsewhere, and they are doing this because they are trying to keep their assets liquid.

Mr. Hardenbrook further says, on page 270 of the hearings, in answer to a query from the Senator from Indiana:

> I want to say that I am not making this statement as a self-serving statement, but as a general statement that I should think most intelligent people could realize. We are trying to overcome a depression, if possible. That, I presume, means lack of work, lack of business, and also means a steady dropping of prices. We certainly have had a dropping of prices without any question, and I do not know of any particular line that is not affected. If it were possible, which, in our opinion, it is not, to stimulate home building by this act, it would just create more vacancies than we have at the present time in our present real-estate housings.
>
> Senator WATSON. Are you overbuilt in Chicago?
>
> Mr. HARDENBROOK. Absolutely.
>
> Senator WATSON. In the home phase?
>
> Mr. HARDENBROOK. Probably not as much in the home phase of building, although I would question very seriously the statement that there is a 5 per cent vacancy in a survey of 32 cities.

There appeared before the committee a Mr. Murray, president of the Murray Investment Co., of Dallas, Tex., who also opposed the bill. His testimony will be found on page 273 of part 2 of the hearings.

There appeared also before the committee Mr. Rome C. Stephenson, past president of the American Bankers' Association, of South Bend, in the Senator's own State. His testimony begins on page 277 of the hearings. Mr. Stephenson made a very vigorous protest against the enactment of this measure. Among other things, he said, on page 278:

> The passage of the bill under consideration would result in the building of homes that are not now needed or required, and within a few years the conditions would be much worse than they are to-day by reason of further overexpansion.
>
> Any emergencies that now exist for the relief of institutions that are carrying mortgages on homes can be taken care of by the Reconstruction Finance Corporation. Reasonable opportunity should be given to demonstrate its usefulness in the present situation.

Mr. President, that is just exactly what I am asking the Senate to do. I am asking the Senate to substitute a proposal for this bill which will set up a home-loan division in the Reconstruction Finance Corporation, immediately to get busy to help these small home owners for whom the Senator from Indiana pleads, and in which I join with him, although disagreeing as to the methods of approach. Mr. Stephenson,

former president of the American Bankers' Association, says, let us try it out. I am for that. He says:

> Any emergencies that now exist * * * can be taken care of through the Reconstruction Finance Corporation. Reasonable opportunity should be given to demonstrate its usefulness in the present situation.
>
> After conditions return to normal, it will likely be demonstrated that there is no demand for a permanent home loan bank bill. It will be necessary, of course, that large issues of Government bonds be offered the public to procure the capital for the Reconstruction Finance Corporation, to cover the deficit that now exists in the Government finances, and other purposes. Such a demand for money will require that rates much higher than usual be paid, and some trouble will likely be encountered in selling to the public bonds in such volume as will procure the necessary funds.

He was referring to the bond issues which, it is estimated, would be over a billion dollars, which would have to be sold under this bill if the measure were availed of, and I have not the slightest idea or thought that this system would ever be availed of sufficiently to let the Government out of its investment.

There appeared another witness from the Senator's own State, Mr. Downey, of the Washington Bank & Trust Co., of Indianapolis. In response to a question propounded by the Senator from Indiana as to why he was opposed to the bill, he said:

> The danger of speculative building, Senator. We have no need for new housing.

I want to point out, in respect to some of the discussions which took place between the Senator from Rhode Island and the Senator from Indiana, that there appeared before the committee a Mr. William E. Best, president of the United States Building and Loan League, of Pittsburgh, who, by the way, has been one of the strongest advocates and propagandist for the bill. Among other things, Mr. Best said, on page 284 of part 2 of the hearings:

> Building and loan associations are to-day serving 12,000,000 people—12,336,754.

Here is the point I want to emphasize:

> Ten million are investing members, many of whom look to home ownership some day.

Mr. President, that is the point I made a while ago—that much of the money to be raised or proposed to be raised under this bill will be for the 10,000,000 investing members, many of whom look to home ownership some day.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. COPELAND. Have not those members really been taking the place of discount banks? If it had not been for the money which they invested in these building and loan associations, there would not have been any money to build the homes which have been put up. They have had a very important place in the whole scheme, and, of course, under the arrangements had with these sustaining members, it was understood that in time of necessity they might borrow.

I would like to confess to the Senator from Michigan that when I was a young doctor in his State, during a panic that came on in 1893, I remember very well how lucky I thought I was that I had some little money in a building and loan association which I could go and get at that time. Those sustaining members are the people who have furnished the money. These 10,000,000 have furnished the money which the 2,000,000 have used in the building of homes, and even though the money proposed under this bill goes back and some of it is used to help the sustaining members, after all, the money that goes into the building and loan associations, in my opinion, will be very different, even with this arrangement, from that which goes back to savings banks or other banking institutions.

I have a very strong suspicion that many country banks have a lack of liquidity because of real-estate mortgages they own, and when they get this money from the home-loan banks they will get rid of their mortgages, and they will not turn back the money they get from the home-loan bank; they will just keep it as a part of their 80 per cent liquidity. On the other hand, regardless of the fact that some of the money will go to the sustaining members of the building associations, the great bulk of it, in my judgment, will go for refinancing mortgages, the makers of which are now in distress, or in the granting of new mortgages to take up short-term mortgages now held by other financial institutions.

Mr. COUZENS. Mr. President, the Senator must not get the impression that I am opposed to building and loan associations. I have nothing but the highest regard for those that I know of. But they have special interests; and I am not finding any fault with them for making their special desires known. I am just pointing out that they are pleading for something that is not necessary and that will not be a permanent and useful adjunct to the Government's business.

I have repeatedly stated on the floor that I want to give those people help. I want to give the building and loan associations help. They have already received many millions of help from the Reconstruction Finance Corporation, and I want to extend that help; but I want emphatically to oppose setting up a bureaucracy in Washington with 8 or 12 permanent banks, which, in my judgment, will fall back upon the Government eventually—in fact, shortly—and the Government will carry the whole load. I object to putting Federal money into these operations as a permanent thing.

As I pointed out previously, there is not a pledge on the part of anyone to invest one nickel in these banks. The only pledge that is made is a pledge of $125,000,000 from the Federal Government.

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I yield.

Mr. COPELAND. I agree fully that the Senator has made his position clear. I would like to say, further, that I am very much impressed by the amendment which the Senator has presented, because it provides a fund without the cumbersome machinery. But we must make very certain, before we adopt it, that we would be giving the full protection to the building and loan associations, because in the last analysis they are the ones who should be protected.

The Senator is very generous in his amendment in many ways, particularly in the amount of money which he would set aside for these loans, $400,000,000. There may be some other changes to be made in the bill, but I would say certainly that the substitute presented by the Senator from Michigan is a very generous one.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 904. An act for the relief of Elizabeth B. Dayton;

S. 2570. An act authorizing adjustment of the claim of Joseph E. Bourrie Co.;

S. 3447. An act for the relief of John Stratis;

S. 4735. An act to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association;

S. 4759. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.;

H. R. 3811. An act for the relief of Lela B. Smith;

H. R. 8766. An act to amend the sixth exception in section 3 of the immigration act of 1924, with reference to nonimmigrant status of certain aliens;

H. R. 9699. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes; and

H. J. Res. 418. Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

ENROLLED JOINT RESOLUTION AND BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that that committee had presented to the President of the United States the following enrolled joint resolution and bills:

On July 1, 1932:

S. J. Res. 165. Joint resolution authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam.

On July 5, 1932:

S. 904. An act for the relief of Elizabeth B. Dayton;

S. 2570. An act authorizing adjustment of the claim of Joseph E. Bourrie Co.;

S. 3447. An act for the relief of John Stratis;

S. 4735. An act to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association; and

S. 4759. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President approved and signed the following acts and joint resolution:

On July 1, 1932:

S. 1030. An act for the relief of John A. Pearce; and

S. 2242. An act granting six months' pay to Louis Soluri.

On July 2, 1932:

S. J. Res. 165. Joint resolution authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam.

AGREEMENT BETWEEN IDAHO AND WYOMING

The PRESIDING OFFICER (Mr. BRATTON in the chair) laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 148) to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes, which was, on page 2, line 18, after " States," to insert ": *And provided further*, That the rights of other nonparticipating interested States shall not be jeopardized by such compact."

Mr. THOMAS of Idaho. I move that the Senate agree to the House amendment.

The motion was agreed to.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

Mr. COPELAND. Mr. President, it is said that everything comes to him who waits. In my case the proof of it is shown by the fact that the pending bill has been as presented and is so strongly supported by the administration and by many Senators.

I call the attention of the Senate to the fact that on the 24th of April, 1924, over eight years ago, I introduced what was known as Senate bill 3228, and that again on the 6th of December, 1927, I introduced Senate bill 817, a bill to encourage home ownership and to stimulate the buying and building of homes; to create a standard form of investment based on building-association mortgages; to create Government depositories and financial agents for the United States; to furnish a market for Government bonds; and for other purposes. The bill now pending is remarkably like my own bill, even to the number of pages—39. I thought then my bill was too long.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WATSON. To what year did the Senator refer?

Mr. COPELAND. First in 1924 I introduced the bill, and next in 1927.

Mr. WATSON. I remember that when President Wilson was Chief Executive a proposition of this kind was advanced in both the House and the Senate. I think that his Secretary of Labor, Mr. William B. Wilson, was perhaps the chief inspiration at that time, and he was backed by President Wilson. Many hearings were held in both the House and the Senate, and there was very much favorable sentiment aroused at that time, but it never crystallized itself into a measure. I remember that the Senator from New York introduced a bill along this line.

Mr. COPELAND. I remember very well the hearings spoken of by the Senator from Indiana. Many of those hearings were held in the city of New York, and at that time I happened to be commissioner of health of the city of New York, and was asked by the committee to have a meeting of the health commissioners of the United States to give thought to the need of housing. I called such a meeting in the city of Detroit. Of course, it was immediately following the war and there had been no building during the war, so there was a great need of construction. The purpose in the minds of those who pressed the bill at that time was to find a means of getting money for the construction of buildings. Frankly, that is the purpose I had had in 1924 and in 1927 when, with the encouragement of the League of Building and Loan Associations of the United States, I introduced the two bills.

We have to-day, however, a different situation. The situation with which we have to deal now relates to taking care of mortgages which have become past due and of saving homes for the people of the country. I share with the Senator from Indiana [Mr. WATSON] the feeling that nothing is more important to the welfare of our country than to have our people housed in their own homes. Let a young couple move into a home, or an old couple for that matter, and even though the possession of the home is founded on an equity and not on full possession, there is no question about what sort of citizens they are going to be. They are going to have an interest in everything having to do with the welfare of the community and the welfare of the country. Just as soon as they become home owners they are interested in the taxes in the community; they are interested in the sort of local officials they have. If in a city, they want to know about the mayor and common council; if in the country, they want to know about the officials having to do with taxation. They are interested in the welfare of the country.

Nothing could be better for the United States than to have every family housed in its own home. There is no question about that. I am sure that statement will not be attacked by anybody. By reason of the economic distress which has come upon us, our people are menaced in their ambition to be home owners. The ownership they have is threatened. We have no prospect now of putting more families or new families into their own homes. Our problem is to keep in their own homes those who already have homes.

I have been interested for many years in building and loan associations. The bills which I introduced did not have reference to other loaning institutions. They were intended to take care of the building and loan associations. The achievement of these associations through the 100 years of their existence is remarkable indeed. It is said that 8,000,000 homes—just think of it, 8,000,000 homes—in the United States have been built through the agency of the building and loan associations. Last year the building and loan associations celebrated the one hundredth anniversary of the founding of the first association in Philadelphia. As a result of their activities these homes have been built. But now many of those homes have been lost, or are about to be lost, and something must be done about it.

I want to say for myself that there are many things in the pending bill which meet no particular response in my heart. I notice that when the Senator from Michigan [Mr. COUZENS] prepared his substitute for the bill he did not provide for the building of 3-family houses but of 2-family

houses. I think he is right about that. It is not the purpose of the bill at all to provide for any speculative investment or any investment in any sense beyond home ownership. I can quite see how a 2-family house may be built, because the family would live in one part and have the income from the other part to pay the taxes and interest. But I should like to see, I may say to my friend from Indiana [Mr. WATSON], on page 2 of the bill, line 14, the "three" changed to "two," so that where we provide for a multiple dwelling house it shall be for two families rather than three.

But here is a matter which I think is very serious. I refer to section 4, found on page 4 of the bill. I am sorry to see that the Senator from Michigan has used the same language in his substitute. The committee has put in the bill everything but the kitchen stove so far as security is concerned:

Any building and loan association, savings and loan association, cooperative bank, homestead association—

I am for all those, but it goes on—

insurance company, savings bank, trust company, State bank, or other banking organization.

The Senator from Michigan has included national banks. He has all that I have named and national banks in addition. My fear of making loans to banks is that they will discount the mortgages which they now hold and give no new mortgage credit. I shall discuss this at a later time. At this time I desire to offer an amendment to section 5.

The PRESIDING OFFICER (Mr. BRATTON in the chair). There is an amendment now pending.

Mr. COPELAND. Then I will send my amendment forward to be printed and lie on the table.

The PRESIDING OFFICER. The amendment will lie upon the table and be printed.

Mr. COPELAND. At a suitable time I shall move to strike out section 5 of the bill, which is known as the LaGuardia amendment and which was offered on the floor of the House. I shall move to strike it out entirely. In the event the Senate does not agree to that suggestion, I shall then offer as a substitute the language which I shall read:

SEC. 5. No home mortgages shall be eligible for an advance by a Federal home-loan bank if the combined interest, commission, bonus, discount, premium, and other similar charges which have been paid, less a deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum amount legally chargeable on and for such mortgage loan in the State where the mortgaged property is located.

It will not be necessary at this time to argue it, but I shall press the matter at a later time.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Oklahoma?

Mr. COPELAND. I yield.

Mr. GORE. The Senator from New York said he thought the language of the bill went a little too far and included too many prospective borrowers. Does not the Senator think when the United States becomes a wet nurse for these various financial institutions it will be pretty hard to discriminate between the nurslings?

Mr. COPELAND. I have no doubt the Senator is right. I have sometimes heard the dome of the Capitol referred to as the top of a nursing bottle and the lantern as the nipple on the bottle. The Senator's belief is that there is too much of an attack upon the milk of human kindness contained within the body of the Government.

Mr. GORE. Yes; and too much competition for the nipple to which the Senator refers. The building and loan business of this country is about the only big business which has remained localized, which has avoided centralization, and yet has succeeded. It has succeeded. I am afraid that this legislation is the beginning of a new era and that the period of its success is drawing to an end, and that it, like so many businesses, will become a dependent upon and a suckling of the Government.

Mr. BARBOUR obtained the floor.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from New Jersey yield for that purpose?

Mr. BARBOUR. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Howell	Reed
Austin	Dale	Hull	Robinson, Ark.
Bailey	Davis	Johnson	Robinson, Ind.
Barbour	Dickinson	Jones	Schall
Bingham	Dill	Kean	Sheppard
Black	Fess	Kendrick	Shipstead
Blaine	Fletcher	Keyes	Shortridge
Borah	Frazier	La Follette	Smoot
Bratton	George	Lewis	Steiwer
Broussard	Glass	McGill	Stephens
Bulkley	Glenn	McKellar	Thomas, Idaho
Bulow	Goldsborough	McNary	Townsend
Byrnes	Gore	Metcalf	Trammell
Caraway	Hale	Moses	Tydings
Carey	Harrison	Norbeck	Vandenberg
Cohen	Hastings	Norris	Walcott
Connally	Hatfield	Nye	Walsh, Mass.
Coolidge	Hawes	Oddie	Watson
Copeland	Hayden	Patterson	White
Costigan	Hebert	Pittman	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. BARBOUR. Mr. President, the session of Congress just closing has demonstrated the courage of the Senate to a remarkable degree. We have met and voted upon almost every issue, no matter how controversial it may have been. We have acted upon measures relating to unemployment relief, injunctions, soldiers' bonuses, reconstruction financing, "lame ducks," pay cuts, increased taxes, and reduced appropriations.

But we have not dealt with the eighteenth amendment; and the question of prohibition is just as much on the minds of the people, if not more so, than are the other important subjects upon which we have acted.

The country at large, in expressing its will through the two national conventions, has plainly evidenced its desire for a change and, more particularly, its desire to return to the States the authority to handle the prohibition question as the States themselves see fit.

On March 2, long before either of the prohibition planks recently adopted at Chicago was even thought of, I introduced in the Senate, Senate Joint Resolution 114, for the repeal of the eighteenth amendment and otherwise for the express purposes just stated. For my part, I believe that the Senate should plow the furrow through to the end and not adjourn without acting upon the all-important matter of repealing the eighteenth amendment. If we do so, we then can go to the country with a record of having met every important real issue of the day.

In the interest therefore of a complete and courageous record on the part of the Senate, and in justice to immediate consideration of my repeal amendment, I move to discharge the Judiciary Committee from further consideration of Senate Joint Resolution 114; and, as I understand that such a motion, under the rules, shall lie over for one day, I ask unanimous consent for the immediate consideration of this motion.

The PRESIDING OFFICER. Is there objection to the request for unanimous consent of the Senator from New Jersey?

Mr. HALE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Maine suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Bulow	Davis	Hale
Austin	Byrnes	Dickinson	Harrison
Bailey	Caraway	Dill	Hastings
Barbour	Carey	Fess	Hatfield
Bingham	Cohen	Fletcher	Hawes
Black	Connally	Frazier	Hayden
Blaine	Coolidge	George	Hebert
Borah	Copeland	Glass	Howell
Bratton	Costigan	Glenn	Hull
Broussard	Couzens	Goldsborough	Johnson
Bulkley	Dale	Gore	Jones

Kean	Moses	Robinson, Ind.	Townsend
Kendrick	Norbeck	Schall	Trammell
Keyes	Norris	Sheppard	Tydings
La Follette	Nye	Shipstead	Vandenberg
Lewis	Oddie	Shortridge	Walcott
McGill	Patterson	Smoot	Walsh, Mass.
McKellar	Pittman	Steiwer	Watson
McNary	Reed	Stephens	White
Metcalf	Robinson, Ark.	Thomas, Idaho	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BINGHAM. I understand there is pending a unanimous-consent request. May I ask that it be stated?

The PRESIDING OFFICER. The Senator from New Jersey has asked unanimous consent that the Committee on the Judiciary be discharged from the further consideration of Senate Joint Resolution 114. Is there objection?

Mr. WATSON. Mr. President, let the joint resolution be read.

Mr. ASHURST. Mr. President, let the joint resolution be read.

Mr. WATSON. I shall be glad to have the joint resolution read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the joint resolution.

The legislative clerk read the joint resolution (S. J. Res. 114), as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid as a part of the Constitution, in lieu of the eighteenth amendment thereof, when ratified by the several States as provided by the Constitution:

"ARTICLE —

"SECTION 1. The manufacture, sale, or transportation of intoxicating liquor within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited. The Congress and the several States, Territories, and possessions shall have concurrent power to enforce this article by appropriate legislation.

"SEC. 2. The provisions of section 1 of this article shall not apply with respect to the manufacture, sale, or transportation of any kind of intoxicating liquor within any State, Territory, or possession, or within the District of Columbia for any period during which the law of the State, Territory, or possession or of the District of Columbia permits the manufacture, sale, and transportation of such kinds of intoxicating liquor within its territorial limits."

Mr. BINGHAM. Mr. President, I understand the Senator from New Jersey has moved that the Committee on the Judiciary may be discharged from the further consideration of his resolution?

The PRESIDING OFFICER. The Senator from New Jersey has asked unanimous consent.

Mr. BINGHAM. I understood he asked unanimous consent that his motion might be in order at this time.

The PRESIDING OFFICER. That is correct.

Mr. BINGHAM. He has moved to discharge the committee and asked unanimous consent for the immediate consideration of the motion?

Mr. SHEPPARD. I object.

The PRESIDING OFFICER. Objection is made.

Mr. GORE. Mr. President, in connection with the motion just made by the Senator from New Jersey, I desire to submit a resolution and ask that it may be read and lie on the table.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 259) was read and ordered to lie on the table, as follows:

Whereas the Republican Party in national convention assembled has declared in favor of modifying the eighteenth amendment to the Constitution; and

Whereas the Democratic Party has in like manner declared in favor of repealing the eighteenth amendment to the Constitution; and

Whereas it will soon become the duty of Congress to consider the question of submitting one or the other or both of such proposed amendments to the people of the several States for ratification or rejection; Therefore, be it

Resolved by the Senate, That the Judiciary Committee be directed to prepare and report to the Senate two constitutional amendments, one based on the declaration contained in the Republican national platform respecting the eighteenth amendment, and the other based on the declaration contained in the Democratic national platform respecting said eighteenth amendment.

Mr. ASHURST. Mr. President, the chairman of the Committee on the Judiciary [Mr. NORRIS] is temporarily absent; and while I have no disposition to criticize any resolution the able junior Senator from Oklahoma introduces, I am——

Mr. GORE. Mr. President——

Mr. ASHURST. I do not yield at this moment.

I am, however, a member of the Committee on the Judiciary and should say a word. It is easily within the literary and legal resources of any Senator to draft a joint resolution for a constitutional amendment that would comply with the Democratic platform plank affecting prohibition, but it is not within the literary, parliamentary, or legal resources of any man to draft a constitutional amendment in compliance with the request, suggestion, or evasion of the plank on prohibition in the Republican national platform, because that plank is peppered all over with pompous political propaganda and salted with the tears of political senility. [Laughter on the floor and in the galleries.]

The PRESIDING OFFICER. The Senate will be in order; and this admonition applies to the galleries.

Mr. BINGHAM. Mr. President, I am not surprised at the remarks of the Senator from Arizona, who, as a member of the Judiciary Committee, knows how impossible it has been for that committee to report out any one of the 15 or 20 measures relating to the eighteenth amendment and the modification of the Volstead Act pending before it since December. Not even the proposed amendment to the Volstead Act which would permit physicians to prescribe a certain amount of alcohol in beer, as they can now prescribe the same amount of alcohol in wine or whisky, has been reported by that committee.

I am not surprised at the tremendous earnestness displayed by the Senator from Arizona in discussing the resolution offered by the Senator from Oklahoma, because he knows that if that resolution were to pass it would cause the Judiciary Committee to be faced by a most terrific problem.

Ever since the first Monday in December the Judiciary Committee has had before it all kinds of amendments to the eighteenth amendment, varying from straight repeal to a variety of modifications, which might even satisfy a certain plank in the Republican platform with which personally I had nothing to do; but although we were assured by some of the most distinguished members of the Judiciary Committee that we would have a chance to vote on some of these measures before adjournment, it has been impossible for them to bring anything out of the committee.

I have been informed that most of these measures relating to the repeal of the eighteenth amendment and the modification of the Volstead Act were referred to a subcommittee under the chairmanship of the distinguished junior Senator from Wisconsin [Mr. BLAINE]. On the subcommittee were a couple of so-called wets and three drys, the Senator from Wisconsin [Mr. BLAINE] and the Senator from Rhode Island [Mr. HERBERT] being classed as wets, and the Senator from Idaho [Mr. BORAH], the Senator from Washington [Mr. DILL], and the Senator from Montana [Mr. WALSH] being classed as drys. This committee held hearings on the repeal of the eighteenth amendment and kindred subjects and the various proposals for modifying the Volstead Act.

At the end of extensive hearings a meeting of that subcommittee was called in order that they might report to the full committee the result of their investigations. What was the result? I am informed that at that meeting the two wet members were present, anxious to vote, and the three drys absented themselves.

In view of that fact, I think the anxiety of the Senator from Arizona is well taken; for if this resolution were to pass, it is quite obvious that the drys would be unable to attend the meeting or unwilling to attend it, there would be no quorum present, and it would be impossible for the Judiciary Committee to carry out even that part of the resolution which relates to the very excellent plank adopted by the Democratic convention.

May I say to the Senator that among the amendments to the eighteenth amendment pending before that committee since about the first Monday in December has been a very simple proposal of my own, Senate joint resolution 31, repealing the eighteenth amendment, and protecting the wet States against the dry States, and the dry States against the wets. Being unable to get that out of the committee, due to the fact that the subcommittee could not function, I prepared a similar resolution which is now lying upon the table. If the Senator, in his enthusiasm for the wet plank of the Democratic platform, desires to call it up, it may be called off the table by a simple motion at any time. I propose to make that motion at the first opportunity when I can do so without interfering with the pending business.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Maryland?

Mr. BINGHAM. I yield to the Senator.

Mr. TYDINGS. May I ask the Senator whether the repeal resolution to which he refers is drawn in line with the Democratic platform pledge or the Republican platform pledge?

Mr. BINGHAM. It was drawn last December, but it is in line with the Democratic platform pledge, and therefore I expect a solid Democratic vote in its favor when it is brought up.

Mr. ASHURST. Mr. President——

Mr. TYDINGS. If the Senator will yield——

Mr. BINGHAM. I yield.

Mr. TYDINGS. Let me say that I think the Senator will get just about what he expects.

Mr. BINGHAM. I am delighted.

Mr. TYDINGS. In the meantime, may I ask the Senator if he will not employ his talents to draw a resolution which will conform to the Republican platform plank; or, may I ask, if he is not going to do it, if anyone on the other side intends to create this huge literary gem?

Mr. BINGHAM. I think the Senator realizes that I did my best to perfect that literary gem some time ago in Chicago and failed. I shall give no further effort to any such attempt.

Mr. TYDINGS. The point I can not understand is why, when the Republican Party is in a majority in this body and when its platform has just been adopted, it is so anxious to put the Democratic plank out here. Does it mean that over there they have abandoned their plank and have now swung over to the Democratic plank?

Mr. BINGHAM. Oh, no; there is no anxiety on anyone's part to abandon a position. The Democratic plank favors my proposal. The Senator and I have been working for the same cause here, one on one side of the aisle and one on the other, for some years—the Senator for a longer period than I have. For the past two years I have been endeavoring to get a vote in the Senate on the question of a modification of the Volstead Act under the Constitution.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. BINGHAM. Since the Democratic National Convention now has adopted a plank favoring the immediate modification of the Volstead Act, although in the past we have had more Republican votes for modification than we have had Democratic votes, I expect that when this matter comes up again we will get more Democratic votes than Republican votes, and the combination of the two will do that which the Senator from Maryland and I believe should be done, namely, it will permit us to increase the revenue, sadly needed by this Government, by about $375,000,000; it will enable us to put at least 100,000 farmers to work raising grain for the breweries; it will enable us to put several thousand miners to work mining 10,000,000 tons of coal that will be needed by the breweries; it will furnish jobs for hundreds of thousands. These things will help business as nothing else that this body can do; and I know the Senator from Maryland agrees with me in that, for he and I have both been the authors of resolutions endeavoring to do this thing.

Mr. President, the time has come to get action, because the Democratic convention has gone on record favoring immediate modification. Here before us is an important House bill that must go back to the House and be considered. By putting this on as an amendment—as I shall try to do either to-day or to-morrow, or when the bill in its banking features becomes perfected and we can have a chance to add my amendment as Title II—it will help the Federal Government to raise some money which will be very useful in carrying out the other features of the bill.

Mr. ASHURST. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Connecticut yield; and if so, to whom?

Mr. BINGHAM. I yield to the Senator from Arizona.

Mr. TYDINGS. I think the Senator from Connecticut had taken his seat and arose again in response to my question; so I think I properly have the floor.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. BINGHAM. I yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, I do not wish to prolong this discussion. Justice and fair dealing, however, require me to say that the attitude of the Senator from Connecticut [Mr. BINGHAM] is straightforward. Everybody knows where he stands, what he wishes, and what he seeks.

I am not indulging in levity—I am not in such humor for that—when I say seriously that it would not be possible, if this resolution of my learned friend from Oklahoma [Mr. GORE] should be adopted, for the Judiciary Committee to meet the task imposed on us, although we should try in good faith to do so. If, however, the Senate should see fit to instruct its Judiciary Committee to report to the Senate a joint resolution proposing to amend the Constitution according to the requirements of the Democratic platform, the merest tyro can do that. There is not, however, sufficient literary ingenuity in the Senate or out of it to report a joint resolution which would meet what many people believe is intended by the Republican plank on prohibition.

The Judiciary Committee, however, is not deficient in capacity or courage; and I say to my scholarly friend from Connecticut that if this matter should be committed to the Judiciary Committee we shall meet it like lawyers, like men, like judges ought to meet it. Let me say to the Senator that that committee is composed of such men as Senators NORRIS, BORAH, ROBINSON of Indiana, BLAINE, WATERMAN, HASTINGS, HEBERT, SCHALL, AUSTIN, WALSH of Montana, KING, STEPHENS, DILL, BRATTON, BLACK, NEELY, and one HENRY F. ASHURST. That committee is not a committee that dodges. We will meet the duty; I do say you will be disappointed if you expect that committee or any other committee to bring back a joint resolution which will interpret the Republican plank on prohibition, when no two persons in all America agree on what it intends. The Senator from Connecticut himself, able as he is, inquiring as is his mind, scholastic as is his training, can not stand up here and tell us what it means; yet he asks the Judiciary Committee to tell the Senate.

That is all I have to say.

Mr. BINGHAM. Mr. President, the Senator from Arizona has stated that the Judiciary Committee would meet this question like lawyers. That is just the way they have been meeting this question since the first Monday in December—like lawyers paid to keep their clients out of trouble.

Mr. ASHURST. Mr. President, on behalf of the absent Senators——

Mr. BINGHAM. I do not yield.

Mr. ASHURST. The Senator ought to yield after that suggestion.

Mr. BINGHAM. I do not.

Mr. ASHURST. Oh, the Senator ought to yield after that. In all respect for the absent members of the committee—Messrs. WALSH, BORAH, NORRIS, et al.—the Senator ought to withdraw the suggestion that they have acted like lawyers paid to keep their clients out of difficulty. It is not worthy of the Senator to say that.

Mr. BINGHAM. Let us say "like lawyers engaged to keep their clients out of difficulty." Two of the distinguished Senators that the Senator from Arizona has just mentioned refused to attend the meeting of the subcommittee which was called in order to advise the Senate as to whether or not any of these proposals should be adopted. And may I say to the Senator——

Mr. ROBINSON of Arkansas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. ROBINSON of Arkansas. What is the question before the Senate?

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan [Mr. COUZENS] to the home loan bank bill.

Mr. ROBINSON of Arkansas. I call for the regular order.

Mr. BINGHAM. I shall address myself, Mr. President, to the amendment now pending before the Senate in the usual manner of Senators.

The Senator from Arizona has called attention to the distinguished character of this committee, and mentioned three distinguished lawyers on it, two of whom are members of the subcommittee that had this matter in charge, and did not choose to attend the subcommittee meeting when it was to be reported upon.

Mr. President, it will not be at all difficult for the Judiciary Committee, if it chooses to do so, to bring out a resolution from among those now before it which meets absolutely the straightforward demands of the plank in the Democratic platform. No sleep will be lost, no hours spent, no minutes, even; for they will find before them at least two, if not three, amendments to the eighteenth amendment that will meet the demands of the Democratic platform. In view of that fact, and the ease with which it may be done, may I hope that in the closing days of this session it will be brought out; for I, for one, should like nothing better than to have an opportunity to vote upon it.

In the meantime, in regard to the bill now before us, as soon as the amendments concerning Title I are out of the way, I shall call up my amendment denominated Title II, which I believe will give all good Democrats and some Republicans a much desired opportunity to vote for a modification of the Volstead Act which will be constitutional, which will bring in a large amount of money, which will greatly help the people.

The two measures, which have been combined into this amendment, have been on the calendar since the 3d of May. They were considered for months by the Manufactures Committee. Prolonged hearings were held. They have been on the calendar, where Senators could study them, for more than two months. They have been combined into one to make an amendment which would be suitable to be acted upon in connection with this bill; and I hope very much that we may get a vote on them not later than tomorrow afternoon.

Mr. GORE obtained the floor.

Mr. FLETCHER. Mr. President, will the Chair state the question? I do not recall just which amendment it is.

The PRESIDING OFFICER. The clerk will state the pending amendment.

The LEGISLATIVE CLERK. The senior Senator from Michigan [Mr. COUZENS] proposes on page 3, line 17, to strike out the words "not less than 8 or more than 12" and to insert in lieu thereof "not more than 4," also in line 25, to strike out "12" and insert in lieu thereof "4."

Mr. GORE. Mr. President, the resolution which I offered a moment ago was drawn in a spirit of impartiality, as far as I could draw it in a judicial spirit. It betrayed no bias toward either the declaration contained in the Republican platform, for modification, or for the declaration contained in the Democratic platform, in favor of repeal. I purposely withheld any reference to my own personal views or platform pledges. The day is not distant when the Senate and the Congress must deal with amendments based upon those two declarations. They will stand in this Hall competing one with the other.

Before the Senate is called upon to pass judgment between the two, this country may be called upon to pass judgment between these two proposals. Finally, the Committee on the Judiciary must report both of these amendments. If it does not originate both amendments, it must at least revise and report them.

I thought that if they could be reported now, it would enable the country to compare the two, the better to discriminate between them and to form a judgment upon them. That was the only point I had in mind in the presentation of the resolution. It was solely in the interest of clarity and certainty.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. WAGNER. I was going to suggest that there has been pending before the Committee on the Judiciary since February 1, 1932, a joint resolution offered by me proposing the repeal of the eighteenth amendment. It seems to me that will obviate the necessity of redrafting a resolution in compliance with the Democratic platform, because my resolution proposes the repeal of the eighteenth amendment, and it has been pending in the committee since February 1.

Mr. GORE. Mr. President, I believe a number of propositions have been pending with the Judiciary Committee affecting that question. I thought that if that judicial body of the Senate should make an official report of two amendments based upon the two platforms it would enable the country to have the precise and exact understanding, coming from an official source, in respect to these competing propositions, and might facilitate an intelligent judgment between the two.

Mr. TYDINGS. Mr. President, I do not want to prolong this discussion, but I would like to ask a question or two. First, is there anyone in the majority party who intends to try to draft such a resolution as would conform with the Republican platform for consideration at this session of the Congress? If there is anybody on the other side who intends to do that, I would be very glad if I could get that information. I see in the Chamber the former chairman of the Republican National Committee, as well as the temporary presiding officer at the recent Republican convention. Evidently neither of them intends to attempt to draw such a resolution. May I ask if there is anybody else on the other side who intends to do it? May I ask if there is anybody on the other side who thinks it can be done? Is there any Senator on the other side of the aisle who thinks it can be done? If so, I should be glad to hear from him.

No one having arisen, therefore I must assume that it is not only not going to be done but that it can not be done. Nobody challenges that assertion.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. SMOOT. I am quite sure that nothing could be done on this side of the Chamber which the Senator would approve.

Mr. TYDINGS. Of course.

Mr. SMOOT. Unless it were straight-out saloons, liquor, beer, any God's thing that would make a man drunk. That is the only thing which would satisfy the Senator.

Mr. TYDINGS. May I ask the Senator from Utah, now that he has diagnosed my position with such honesty and candor, if he will not diagnose his own?

Mr. SMOOT. Certainly.

Mr. TYDINGS. I am all attention.

Mr. SMOOT. I want the whole world to know it. I am for prohibition, not only by my word of mouth, but I have lived it all my life, and, no matter what happens, I shall live it until I die. Does the Senator understand that?

Mr. TYDINGS. Then the Senator is not in accord with his own party's platform declaration.

Mr. SMOOT. Mr. President——

Mr. TYDINGS. The Senator just said he was for prohibition.

Mr. SMOOT. If the Senator will wait just a minute, I will tell him what my position is.

Mr. TYDINGS. I yield.

Mr. SMOOT. I would not care what any platform provided, as far as I am personally concerned. I shall do all I can to prevent outright repeal. No action would make a particle of difference so far as my own personal wishes are concerned. I do not care what action is taken, I am a prohibitionist, not by word of mouth, but by practice. I believe in prohibition and I believe the curse brought on the world through the use of liquor has been greater than that caused by any other agency in all the earth.

Mr. TYDINGS. The Senator rose to answer my question. I asked if anybody could draw such a resolution as would conform to the platform, and he has not said he could.

Mr. SMOOT. I will answer in this way, that nobody living could draw one with which the Senator from Maryland would be satisfied.

Mr. TYDINGS. Mr. President, I have elicited the answers to the two questions I wanted. First, in the presence of those who presided over the Republican convention, and many of the leading advocates of the one side or the other of the proposition, we have, first, the intelligence that nothing is to be done by the party which is now in control of this legislative body at this session of Congress, on the one hand; secondly, there is not a man on the other side of the aisle who will rise and say that a resolution could be drawn which would be in consonance with the platform pledge of the majority party on this question. I think that testifies eloquently to the fact that the thing was a political plank, and not a plank of conviction.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House adhered to its disagreement to the amendment of the Senate No. 77 to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the House had passed a joint resolution (H. J. Res. 455) making an appropriation for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932, both dates inclusive, in which it requested the concurrence of the Senate.

The message further announced that the House insisted upon its amendments to the bill (S. 4780) to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer-fallowing, during the year 1932, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. PRALL, Mr. MCFADDEN, and Mr. STRONG were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MEAD, Mr. ROMJUE, Mr. MOREHEAD, Mr. SANDERS of New York, and Mr. KELLY of Pennsylvania were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MEAD, Mr. ROMJUE, Mr. MOREHEAD, Mr. SANDERS of New York, and Mr. KELLY of Pennsylvania were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed severally to the amendment of the Senate to the following bills of the House:

H. R. 96. An act to punish the sending through the mails of certain threatening communications;

H. R. 461. An act to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921;

H. R. 1230. An act for the relief of Chase E. Mulinex;

H. R. 2161. An act for the relief of Nelson E. Frissell;

H. R. 3414. An act for the relief of Ellen N. Nolan;

H. R. 3604. An act for the relief of Same Giacalone and Same Ingrande;

H. R. 4230. An act for the relief of Genevieve M. Heberle;

H. R. 5242. An act for the relief of D. Emmett Hamilton;

H. R. 5820. An act for the relief of J. H. Wallace;

H. R. 5922. An act for the relief of W. A. Peters;

H. R. 6337. An act for the relief of Capt. Chester G. Mayo;

H. R. 6797. An act for the relief of Samuel Weinstein;

H. R. 6855. An act for the relief of Sam Echols;

H. R. 7656. An act for the relief of William R. Nolan;

H. R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum*, for damage to said vessel; and

H. R. 8817. An act to provide for fees for entry of a publication as second-class matter, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 437. An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes;

H. R. 1228. An act to adjudicate the claims of Knud O. Flakne and Alfred Sollom, homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 5651. An act to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use;

H. R. 7449. An act for the relief of the estate of Jacob D. Hanson; and

H. R. 8754. An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 455) making an appropriation for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932, both dates inclusive, was read twice by its title and referred to the Committee on Appropriations.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives adhering to its disagreement to the amendment of the Senate numbered 77 to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

Mr. MCNARY. This is the annual Agricultural Department appropriation bill. The amendment in question is known as the grasshopper amendment. The House for the third time took action opposing it. On behalf of the Senate conferees I move that the Senate recede from its amendment numbered 77.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

The motion was agreed to.

THE PRESIDENT'S ORGANIZATION ON UNEMPLOYMENT RELIEF (H. DOC. NO. 357)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which

was read, referred to the Committee on Appropriations, and ordered to be printed:

To the Senate and House of Representatives:

The second deficiency bill just passed omitted an appropriation for continuance of the activities of the President's Organization on Unemployment Relief. I urgently request that Congress make a special appropriation of $120,000 to continue this work over the next fiscal year.

This organization, of which Mr. Walter S. Gifford is director, is comprised of leading men and women throughout every State in the Union and has served to establish and coordinate State and local volunteer effort in relief of distress throughout the Nation. The organization has secured in a large way the cooperation of industry and labor, of the national social welfare organizations, and has assisted in mobilizing a large amount of voluntary funds and administering local resources to the best advantage. This organization is the only agency for national coordination and stimulation for the multitude of voluntary efforts and a clearing to these thousands of organizations with suggestions and methods for the alleviation of unemployment distress.

Should this organization be discontinued, not only would its important functions of stimulation of private giving and coordination be destroyed, but there would be grave danger of national, State, and local volunteer groups concluding that services such as they have rendered were no longer necessary. Voluntary effort amongst our people is of far more importance both morally and financially than the direct aid of local or other governmental agencies. To demobilize this organization might easily create widespread confusion and bring great hardships when the need is greatest.

It is obviously of the utmost importance that no action be taken which shall in any way diminish voluntary efforts which combine the intimate knowledge of local conditions with the sense of responsibility toward fellow citizens and neighbors in distress. Continuance of this organization with its background of experience is, in my opinion, most essential to the intelligent carrying out of the provisions of all relief activities whether private or public.

The organization is made up primarily of volunteers serving without pay or expense. It is nonpartisan and representative of various economic and social groups. To function successfully it must have funds to employ a relatively small number of trained personnel, together with necessary office help.

The appropriation requested for continuance of this organization is infinitesimal in its ratio to the large resources which are put at the command of those in distress and thus also relieves burdens upon municipalities, States, and the Federal Government.

HERBERT HOOVER.

THE WHITE HOUSE, *July 5, 1932.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate several messages from the President of the United States, submitting nominations, which were referred to the appropriate committees.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

Mr. FLETCHER. Mr. President, in reference to the amendment offered by the Senator from Michigan [Mr. COUZENS] I desire to state that I do not favor it. It is perfectly apparent to anyone who will examine it that this bill is patterned after the farm loan act. Some reference has been made to it being modeled after the Federal reserve act, but that is not my idea of it at all. In my opinion the philosophy of the farm loan act is that which underlies the pending bill. That act provides for the country being divided into 12 districts, with 12 Federal land banks. I do not think that is too many. If we are to have this system of law we ought to have a sufficient number of banks to accommodate the needs of the country, and the pending bill provides for from 8 to 12. I think there ought to be 12 if we are to have this plan in operation, because the 12 Federal land banks are not duplicating their work or crowding each other in connection with the Federal land bank act. For instance, in our district there is a bank at Columbia, S. C., which serves North Carolina, South Carolina, Georgia, and Florida. There ought to be a bank serving those districts. If there are only four banks, there will be one for each 12 States, and that would be a very inconvenient sort of plan. In my judgment, we might as well have only one, very preferably only one, if we are to concentrate in that way. We ought to have at least 12 of these banks, I think, if we have any at all.

Mr. President, speaking generally in reference to the bill, I do not believe it would prove efficacious. I do not think it would accomplish what its authors imagined and believed it would accomplish. I do not see the benefits to flow from it as they have claimed—benefits to home owners, to those who wish to finance the construction of homes, or the maintenance of their homes.

The first and fundamental proposition to which I object is that it would establish a new bureau, a bureau of considerable responsibility, considerable power, considerable extent, and considerable expense. We would have here a bureau with five directors, appointed by the President and confirmed by the Senate, each getting $10,000 a year, and each director, perhaps, as is usually the case, with a bureau of his own, with clerks and stenographers. There would be an organization calling for tremendous outlay of money to begin with.

That bureau would then meet and proceed to divide up the country into districts, whether there were 4 or 8 or 12, as the law might provide. The country would have to be subdivided into the districts and headquarters established in each district. That would take considerable time.

Then each bank would be formed, with headquarters fixed, and there would be 12 directors in each one of the banks. The bank would have a capital of not less than $5,000,000, and of that the members would subscribe some and the building associations some, the Government supplying whatever deficiency there might be in order to make up the capital of $5,000,000.

Mr. President, where is this thing to end of calling on the Government for funds to go into this or that, to establish this bureau and perform this operation? Where are we to get the $125,000,000? We can not start the printing presses and print it. We must sell bonds. We have to raise the money, the $125,000,000. That would be quite a problem now. We are offering Federal bonds to the public. We are offering Federal land bank bonds, we are offering Reconstruction Finance Corporation debentures or bonds, we are offering intermediate credit bank debentures, and under this measure more debentures would be offered.

There is a limit to that sort of thing, of course. The public will not absorb these things and the banks would not do it. We have been looking heretofore to the banks because the bonds are tax exempt, and large investors, because of that feature, like to get such bonds, even though they bear a low rate of interest. If a bond bears 4 per cent interest on its face and is tax exempt, it is equal to a 6 per cent security to the holder, and these bonds would have that feature.

We would have to go out and call on the public to put up money for these debentures or bonds or what not, securities of various kinds, to raise $125,000,000 to begin with. I do not think this is the time to go into that risky business. We are going to overtax the market for securities. All these securities will come down in price. Even Government bonds will be offered after a while at less than par, right and left. The various securities will not be taken over by the public. In my judgment, it is a mistake to undertake now to issue bonds to raise the $125,000,000 to put into these banks.

After the banks are organized then they will begin to function. The prime thing that will be accomplished will be to relieve the building and loan associations established all over the country who are in difficulty by reason of the failure

of their mortgagors to meet the interest and installments and payments due on their various mortgages. They will be tendering these securities to the home loan banks. What the banks will do about it is a problem. They can not handle any mortgage that is overdue under the terms of the bill. They can not handle any mortgage where the real estate is over $20,000 in value. There are other restrictions upon them. It is not certain that the banks will be able to handle anything except first-class securities, which need no bank of this kind to take care of them. The local banks can handle that kind of security. They are not so depressed but what they can take care of high-class loans. While they are not functioning as they should, while we have done everything we could to loosen up the assets of banks generally with the idea that they would accommodate their customers and they have not been doing it, still the banks have to do something with the cash they have on hand. They will loan on first-class securities, just such securities as would be tendered to and considered favorably by the home-loan banks. I do not believe that the necessity exists for accommodations of that kind. No other kind of necessity will get by the banks. The whole matter will be in their hands to determine whether they will make loans or not, and they are not going to make loans as to which there is any risk.

The building and loan associations, the loan organizations, and the financial institutions of various kinds who have been in the lending business, will tender to these banks their securities in order to get money. The idea seems to prevail that they will get money at a very low rate of interest. I do not know about that. In the first place, it is 5 per cent that the banks will have to pay as interest on their debentures. Then there is a provision for 1½ per cent more to be added to that for administration expenses of the banks—5 to 5½ per cent to start with, and after that 1½ per cent more and so we have 7 per cent that the banks must pay. At what rate will the home owner get his money? Is there any provision in the bill limiting the rate of interest to be charged to the home owner?

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I yield.

Mr. COPELAND. Yes; there is such a limitation found in section 5, page 5. To my mind it is too strict a limitation. At the proper time I am going to move to strike it out. The language now in the bill is:

> No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum legal rate of interest.

That is too strict.

Mr. FLETCHER. It has been suggested by the Senator from Indiana [Mr. WATSON] that he is going to move to strike that out. I do not know whether it will be in the bill when we get through with it or not. I realize it is in the bill at present, and we should deal with the bill as it is before us.

Mr. COPELAND. I think it is too restrictive.

Mr. FLETCHER. I do not know about that. It limits it to the legal rate of interest in the States. They can not call on the borrower to pay more than the legal rate of interest in the State. Why should they? The legal rate of interest in the States generally is 6 per cent. The contract rate may be as high as 10 per cent. There must be a charge of more than 10 per cent before one can be charged with being usurious.

Mr. COPELAND. In the Senator's State of Florida the legal rate would be sufficient; but on the other hand, in my State the legal rate is 6 per cent, and we have no contract rate. I am quite confident that if we are to do justice to these institutions, in case we want to leave something in the bill about a fixed rate, it should be along the line of the amendment which I have offered and which is now on the table. The rate of interest should never be in excess of what the State law permits for such loans. I think perhaps we should have a provision covering that to safeguard the home borrower.

Mr. FLETCHER. The point I am making is that there is no great reduction in rate provided under the bill. The rate that is possible under the bill will be excessive anyhow to the home owner. At present, under the policy of most of the building and loan associations of the country, the borrowers are paying what amounts to from 10 to 16 per cent interest.

Mr. COPELAND. Does the Senator mean to building and loan associations?

Mr. FLETCHER. Yes.

Mr. COPELAND. Of course, that may be true and, of course, it would be permissible in the Senator's State because the contract rate is 12 per cent. It could not happen in my State and it could not happen in most States.

Mr. FLETCHER. I am considering not merely the expressed rate. One who joins a building and loan association enters into a contract. He negotiates the loan and pays so much a month on the interest. The interest may be stated at 6 per cent. He pays so much a month on the principal. He pays and pays, and the contract runs over a period of five or six or seven years. He never gets any credit in the way of interest allowance or anything else except the principal that he pays in. He gets no credit by way of interest credit or allowance on the amount he pays in. In the aggregate the home owner, the borrower, actually pays far more than the express rate named in his paper.

Mr. COPELAND. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Florida yield further to the Senator from New York?

Mr. FLETCHER. I yield.

Mr. COPELAND. With all due consideration for my friend from Florida, he is talking about something that applies only to his own State.

Mr. FLETCHER. I think probably that is true. The building and loan association laws have been a development and in some States differ from others. I remember the first building and loan association law that was passed in Florida. I happened to serve a term in the legislature in 1893 and I remember that first act. It has been amended some since. I am somewhat familiar with the operation of building and loan associations. I know that it varies in the different associations. A man who took stock in that association paid a great deal more, when we come to analyze the contract and see the adjustments that could be made under it, than the expressed rate of interest named in the paper.

At any rate it was an accommodation to be able to pay off the principal in installments, and the rate was reasonably low as expressed in the paper, but the borrower would eventually pay more than half of his loan back and still he would not be getting credit on the interest that he had invested and had paid. I am not going into that. It is not material. What I am complaining about is the establishing of a new bureau, an expensive bureau, an unnecessary bureau, in my judgment, to do this business. It simply provides pretty nice jobs at $10,000 a year for five directors in Washington and for their expenses in connection with the organization, clerk hire, and all that sort of thing, $125,000,000 to be put up by the Government and another considerable appropriation to take care of expenses in connection with the organization in the way of salaries, and so forth. All of that eventually comes out of the borrower or is supposed to. The borrower is going to pay practically what he pays now in the way of interest and in the way of having his accommodations taken care of. I do not think that he is helped any by the plan.

In the next place it is putting the Government itself up to its eyes in business. We have various organizations throughout the country, building and loan associations, insurance companies, banks, savings banks, and other institutions, with private capital invested in many enterprises of that sort, taking care of the situation to-day. Now it is proposed to establish by the Government an organization that will take

the place of those private lending establishments and concerns. We are going into the loan business through these banks to take the place of other associations which have been operating well and which can supply all the needs under normal conditions. At present there is some difficulty about it.

When we passed the farm loan act the situation was altogether different. In the first place the farmers could not get any loans on their real estate. The chief assets of the farmer were not considered security for loans. He could not borrow any money on his farm. At the time when we passed that act the banks could not make loans on real estate. We broadened that provision and let the banks come in to a large extent, and even then they would not make loans on country properties. There was no system then in existence whereby the farmers, those people actually living on their farms and producing the Nation's food, could get financial accommodation to take care of their needs. So we established the farm loan system. That is a different thing. The Government created the Farm Loan Board with the Secretary of the Treasury as ex officio chairman. We established 12 Federal land banks. The Federal land banks issued bonds, and in that way the farmers themselves, after joining the national farm loan association and taking stock and getting the Government to put up $16,000,000 or something like that as capital toward the banks, were able to get some little relief.

Here it is proposed to have the building and loan associations—and I will use just that one organization although there are numerous other possible members provided for in the bill—take stock in a home loan bank. They have to take stock and put in as much as $1,500. The people we are trying to serve are not primarily the building and loan associations.

We are trying to serve the man who is about to lose his home or the man who wants to build a house to create a home or buy a home. Those are the people we are looking out for so far as we can. He has joined some building and loan association by his subscription to stock or contracts with the association. Then that association, after a while, gets a number of these mortgages and contracts together and submits them to the bank, wherever it may be located. There is a long route to travel between the man who has a home or wishes to acquire a home or build a home and the source of the money supply. He has to proceed with his local association.

The matter goes on up from the local association to the bank, and the bank has to pass on it. It may be months and months before any response is made to his application. Finally the application may be rejected or what not, after having put him to very much other trouble and expense. He has to furnish an abstract of title, which has to be passed on by some lawyer; and he has also to have the necessary legal papers drawn by some lawyer. Mr. President, by the time the home owner or the man who is about to lose his home under foreclosure or what not has traveled this route through his local association and then on up to the home-loan bank and waited for their action upon his application, and all that sort of thing, it will be too late to benefit him even if he should secure a loan.

I can not see in this bill any great amount of benefit or any benefit at all for the people in whose interest it is intended to be enacted. There will be no great reduction in interest; there will be no accommodation not already available to the borrower, particularly in normal times; and we do not expect these present abnormal times to last forever. There are people in distress; there is no doubt about that; but this bill, if enacted, will not reach those people. It will accommodate, to large extent, the building and loan associations and will particularly give them an outlet for some of their deadwood; it will enable them, perhaps, if directors of the home-loan banks are agreeable and kindly disposed and gentle, to utilize assets that are now not serving any purpose for the building and loan associations, but which are frozen, or worse than frozen—are petrified. Some of them will be unloaded on home-loan banks, perhaps, if those banks are good-natured enough. That is the only accommodation that I can see that will be afforded any person or individual organization or association under this bill. I, therefore, see no necessity for its enactment.

I object to the measure strongly, because it will create another expensive bureau and because it will put the Government directly and absolutely into the loan business. There is no escape from that conclusion. It is not a temporary thing; it is permanent policy that is being established here. There is no such need as existed in the case of the farm loan act. There we had to meet a situation which ordinary institutions did not take care of at all. The banks themselves would not make any loans on farms; some of them under the law could not make loans on farms. The farmer, it was ascertained, had to have capital just like any other man engaged in any other business; he needed capital to proceed with his operations; he needed it for a long time and on terms that he could meet. That system provided for him; it was a valuable system, and is so to-day. Two billion dollars have been loaned to the farmers in this country at 5 and 5½ per cent interest under that system. It is operating safely, though we have been obliged even in that case to supply additional capital to those banks from the Treasury of the United States, this year to the extent of $125,000,000. That action, however, is not one that should be followed to any extent in accommodating building and loan associations and other financial associations that have some of their funds tied up in mortgages which are not being promptly met. In many portions of the country building has been overdone, and there is no need for encouraging people to go in debt.

I hate the word "debt." It is debt that is troubling us more to-day than is anything else; it is the most paralyzing influence in connection with our whole financial structure and system. We know what the public debt amounts to. We know what the State debts and the county debts and the city debts and the district debts amount to. We have an idea what the mortgage debts of this country amount to; we can get pretty accurately at that. We have an idea to some extent as to what installment debts amount to, if you please. The people went into debt buying everything on the installment plan a few years ago. One could buy anything from a toothpick to a locomotive on the installment plan, and such debts now aggregate $8,000,000,000. The debts which we know about amount to over $100,000,000,000. Think of it! Not millions of dollars, but billions of dollars. One can hardly grasp what a billion dollars amounts to, what it means. We talk about billions now as if they were merely a thousand or so. If one could take silver dollars and jam them one against another on their edge and lay a column from New York to Key West there would be just $1,000,000,000. Now we have a hundred billion dollars of debt pressing down upon the people of this country. They ought to pay interest on those debts, of course; they have got to take care of them somehow. I do not know how; the Lord only knows what we will have to do about these debts. I have seen the amount of debts estimated at $200,000,000,000.

Mr. BORAH. Mr. President, I was going to say that the aggregate indebtedness of the people of the United States at the present time is about $210,000,000,000.

Mr. FLETCHER. I was trying to be ultraconservative about it. I said a "hundred billion" at least of debts we happen to know about them, but I have no doubt that the aggregate will run to the extent the Senator has suggested, namely, $210,000,000,000. Think of that, Mr. President! It is an inconceivable sum. It can not be figured out; the mind can not grasp it. Two hundred and ten billion dollars! In other words, 210 columns of silver dollars extending from New York to Key West. That is the debt pressing and burdening the people of this country. The purpose here is to make it easy for people to get in debt—that will be one effect of this bill—to encourage investments in building, and that sort of thing, and to make it easier to borrow money and cause the people to go further in debt.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I yield.

Mr. COPELAND. I merely wish to add in connection with the figures the Senator uses as to the debts of the people, that in our prosperous times the total earnings of all our people were only $90,000,000,000 a year, and probably, with our present earnings and the debts we owe, if every dollar we earn for the next three years were put to the one purpose of retiring our debt it would not be too much.

Mr. FLETCHER. I am obliged to the Senator; I have not any doubt that he is perfectly correct in the statement. The point I am making, or trying to make at least, is that we do not need at this time to make it easy for people to become further involved in debt. We need to take care of their debts so far as we can; we need to help them take care of their own debts at least, but we do not oblige them if we encourage them to borrow, borrow, borrow and go further in debt even at low rates of interest. Therefore I am very doubtful if this bill is properly conceived in that connection.

Mr. President, I hear some people say that material men are interested in this measure. I have here a letter from Mr. E. G. Swartz, of Perry, Fla., who is in charge of the Burton-Swartz Cypress Co. of Florida, which has one of the greatest cypress mills in the country, with a stock of cypress on hand probably worth four or five million dollars, stored there waiting for a market. He says:

> I note you voted against the payment of the bonus at this time, and also opposed the report by the Senate Banking and Currency Committee favoring the creation of home loan banks.
>
> I am writing to congratulate you on your stand on these measures.
>
> Home loan banks, if they transacted business in keeping with their name, would help our line of business. The concern in which I am interested has perhaps the largest stock of lumber on hand of any concern in the world, but I am opposed to this measure. To provide the capital required for the proposed banks means more taxes. Taxes are now consuming the life blood of the Nation. In place of increasing Federal expenses they must be reduced. Raids on the Treasury must stop or our form of government will end.
>
> Again I congratulate you on your stand on these bills.

I did not submit any minority report on this bill, but I did not vote for it when it came out of the committee, and much as I should like to follow in the direction of carrying out the program which has devised ostensibly to relieve our economic condition and to help the people of this country, I can not see my way clear to favor this proposed legislation.

I have mentioned the letter to show that all those who are interested in lumber and other building materials are in favor of this measure; that is not so by any means. These people have to pay taxes and they know that measures of this kind simply add to the burden; that is all.

A statement has been made which does not appear to have any name on it, but it is a clear statement, entitled "Federal Home Loan Bank Bill—a Correct Review of All Arguments and Business for and against Same." It is not very long, and I ask to have it inserted in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit A.)

Mr. FLETCHER. Mr. President, I shall not delay the Senate longer. I should like to go along, if I could, with proposals that promise some relief and some help; but I can not believe that there is in this bill any relief or help for anybody outside of some building and loan associations—perhaps most of the building and loan associations. In my State I do not believe the building and loan associations would be helped a particle, because under the law they are not permitted to pledge their securities or assets. Unless this bill is amended, I do not know that they could come in under its provisions at all; but I am not concerned about that. I do not vote for or against measures simply because they are favorable or unfavorable to Florida. I am trying to take a broader view of the matter, trying to serve the whole country and to do what is best for the general welfare, for the common good; and I can not see for the life of me where this bill is going to help the situation. On the contrary, it is going to load us down with another bureau, another organization, fixed and permanent, that in my judgment will serve no useful purpose and eventually will become a considerable burden.

The Farm Loan Board is working all right. The Federal land banks are going to stand up all right. They will have to stand up, because if there is no value in real estate there is no value in anything, and we will come to an untimely end if we can not consider the security offered by the farmers of this country as being of any consequence.

We can not legislate here to put value into real estate. If we could by some sort of a bill reestablish values of lands throughout this country, that would help a great many people. We can not do that, however, and I fail to see how this bill will accomplish what those who sponsor it have hoped.

EXHIBIT A

FEDERAL HOME LOAN BANK BILL—A CORRECT REVIEW OF ALL ARGUMENTS AND BUSINESSES FOR AND AGAINST SAME

This bill was originally introduced with the idea of helping insurance companies, mortgage-loan companies, banks, the borrowing public, the building industry, real-estate interests, the borrower, and building and loan associations. All of the larger insurance companies have uniformly condemned the bill. The National Association of Mortgage Bankers has condemned the bill. The National Association of Real Estate Boards has approved the bill, but a great many individual cities have condemned it. The Chicago Real Estate Board at one of its monthly meetings approved the bill but in an informal postal-card referendum of all its members the poll was 4½ to 1 against the bill, a true indication of what other boards would do if expressing the opinion of all of their members. The American Bankers Association has condemned the bill.

As regards the borrowing public, an individual who can not pay his interest and keep up his taxes on the mortgage loan at his bank could not do any more if the loan were held by the Government. And if he can pay them, practically no banks are foreclosing to-day. If not, this throws the burden of foreclosure on the home-loan banks.

It might give some stimulant to the building industry, but this is the worst thing that could happen to-day, just as the fixed price of wheat encouraged the farmer to grow grain and depress the value of his crop, so any stimulation in building to-day, especially in homes, would further seriously depress the market, because there is a considerable oversupply of homes in 90 to 95 per cent of the cities in this country.

As regards the building and loan associations, which are the only group actively agitating for the bill and which have a large lobby in Washington, in some 25 States they could not take advantage of the bill, for they are not permitted by their State laws to borrow but can merely loan up to the amount of the capital paid in. You realize, of course, the borrower can not borrow directly from the home-loan bank but must do so through one of the above-mentioned corporations. A building and loan corporation or a bank finding itself with frozen mortgages on its hands would very likely avail itself of the opportunity of discounting such mortgages in the said home-loan banks, but having placed itself in a more liquid position it is inconceivable it would again invest such funds as it obtained in more frozen security, banks necessarily holding their money against demands from depositors.

The only class of people who would at all benefit from this bill would be the stockholders in building and loan associations who have been demanding their money, but because of the frozen condition of these loan associations can not cash in their stock. But if the building and loan associations could discount some of their mortgages they would undoubtedly be able to pay out some of their stockholders, who would be the only real beneficiaries of this bill.

Against this we are establishing another bureaucracy, permanent in its character, to relieve a temporary condition. The whole country is crying to reduce the expenses of government, and still certain officials are pressing the passage of this bill, which would mean a further outlay by the Government of $120,000,000. The banks to be formed can only loan ten to fifteen thousand on any one property, but does anyone believe after they are once established they will not be empowered to make larger loans and embrace the whole loaning field in a rigid bureaucracy, whose boards make take a dislike to certain sections, absolutely stopping loaning in those sections, which would not be the case if 50 to 100 loaning agencies each followed its own ideas? There is nothing in the history of the Federal farm loan banks to justify a similar banking institution for city loans.

It is true it is extremely difficult to obtain mortgage loans at the present time, but this is a temporary condition, and no permanent bureaucracy should be formed to correct a temporary condition. Insurance companies, mortgage-loan companies, and banks have always heretofore been able to supply all the money needed for residence construction; in fact, in recent years supplied more than was needed. While temporarily out of the market, they will again be able to supply these needs when the situation justifies same.

Mr. McNARY. Mr. President, I ask unanimous consent that when the Senate shall have concluded its work to-day it take a recess until 10 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. COPELAND obtained the floor.

Mr. WATSON. Mr. President——

Mr. COPELAND. I yield to the Senator from Indiana.

Mr. WATSON. I understand that the proposition now pending is the amendment of the Senator from Michigan [Mr. COUZENS] as to whether the number of banks shall be reduced from 12 to 4.

The PRESIDING OFFICER. That is correct.

Mr. WATSON. I am wondering if we had not better have a vote on that matter before we go on with the discussion of the general proposition.

Mr. COPELAND. I am quite willing.

Mr. BORAH. Mr. President, that, to me, is a very important amendment.

Mr. WATSON. It certainly is.

Mr. BORAH. I should like to know—if it has been discussed in my absence, I apologize for asking this question—what reasonable objection there could be to limiting the number of banks in this manner in the first instance.

We are building here a system which may have 12 banks. It does not seem to me that the promises which are offered by this bill justify building so large a system. Therefore I should like to have the Senator from Indiana state, if he will, why he can not accept this amendment.

Mr. WATSON. Mr. President, in the first place, the bill provides for 8 banks; and if, in the judgment of the board administering the affairs of this corporation, more are essential to carry out its intended purposes, the number may be increased to 12.

It seems to me that is a perfectly fair proposition. If we are going to do this at all, let us do it right, and let us bring this relief within the reach of everybody. If the whole continental United States and Puerto Rico and the Virgin Islands are divided into just four districts, the centers of this system or the banks comprising it will be long distances from the extremes of territory, and they will be away from those people who, more than anybody else, will need this resuscitation.

Over on the House side they debated at some length this proposition, or one akin to it. They struck out "banks." There are a great number of communities in which the ordinary financial resources are confined to small banks. They have not any building and loan associations; they have not any cooperative institutions of like character; they have not any savings banks. The small bank is their only financial institution. If they were not permitted to take advantage of the provisions of this bill, they would have to go a long distance to find some institution that was. In other words, I will say to my friend from Idaho that it localizes not only the influence but the activity of a bank of this kind and an institution of this character.

Mr. BORAH. Mr. President, this organization would deal principally with loan associations, would it not?

Mr. WATSON. It is a little difficult to tell, but I should say that it will deal principally with building and loan associations.

Mr. BORAH. In view of the means of communication in this country, the dispatch with which we reach one end of the country from the other in a few hours, it does seem to me that we will reach all the loan associations with four banks without any considerable difficulty; and I think the Senator ought to consider the fact that for years, as he knows, we have been building one bureau after another. For a time we confined them to Washington. Now we are making them nation-wide; and while I want to see this matter a success if it can be made a success, I hesitate to vote to impose upon the country a national system composed of 12 banks, with its multitude of officials and its multitude of employees, until we know something about what success this plan is going to have.

If we were going to deal with the home owner direct, I could see a justification for having the banks in different localities, and so forth; but we are not going to do that. If this assistance ever reaches that man, it will reach him through the loan associations; and, in my judgment, the loan associations could be dealt with by one bank in Washington.

Mr. WATSON. That is probably true. Everybody else who wants anything comes here.

Mr. FESS. Mr. President, will the Senator yield?

Mr. WATSON. Yes; I yield. I want to make an observation, but I will yield.

Mr. FESS. I suggest that the Senator make the observation and then I will ask him a question.

Mr. WATSON. I want to say to the Senator from Idaho that I intended to say to the Senator from Michigan that I should be satisfied to limit this number definitely to eight banks. The bill provides for 8, with the provision that 12 may be established, if deemed advisable by the board. It will be entirely agreeable to me to limit it definitely to eight banks, though, if there be a necessity for this system, I will say to the Senator, that I think the necessity equals the necessity for any other of these banks; and, if there be no necessity for it, we ought not to establish it at all. On account of the very things the Senator has mentioned, however, I should be willing to limit the number definitely to 8 banks, and not give the board discretion to increase the number to 12, although, when I discussed the matter with Secretary Lamont, he was very well satisfied that there ought to be 12 banks in order that the benefits accruing from the institution might be universally distributed throughout the country. That was his view.

Mr. BORAH. We had just as well fix the number at 12 as to give the bureau the authority to increase its own power.

Mr. WATSON. To which I agree, because we all know how bureaus want power and how they reach out for power.

Mr. BORAH. They take power when it is not granted to them.

Mr. WATSON. And when it is granted they take it. I understand all that; and nobody in America can be more opposed to this aggregation of strength and wealth and power in the city of Washington than I am. I do not know how else to deal with this question, however. I just do not know.

My friend from Michigan [Mr. COUZENS], for whom I have great respect, thinks he has a plan of dealing with the matter. I can not agree with that plan at all. I think his plan is absolutely fatuous, although he thinks it is all-sufficient. I do believe, however, that if we would limit the number to eight banks it would carry out the intent and purposes of the law and grant the relief that we want the home owner of this country under mortgage to have; but I do not believe that we ought to limit it to four. I think that is too much of a limitation.

I will say to the Senator that unless we are all disappointed as to what is going to happen the Government will be out of this thing in five years. We may be disappointed, of course. I know how we often are disappointed; but I believe, as much as I believe I am here, that if this thing works out as I believe it will work the Government will be out of the whole business in five years and its loan will be paid off.

Mr. BORAH. Does the Senator mean that these institutions that we are creating will disappear in five years?

Mr. WATSON. No; I mean by that that they are going to pay off the Government loan.

Mr. BORAH. And then these bureaus will be sitting around here with their officials drawing salaries and doing nothing?

Mr. WATSON. No; they will be operating and paying their own expense, free from the Government.

Mr. BORAH. If I thought we could create a bureau which would pay its own expense, I should be willing to vote for it as a matter of scientific experiment.

Mr. WATSON. It would be well worth experimentation, I think. We do not have many of them, I will say.

Now I yield to the Senator from Ohio.

Mr. FESS. Mr. President, I had much sympathy with the suggestion of doing this work in some other way, if it could be done, because this objection of growing, increasing bureaus is one that all of us have observed. In spite of intense objection the bureaus increase; and if we could do this without the additional set-up, but attach it to something already in existence, I should be very glad to have it done in that way. For that reason, when we create a bureau of this sort I doubt very much that it will be nonexistent in a certain time. I think it will continue. It will be quite difficult to discontinue it.

However, I think the author of the bill is justified in saying that the system might reach the point where it would be self-supporting. That probably is true; but, as all Senators here will recall, when the Federal reserve system was created there was a sharp difference as to whether there should be 12 regional banks or whether there should be 1. One school of thought insisted that it would gradually be operated from one locality even if we had the 12 regional banks. The prevailing opinion, however, was that we ought to localize the banking facilities, and that was done in the law; and while there has been rather a centralization in New York, yet the organization is still extant, and is operating.

I assume that when this bill was first drafted, and the 12 banks were provided for, as was originally suggested, that was to copy after the Federal reserve system. Because they had 12, it was thought that that would be the proper number here. There was to be a home-loan system that would be coterminous with the Federal reserve system. Whether or not the 12 were necessary, I have my doubts. I am speaking now of how it was originally recommended; but when the bill was finally introduced, there was a change from 12 to 8. That breaks the plan of being coterminous with the Federal reserve system; and if eight could do the work, why could not four do it?

I am making the inquiry seriously, because, while we are all protesting against the growth of the expenses of the Government, and all of us recognize that the only way we will reduce the expenses will be to abolish a lot of these activities, at the same time we know that we are not going to abolish them by act of Congress. We shall have to do it by placing the authority to abolish them somewhere where it can be done without reference to the influence that it would run up against. Yet, while we are all protesting against it, we are doing the same thing here. Unless it is necessary, I would much prefer to have the number much less than 12.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. HEBERT. I am not in favor of creating more bureaus. I should like to see less rather than more, and if this were found to function properly with fewer agencies, then I would see no very serious objection to reducing the number.

There is one advantage that I see in the arrangement proposed in the bill, however, and the remark of the Senator from Idaho last week brought it forcibly to my attention, when he asked what assurance these mortgagors who are in need would have that they would get sympathetic treatment from these organizations.

Under the plan outlined in the bill, with 12 regional banks there would be 108 directors, in the aggregate, all of whom must be chosen from organizations connected with home-financing business. It seemed to me that would form a point of contact between the institutions which needed money to finance borrowers now in distress and the regional banks. It seemed to me it would bring them closer together, and I question whether that could be done quite as well by having a bureau in the Reconstruction Finance Corporation as under the plan outlined in the bill.

Mr. BORAH. Mr. President, will the Senator from Ohio yield to me?

Mr. FESS. I yield.

Mr. BORAH. As I see it, these banks will be doing business with the loan associations principally in the different parts of the country, and if there is any sympathetic administration of this measure toward the independent home owner, it will necessarily have to come from the loan associations with whom they are doing business.

Mr. HEBERT. Mr. President, if the Senator from Ohio will yield to me again, that is true; but bear in mind that under the plan outlined in the bill there would be direct contact between the regional banks and the associations in a given locality, and the directors would have pretty much the same interest as would the mortgagors in the institutions which the directors would represent.

Mr. BORAH. Yes; but that is one of the defects of the bill, it seems to me, that under the bill the directors would have no supervisory power as to how the money should be administered after the association got the credit, or whatever help it would get from the measure. The association from that time on would have the sole control.

Mr. HEBERT. Through its directors.

Mr. BORAH. Yes, through its directors; and its directors would be elected by the home owners.

Mr. HEBERT. Exactly, and that is the point I make, if the Senator from Ohio will yield to me once more. We have a direct point of contact between the bank and the institution whose members are in need. In other words, institution A has some mortgagors who need to be financed, who need some money to carry their loans along so as to preserve their homes. There is a member of that institution on the board of directors of the branch home-loan bank. He is in direct touch with the situation in that institution, he knows its needs, and, incidentally, he must know the needs of institutions round about within the radius to be covered by a branch bank, and it seemed to me that he could better bring the needs of the several communities to the attention of the bank than could anyone coming here to lay out a plan in a central bureau in Washington. That was the advantage I saw in this set-up. But I quite agree that possibly we could restrict it somewhat, possibly have 8 banks instead of 12. I think perhaps eight banks might be able to do the work quite satisfactorily. I question if four would be able to do it, because they would be necessarily pretty far apart, when we stop to think that we have Puerto Rico and the Virgin Islands and Alaska included.

Mr. BORAH. The amount which Puerto Rico and the Virgin Islands would get out of this would not make necessary any board of directors.

Mr. President, under our Federal reserve system we really have one central bank. The Federal Reserve Bank in New York directs the policies of the system and really administers the system. It is practically as if there were one great central bank, and that central bank had its subordinate banks in the States. That would necessarily be so with reference to this matter. If we should have four banks distributed in the different parts of the country, it seems to me it would be ample, in view of the fact that they are always going to deal with the loan associations in the different communities where the loan associations are created. They are home institutions; and they get the benefit of the aid from this bank, and then they administer it at home according to their own judgment and discretion.

I was going to say, Mr. President, that we have been debating here this session about how we could eliminate bureaus, how we could get rid of some of the expenses of the Government, and so on, whether or not the President should make his recommendation and the Congress should by law abolish the bureaus, or whether the President should be permitted himself to abolish the bureaus. I venture to say that the President could not keep up with Congress the way we create bureaus. It would be impossible for a President to limit the number of bureaus or decrease the number of bureaus in view of the constant disposition of the Congress to create bureaus. Everybody knows this proposition is somewhat of an experiment. Whether it will prove to be a noble experiment or not we can not tell at this time, but it is somewhat of an experiment. Why create a complete

machine for the entire United States until we know something about what it is going to do? Let us not build up a vast national bureau to further burden the taxpayers.

Mr. FLETCHER. Mr. President, will the Senator from Ohio yield to me?

Mr. FESS. I yield.

Mr. FLETCHER. I was going to ask the Senator to let me address some remarks to a consideration of a portion of the bill having to do with the number of directors in the banks. It is provided that there are to be 12 directors for each of the home-loan banks. It seems to me that would mean a great overhead and that it is unnecessary. I think 5 or 7 would be better than 12. I would like to have the Senator think about that a little.

Another thing is whether the bill should not control the amount of compensation they are to be paid. It leaves the matter of compensation entirely to themselves.

Mr. WATSON. Mr. President, will the Senator from Ohio yield to me?

Mr. FESS. I yield.

Mr. FLETCHER. The bill provides for the expenses of these directors, and compensation, to be fixed by themselves.

Mr. WATSON. There are to be but 11 directors for each bank, and after 1932 they will be self-sustaining, because they are to be paid by assessments on the bank. The Government is not to pay them anything.

Mr. FLETCHER. We do not want to get into the fix the Federal Farm Board is in, of establishing cooperatives and letting the cooperatives loan enormous sums for salaries and destroy the effectiveness of their own organization through overhead expenses. I am simply calling that to the attention of the Senate. It seems to me we ought to control the number of directors and the expenses to which the system may be subjected.

Mr. COUZENS. Mr. President, will the Senator from Ohio yield to me?

Mr. FESS. I yield.

Mr. COUZENS. I just want to make a comment on the statement of the Senator from Indiana as to the 11 directors and their compensation. I thought the Senator was proposing to legislate for the home owners; and if he is, he certainly must be interested in the amount of expenses these home owners will have to bear to maintain this elaborate system of home-loan banks.

Mr. WATSON. All I was answering was that we were proposing to establish a system of bureaucracy, the cost of which would come out of the Public Treasury. It will not come out of the Public Treasury. It will come from assessments on the banks after 1932, and the directors will sustain themselves, in a sense. It could not come out of the Public Treasury.

Mr. COUZENS. How will they sustain themselves?

Mr. WATSON. From assessments on the banks.

Mr. COUZENS. From the home owners.

Mr. WATSON. From whoever the stockholders may be.

Mr. COUZENS. But the whole system is for the home owners, and it seems to me we ought to put as much protection about the expenses of these home-loan banks as is possible if we are going to protect the home owners.

Mr. WATSON. If I were to propose that we take all the money to pay the salaries out of the Public Treasury, my friend from Michigan would raise objection to that.

Mr. COUZENS. Certainly.

Mr. FESS. Mr. President, I do not want to have my query interpreted to mean that I am out of sympathy with what we are trying to do here. I am strongly in favor of trying to do something to relieve the situation of the home owner. This seems to me about the only concrete proposal that has been made up to date, and from the time it was first proposed it appealed to me as worth while. However, I think that where we can avoid unnecessary expense we ought to do so. If we do not need the 12 directors, we should not provide for that number, and I doubt whether we do need that many. Whether four would be enough or not might be a question. I have some serious doubt about it.

There is one item in the bill to which I think every Senator ought to give heed, and that is section 15. All Senators will recall the unfortunate experience of the purchasers of bonds of the joint-stock land banks. When the act creating that system was before Congress for original enactment, attention was called to the fact that we were establishing what might appear to be a Government agency and were permitting it to issue its obligations to be sold to the public. The public, in the purchase of those obligations, evidently thought they were Government securities, and that they were just as sound and just as certain of repayment as if the Government itself had issued them. In the last seven or eight years we all have been flooded with letters from purchasers of those bonds who find that the bonds are not of the value which they thought they bore, asking Congress to make them good and to prevent further loss to them.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. The statement has often been made that there is some implied obligation on the part of the Government in connection with the land-bank bonds. I do not understand how such a statement can have force, when the act itself provides no Government liability on account of those bonds. It is quite natural that those who wish to have the Government do everything should undertake, when the market declines, to induce the Government to take some action that would increase the value of their holdings with respect to bonds, but the land bank act itself does not provide that the Government shall be liable on account of any of those obligations, and certainly no purchaser of the bonds could escape the effect of that omission in the act.

Mr. FESS. I am glad to have the Senator make the statement because of the tremendous pressure there has been upon the part of the holders of those bonds to induce the Government to recognize an obligation which I agree with the Senator never existed. But the language of the act on which that claim is based is similar to the language in the bill now before us. I think it ought to be made perfectly clear that the bonds are not Government obligations.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. It was made clear in the land bank act that the Government is not liable.

Mr. FESS. This is the language upon which the purchaser of the bond stands. I agree that it is not a solid foundation. I read from the land bank act:

> That farm-loan bonds issued under the provisions of this act by Federal land banks or joint-stock land banks shall be a lawful investment for all fiduciary and trust funds and may be accepted as security for all public deposits.

That does not make it a Government obligation.

Mr. ROBINSON of Arkansas. There is no provision in the act that expressly declares that the Government shall not be liable for the bonds.

Mr. WATSON. No; but I have been told, if my friend from Ohio will yield, by friends of mine in Indiana who bought some of the bonds that the agents or salesmen who sold them the bonds squarely made the statement or very strongly intimated that the Government was back of the bonds. I know that I had one friend, a very strong business friend, who bought $100,000 worth of the bonds because he really believed that he was investing in Government bonds.

Mr. ROBINSON of Arkansas. Of course, that does not impose any liability on the Government of the United States. The sellers of foreign bonds made various representations with respect to their value, and the representations did not prove to be true. The Government of the United States can not be held liable for the representations or misrepresentations of every broker or bond salesman who goes forth to make his own fortune.

Mr. WATSON. All of which everybody understands, of course, but what I am trying to say is that the organic act

creating the Federal land bank was just as strong in that respect as language could make it, and yet people bought upon the assumption that the Government was behind the bonds. The same thing might happen with reference to these bonds. It would not be the fault of the act, but the fault of the people who bought.

Mr. ROBINSON of Arkansas. Certainly.

Mr. FESS. While that statement is true and it was a practice that ought to be condemned, yet here is an item in the bill that gives some color to the claim of the purchaser:

Any member bank of the Federal reserve system may buy and sell farm-loan bonds issued under the authority of this act to the same extent and subject to the same limitations placed upon the purchase and sale by said bank of State, county, district, and municipal bonds under subsection 14 of the Federal reserve act.

Mr. ROBINSON of Arkansas. They had the right to buy commercial paper, but nobody would contend that the Government was liable on commercial paper because some one had the right to buy it or another had the right to sell it.

Mr. FESS. And yet the purchaser will claim that if a fiscal institution is acting as an agency of the Government, the Government itself would be liable for the act of its agent. But I assume that this is not the Government, but is a banking institution which is operating under the regulation of the Government. However, is it not a wise thing for us to do in this legislation, where we are using the exact language that was used in the farm loan act with reference to the joint-stock land-bank bonds, to see to it that it be made known that the purchaser of these bonds is not purchasing Government obligations? The language here is:

Obligations of the Federal home-loan banks issued with the approval of the board under this act shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or the deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

There is the language which gives some color to the claim that when the purchaser buys these bonds he is buying something secured by the Government. My only thought is that we ought not, with our eyes wide open, to leave the language subject to the charge that we are putting out something that could be construed to be Government obligations; and when they are purchased, then the Government deny any obligation.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I yield.

Mr. COUZENS. Would not the Senator think it would be wise to add at the end of line 12 the following proviso:

Provided, That obligations of the Federal home-loan bank shall plainly state that the obligations are not guaranteed by the United States Government.

Mr. FESS. Why not? That would make it clear.

Mr. COUZENS. It seems to me that is a perfectly proper thing to do, and then there can be no misunderstanding.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Ohio yield?

Mr. FESS. Certainly.

Mr. ROBINSON of Arkansas. That raises another question, whether we want to put something in the face of the bonds that will make it the more difficult to sell them. The people who purchase bonds, who have money to invest in securities of that character, must know that no liability attaches to the Government by reason of the mere fact that it authorizes the functioning of the institution which issues the bonds.

Mr. COUZENS. Certainly the Senator does not want to leave it so the purchaser might be fooled?

Mr. ROBINSON of Arkansas. If we were to put into the act a provision that the Government should not be liable for the bonds of the corporation, that would be sufficient.

Mr. FESS. I should think that ought to be done.

Mr. COUZENS. The trouble is that the purchasers do not see the act and do not see that language. Either that should be done or we should take out the word "Federal" entirely.

Mr. ROBINSON of Arkansas. Usually those who invest in securities rely on the advice of investment counsel. Those who have money to invest in bonds usually look into the value of the securities, look into the nature of the investment, and satisfy themselves as to the character of the investment. Of course, we could write such a provision in there, and then the greatest fool in the world might say he did not read the bonds, but bought them on the representation of some salesman who told him that the Government did guarantee them. I doubt the wisdom of writing into the face of the bond the express provision that the Government would not pay it, although I have no objection to it from any legal standpoint.

Mr. FESS. Has the Senator from Arkansas any experience with correspondence that dealt with certain joint-stock land banks and appeals to him to correct what was claimed to be an error, that they believed they had bought a Government obligation and it now turns out not to be that?

Mr. ROBINSON of Arkansas. No; but I have had this correspondence: I knew there was an organized effort made to fix a moral responsibility on the Government for these bonds; and upon pointing out the provisions of the statute to those who sought to induce that frame of mind on my part, I have had no further contention about the matter.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Florida?

Mr. FESS. I yield.

Mr. FLETCHER. I suggest in that connection that there is no need to put into the act itself a statement to the effect that the Federal Government is not liable on the obligation, it seems to me, any more than it is necessary to say that this act is not founded on the Ten Commandments. What is the use of saying it does not do something which there is no pretense anywhere that it does do?

Mr. ROBINSON of Arkansas. The suggestion of the Senator from Michigan is that there should be written in the face of the bond a declaration that the Government is not liable.

Mr. FLETCHER. In the bond itself or the act? What I suggest to the Senator from Michigan is that instead of saying that this act does not provide for any liability on the part of the Government, the danger being that somebody would claim that it does as they did in the case of the bonds the Senator mentioned, why not have a provision that any person representing or pretending or holding out to anyone that there is any responsibility on the part of the Federal Government respecting these securities shall be punished so-and-so? I think that would probably accomplish the same result.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I yield.

Mr. COUZENS. May I say that the trouble with the suggestion offered by the Senator from Florida is that the salesman may have disappeared and could not be found after the misrepresentation was discovered.

Let me point out to the Senator that this matter developed in the discussion of the Philippine independence bill last week where Philippine bonds were sold to the public generally. They were printed and issued by the Bureau of Engraving and Printing in the city of Washington, and the public, knowing the Filipinos were wards of ours, assumed that we approved the investment. In very rare cases, only in the case of United States bonds and of the Federal land-bank bonds, and in the case of these bonds, does the United States authorize the issuance of the bonds. It seems to me that when we ourselves set up by an act a system of banks and authorize the issuance and sale of the securities, we accept parentage at least for the securities. The least we can do is to warn the public that we are not following the child to its end.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. I think it should be stated in this connection that the brokers and bond houses which sold the Federal land-bank bonds, so far as my information goes, never represented them as being Government obligations. They did make declarations to the effect that the bonds were issued on the authority of the Government and that the banks were under supervision of and examination by the Government, implying that that gave an additional safety to the investment made in those bonds. It was upon the basis of that representation that some holders of land-bank bonds sought to have the United States Government assume liability for the bonds.

Mr. FESS. Mr. President, what the Senator from Arkansas states as an effort to induce recognition of a moral obligation is very obvious. There evidently was a widespread effort throughout the country to compel the General Government to recognize, if it was not a legal obligation, at least a moral obligation. Some even went to the extent of saying that there had been a statement made by the Treasury Department that it regarded these as instrumentalities of the Federal Government and quoted that as a source of the obligation on the part of the Government. My concern is that we make a statement sufficiently clear that we would not again present that situation where the purchaser would come back to the Government in case he was disappointed and ask the Government to fulfill what he claims is a moral obligation.

Mr. President, before I take my seat I want to state that I am strongly in favor of doing something along the line that is proposed in the pending bill. There is an enormous amount of wealth that is represented by these associations which seems to be tied up. If this is an outlet, it seems to me it would be a safe one that we ought not to hesitate to make possible.

While I very infrequently pay attention to what may be called "propaganda," in fact, it has on me generally an effect opposite to that intended, yet, in the interest of this particular bill, the correspondence which has come to me has contained the most convincing representations that some legislation such as this ought to be enacted. I sent to my office for the file of the last few months on this bill and here it is. [Exhibiting.] Every letter is an intelligently written letter; it is not a form letter, but one giving the situation in the locality and expressing the belief that this particular measure will afford some relief. I do not know whether it will or not, but I am rather inclined to think that it will; and I am going to give the legislation my support, although where we can reduce expenses and minimize the growth of bureaus, I am strongly in favor of doing that.

Mr. VANDENBERG. Mr. President, in the course of a colloquy this morning the question arose as to the requirements of collateral for the deposit of postal-savings deposits, and I made the statement that the law requires collateral to be tax supported before it can become eligible for postal-savings deposits. I want to amplify that statement so that the RECORD may not mislead anyone. From chapter 20, title 39, of the Code of Laws, I read the following sentence:

> The board of trustees shall take from such banks such security in public bonds or other securities—

Now note this phrase—

> authorized by act of Congress or supported by the taxing power.

And so forth. In other words, the law seems to provide an alternative; on the one hand, securities authorized by act of Congress; on the other, securities supported by the taxing power.

When I stated that the only securities which were deemed eligible were those supported by the taxing power, however, I had in mind the practice of the board of trustees of the postal-savings banks. I discussed the matter within the last few hours with Assistant Postmaster General Tilton, who tells me that their practice is to confine themselves exclusively to the latter alternative, namely, to securities supported by the taxing power. Therefore, under their present attitude, for example, they do not consider that obligations issued by the Reconstruction Finance Corporation are eligible as collateral for postal-savings deposits. Under an analagous situation in respect of the pending bill it seems quite obvious that they would not consider the obligations issued under the pending bill as eligible for collateral for postal-savings deposits unless the pending bill shall be amended specifically to cover the point.

Mr. FESS. Mr. President, I omitted to read a provision of the Federal land bank act as to the Federal Government's obligation, which I should like to read in connection with this debate. I do not assert that the Government has any obligation; on the other hand, I have held from the beginning that it does not have even a moral obligation; but here is the clause that gives color to the claim. It is section 26 of the land bank act, and is as follows:

> That every Federal land bank and every national farm-loan association, including the capital and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of section 11 and section 13 of this act.

Now, this is the language I should like Senators especially to note:

> First mortgages executed to Federal land banks, or to joint-stock land banks, and farm-loan bonds issued under the provisions of this act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation.

I invite attention particularly to the statement that they "shall be deemed and held to be instrumentalities of the Government of the United States."

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. The section the Senator has read is clearly liable to misinterpretation. Manifestly the meaning of the provision is that with respect to taxation they should be exempt; but it is somewhat ambiguous.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Michigan [Mr. COUZENS].

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Reed
Austin	Couzens	Hull	Robinson, Ark.
Bailey	Dale	Johnson	Robinson, Ind.
Barbour	Davis	Jones	Schall
Bingham	Dickinson	Kean	Sheppard
Black	Dill	Kendrick	Shipstead
Blaine	Fess	Keyes	Shortridge
Borah	Fletcher	King	Smoot
Bratton	Frazier	La Follette	Steiwer
Brookhart	George	Lewis	Stephens
Broussard	Glass	McGill	Thomas, Idaho
Bulkley	Glenn	McKellar	Townsend
Bulow	Goldsborough	McNary	Trammell
Byrnes	Gore	Metcalf	Tydings
Capper	Hale	Moses	Vandenberg
Caraway	Harrison	Norbeck	Walcott
Carey	Hastings	Norris	Walsh, Mass.
Cohen	Hatfield	Nye	Watson
Connally	Hawes	Oddie	White
Coolidge	Hayden	Patterson	
Copeland	Hebert	Pittman	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Michigan. [Putting the question.] The Chair is in doubt.

On a division, the amendment was agreed to.

Mr. COUZENS. Mr. President, I offer another amendment, which I will read. On page 28, at the end of line 12, I move to insert the following:

> All obligations of Federal home-loan banks shall plainly state that such obligations are not obligations of the United States and are not guaranteed by the United States.

That amendment is in consonance with the discussion we have previously had, and the Senator from Indiana said he was willing to accept it.

Mr. WATSON. I am entirely willing to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. COUZENS. I send another amendment to the desk and ask that the clerk may read it.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 17, it is proposed to strike out all after the numeral "(3)," down through the parenthesis in line 22, and insert in lieu thereof the following:

In the case of a savings bank, trust company, State bank, or other banking organization, if, in the judgment of the board, its time deposits, as defined in section 19 of the Federal reserve act, warrant its making such loans.

Mr. COUZENS. Mr. President, it will be observed that this amendment proposes to cut out the language—

Makes such home mortgage loans as in the judgment of the board are long-term loans—

And so forth. I object to putting in the board the power to decide whether a mortgage is a long-term mortgage. It seems to me that that language itself destroys the whole purpose for which this bill is proposed. In other words, although we are trying to help out the little-home owner who is on the verge of having his mortgage foreclosed or is on the verge of having a default, he can not get relief if in the judgment of the board, this bureaucracy set up in Washington, it is not a long-term loan.

In other words, the bill attempts to accomplish two purposes; and with these purposes I am not finding particular fault. One purpose is immediate help. The other purpose is the establishment of a banking system which will take care of installment or long-term mortgages. I think, in the interest of the purposes of this bill, this amendment ought to be agreed to.

Mr. FLETCHER. Mr. President, I did not quite catch the amendment of the Senator. May it be stated again?

The PRESIDING OFFICER. The amendment will be restated for the information of the Senate.

The legislative clerk restated the amendment.

Mr. COUZENS. The Senator will observe that the language, beginning after the numeral "(3)" on line 17, page 4, "makes such home-mortgage loans as in the judgment of the board are long-term loans," is eliminated from the bill under my amendment; so that it does not give the board the right to determine the length of the mortgage that may be discounted.

Mr. FLETCHER. The amendment also eliminates all the rest of that sentence.

Mr. COUZENS. No; because I insert, after that, that they come under the Federal reserve act so far as the organization permits.

Mr. FLETCHER. What is eliminated by this amendment is long-term loans?

Mr. COUZENS. Yes.

Mr. FLETCHER. I have no objection to that.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. COUZENS. Mr. President, I desire to offer another amendment, to be inserted in the bill at the proper place:

Provided, That any home owner who comes within the limits of this act, and who is unable to obtain mortgage money from any other source, may obtain same from any bank organized under this act.

That amendment is proposed for the purpose of taking care of individual home owners who are unable to get mortgages or renewals through any of these associations or banks.

I observe that in the operation of the Reconstruction Finance Corporation, in loaning to railroads and banks, it must be demonstrated to the Reconstruction Finance Corporation that they are unable to secure the money from other sources. When that demonstration is made, then the Reconstruction Finance Corporation makes the loan. I observe that the conferees who are now considering the emergency relief bill provide for lending money to private industry from the Reconstruction Finance Corporation if the private industry demonstrates to the corporation its inability to get the money elsewhere. I think that if that is done for all other activities, it ought to be done for the home owner, and that is all this amendment provides for.

Mr. HEBERT. Mr. President, I can see some merit in the Senator's amendment so long as the Federal Government furnishes the funds for maintaining and operating these organizations, but the time will come—it is assumed that it will come—when, in the operation of these banks, the money of the Federal Government will be repaid, and then there will be no one interested there except the building and loan associations, the banks, their depositors, and their mortgagors. It does not seem fair to ask the banks and the building and loan associations to maintain such an activity for the benefit of individuals with whom they have no relations at all.

At the present time, however, I can see some merit in the amendment, because the Federal Government is providing funds for the maintenance of this organization, and there is no reason why individuals should not have the benefit of those funds whether they are members of a building and loan association or whether they are not.

Mr. COUZENS. Mr. President, will the Senator yield there?

Mr. HEBERT. Yes.

Mr. COUZENS. To cover the point raised by the Senator from Rhode Island, I have no objection to adding, at the end of the amendment I have just proposed, the following words:

Provided, further, That as soon as the Federal Government has had its stock retired, this provision shall not apply.

Mr. HEBERT. I think that is a fair amendment, and that would be satisfactory to me. I am not in charge of the bill, however.

Mr. WATSON. That is all right. I have no objection to it.

Mr. COUZENS. Mr. President, may I say for the benefit of Senators that I propose this amendment:

That any home owner who comes within the limits of this act, and who is unable to obtain mortgage money from any other source, may obtain same from any bank organized under this act: *Provided further*, That this clause will be repealed when the Federal Government has had its stock retired.

Mr. FLETCHER. Mr. President, I do not see why there should be any limitation at all on it. I like the provision as it was.

Mr. COUZENS. We can have it two ways. The only point was that I thought there was some merit to what the Senator from Rhode Island [Mr. HEBERT] says, that when private capital is used exclusively, there certainly should be no effort on the part of the Government to enforce its policies, but if, and as long as, the Federal money stays as a part of the capital, this provision should apply.

Mr. COPELAND. Mr. President, let me ask the Senator, how would that individual get the money? Where would he apply?

Mr. COUZENS. To any one of the banks. With the amendment, there would be four banks to which he could apply for the loan.

Mr. COPELAND. Does the Senator mean that the individual could go directly to the bank?

Mr. COUZENS. Yes; if he could not get the money elsewhere. In other words, that is now being practiced by the Reconstruction Finance Corporation, and it is a part of the new relief bill which is coming before us. The borrowers must make a demonstration that they are unable to get the money elsewhere, and then they may get it from the governmental agency. I provide for the individual home owner in this act the same thing that is provided by the Reconstruction Finance Corporation act.

Mr. COPELAND. The loans under this act, however, are made to certain local loaning institutions; are they not?

Mr. COUZENS. Yes.

Mr. COPELAND. Is the individual who wants money to go to one of these local money-lending institutions, or is he to go to the bank?

Mr. FLETCHER. Mr. President, under the bill as it is drawn the applications must come through a building and loan association or some other local association. This amendment makes it possible for the individual who may or may not be a member of a local building and loan association to go direct to the bank and put up his application there, say that he can not get the money anywhere else, and they are authorized to deal directly with him.

Mr. COPELAND. I have no objection, Mr. President, but I do not see how that can work.

We have here in Washington, we will say, a local building and loan association. The home-loan bank is in Baltimore. A resident of Washington goes to the local building and loan association, and he gets no loan. Then he can go down to Baltimore and make application—is that it?

Mr. FLETCHER. Yes.

Mr. COPELAND. I wonder if that is the way the Senator from Michigan intends this provision to work.

Mr. COUZENS. I did not hear the Senator's question.

Mr. COPELAND. May I repeat my example?

There is a local building and loan association in Washington. The home-loan bank is in Baltimore. A citizen of Washington goes to the local building and loan association, and they do not give him any money. Then he can go down to Baltimore, to the home-loan bank, and make his application there? Is that right?

Mr. COUZENS. That is true. That is exactly what I intend.

Mr. COPELAND. Are they going to lend it to him directly, or are they going to lend it to him through this local organization?

Mr. COUZENS. They can arrange to make the loan in any way they like; but, of course, the applicant must demonstrate to the home-loan bank in Baltimore that he is unable to get the money in Washington. If he does that, then he can get it from the home-loan bank.

Mr. COPELAND. I have no objection, Mr. President; but it seems to me pretty complicated.

Mr. TRAMMELL. Mr. President, I think this legislation will be very incomplete if we should fail to write into it a provision in substance as proposed by the Senator from Michigan [Mr. COUZENS].

I take it that the purpose and object of the measure is to be of some assistance to the home owners in this country who are in a distressed condition on account of past-due mortgages or on account of needing funds for the purpose of saving their homes. Without such a provision as the one proposed by the Senator from Michigan the home owners would be absolutely dependent upon the ipse dixit of the building and loan associations of the country. It is very clear, from our past experiences in enacting financial legislation with a far-reaching purpose and design, that in the administration the beneficent legislation—or so intended—of the past has been contracted in its operation so that only a certain interest would receive benefits under it.

When we enacted the Reconstruction Finance Corporation bill we thought it would not only be of assistance to the banking institutions of the country and the transportation companies of the country but that it would have a more far-reaching effect and that it would result in loosening up credits and be of some benefit to the customers of the banking institutions of the country. To our amazement and disgust, we find from the record that has been made, covering a period of several months, that this beneficent purpose has not been achieved, and the same thing will be true in regard to this so-called home loan bank act if no provision is placed in it so that the home owner himself will have some opportunity to appeal to the banking institution we are establishing for a loan.

I can rather forecast in my mind what will happen without such a provision. The building and loan associations and the others that are eligible under the provisions of the bill, if we do not adopt this amendment, will first obtain money to pay off some bank with which they have deposited home-loan mortgages which they hold. That transaction will be of no benefit to the poor, unfortunate home owner who is going to lose his property on account of that. The entire manipulation will be carried on in such a way that it will be practically of no direct benefit to the home owners of the country; and I think it is high time that we were looking after the individuals of America who are in distress. Such a provision as this should be of a great deal of benefit and assistance. When the home loan bank act was first introduced in the Senate I was impressed with its deficiency in that there was no way provided for a home owner to get direct benefit, and probably no indirect benefit. At that time I proposed an amendment to the bill which in substance is the same as the amendment proposed by the Senator from Michigan. I had contemplated proposing that amendment to the pending bill had not the Senator from Michigan sent forward his amendment.

I would like to have inserted in the RECORD the amendment which I proposed originally to the Senate bill and which I had contemplated introducing had not the Senator from Michigan introduced his splendid amendment. I very much hope the amendment will be agreed to.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida?

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Insert a new paragraph, as follows:

"(e) That in addition to the authority herein to make loans or advances to building and loan associations, cooperative banks, homestead associations, savings banks, other banks and trust companies, and insurance companies, upon home mortgages and other securities, to assist home owners in financing loans on their homes and to encourage the owning of homes and building activities authority is granted to the Federal home loan bank, to make loans or advances in an amount not exceeding $10,000 to any home owner secured by a first home mortgage upon the house and tract of land on which it is situated and used as a home, or upon a house to be erected and the tract of land on which it is situated, when used as a home. Such loans or advances shall be made subject to such terms and limitations as herein prescribed for advances to members and under such regulations as the board may prescribe: *Provided*, That such home owner to procure such loan shall not be required to purchase stock in the Federal home loan bank."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. COUZENS].

Mr. WATSON. Mr. President, I would like to have the amendment stated again.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Michigan offers an amendment, to insert in the proper place the following:

Provided, That any home owner who comes within the limits of this act and who is unable to obtain mortgage money from any other source may obtain same from any bank organized under this act. *Provided further*, That this clause shall be repealed when the Federal Government has had its stock retired.

Mr. ROBINSON of Arkansas. Mr. President, I would like to call the attention of the Senator from Michigan to the very unusual language employed. An obligation would be imposed on the Congress to repeal a provision of law when certain things had transpired. The Senator does not mean that, of course. He means that the act shall be of no effect, or something of that sort.

Mr. BORAH. Shall become ineffective.

Mr. ROBINSON of Arkansas. Yes; shall become ineffective, or be of no effect.

Mr. COUZENS. If the Senator will suggest the exact words, I will be satisfied.

Mr. ROBINSON of Arkansas. Let it read, "*Provided*, That this clause shall not be effective when the Federal Government has had its stock retired."

Mr. COUZENS. I accept that.

The VICE PRESIDENT. The Senator modifies his amendment, and the modified amendment will be reported.

Mr. COUZENS. Mr. President, I suggest that it read this way:

Provided further, That this clause shall not be effective when the Federal Government has had its stock retired.

The VICE PRESIDENT. The question is on the amendment as modified.

The amendment as modified was agreed to.

Mr. GEORGE. Mr. President, I send an amendment to the desk and offer it, to come at the end of section 13.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. The Senator from Georgia offers the following amendment, to be inserted at the end of section 13:

The notes, debentures, and bonds issued by any bank shall be accepted at par by such bank in payment of or as a credit against the obligation of any home owner-debtor of such bank.

Mr. GEORGE. Mr. President, this amendment is intended to do one thing; that is, to give the home owner-debtor of any one of these banks the right to retire his obligation to the bank in the bonds or obligations of the bank at par.

All of us who are familiar with the present situation know very well that one may go into the market at this time and buy the bonds of the joint-stock land banks at 25 or 30 or 40 cents on the dollar, according to the particular bank, and the same is true, of course, though not to the same extent, of even the Federal land bank bonds. Yet those banks refuse to accept their own obligations as against mortgages held by them from the farmers of the country.

It seems to me that this amendment ought to be stated in the bill. If a home owner can take advantage of the losses which he is compelled to sustain by going into the market and buying the bonds of the bank itself, he should be given a right to offset those bonds as against his own obligations due to the bank. Of course he could not do that, it is unnecessary to add, unless the bonds or obligations of the bank had themselves reached maturity dates. The bank could not be compelled, of course, to take its bonds before the maturity of the bonds.

Mr. ROBINSON of Arkansas. Mr. President, I do not offer any objection to the amendment proposed by the Senator from Georgia. It is entirely fair if the act makes the indebtedness of the borrower payable in bonds at the bank, but it is a very different thing when the contract provides for the payment in lawful money of the United States to require the acceptance of bonds which may be purchased in the market at a very low price. That would necessarily wreck a bank.

Mr. BROOKHART. Mr. President, in that connection I call the Senator's attention to the fact that this would regulate the kind of contracts these banks could make.

Mr. ROBINSON of Arkansas. That is the point I am making. There is no objection to the amendment from my standpoint if it is entered in the contract, if the contract itself, or the act, which is the equivalent, because the act is to be read into the contract, authorizes the payment of the indebtedness in the bonds of the institution. That would have a tendency, too, to maintain the value of the bonds.

Mr. BROOKHART. There is no question about that.

Mr. ROBINSON of Arkansas. If, for instance, when the market value of bonds is 40 per cent, and the contract calls for payment in lawful money of the United States, such an arrangement were permitted, it would not only be of doubtful constitutionality but it would invite the wildest speculation. Men with resources would go out and buy up the bonds at, say 30 or 40 cents and then trade with the home owners and themselves make enormous fortunes with but little advantage to the home owners. But if it is put in the face of the act, as the Senator from Georgia proposes, I do not see any objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. COUZENS. Mr. President, I send an amendment to the desk.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. The Senator from Michigan proposes, on page 5, to strike out lines 11 to 21, both inclusive, as follows:

(c) Notwithstanding the provisions of clause (2) of subsection (a) of this section requiring inspection and regulation under law as a condition with respect to eligibility for membership, any building and loan association which would be eligible to become a member of a Federal home-loan bank except for the fact that it is not subject to inspection and regulation under the banking laws or similar laws of the State in which such association is organized shall, upon subjecting itself to such inspection and regulation as the board shall prescribe, be eligible to become a member.

Mr. COUZENS. Mr. President, I propose to cut that section out, because in subsection (a) of section 4, clause 2, it is provided, "is subject to inspection and regulation under the banking laws, or under similar laws, of the State or of the United States."

I do not want any of these banks exempted from that provision of law, leaving it to the Home Loan Board in Washington to prescribe rules and regulations which may admit any sort of agency to its membership.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. COPELAND. I think the Senator will find that a State like Maryland would not be able to borrow if that paragraph were not included, because while there are in Maryland very active and very useful building associations, which have never suffered losses, yet they have no provision for State inspection. I think that is true also of some other States.

Mr. COUZENS. Why do they not?

Mr. COPELAND. They just do not. They have not seen fit in Maryland to make provision for such inspection. I think I saw the Senator from Maryland on his feet, however, and he can speak for Maryland.

Mr. COUZENS. In this connection, Mr. President, I may say that I think every Member of Congress is being deluged with letters and telegrams asking that the Federal Government do something. They are asking us to lend to the States for unemployment relief, they are asking us to take care of their municipal and other bonds and issues, and the reason they give is that they are unable to do those things under their own statutes or their own constitutions. If we can change the laws of the United States to accommodate each of these States, why can not the States themselves change their laws or their constitutions so that they can take care of these unusual conditions and stop calling upon the Federal Government to do everything for them?

Mr. GOLDSBOROUGH. Mr. President, I hope the amendment will not prevail. In the State of Maryland there are 1,150 building and loan associations, with a total membership of 330,000 and total assets of $220,000,000. It is true they are not under supervision, but a method or mode of procedure can be adopted by the Reconstruction Finance Corporation. The same condition applies, I think, to the State of South Carolina. This matter was thoroughly and fully discussed before the Committee on Banking and Currency, and this provision of the bill sought to be stricken out was offered by my colleague, Senator TYDINGS, so as to take care of this very situation. So far as I know, it was unanimously approved by the committee, and I had not the slightest thought that this amendment was to be offered by the Senator from Michigan. I think if it should prevail Maryland and South Carolina would both be excluded from the provisions of the act.

Mr. FLETCHER. Mr. President, I have not made a study as to the number of States this would affect, but my impression is that there is no inspection or examination of building associations in Florida of any kind. We do not treat them as banks. They are not banks of deposit; they receive no deposits; they are not doing any banking business; and there is no occasion for such inspection as is required of banks. I do not think there is any inspection of building

and loan associations in Florida. I doubt if there is in a great many States. It seems to me this provision is an important one and ought to stay in the bill.

Mr. COUZENS. Mr. President, I am unable to see, if the States want to receive the benefit of this act, why they should not amend their laws to comply with the benefits to be received under the act. The States stand pat and say, "We will not do anything for our citizens, we will not do anything for our building and loan associations, we will not do anything to aid now in getting relief. We insist upon the Federal Government setting up all kinds of bureaus, under bureaucrats, and in passing all kinds of acts, so that our citizens may be able to avail themselves of the benefits."

Under this bill, with this provision in it, there will be organized all kinds of agencies, and various agencies will be operating under the law without regulation by any State authority.

One State, for instance, may have a proper regulatory agency regulating the agencies that borrow from the home-loan banks. In another State there will be another system, because that State refuses to help its own citizens by amending its own law or arranging its own law so they may come under the provisions of this bill. It seems to me wholly unwise and unnecessary that we should frame our bill and frame our rules and regulations to bring in States who themselves deliberately refuse to do anything to help their own citizens.

Mr. GOLDSBOROUGH. Mr. President, I will say in answer to the Senator from Michigan that the State of Maryland has not had an opportunity to amend its laws. It can do so only when there is a meeting of the general assembly, and until that time comes we would be absolutely precluded from the benefits of the bill, which would be totally unfair.

Mr. TRAMMELL. Mr. President, that would be true in a great many States. This is emergency legislation, and the hope is that relief will be furnished as expeditiously as possible. The legislatures in many States will not convene for 8 or 10 or 12 months. I do not think there will be any disposition on the part of the legislature of any State not to enact the right laws, but we do not want this legislation deferred until those legislatures convene. Section 5 takes care of that situation, and does it without any detriment to the public interest or the security of the banks which we propose to set up. I hope the amendment will be defeated.

Mr. TYDINGS. Mr. President, I hope the amendment will not be adopted. In some of the original thirteen Colonies the old English law which was in effect when we became States, the grant from the King of England to the proprietors of the State of Maryland, as it was afterwards called, is in such shape that it is very difficult to enact State regulatory measures dealing with that title which goes back prior to 1634. For instance, we have to-day leases there on ground known as 99-year leases renewable forever. Under our present State laws it would be impossible to make a lease of that kind to-day. The rule against perpetuity has since been passed in Maryland, and, of course, it could not be made retroactive. These laws are as old as our State, 300 years old. Therefore, to make regulatory laws governing something that existed before Maryland became a State is not as easy to do as in a State where none of these old systems which came over from the old country, England, have been in existence.

If the provision is stricken out, it will mean that practically all of the building associations in Baltimore City will be precluded from obtaining any of the relief granted in the bill. They simply can not comply. There has been an effort several times to draw regulatory legislation. It is easy to draw regulatory legislation as to the newer building associations. But some of our building associations are over 100 years old, are almost as old as the country itself, so that if the provision is stricken from the bill it will penalize very severely many of the thirteen original States where the old English common law has never been changed.

As I said, we can not make a lease in Maryland longer than for 20 years. If we make one for a period of time longer than 20 years, then the lessor can capitalize the rent at 6 per cent and pay the additional 94 per cent and buy the property under our Maryland law. The rule against perpetuity takes care of that. But our old ground rent law is there and will be there until the end of time unless the leases are bought up and released in the meantime; so there is no way of regulating a title which can not be acquired.

For example, let us suppose one of these leases was issued 100 years ago. In the meantime there have been four or five sets of heirs. In the division of those leases as they went down to direct and collateral heirs the leases sometimes were paying only as much rent as 50 cents a month, because that will be probably one-hundredth part of the total rent. When we attempt to make regulatory laws dealing with ground rents, as we call them, it is not a simple proposition, and a group of lawyers of 96 as big as the Senate could sit for a long while in attempting to do it. There is no way of clearing the title while some of the heirs are unknown.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield.

Mr. COUZENS. The Senator has carried his argument much farther than the intent of the section goes. The amendment I propose is on page 5, section (c), which only refers to examinations by State agencies. It does not refer to title or deed. All I object to is that any of these agencies that are not under State regulations should be able to avail themselves of the purposes of the bill. The section does not deal with what the Senator is talking about.

Mr. TYDINGS. Let me read the section:

> Notwithstanding the provisions of clause (2) of subsection (a) of this section requiring inspection and regulation under law as a condition with respect to eligibility for membership, any building and loan association which would be eligible to become a member of a Federal home-loan bank, except for the fact that it is not subject to inspection and regulation under the banking laws or similar laws of the State in which such association is organized, shall, upon subjecting itself to such inspection and regulation as the board shall prescribe, be eligible to become a member.

Mr. COUZENS. If the Senator will look at page 4, line 15, he will see that it provides—

> subject to inspection and regulation under the banking laws, or similar laws, of the State or of the United States.

That is all I am referring to. I want these building and loan associations anywhere and everywhere to come under some such regulation. It does not refer to deeds or leases.

Mr. TYDINGS. Oh, yes, it does. I may not state this with exact accuracy, but, I hope, with substantial accuracy. It is only recently that the national banks were authorized to lend money on mortgages on real estate. When we lend money on mortgages on real estate what do we mean by "mortgages"? Do we mean mortgages on property the title of which may be clouded, second mortgages or third mortgages? No; we mean first mortgages on an unclouded title.

Suppose there was a ground rent which was 100 years and which had descended, as a result of death, to three or four different sets of heirs and their heirs, so that when we come down to the present time there are probably 100 heirs sharing in that one ground rent as the result of descent. The result would be that we could not get all of those heirs. Some of them may live in Europe or South America or Australia. We could not get all of them to enter into an agreement releasing or waiving their ground rent so that a bank would take a mortgage on the property. It would not be physically possible to find them. A great many of these ground rents are unpaid because the heirs never claim their proportionate part, it gets to be so small after a time. I have in mind one in my home town that is over 100 years old. It was $6 a year at the time it was issued. After 100 years have gone by it is one of the most valuable pieces of property in the town, and yet the man who owns that property subject to this $6 a year ground rent has never been able to amortize it because he can not find all the heirs to whom the ground rent was willed in subsequent wills. The result is that it is impossible to clear that title. That man, notwithstanding that ground is worth a great

many thousand dollars, could not get the kind of a title that a national bank would demand because one man who is due 50 cents a month can not be located. There is a flaw in the title.

I am not in a position to argue this in all its ramifications, but I can say with substantial accuracy that where the 99-year leases renewable forever exist as a result of the old proprietary grant from the King of England to Lord Baltimore and his descendants, quite often it is impossible to clear the title. I would not hesitate to buy a piece of land with one ground-rent heir unprovided for or not taken care of. I would say that it is a small matter. But when we come to have a title company pass upon it and guarantee it, they will not do it. I am afraid if the Senator strikes out the section many deserving people whom I know he wants to help will be precluded from the benefits of the bill.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. TYDINGS. I yield.

Mr. WATSON. Under the conditions described by the Senator from Maryland, will it be possible for the legislature to act to correct the condition he states, so that his State could come within the provisions of the bill?

Mr. TYDINGS. I doubt very much if it can be done, and I will give the Senator an illustration.

Mr. WATSON. That is, done soon or done at all?

Mr. TYDINGS. In the first place, the legislature does not meet until next January, so, therefore, we would not have any action in the next six months. I remember one time three of the most distinguished lawyers in Maryland wanted to change the law of descent. We all know if a man inherits property from his father in some States it goes one way, if he inherits it from his mother it goes other ways, or if he acquires it himself it goes still another way under the old English laws of descent. In order to straighten it out three of our leading attorneys got together and spent the better part of a year trying to harmonize the conflicting laws of descent. After working on it for a year they concluded that they would do more harm with the harmonizing law than would be the case if they let the old law stay in effect.

When we undertake to regulate and pass laws regulating building associations that are bottomed in large part on ground rents and 99-year leases renewable forever, it is no child's job. We find quirks of title which we can not anticipate, and quite often we throw further clouds on the title of the property. However, that is taken care of in this very section because there it is provided that such associations shall be subject to the rules and regulations of the Federal Home Board itself, so that whatever they prescribe we have to do. If we are going to compel the legislature to enact regulatory laws dealing with all these ramified old laws, there are very few institutions in the city of Baltimore where we have this situation who can get any relief.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New York?

Mr. TYDINGS. I yield.

Mr. COPELAND. I would like to call the attention of my friend from Maryland to a statement made by Harry E. Karr, general counsel of the Real Estate Board of Baltimore and Association of Building Associations of the State of Maryland.

Mr. TYDINGS. Will the Senator read that?

Mr. COPELAND. He makes a very interesting statement. He says that in Maryland there are about 1,000 of the associations which we have been discussing, and then in another place, speaking about bank inspections made under the Maryland law, he said:

> We have about 12 or 15 of them at the present time in the hands of receivers, which far exceeds the building associations. At the present time I only know of three building associations which are in the hands of receivers, while not a single building and loan association in Maryland has had any such disaster befall it.

He made a very strong argument.

Mr. TYDINGS. Let me comment upon the Senator's observation right there, if I may. I can not recall a building association in my State that has ever failed. There may have been one, but I can not recollect any. I believe we have more building associations in proportion to our population than any other State in the Union. It is sort of a Maryland institution and we have them in every little town and crossroads. They are all worked out on the same plan, and, so far as I know, none has ever failed.

Mr. COPELAND. Mr. Karr said that there has never been a loss in that State through a building and loan association. I want to make clear to the Senator that if the amendment offered by the Senator from Michigan should prevail there can be no loans made in the State of Maryland and, I think, in the State of South Carolina, and perhaps some other States. I hope the amendment will not prevail.

Mr. TYDINGS. Mr. President, in conclusion, let me say that if there were no provision in the bill to bring Maryland and South Carolina building associations under control of the board we are setting up, then the amendment would be proper, but when it is provided that before they may get any money they must comply with the rules and regulations of the Federal board, it seems to me that the Federal Government is amply protected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Michigan [Mr. COUZENS].

The amendment was rejected.

EXEMPTION OF HUSBANDS OF AMERICAN CITIZENS FROM QUOTA—CONFERENCE REPORT

Mr. REED. Mr. President, I send to the desk the conference report on House bill 10600, and after it shall have been read I shall ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the report, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10600) to exempt from the quota husbands of American citizens, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.
>
> Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Strike out the language of the Senate amendment and insert "and, in the case of husbands of citizens, prior to July 1, 1932"; and the Senate agree to the same.
>
> Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the language of the Senate amendment and insert "or who are the husbands of citizens of the United States by marriages occurring on or after July 1, 1932"; and the Senate agree to the same.
>
> DAVID A. REED,
> HIRAM W. JOHNSON,
> ROYAL S. COPELAND,
> H. D. HATFIELD,
> WILLIAM H. KING,
> *Managers on the part of the Senate.*
>
> SAMUEL DICKSTEIN,
> MARTIN DIES,
> VINCENT L. PALMISANO,
> ALBERT JOHNSON,
> *Managers on the part of the House.*

Mr. REED. Mr. President, the report as presented changes the present immigration law only to the extent of admitting as nonquota immigrants husbands of American women who were married prior to July 1 of this year. The House bill as it first came to us would have admitted the husband of an American woman no matter when the marriage occurred. It seemed safer to the Senate to limit

that privilege to those heretofore married and not leave the privilege open indefinitely in the future.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Pennsylvania approximately how many persons are affected by this proposed legislation?

Mr. REED. I have been told that there are 146 that are known of; it would be fewer than 200, I am sure. I move the adoption of the conference report.

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania to agree to the conference report.

The report was agreed to.

FEES FOR ISSUANCE OF DOMESTIC MONEY ORDERS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ODDIE. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ODDIE, Mr. MOSES, Mr. DALE, Mr. MCKELLAR, and Mr. TRAMMELL conferees on the part of the Senate.

CHARGE ON NOTICES REGARDING UNDELIVERABLE SECOND-CLASS MATTER

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter, and requesting a conference with the Senate on the disagreeng votes of the two Houses thereon.

Mr. ODDIE. Mr. President, I move that the Senate insist on its amendment, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ODDIE, Mr. MOSES, Mr. DALE, Mr. MCKELLAR, and Mr. TRAMMELL conferees on the part of the Senate.

WAGES OF LABORERS AND MECHANICS EMPLOYED ON PUBLIC BUILDINGS—VETO MESSAGE (S. DOC. NO. 134)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, returning, without approval, the enrolled bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, which was read, as follows:

To the Senate:

I return herewith without approval Senate bill 3847, "An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings."

I attach hereto a memorandum from the Secretary of Labor setting out in detail the reasons for this action.

HERBERT HOOVER.

THE WHITE HOUSE, *July 1, 1932.*

MEMORANDUM UPON SENATE BILL 3847

The bill should not be approved. It is obscure and complex and would be impracticable of administration. It would stretch a new bureaucracy across the country. The bill is an amendatory substitute for the existing act of March 3, 1931, which is a clear and sufficient law. That law has been clarified and reinforced by an Executive order issued last January requiring certain stipulations in public contracts to make effective the manifest purpose of the statute. The law during its brief existence has worked with beneficial and generally satisfactory results and without increase in personnel or appropriation, is being administered so as to accomplish substantially the ends sought by this legislation, without the many objectionable features which it would entail.

The existing law of March 3, 1931, should not be scrapped for this proposed amendatory bill with its complexities and obscurities, the results of which could only be dissatisfaction, endless controversy in enforcement, and great increase in expense to the taxpayer.

The present law consists of two fundamental provisions. The first is that all contracts on the part of the United States or the District of Columbia for the construction, alteration, or repair of public buildings in excess of $5,000 shall contain a stipulation that laborers and mechanics employed on such work shall be paid not less than the prevailing rate of wages for work of a similar nature in the city, town, village, or other civil subdivision of the State in which the public buildings are located, or in the District of Columbia if the public buildings are located there. The second provision is that every such contract shall contain a further stipulation that in case any dispute arises as to what are the prevailing rates of wages which can not be adjusted by the contracting officer the matter shall be referred to the Secretary of Labor for determination, and that his decision thereon shall be conclusive on all parties to the contract. It does not require a determination of the rate of wages by any Government official before the contract is let, nor even afterwards unless a dispute arises over the prevailing rate of wages in the locality. Such disputes requiring decision by the Secretary of Labor under the present law have been comparatively few, because in a majority of the cases presented prevailing rates of wages, as required by that law and agreeable to the contractor, the laborers and mechanics in the locality, and to the contracting officer, have been arrived at in the practical way of negotiation and conciliation without the necessity of formal decisions.

This new amendatory proposal introduces a complication into the law by requiring that the advertised specifications for every such contract shall contain a provision stating the prevailing rate of wages in the city, town, village, or other civil subdivision of the State or the District of Columbia, as determined by the Secretary of Labor. An enormous amount of preinvestigation would be necessary by representatives of the Department of Labor before the letting of each contract within the terms of the act in excess of $5,000. For, unless the fixing of the rate of wages be based upon a thorough personal investigation in the locality, the rate stated in the advertised specifications would only provoke dissatisfaction and controversy. Not only would the Government be put to great expense but there would be cost and inconvenience to the contractors and to the employees remote from Washington to be represented personally before the Secretary of Labor at Washington for the consideration of their cases, all of which the Government would ultimately have to pay for in the contract price. Otherwise, investigations by competent representatives of the Secretary of Labor at great expense to the Government would have to be made in the locality in advance of the letting of every contract within the terms of this amendatory proposal.

A large increase in the personnel of the Department of Labor would be necessary to deal with matters which experience under the present law has demonstrated in most cases do not arise, and when they do arise can generally be adjusted through negotiation and conciliation to the satisfaction of all concerned. The policy of the present law is more practicable in requiring the investigation and decision by the Secretary of Labor in cases only where a dispute arises after the contract is let that can not be settled by the contracting officer. For that reason a more thorough investigation and careful consideration can be given by the Secretary of Labor and his staff in the comparatively few disputes reaching him for decision.

The present law applies only to public buildings and hence requires consideration only of the rates in the locality of the building work, but the amendatory proposal applies also to public works, and that would involve rates varying from one locality or State to another for the same work, as, for instance, in levee work on the Mississippi or road building in national parks or Government reservations.

Under the present law the rate of wages is that for "all laborers and mechanics" employed under contracts within the law, but the amendatory proposal requires the determination of the rate of wages for the "various grades of mechanics and laborers," clearly indicating that the rate is to be determined not only for the different trades, as bricklayers and carpenters, but for the different grades of such workers within each trade, which would require an official determination of the comparative efficiency of individual workers employed on the work by the contractor or subcontractor.

The amendatory proposal provides for fixed monetary penalties and deductions to be imposed upon the contractor for violations, thus excluding the idea that he may be otherwise penalized. The present law affords superior protection by leaving the matter of breach of its stipulations to be treated like a breach of any other stipulation of the contract. For that reason all consequences of a breach to the laborers and mechanics, to the Government, and to the contractor or subcontractor, may be taken into account in determining whether the contract should be abrogated or what other measure should be taken by the Government.

The amendatory proposal introduces a further new provision declaring that when any of the departments or independent establishments of the United States, including the District of Columbia, performs work "by Government plant and hired labor" which could have been performed under contract, but not including work in arsenals or navy yards, or work performed by the Panama Canal, such departments and establishments, including the District of Columbia, shall also pay not less than the prevailing rate of wages as established by the Secretary of Labor at the time the work is undertaken. This not only requires the Secretary of Labor to determine in such cases the prevailing rate of wages, but necessarily also to determine whether the work is such as could be done by contract; and there is no provision as to the method of determining such facts or for any method for enforcing the findings of

the Secretary of Labor. This new provision is obscure in many respects. For instance, it does not state any locality for use in determining the prevailing rate of wages for the purposes of this provision or whether it is subject to the $5,000 minimum limitation stated in another section of the bill relating to public works. Further, as to what is meant by "work" and whether "hired labor" would include permanent employees paid by the day or month at rates fixed according to other laws. Also, whether the provision applies only to work that is being done both in a Government plant and by hired labor or applies to either situation. A further obscurity is whether the provision is to apply when the work is not done by Government plant and hired labor but is let out to be done under contract.

The whole design of the new amendatory proposal requires an expansion of bureaucratic control over activities which now function effectively with the minimum of interference by the Government and that only when dispute arises.

W. N. DOAK, *Secretary of Labor.*

JUNE 30, 1932.

Mr. METCALF. I ask that the message may temporarily lie on the table.

The VICE PRESIDENT. The message, with the accompanying memorandum, will be printed and lie on the table.

PAYMENT OF SENATE AND HOUSE PAGES

Mr. JONES. Out of order I report, favorably without amendment, from the Committee on Appropriations the House Joint Resolution No. 455, and I ask unanimous consent for its present consideration.

There being no objection, the joint resolution (H. J. Res. 455) making appropriations for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932, both dates inclusive, was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to provide for the payment of 21 pages for the Senate and 41 pages for the House of Representatives at the rate provided by law from July 1 to July 15, 1932, both dates inclusive.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

Mr. COPELAND. Mr. President, I call attention to page 5 of the pending bill and move that section 5 on that page be stricken from the bill.

There are two ways of dealing with this provision, which is the so-called LaGuardia amendment. The provision was inserted in the bill for the very laudable purpose of making sure that the interest charged the individual borrower should not be excessive, but unfortunately the language chosen in the LaGuardia amendment, which was offered on the floor of the House of Representatives, limits the interest charge to the maximum legal rate of interest. The maximum legal rate of interest in some of the States, at least, differs materially from the contract rates or permitted rates. If this language were to be left in the bill it would mean that practically no building and loan associations in Indiana, Arkansas, Texas, Michigan, Louisiana, Oregon, Illinois, Pennsylvania, New Jersey, and Ohio could participate in the benefits of the measure. My judgment is that ample protection is afforded by section 10, on page 17, which provides:

SEC. 10. (a) Each Federal home-loan bank is authorized to make advances to members and nonmember borrowers, upon the security of home mortgages, such advances to be made subject to such regulations, restrictions, and limitations as the board may prescribe.

If the Senate should not take the view that the wise thing to do is to omit entirely the language put in on the floor of the House, I would then suggest that section 5 be changed to read as follows:

SEC. 5. No home mortgages shall be eligible as collateral security for an advance by a Federal home-loan bank if the combined interest, commission, bonus, discount, premium, and other similar charges which have been paid, less a deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum amount legally chargeable on and for such home-mortgage loan in the State where the mortgaged property is located.

My suggestion is to eliminate the section entirely.

Mr. GOLDSBOROUGH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Maryland?

Mr. COPELAND. I yield.

Mr. GOLDSBOROUGH. Do I understand the Senator is making a motion to strike out entirely section 5, on page 5, or is he proposing a substitute?

Mr. COPELAND. My first motion and the one which I prefer to make is to strike out section 5 and offer no substitute.

Mr. GOLDSBOROUGH. Let me inquire, Mr. President, if the question will be on the amendment to strike out section 5?

The VICE PRESIDENT. The first vote will be on that question.

Mr. HEBERT. Mr. President, I am in favor of the amendment proposed by the Senator from New York because the provision as it stands in section 5 might militate against an association which is more in need of loans than any other because of the cost of the loans to its members. Bear in mind that in these building and loan associations mutuality exists; and if, by good management, successful management, the earnings of the association are greater, then the member has the benefit of those earnings in proportion to his interest in the institution, whereas if, because of any losses in the transaction of their business, the earnings are less, it may well be that the cost of his loan might be greater than the legal rate of interest, and in that case he might not be able to secure any advance from the home-loan bank. So the very institutions that need the loans the most would be precluded from getting them. I do not think section 5 should remain in the bill.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New York.

Mr. COUZENS. Mr. President, this section was discussed on Friday, and during the discussion it was pointed out that this was practically the only section of the bill which protects the home owner from usury. The section plainly says:

SEC. 5. No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum legal rate of interest (regardless of any exemption from usury laws) in the State where such property is located.

Mr. President, we are proposing to set up an agency under the parentage of the Federal Government which will use a great deal of Federal money. We propose this for the benefit of the home owner, not for the benefit of the banks, not for the benefit of the building and loan associations, not for the benefit of any corporation, but for the interest of the individual home owner who has a home that cost less than $20,000. I think section 5 should remain in the bill, so that after having done all this, after having provided the machinery and provided the money, we may not leave it open to any financial agency to charge any sort of rate it chooses.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Texas?

Mr. COUZENS. I yield.

Mr. CONNALLY. Does the Senator think it wise to utilize this bill as a means to undertake to regulate the affairs of the States? Usury laws are State laws, and these associations have been organized under State laws. Is it wise for the Federal Government, under the guise of the power that we possess through the making and withholding of loans, to undertake to regulate the affairs of the States? I do not think it is.

Mr. COUZENS. I think the whole measure is unwise.

Mr. CONNALLY. That may be.

Mr. COUZENS. And I think the organization of the proposed banks is unjustified; but if we are to create them, are we going to use the taxpayers' credit and permit any one of these agencies to practice usury?

Mr. CONNALLY. Why not go farther and carry out the Senator's view and say what kind of organizations shall be set up and what kind of laws the States shall make and regulate the whole works?

Mr. COUZENS. We have limited the type of the buildings on which loans may be secured to two or three family buildings.

Mr. CONNALLY. If we want to have a sound set-up, we must expect there will be charged a sufficient rate of interest to make the securities worth while; and if we prohibit the charging of a rate that will do that, the home-loan banks are going to have a lot of worthless paper on their hands.

Mr. COUZENS. So the Senator thinks that the agencies that are going to benefit under this act should be able to charge not only high interest rates but commissions, bonuses, discounts, premiums, and other items which run as high as 16 per cent, as was stated a while ago by the senior Senator from Florida [Mr. FLETCHER]. In other words, the Senator wants to approve a measure involving the use of Federal money, under Federal control, which would permit any one of these organizations, no matter what it may be, to charge all these items so that the aggregate cost to the home owner may be 16 per cent.

Mr. CONNALLY. No; the Senator from Michigan is wrong about that. The Senator from Texas does not care to approve all that is in this bill; but he objects to using this bill as a vehicle for trying to regulate the usury laws and all the other laws governing the operation of these building and loan associations.

Mr. COUZENS. That is not correct, because the agency does not have to come under this bill if it does not want to. If it does not want to meet the requirements of the bill, it does not have to borrow. If, however, the agency does borrow, and if it does use the Federal funds, why should not it loan the money and serve the little home owner at a very small rate?

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from New Jersey?

Mr. COUZENS. I yield.

Mr. KEAN. This bill is a bill to try to save people's homes. That is what the Senator from Michigan has said it was.

In the State of New Jersey nearly a billion dollars has been invested by people in these homes. Large numbers of them are on the verge of being foreclosed. If this provision stays in the bill, they are absolutely precluded from getting any help from the Government. If that is true, what is the use of passing a bill to try to save their homes when we make it impossible for them to receive any help?

Mr. COUZENS. I thought the Senator rose to ask me a question; but as long as he rose to make a speech I will reply to it.

Mr. KEAN. All right.

Mr. COUZENS. Let me say that every building and loan association or other banking association in New Jersey ought to break if it can not comply with the provisions of section 5.

Mr. KEAN. Mr. President, in reply to that I should like to say to the Senator from Michigan that I am not seeking to have anybody break. I am trying to help everybody keep from being broke.

Mr. COUZENS. That is not the question. The Senator from New Jersey says that if these agencies are charging the little home owners—they are the only ones we are legislating for—up to 15 or 16 per cent, they should be permitted to continue that; otherwise, they will go broke. If they are charging the little home owners that rate, I hope they will go broke; and if I can be a party to passing a bill that will break them, I am for it.

Mr. BARBOUR. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the junior Senator from New Jersey?

Mr. COUZENS. I yield.

Mr. BARBOUR. I should like to correct the impression that the Senator from Michigan apparently has. Nothing like any such high percentage as that is charged in the State of New Jersey. We average something less than 8 per cent. The fact is that in New Jersey we have a mutual set-up which does not fit in with this amendment. This amendment would exclude our State because of the situation which is in vogue in New Jersey, and has been for a very long time.

Many States have a graduated scale of contract interest which goes as high as 12 per cent. If we happened to have that in New Jersey we would be quite all right. In the situation as we have it, unless this section is eliminated from the bill this measure would be of no use in New Jersey. I can assure the Senator that it is not because there is any gouging or scalping or speculation, or anything of that kind.

Mr. COUZENS. In other words, Mr. President, I want Senators to go on record as to whether they are willing to pass a bill which will permit these State organizations, organized under State laws, to charge from 8 to 12 to 16 per cent to the little home owners that we are legislating for. I want them to go on record as to whether we are going to limit the rate of interest that these agencies may charge the little home owners or whether we are going to leave the matter wide open so that these agencies that are organized under State laws may charge anywhere from 8 to 16 per cent.

Mr. BRATTON. Mr. President, I understand that the pending amendment, offered by the Senator from New York [Mr. COPELAND], is to strike from the bill all of section 5. That section makes any institution ineligible for relief under the bill if it is engaging in conduct which amounts to usury under the law of the State in which it operates.

Mr. President, usury is a violation of law. Virtually every State in the Union has denounced it in one form or another. Some States impose a civil penalty for usury of twice the amount collected. Other States provide a civil penalty in one form or another, differing only in degree. Some States make it a penal offense to charge usurious interest.

This provision is simply to the effect that an institution which engages in outlaw conduct under the law of the State in which it operates shall not be eligible for relief under the measure. I think the section is a good one and should remain in the bill. Why should the Government appropriate money from the taxpayers of this country to be lent to an institution of a State which is engaged in conduct denounced by the laws of that State—conduct that is denounced by the legislature of the State in which the institution operates?

Perhaps the State itself has imposed a civil penalty, recoverable at the hands of the borrower who is required to pay the interest exceeding the maximum rate permitted in the State; yet if this section is eliminated from the bill through the adoption of the amendment offered by the Senator from New York, a building and loan association, or any other institution, even though it is engaged in an illegal course of business under the laws of the State in which it conducts its affairs, may borrow money from the Treasury of the United States to conduct that sort of a business.

This provision should remain in the bill.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BRATTON. Yes; I yield.

Mr. COPELAND. If there were no other safeguard in the bill, I should take exactly the view voiced by the Senator from New Mexico; but if the Senator will turn to page 17, at the top of the page, section 10, he will see that—

> Each Federal home-loan bank is authorized to make advances to members and nonmember borrowers, upon the security of home mortgages, such advances to be made subject to such regulations, restrictions, and limitations as the board may prescribe.

That, to me, is perfectly clear. Everybody knows that the cost of operation is not uniform throughout the country; that there are States where it costs more than in other States. We are not binding down a State like Michigan, for instance, where the legal rate is 5 per cent—a rate which would make it utterly impossible for a building and loan association to operate, where it would be utterly impossible for that building and loan association to get any funds. We are leaving to the central board the question of determining

how much the rate may be in Michigan; and if the Senator is not pleased with striking it out, my second choice would be the substitute which I offered. I am perfectly willing, however, to leave it to the Federal home loan bank to determine how much shall be charged in the State of Michigan for mortgage money obtained under the operations of this law.

Mr. BRATTON. Mr. President, the relationship of a lender and a borrower—that is to say, the maximum interest that may be charged—is a matter which each State determines for itself. It is a domestic question. When the State has decided it, and a lender sees fit to transgress the law, he is no longer in position to apply to the Federal Government for financial aid with which to further a business of that kind.

The Senator from Texas [Mr. CONNALLY] suggested a while ago that this amounts to the Federal Government seeking to superimpose its judgment upon that of the State with respect to a purely domestic question. Not at all, Mr. President. We do not undertake to say what the rate of interest shall be in any State. Each State is left entirely free to determine that question for itself. All that this measure provides is an institution which has seen fit to disregard the State's adjudication of that question, and to violate the law of the State in which the business is conducted, is in no position to seek aid from the Federal Government under this bill.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. BRATTON. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I think the Senator from New Mexico has overlooked an important consideration in this connection.

Most of the States have a legal rate of interest prescribed by law but authorize the making of contracts for higher rates of interest. I am informed that that is true as to something like 30 States, perhaps more. So that a contract which does not exceed the rate of interest permitted by the law is not usurious, even though it exceeds the legal rate of interest.

Of course the Senator from New Mexico well understands that; but I shall not claim his time to conclude my statement about the matter. I merely call it to his attention.

Mr. BRATTON. Mr. President, I appreciate the suggestion. It is entirely pertinent. My interpretation of the provision is that the expression, "The maximum legal rate of interest," as used in this section may mean the maximum rate permitted by law under a contract.

Mr. WATSON. No.

Mr. BRATTON. The Senator from Indiana shakes his head. He disagrees with that view. There are two legal rates of interest in practically every State in the Union. One is the rate to be charged where there is no agreement upon the question. The other is the maximum rate which may be charged under a contract; but they are both legal rates of interest. One governs in the absence of an agreement. The other governs in the presence of an agreement; but one is a legal rate, the same as the other.

Mr. COUZENS. That is just the point—that section 5 does not interfere with the contract rate nor the interest rate.

Mr. ROBINSON of Arkansas. Oh, but it does!

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield, and to whom?

Mr. ROBINSON of Arkansas. I will take the floor in my own right when the Senator has concluded.

Mr. COUZENS. The contract rate is the legal rate if provided by law. Certainly it is.

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from New Jersey?

Mr. BRATTON. I yield to the Senator from New Jersey.

Mr. KEAN. In New Jersey the legal rate of interest is 6 per cent. But in regard to these companies, they being mutual concerns, each member putting in so much money a month, each member having an equal share in the company, the State has allowed them to charge an extra rate. Under this clause, however, 6 per cent being the legal rate of interest, they would be deprived of the benefit of this bill.

Mr. GOLDSBOROUGH. Mr. President, I simply want to add to what the Senator from Arkansas has just said. I quote a letter written me by the Baltimore Association of Commerce, which seems to substantiate that position:

> Our attention has been called to the fact that the LaGuardia amendment, if strictly enforced, would make it impossible for building associations in Maryland, where the legal rate of interest is 6 per cent, to participate in the benefits of the proposed home loan bank. In view of the fact that our local real estate board has raised this question, we felt it desirable to bring the same to your attention.

The result would be simply that the 1,050 building associations in the State of Maryland could not benefit under the provisions of the act unless section 5 were eliminated by an amendment like that offered by the Senator from New York.

Mr. BRATTON. Mr. President, it is obvious that several Members of the Senate do not agree with my interpretation of this provision. I may be entirely wrong about it; I do not claim any superior knowledge over anyone else with respect to the matter. Let us take the State of New Jersey, for instance, where the rate of interest, in the absence of an agreement, is 6 per cent. The maximum rate of interest permitted under a contract is 10 per cent. My interpretation of this provision is that if a company is lending money upon a contract at 10 per cent or less, it would be eligible for relief under this bill.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. ROBINSON of Arkansas. As I implied in my former interruption of the Senator from New Mexico, I think that that interpretation is erroneous, that the legal meaning of the words "legal rate," the meaning which the courts would give to it, is the rate established by law, to be charged when no rate of interest is fixed by contract, and that the higher rate of interest which is permitted is universally known as the contract rate. In other words, if this provision, known as the LaGuardia amendment, is retained in the bill unmodified, thirty-odd States in the Union which are operating under provisions for contract rates would be denied any participation under the act, because the legal rate of interest would be held to be not the contract rate but the rate prescribed by law, to be charged when there is no contract rate expressed in the agreement.

I have been all through this question in the trial of lawsuits, and "legal rate of interest" does not mean the rate permitted to be charged. Of course, in a sense, that is a lawful rate of interest, but the "legal rate of interest" is the rate which is prescribed in the statutes to be charged in the absence of a contract rate.

Mr. BRATTON. Mr. President, I inferred from the observation of the Senator from Arkansas made a few moments ago, that my views were not in accord with his; and while according the greatest deference to his judgment respecting the matter, I must dissent from his position that the provision necessarily means the maximum interest permitted by the statute. What effect is to be given to the word "maximum" preceding the word "legal"? If the legal rate of interest is 6 per cent in a given State, why say "maximum legal rate of interest"? If there is only one legal rate of interest, a flat fixed rate, there is no maximum, there is no minimum; it is a flat, fixed, definite rate of interest. The word "maximum" must be given some meaning.

This provision is to the effect that if the arrangement creates a net cost in excess of the maximum legal rate of interest permitted by the State, the institution shall not be allowed to participate. If there are two rates of interest permitted under the law of the State, one applying in the absence of a contract and the other applying in the presence of a contract, then under this provision the greater of the two would be the limit unto which a concern might lend money and still be eligible for relief under the measure.

Mr. SHEPPARD. Mr. President, suppose the board should construe the section to mean what the Senator from Arkansas thinks it means. What recourse would the association have?

Mr. BRATTON. It would bring about the situation which some have suggested.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield again?

Mr. BRATTON. Of course; always.

Mr. ROBINSON of Arkansas. I thank the Senator. May I say that I have talked with a member of another body, one who has been very active in the preparation, the study, and the passage of the bill through the body at the other end of the Capitol? I think there would be no impropriety in my using his name; but if anybody objects to that, I will refrain from doing so. Representative REILLY, of Wisconsin, expresses the opinion that the adoption of the amendment known as the LaGuardia amendment in its present form will make the bill entirely unworkable in all the States where there is a contract rate and a legal rate. If the Senator would permit me in his time, I would like to go on with this matter. Representative REILLY says:

> My understanding is that most States have two rates of interest, legal and contract, the legal rate applying only when there is no interest rate agreed upon by the parties.
>
> In my State of Wisconsin the legal rate is 6 per cent and the contract rate is 10 per cent, and I am informed that the same rates prevail in other States. Two States, I believe, Illinois and Louisiana, have a legal rate of 5 per cent and a contract rate of 8 per cent or 10 per cent.
>
> The building and loan associations are conducted as mutual institutions. Their memberships are made up of two classes, an investing class, which is much the larger, and a borrowing class; and the profits of these institutions, except what is necessary for operating expenses, go to these two classes of members.
>
> To give you some idea of the size of our 12,000 building and loan institutions, I might say that they have about five times as many mortgages on their books as the Federal farm loan banks and the joint-stock land banks combined.
>
> There is absolutely no necessity for section 5 in this bill, for the reason that section 4 and section 9 give the Federal loan board, the governing body created in this bill, complete authority to refuse the privileges of the home-loan bank to any home-mortgage organization that does not carry on a legitimate and fair home-mortgage business.
>
> If you will read those two sections, you will understand that no matter what the bill may say about what kind of institutions may become members of the home-loan bank, the final authority rests with the board to keep out all organizations which are not functioning in accordance with the plans and purposes of this bill.
>
> I do not know whether this section and its effects upon the general purposes of the bill were called to the attention of the Senate committee before it was reported out or not, but I am now calling this section to your attention, because all the friends of this piece of legislation would dislike to have this law contain within its provisions a section nullifying to a large extent its purpose.

I have not read all of his statement or memorandum furnished me, but think I have read sufficient to show conclusively that he takes the position that the term "legal rate" does not mean the contract rate, and that it would exclude a large number of States.

A memorandum furnished me shows that the States of Alabama, Arizona, Arkansas, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, and Wisconsin would be denied the benefits of the act if this provision remained in the bill unmodified. I have not had an opportunity to confirm that information by an investigation of the statutes of all those States, but I know that is true of several of the States mentioned in the list I have read.

I have imposed on the Senator from New Mexico long enough. I thank him.

Mr. BRATTON. I welcome the interruption. I concede that there is much force in the argument advanced, and yet I think when we construe the language, particularly the words "maximum legal rate of interest," we have to conclude that it must have reference to two rates of interest in a given State, one to apply where there is no contract and the other to apply where there is a contract. But the entire matter could be clarified and the whole discussion resolved into an academic one.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. BRATTON. I yield.

Mr. ROBINSON of Arkansas. I thank the Senator for doing so; and I realize that, perhaps, I am imposing on him in doing it, but hope we are saving time.

The courts have passed on this very question, and again I point out the fact that all the legal decisions with which I am familiar—and while we have been talking I have sent out for some of them—hold that the term "legal rate of interest" means the statutory rate which obtains in the absence of a contract.

Mr. LEWIS. Mr. President, from what is the Senator reading?

Mr. ROBINSON of Arkansas. That statement of the rule appears in a synopsis of the case of McDonnell *v.* De Soto Savings & Building Association (75 S. W. 438), which is a Missouri case. I read another:

> Where a statute provides for 6 per cent interest, but that the rate may be made 8 per cent by contract, the former is generally termed the "legal rate" and the latter the "contract rate."

That is the case of Arbuthnot *v.* Brookfield Loan & Building Association (72 S. W. 132), being another Missouri case.

Here is another case in which it is held that "legal" rate is not synonymous with "lawful rate." I made the statement awhile ago that there was a difference between "legal rate" and "lawful rate," the legal rate being the rate prescribed in the absence of a contract, and the lawful rate being the one permitted by law, being a broader term. Here is a case sustaining that conclusion, a Georgia case, in which it is said:

> A legal rate of interest is fixed at 7 per cent where no rate is named, but in no event is the interest to exceed 8 per cent. As used in such section, "legal" is not synonymous with "lawful." Three per cent is lawful, but not the legal rate; 8 per cent is lawful, when specified in writing; 7 per cent is both legal and lawful.

That is the case of Green *v.* Equitable Mortgage Co. (33 Southeastern, 869), being a Georgia case.

I again thank the Senator for allowing me to use his time.

Mr. BRATTON. Mr. President, the authorities cited by the distinguished Senator from Arkansas are respectable and persuasive; yet I am certain that equally strong argument and equally persuasive authority could be mobilized and presented to the effect that "legal rate" does not necessarily mean a rate which applies in the absence of a contract. Particularly would that be true in view of the language of this measure, which refers to the "maximum legal rate," clearly contemplating two rates of interest; and when the word "legal" is preceded by the word "maximum," it necessarily means the larger of the two. What two could they be except one in the absence of a contract and the other provided by contract?

Mr. President, as I was about to say, when the Senator from Arkansas asked me to yield the last time, the whole matter could be resolved into an academic discussion, and what all of us have in mind could be made clear, by inserting in line 4, after the word "interest" the words "permitted by contract or otherwise." Then the section would read:

> SEC. 5. No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum legal rate of interest, permitted by contract or otherwise (regardless of any exemption from usury laws) in the State where such property is located.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New York?

Mr. BRATTON. I yield.

Mr. COPELAND. I can see no objection to that language, because in several of the States there are laws which fix the rate that a building and loan association may charge. The Senator has covered that by the words "or otherwise." I will say to the Senator from Indiana [Mr. WATSON] that so far as I am concerned I have no objection to that provision.

Mr. WATSON. Will the Senator state the amendment again?

Mr. BRATTON. On page 6, line 4, after the word "interest," insert "permitted by contract or otherwise."

Mr. ROBINSON of Arkansas. I have no objection to that.

Mr. AUSTIN. If the boundary line of interest as proposed by the Senator from New Mexico should be adopted, then Vermont is still without the pale, because the right to charge more is covered by the law of Vermont. The limit of interest under the Vermont law is 6 per cent, but under our law an additional charge may be made in the case of these institutions at a certain given rate as a premium advancing by one-eighth of 1 per cent bid by the prospective borrower for the privilege of having cashed the certificates of the various members of the institutions at once in advance.

We would object to Representative LAGUARDIA'S amendment providing that no institution should be admitted to membership which charged the home owner in excess of the maximum rate of interest in the State where such property is located if this amendment prohibited the building and loan associations of Vermont, which receive 7 per cent for funds loaned to home owners, from participating in the benefits of the home-loan bank.

Under the provisions of chapter 229 of the Vermont laws our associations are permitted to loan their money at 6 per cent plus a premium advancing by one-eighth of 1 per cent bid by the prospective borrower for the privilege of having the maturity value of the shares to be subscribed for advanced to him at once in cash, supplying him with the funds necessary to buy or build his home.

There are three associations in Vermont who have had such a demand for their funds that for some time they have had money loaned in advance at a 7 per cent rate. These associations are paying to their shareholders dividends at the rate of 6 per cent compounded semiannually. Other associations are lending their funds at a flat rate of 6 per cent, but are paying dividends of 5 per cent. No association has ever charged over 7 per cent, and we do not believe that the Vermont associations ever will. I am borne out in that statement by the president of the Vermont League of Cooperative Savings and Loan Associations, who said:

> As a matter of fact, we are of the opinion that this 7 per cent rate will be reduced by at least one association, if not others, in the comparatively near future.
>
> If, under these circumstances, it would be conceded that the 7 per cent associations are charging the legal rate of 6 per cent plus a premium of 1 per cent for anticipation of the funds, then the LaGuardia amendment would not adversely affect our Vermont institutions. But we do know that this amendment is seriously objected to by other associations located in other sections of the country.

I invite the attention of the Senator from New Mexico to the fact that the factors that enter into the total expenses which are stated in section 5 of the bill include "interest, commission, bonus, discount, premium, and other similar charges." This would make all of these factors exceed our legal rate of interest which is fixed by the statute of the State.

We must strike out those factors or modify the provision so that the limit is not "interest." The phraseology "interest, commission, bonus, discount, premium, and other similar charges" as found in section 5 includes more than interest but would be barred by the limitation to maximum rate of "interest." If we could say in this section that it should be "interest and other charges" that shall not be greater than the maximum amount allowed by the laws of the several States, then we would not have a barrier inconsistent with the provisions of the first part of section 5.

I hope I have made myself clear to the Senator.

I ask to have printed in the RECORD in connection with my remarks a letter from R. A. Cooke, president of Vermont League of Cooperative Savings and Loan Associations.

There was no objection.

The matter referred to is as follows:

VERMONT LEAGUE OF COOPERATIVE SAVINGS AND LOAN ASSOCIATIONS,
Burlington, July 2, 1932.

HON. WARREN R. AUSTIN,
United States Senate, Washington, D. C.

DEAR SENATOR: We thank you for yours of the 17th and 21st instant. We would object to Representative LAGUARDIA'S amendment providing that no institutions should be admitted to membership which charged the home owner in excess of the maximum rate of interest in the State where such property is located, if this amendment prohibited the building and loan associations of Vermont that receive 7 per cent for funds loaned to home owners from participating in the benefits of the home-loan bank.

Under the provisions of chapter 229 of the Vermont Laws our associations are permitted to loan their money at 6 per cent, plus a premium advancing by one-eighth of 1 per cent bid by the prospective borrower for the privilege of having the matured value of his shares to be subscribed for, advanced to him at once in cash, supplying him with the funds necessary to buy or build his home.

There are three associations in Vermont who have had such a demand for their funds that for some time they have had money loaned in advance at a 7 per cent rate. These associations are paying to their shareholders dividends at the rate of 6 per cent, compounded semiannually.

Other associations are lending their funds at a flat rate of 6 per cent, but are paying dividends of 5 per cent. No association has ever charged over 7 per cent, and we do not believe that the Vermont associations ever will. As a matter of fact, we are of the opinion that this 7 per cent rate will be reduced by at least one association, if not others, in the comparatively near future.

If, under these circumstances, it would be conceded that the 7 per cent associations are charging the legal rate of 6 per cent plus a premium of 1 per cent for anticipation of the funds, then the LaGuardia amendment would not adversely affect our institutions here. But we do know that this amendment is seriously objected to by other associations located in other sections of the country.

We sincerely trust that the home loan bank bill will meet the approval of the Senate and will become a law.

Yours truly,

R. A. COOKE, *President.*

Mr. BRATTON. I appreciate the force of the Senator's suggestion. To meet the Senator's suggestion it might be appropriate to amend the language which I suggested a while ago by inserting after the words "rate of interest" the words "and other charges permitted by contract or otherwise." I am entirely content to modify the amendment accordingly. My sole thought has been to make an institution eligible for relief under the bill unless it is engaged in violating the law of the State by practicing ursury. Of course, if it is doing that it should not come to the Federal Government for financial aid to further a business of that character.

With the language which the Senator from Vermont suggests, I think any institution that is respecting and obeying the law of its State with respect to the interest charged or interest and other charges imposed, would be eligible. No institution would be excluded unless it went beyond that maximum and engaged in usurious conduct.

I dare say that the able Senator from Indiana [Mr. WATSON], having the bill in charge, nor anyone else, desires to make an institution of that kind eligible for relief.

Mr. WATSON. Certainly not. I am inclined to think the Senator has covered the case, but I would like very much to have time to look at his amendment, if the Senator is willing to let it go over until to-morrow.

Mr. BRATTON. I am entirely willing to do that.

RECESS

Mr. McNARY. I move that the Senate carry out the unanimous-consent agreement previously entered into and take a recess until 10 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 5 o'clock and 10 minutes p. m.), under the order previously entered, took a recess until to-morrow, Wednesday, July 6, 1932, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 5 (legislative day of June 30), 1932

SECRETARY IN THE DIPLOMATIC SERVICE

Lewis Clark, of Alabama, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States.

PROMOTIONS IN THE NAVY

Commander Felix X. Gygax to be a captain in the Navy from the 30th day of June, 1932.

Lieut. Commander Andrew C. Bennett to be a commander in the Navy from the 15th day of April, 1932.

Lieut. Commander Anton B. Anderson to be a commander in the Navy from the 20th day of June, 1932.

Lieut. John A. Rogers to be a lieutenant commander in the Navy from the 1st day of February, 1932.

Lieut. Arthur L. Karns to be a lieutenant commander in the Navy from the 16th day of June, 1932.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June, 1932:

Thomas G. W. Settle.

Ralph A. Ofstie.

Lieut. (Junior Grade) Francis L. McCollum to be a lieutenant in the Navy from the 1st day of May, 1932.

Lieut. (Junior Grade) John K. B. Ginder to be a lieutenant in the Navy from the 1st day of June, 1932.

Lieut. (Junior Grade) Beverley R. Harrison, jr., to be a lieutenant in the Navy from the 20th day of June, 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June, 1932:

Charles W. Wilkins.	Robert L. Campbell, jr.
Eugene C. Rook.	Elmer E. Yeomans.

Lieut. (Junior Grade) Maurice M. Bradley to be a lieutenant in the Navy from the 1st day of July, 1932.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of June, 1932:

Corben C. Shute.	William J. Galbraith.
Henry S. Persons, jr.	Royce P. Davis.
Harold A. MacFarlane.	David J. Welsh.
Gerald L. Huff.	Nickolas J. F. Frank, jr.
John R. Moore.	Edwin G. Conley.
Joseph P. Canty.	Albert D. Lucas.
Jacob W. Waterhouse.	Cleaveland D. Miller.
Marvin G. Kennedy.	Richard G. Visser.
Edward R. Hannon.	Charles F. Phillips.
Clayton C. Marcy.	Dominic L. Mattie.
Joseph B. Duval, jr.	Albert F. White.

Ensign Jack W. Ames to be a lieutenant (junior grade) in the Navy from the 7th day of June, 1932.

The following-named assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenant, from the 30th day of June, 1932:

Harold V. Packard.	Henry M. Walker.
Leon D. Carson.	Herman M. Maveety.
Franklin V. Sunderland.	Charles R. Wilcox.
Arthur W. Loy.	French R. Moore.
Albert T. Walker.	Joseph W. Kimbrough.
Thomas Jackson, jr.	Theophilus F. Weinert.

Passed Assistant Dental Surgeon Edwin N. Cochran to be a dental surgeon in the Navy, with the rank of lieutenant commander, from the 30th day of December, 1931.

POSTMASTERS

INDIANA

Harlan C. Dodd to be postmaster at Charlestown, Ind., in place of J. W. Morrow. Incumbent's commission expired March 2, 1932.

IOWA

Otto H. Henningsen to be postmaster at Clinton, Iowa, in place of L. H. Roberts, retired.

MINNESOTA

Alice J. Pelland to be postmaster at Northome, Minn., in place of C. W. Field, resigned.

NEBRASKA

Bessie Freed to be postmaster at Pender, Nebr., in place of E. L. Barker. Incumbent's commission expired December 19, 1931.

NEW YORK

Stilson J. Ford to be postmaster at West Winfield, N. Y., in place of W. R. Fitch. Incumbent's commission expired March 5, 1932.

NORTH DAKOTA

Edwin O. Moe to be postmaster at Galesburg, N. Dak., in place of G. A. Soholt. Incumbent's commission expired February 17, 1932.

TEXAS

Dayton W. Hanson to be postmaster at Friona, Tex., in place of J. A. Guyer, resigned.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 5, 1932

The House met at 12 o'clock noon.

The Rev. Richard N. Edwards, pastor of the Brookland Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, who hast made and preserved us a nation, and in whose omnipotent hand are the destinies of nations, we praise Thee for the dawning of a new year in the life of our great country, and in the very beginning of that new year do we commit unto Thee all things that may secure the well-being of our people. Especially would we commit unto Thy divine direction our thoughts, our wills, our motives, that, being shaped by the higher wisdom and moved by a higher love and a boundless sympathy, we may bring to bear every influence of our life and labor to help build a better nation and a better world, where bigotry and hate and strife shall give place to catholicity and brotherhood and peace. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of Friday, July 1, 1932, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolution of the House of the following titles:

On July 1, 1932:

H. R. 11638. An act to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes;

H. R. 1133. An act to provide for the relinquishment by the United States of certain lands to the city of Coeur d'Alene, in the county of Kootenai, in the State of Idaho;

H. R. 1931. An act for the relief of Ned Bishop;

H. R. 2606. An act for the relief of Edward Christianson;

H. R. 2707. An act for the relief of William Alexander Keys;

H. R. 3536. An act for the relief of Viola Wright;

H. R. 3725. An act for the relief of the First National Bank of Brenham, Tex.;

H. R. 3726. An act for the relief of the Farmers State Bank of Georgetown, Tex.;

H. R. 3812. An act for the relief of the estate of Harry W. Ward, deceased;

H. R. 3987. An act for the relief of R. K. Stiles & Co.;

H. R. 4071. An act for the relief of W. A. Blankenship;

H. R. 4233. An act for the relief of Enza A. Zeller;

H. R. 5007. An act for the relief of Marie E. McGrath;

H. R. 5971. An act for the relief of Grover Cleveland Ballard;

H. R. 5998. An act for the relief of Mary Murnane;

H. R. 7308. An act for the relief of Amy Turner;

H. R. 8398. An act for the relief of John H. Day;

H. R. 9058. An act to authorize the Secretary of War to accept on behalf of the United States a tract or parcel of land for park purposes, to the Chickamauga-Chattanooga National Military Park;

H. R. 9349. An act making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 10884. An act to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians;

H. R. 12202. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands; and

H. R. 12443. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes.

On July 2, 1932:

H. J. Res. 443. Joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski;

H. R. 308. An act to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the secretary;

H. R. 650. An act for the relief of Joe Andrews Co.;

H. R. 756. An act for the relief of R. L. Wilson;

H. R. 1226. An act for the relief of Edna M. Gilson;

H. R. 1279. An act for the relief of Frank Kanelakos;

H. R. 1962. An act for the relief of Noble Jay Hall;

H. R. 2514. An act for the relief of the estate of Samuel Schwartz;

H. R. 3693. An act for the relief of William Knourek;

H. R. 3845. An act for the relief of Charles L. Barber;

H. R. 3961. An act for the relief of Catherine Bell;

H. R. 3992. An act for the relief of Anna A. Hall;

H. R. 4056. An act for the relief of Emma Shelly;

H. R. 4885. An act for the relief of Kenneth G. Gould;

H. R. 5053. An act for the relief of Clyde Sheldon;

H. R. 5059. An act for the relief of Mrs. Johnnie Schley Gatewood;

H. R. 5062. An act to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners;

H. R. 5561. An act for the relief of Oscar R. Hahnel;

H. R. 7411. An act for the relief of Alex Bremer;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 8306. An act for the relief of D. M. Leypoldt Co.;

H. R. 8694. An act to amend section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), and for other purposes;

H. R. 8980. An act to provide for the sale of a portion of the site of the post-office and customhouse building in Newark, N. J., to the city of Newark for use as a public street;

H. R. 8981. An act to provide for the sale of an easement for a railway right of way over the post-office and customhouse site at Newark, N. J.;

H. R. 9331. An act for the relief of Octavia Gulick Stone; and

H. R. 10829. An act relating to the naturalization of certain women born in Hawaii.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3447. An act for the relief of John Stratis.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 88. An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9699) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

CHESTER G. MAYO

Mr. GAMBRILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6337) for the relief of Capt. Chester G. Mayo, with a Senate amendmend thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill bill H. R. 6337, with a Senate amendment thereto, and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and in lieu thereof insert the following: "That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation 'Contingent, Navy, 1932,' to Capt. Chester G. Mayo, Supply Corps, United States Navy, the sum of $115, this sum being the amount paid by the said Captain Mayo on account of floral wreaths purchased in connection with the funerals of the late Congressmen Lemuel P. Padgett, Daniel J. Riordan, and James R. Mann, and disallowed by the General Accounting Office, and which sum the said Captain Mayo has paid into the Treasury of the United States for the purpose of clearing his accounts of the disallowances."

The SPEAKER. Is there objection?

Mr. BACHMANN. Mr. Speaker, I reserve the right to object. Is this a private bill?

Mr. GAMBRILL. Mr. Speaker, this is a private bill, introduced at the request of the Navy Department, to credit the accounts of Captain Mayo, of the Bureau of Supplies, with $115 for wreaths purchased by him under orders of the Secretary of the Navy for the funerals of former Representatives Padgett, Riordan, and Mann. The bill passed the House and the Senate changed the phraseology but not the intent of the bill.

The SPEAKER. Is there objection?

There was no objection.

So the Senate amendment was concurred in.

ANDREW H. MILLS AND WILLIAM M. MILLS

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7815, to reimburse Andrew H. Mills and William M. Mills, copartners, carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum*, for damages to said vessel, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 7815, with a Senate amendment thereto, and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$900" and insert "$600."

The SPEAKER. Is there objection?

There was no objection.

So the Senate amendment was concurred in.

WILLIAM R. NOLAN

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7656, for the relief of William R. Nolan, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 7656, with a Senate amendment thereto, and concur in the same. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 6, strike out "$613.75" and insert "$350."

The SPEAKER. Is there objection?

Mr. BACHMANN. Mr. Speaker, reserving the right to object, what was the amount as it originally passed the House?

Mr. BLACK. Six hundred and thirteen dollars and seventy-five cents. This was reduced by the Senate to $350.

The SPEAKER. Is there objection?

There was no objection.

So the Senate amendment was concurred in.

HEIRS OF JACOB D. HANSON

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7449) for the relief of the heirs of Jacob D. Hanson, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 7449, with a Senate amendment thereto, and concur in the same. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 5, strike out "heirs" and insert "estate."

The SPEAKER. Is there objection?

There was no objection.

So the Senate amendment was concurred in.

The title was amended to read:

An act for the relief of the estate of Jacob D. Hanson.

SAMUEL WEINSTEIN

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6797) for the relief of Samuel Weinstein, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 6797, with a Senate amendment thereto, and concur in the same. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 5, strike out "$5,000" and insert "$3,000."

The SPEAKER. Is there objection?

There was no objection.

So the Senate amendment was concurred in.

SAM ECHOLS

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6855) for the relief of Sam Echols, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 6855, with a Senate amendment thereto, and concur in the same. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 3, strike out "authority is hereby granted to pay" and insert "the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to."

The SPEAKER. Is there objection?

There was no objection.

So the Senate amendment was concurred in.

ORDER OF BUSINESS

The SPEAKER. With the permission of the gentleman from New York [Mr. SNELL] the Chair desires to make a statement. The gentleman from North Carolina [Mr. POU] has just been to the desk and asked in respect to the program for the day. A number of bills lie on the Speaker's table with Senate amendments. The amendments either ought to be concurred in or be sent to conference if unanimous consent can be had. As far as the Chair knows, there is nothing further for the consideration of the House to-day. The conferees on the relief bill are still in session. The Chair thinks it would be advisable to stand in recess at least until that report can be made. Unless the report is filed to-day and printed in the RECORD, the House can not take it up to-morrow.

The Chair assumes the House wants to consider that as well as other legislation, so that we may be prepared to adjourn at the earliest opportunity.

Mr. SNELL. Mr. Speaker, can the Chair give us any information as to what he intends to do with the Agriculture Department appropriation bill and the Army appropriation bill?

The SPEAKER. The gentleman from Tennessee [Mr. BYRNS] is at the Senate at the present time, with a view of getting information and hoping to make some progress on those bills.

Mr. STAFFORD. Mr. Speaker, would it be agreeable to the Speaker and the membership of the House that the conferees on the emergency relief bill and also the War Department appropriation bill may be privileged to have until midnight to-night in which to file conference reports?

The SPEAKER. The Chair presumes that could be done and the House could adjourn. That had not occurred to the Chair.

W. A. PETERS

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5922) for the relief of W. A. Peters, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out "Postmaster General" and insert "Comptroller General of the United States."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

ORDER OF BUSINESS

Mr. LaGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LaGUARDIA. Among the Senate bills that the Speaker indicated might be called up, there is a bill from the Senate repealing the 2-year period within which loans may be made on adjusted-compensation certificates. Will that bill be called up to-day?

The SPEAKER. This is not suspension day, and to be frank with the gentleman, the Chair and, I think, the membership of the House, would rather consider that bill as a whole.

Mr. LaGUARDIA. But it will be considered?

The SPEAKER. The Chair hopes it will be considered.

J. H. WALLACE

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5820) for the relief of J. H. Wallace, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "$350" and insert "$250."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

ORDER OF BUSINESS

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRITTEN. I believe I understood the Speaker to say a few moments ago that in all probability the House would recess this afternoon, awaiting a report from the conferees on the relief bill.

The SPEAKER. The Chair merely suggested that.

Mr. BRITTEN. Yes. Is it possible, Mr. Speaker, that the House may now receive the so-called beer tax bill that is specifically referred to in the Democratic platform for immediate consideration by Congress?

The SPEAKER. There has been no bill of that character reported to the House of Representatives.

Mr. BRITTEN. There is one, Mr. Speaker, and it is called the O'Connor-Hull bill. It can be made the immediate order of business upon request of the Speaker himself, if he so

desires, by bringing in a rule, that will put $400,000,000 into the Treasury of the United States this year.

The SPEAKER. The Chair must decline to recognize the gentleman further.

Mr. BRITTEN. Is it possible that that bill may be considered this afternoon?

The SPEAKER. The gentleman is not making a parliamentary inquiry and has been in the House long enough to know that. [Applause.]

Mr. BRITTEN. I can not understand the mental attitude of this Democratic House controlled as it is by the Speaker himself, in seriously considering a motion to recess or adjourn at 1.30 o'clock in the afternoon for the apparent lack of serious legislative business. Everybody knows that within the past five days the Democratic National Convention at Chicago adopted a plank for "the immediate modification of the Volstead law." Everybody knows that there are dozens of bills pending in the House to do this very thing. Everybody knows further, that one word from the Speaker himself would bring about the passage of a rule that would make a modification bill immediately in order and that it would be passed overwhelmingly by Democratic and Republican votes.

Refusal of the Speaker and other Democratic leaders to give serious consideration to the dictates of their Volstead modification plank is in itself an admission that their Chicago plank does not mean what it says. It is an admission that it is intended to catch votes and that the word "immediate" should be changed to read "some day, maybe." The Standard Dictionary says that the word "immediate" means "acting without the intervention of another object, cause, or agency. Not distant or separated in time or space. Adjoining; nearest; next."

Mr. Speaker, how can you consistently allow your Democratic colleagues in the House to force an adjournment this afternoon with this word "immediately" staring you in the face? Is the country to understand from the action of the House this afternoon that your eighteenth amendment repeal plank is as unreliable as your Volstead appeal plank appears to be? You and your party have a signal opportunity to show constructive statesmanship before the adjournment of the present Congress by modifying the Volstead law and passing a resolution which will repeal the eighteenth amendment. You can prove before election day in November that your Chicago platform means what it says.

Mr. Speaker, in order that the House may have an additional concrete modification bill before it, I have to-day introduced a duplicate of the so-called Bingham bill now pending in the Senate, which legalizes the manufacture of beer containing 3.2 alcohol by weight, which is nonintoxicating in fact.

KNUD O. FLAKNE

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1228) to adjudicate the claim of Knud O. Flakne, a homestead settler in the drained Mud Lake bottom, in the State of Minnesota, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 5, strike out "sum" and insert "sums."
Page 1, line 6, strike out "claimant, his" and insert "claimants, their."
Page 1, line 6, strike out "representative" and insert "representatives."
Page 1, line 7, strike out "amount" and insert "amounts."
Page 1, line 7, strike out "him, his" and insert "them, their."
Page 1, lines 7 and 8, strike out "representative" and insert "representatives."
Page 1, line 8, after "$151.60," insert "; to Alfred Sollom, $726."
Page 1, line 8, strike out "amount is" and insert "amounts are."
Page 1, line 10, strike out "claimant" and insert "claimants."

Amend the title so as to read: "An act to adjudicate the claims of Knud O. Flakne and Alfred Sollom, homestead settlers on the drained Mud Lake bottom, in the State of Minnesota."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

CHASE E. MULINEX

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1230) for the relief of Chase E. Mulinex, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 3, strike out "Postmaster General" and insert "Comptroller General of the United States."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

NELSON E. FRISSELL

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2161) for the relief of Nelson E. Frissell, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$5,000" and insert "$3,500."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

OWNERS OF STEAMSHIP "EXMOOR"

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2841) for the relief of the owners of the steamship *Exmoor*, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "$950.33" and insert "$500," and in line 6, after "Philadelphia," insert "the same to be in full settlement of said claim."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

ELLEN N. NOLAN

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3414) for the relief of Ellen N. Nolan, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$2,500" and insert "$1,500."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

SAME GIACALONE AND SAME INGRANDE

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3604) for the relief of Same Giacalone and Same Ingrande, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 10, strike out all after "boat" down to and including "repaired," in line 1, page 2, and insert "*Imp.*"

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

GENEVIEVE M. HEBERLE

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4230) for the

relief of Genevieve M. Heberle, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$2,000" and insert "$1,000."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

D. EMMETT HAMILTON

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5242) for the relief of D. Emmett Hamilton, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "$3,000" and insert "$1,500."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

KIDNAPING LEGISLATION

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 96) to punish the sending through the mails of certain threatening communications, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person, and containing any threat (1) to injure the person, property, or reputation of the addressee or of another or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse the addressee or any other person of a crime, or containing any demand or request for ransom or reward for the release of any kidnaped person, shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"SEC. 2. Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter of any foreign country any written or printed letter or other communication of the character described in section 1 of this act, addressed to any person within the United States, for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, then such person shall be punished in the same manner and to the same extent as provided in section 1 of this act: *Provided*, That any person violating this section may be prosecuted either in the district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon, or in which it was caused to be delivered by the United States mail to the person to whom it was addressed."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. STAFFORD. Mr. Speaker, there being a difference in the Senate amendment from the House bill, I think some explanation should be made of it.

Mr. MEAD. Mr. Speaker, in answer to the question of the gentleman from Wisconsin, let me say that under the provisions of the House bill the sender of a threatening letter could be held liable in the place where he deposited the letter as well as in the place where the letter was delivered. The Senate, however, believed that he should be held liable in only one place. That is the substance of the amendment.

Mr. STAFFORD. I notice, and it will be of interest to the members of the Committee on the Judiciary, that while the House bill was reported from the Committee on Post Offices and Post Roads, in the Senate the Committee on the Judiciary took jurisdiction and accordingly, as it is really a judicial question rather than a postal question, I assume the Senate Committee on the Judiciary gave the bill very thoughtful consideration. Inasmuch as the amendment only changes the House bill in the one way suggested by the gentleman from New York, I do not think there can be objection.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I wish to point out to the gentleman from New York there is a tendency to oppose the spreading of jurisdiction over users of the mail for fraudulent purposes. We have had a great deal of trouble with this in the last few years, particularly frauds. It is difficult to get any kind of a jury to convict in the locality where the misrepresentation is mailed. They purposely go to some out-of-the-way place. No one in that community has been injured. The witnesses are at distant points.

I would like to see the jurisdiction extended so that anyone who uses the mail to defraud, or who improperly uses the mail, may be prosecuted at either the point of mailing or the point of delivery of fraudulent matter.

Mr. COCHRAN of Missouri. In answer to the gentleman from New York let me say the Senate sent the bill back to the Senate committee with instructions to eliminate the proviso that gave jurisdiction both at the place where the letter was mailed and where delivered.

The bill later passed the Senate, and the Senate Judiciary Committee was practically unanimous in opposing prosecution at either place. The theory of the Senate was that a man could be accused of fraudulent use of the mails, indicted two or three hundred miles from his home, and the man, if poor, would be unable to bring his witnesses to the place of prosecution, and therefore they felt this change should be made. There is very little chance of getting the Senate to agree to the proviso agreed to by the House.

Mr. LAGUARDIA. The point I am making is not addressed particularly to this bill, because there you have a threat by mail, and, of course, a man who simply threatens by mail never would do any damage, he is just yellow and cowardly; but these men who get up schemes to defraud by using the mails should be reached.

When we had such a matter before our committee the biggest lawyers in the northeastern part of the country came down to oppose the extending of the jurisdiction to the point where the damage is done. I am addressing myself particularly to cases of use of the mails to defraud.

Mr. COCHRAN of Missouri. This bill does not cover such cases as the gentleman refers to.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the question, I notice, since I last had the floor, is raised as to the authority of Congress to punish crimes merely for depositing matter in a receptacle in an apartment house.

Congress has no jurisdiction whatsoever over receptacles in apartment buildings, and the deposit of any matter, no matter how scurrilous or threatening it may be, is not a matter within the jurisdiction of Congress, provided the mails are not used to carry out this threat or the other crimes referred to.

There is a clause in the Senate amendment which says:

with intent to extort * * * in any authorized depository for mail matter.

Suppose an individual should deposit in a receptacle in an apartment building some threatening libelous matter, this does not give the United States jurisdiction over the crime, and yet this Senate amendment would give such jurisdiction.

Mr. MEAD. This bill pertains only to authorized depositories, and jurisdiction does not extend to all mail boxes in private homes and apartment houses. We considered legislation in the House recently extending the jurisdiction of the department to mail boxes in homes and apartment houses, but that legislation has not passed the Senate. This bill merely pertains to authorized depositories, which includes all now covered by law.

Mr. STAFFORD. Every deposit box in an apartment building must, necessarily, be an authorized depository.

Now it is sought to extend the jurisdiction of the National Government to what are purely local crimes.

Mr. MEAD. The word "authorized," as I understand it, is used in the language of this bill to designate official depositories, and whether it pertains to all boxes or not the sender of a threatening letter, under the bill, would be liable at the point where he deposited the letter or at the location of the addressee.

Mr. STAFFORD. You are extending the jurisdiction of the United States over purely local crimes. That is the purpose of the bill.

Mr. MEAD. That may be a legal question, but being a postal matter we believe we are within our rights.

Mr. COCHRAN of Missouri. The purpose of the bill, I may say to the gentleman from Wisconsin, is to take the place of a decision of the United States Supreme Court declaring the old law invalid.

There is no law on the statute books which permits the Government to prosecute a man who would send a threatening letter through the mails to the gentleman from Wisconsin, for instance, asking that he pay the sender a certain amount of money or the sender would kidnap the gentleman's child. There is no law that would enable the Government to prosecute if a threatening letter of any character was sent through the mail.

Mr. STAFFORD. I have not kidnaping on my brain. I am thinking of the effect of this legislation as invading the criminal jurisdiction of the States, and that is what you are doing here.

Mr. COCHRAN of Missouri. It is in no way invading the jurisdiction of the States. The States never have nor never will control the mails.

Mr. STAFFORD. By its very language it does so. It does not have to be in the mails at all. You may deposit a threatening note in a receptacle in an apartment building, and then under this bill the control would be within the jurisdiction of the National Government.

Mr. COCHRAN of Missouri. Take a rural letter box. That is a depository, and it is an authorized depository. If that language were not in the bill, you could not prosecute anybody for depositing a threatening letter in a rural box.

Mr. STAFFORD. If it were put in such a box without postage, why should the National Government take jurisdiction over it? Why should it not be left to the States? I assumed the gentleman from Missouri was a State-rights man, and did not believe in this bureaucratic Government which means the extension of national jurisdiction over every conceivable local crime.

Mr. COCHRAN of Missouri. The gentleman is getting far over the line.

Mr. STAFFORD. No. The gentleman himself has jumped over the line.

Mr. TILSON. I wish to ask where the question of jurisdiction is left as a result of the Senate amendment. It seems to me that jurisdiction ought to be fixed in one place or the other. Where does the Senate leave it—where the offending matter is first deposited or where it is delivered?

Mr. COCHRAN of Missouri. Where it is deposited.

Mr. KELLY of Pennsylvania. The gentleman from Wisconsin raises a question which is not before the House. The only question is, Shall we accept this Senate amendment or not? We have already passed the bill; it has gone to the Senate, and they have stricken out the proviso. The question is, Shall we agree to the Senate action striking out the proviso? Therefore the question as to State rights in postal matters is not the issue before the House at this time.

Mr. STAFFORD. There is much more involved than merely striking out the proviso.

Mr. MEAD. Some distinguished State-rights advocates have had much to do with this proposition, including Senator WALSH of Montana.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

ENTRY OF A PUBLICATION AS SECOND-CLASS MATTER

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8817) to provide for entry of a publication as second-class matter, and for other purposes, and agree to the Senate amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's desk the bill (H. R. 8817) and agree to the Senate amendment. The Clerk will report the bill by title and the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 9, after "$10," insert ": *Provided*, That no fee shall be required to accompany applications for permits to mail matter without stamps affixed as metered mail."

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman from New York make some explanation as to the effect of the Senate amendment?

Mr. MEAD. It was the intention of the House and the Post Office Committee to require a fee to accompany applications for second-class mail privileges, having in mind the deficit resulting from the use of second-class mail and having in mind the requests for those privileges on the part of newspapers and magazines. It was learned during the progress of the bill that it might apply to metered machines. It was agreeable to the department, and it was the desire of the Senate committee that specific language be put in the bill exempting such metered machines from the provisions of this bill. This amendment is agreeable to the House committee, and it is also agreeable to the department.

Mr. STAFFORD. What did the original House bill purpose to do?

Mr. MEAD. It purposed to require a fee to accompany an application for second-class mail privileges.

Mr. STAFFORD. An assessment for what purpose?

Mr. MEAD. For the privilege of using second-class mail. For example, an application might come from the gentleman's district from a newspaper, for example, seeking second-class mail privileges. That application would have to be accompanied by a fee of $100. That is still in the bill, but the Senate amendment specifically exempts metered machines, so that applications for the use of metered machines will not require a fee to accompany them.

Mr. STAFFORD. What fee will they be obliged to pay?

Mr. MEAD. The use of these machines is now permitted without the payment of any fee.

Mr. STAFFORD. Why should you exempt the manufacturers of metered machines and penalize those desiring to avail themselves of the second-class privileges?

Mr. MEAD. The use of metered machines results in a saving to the department, while the use of certain second-class privileges results in a deficit to the department.

Mr. STAFFORD. As the bill passed the House did it attempt to tax the manufacturers of metered machines?

Mr. MEAD. That was not our intention, and the language inserted by the Senate merely clarifies the matter.

Mr. LAGUARDIA. So that a fee will not be charged?

Mr. MEAD. No. Not for the privilege of using a metered machine.

Mr. LAGUARDIA. A fee should not be charged, because there is a big saving to the department.

Mr. MEAD. The gentleman is correct. There is, and what we are aiming at is the deficit. This is a revenue-producing bill.

Mr. LAGUARDIA. I have received some inquiries about this. There was some question as to whether or not we were imposing a fee on these metered machines.

Mr. MEAD. It was not the intention of the House committee to impose a fee and the Senate amendment clarifies the situation, it is certain now that a fee will not be required.

Mr. LAGUARDIA. I think it will be only a matter of time before we will use all metered machines and do without postage stamps.

Mr. KELLY of Pennsylvania. I would like to state to the gentleman from Wisconsin, who raised the point, that in the original bill as we passed it in the House we did have a section requiring a $10 fee for the permits which are secured by mailers for the purpose of mailing third and first class matter in bulk. That was in the bill originally. The Senate put in a provision that this permit fee shall not apply to postage meter machines. Their purpose in so doing was to cover the situation that while the user of the permit plan puts an extra charge on the department, the meter system does not cost any extra money but is a cost-saving device.

Mr. STAFFORD. With that explanation, Mr. Speaker, I withdraw the reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

UNDELIVERABLE SECOND-CLASS MAIL MATTER

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what is the objection to the Senate amendment that makes it necessary to send the bill to conference?

Mr. MEAD. We believe the Senate in its amendment has added a proviso that does violence to our schedule of rates. In its amendment the Senate reduces the fees as provided in the present law, and we believe that unfair.

Mr. LAGUARDIA. What is the difference in the rate?

Mr. MEAD. They have a proviso here that postage due for undeliverable mail shall be at the rate of 1 cent for each 4 ounces or fraction thereof, with a minimum charge of 2 cents, and that the correct addresses of the addressees be given to the party to whom the mail is returned. We already have a charge for a similar service, and it is a larger amount than is provided for by the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York to disagree to the Senate amendment and ask for a conference? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MEAD, ROMJUE, MOREHEAD, SANDERS of New York, and KELLY of Pennsylvania.

DOMESTIC MONEY ORDERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I took occasion when the House bill came over with the Senate amendments, to examine the Senate amendments, and I thought they were rather reasonable. What is the objection of the gentleman to the Senate amendments?

Mr. MEAD. I may say to the gentleman that the Senate struck out all the rates prescribed by the House rates, in which the gentleman from Wisconsin was very much interested, and to which he offered amendments himself.

Mr. STAFFORD. Yes.

Mr. MEAD. They empower the Postmaster General to prescribe the rates from time to time. I believe that the House and the Senate should prescribe the rates and the Postmaster General should carry them out in administering the law. This is the reason we are asking for a conference.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MEAD, ROMJUE, MOREHEAD, SANDERS of New York, and KELLY of Pennsylvania.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4780) to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer-fallowing, during the year 1932, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this is a rather important bill, in which most of the Members, if not all of them, have taken a live interest. What is the extent of the amendments?

Mr. STEAGALL. This a Senate bill with House amendments. The Senate bill provided for loans by the Secretary of Agriculture out of funds allocated by the Reconstruction Finance Corporation for crop production to be extended to loans for planting and cultivating or summer fallowing and the House amended the bill so as to permit loans to livestock producers.

Mr. STAFFORD. Any person owning a cow could get relief under the House provision.

Mr. STEAGALL. Well, there might be persons owning several cows who could not get much.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. MCFADDEN, Mr. STRONG of Kansas, and Mr. PRALL.

DISPENSING WITH THE BUSINESS OF CALENDAR WEDNESDAY

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to dispense with the business of Calendar Wednesday to-morrow.

The SPEAKER. Is there objection?

There was no objection.

THE RELIEF BILL

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee have until midnight to-night to file a conference report on the relief bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. Will the gentleman from Illinois yield?

Mr. RAINEY. I yield.

Mr. MICHENER. Is it the purpose to take up the conference report on the relief bill to-morrow in the House?

Mr. RAINEY. Yes.

Mr. LAGUARDIA. And there will be ample opportunity for discussion?

Mr. RAINEY. Yes.

CONTRACTORS' BONDS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 437, an act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or for improvements thereon in the District of Columbia to give bond for the faithful performance of the contract for the protection of persons furnishing labor and materials, and for other purposes, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 2, line 4, strike out "subcontractor."
Page 2, strike out line 1 and down to and including "prosecuted" in line 2 and insert "District of Columbia."
Page 3, line 18, after "where," insert "a."
Page 3, line 18, strike out "so."
Page 4, line 1, after "into," insert "the registry of said."
Page 3, line 8, strike out "section" and insert "Act."
Amend the title so as to read: "An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon for the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. LAGUARDIA. Reserving the right to object, from the reading of the amendment I see that the subcontractor is eliminated. That leaves the liability on the contractor.

Mr. PALMISANO. I presume so; the contractors have to give bond in favor of the United States Government.

Mr. LAGUARDIA. I have not the bill in my hand, and this came up suddenly, and I only get the amendment as read by the Clerk. If the subcontractor is stricken from the bill, which requires the giving of a bond, I assume the general contractor assumes all liabilities.

Mr. PALMISANO. I think there is no question about it.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

UNITED STATES ROANOKE COLONY COMMISSION

Pursuant to the provisions of House Concurrent Resolution 26, the Speaker appointed as members of the United States Roanoke Colony Commission, Mr. WARREN, Mr. BLOOM, and Mr. BACHARACH.

PRESIDENT'S ORGANIZATION ON UNEMPLOYMENT RELIEF (H. DOC. NO. 357)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Appropriations:

To the Senate and House of Representatives:

The second deficiency bill just passed omitted an appropriation for continuance of the activities of the President's Organization on Unemployment Relief. I urgently request that Congress make a special appropriation of $120,000 to continue this work over the next fiscal year.

This organization, of which Mr. Walter S. Gifford is director, is comprised of leading men and women throughout every State in the Union and has served to establish and coordinate State and local volunteer effort in relief of distress throughout the Nation. The organization has secured in a large way the cooperation of industry and labor, of the national social-welfare organizations, and has assisted in mobilizing a large amount of voluntary funds and administering local resources to the best advantage. This organization is the only agency for national coordination and stimulation for the multitude of voluntary efforts and a clearing to these thousands of organizations with suggestions and methods for the alleviation of unemployment distress.

Should this organization be discontinued, not only would its important functions of stimulation of private giving and coordination be destroyed, but there would be grave danger of National, State, and local volunteer groups concluding that services such as they have rendered were no longer necessary. Voluntary effort amongst our people is of far more importance both morally and financially than the direct aid of local or other governmental agencies. To demobilize this organization might easily create widespread confusion and bring great hardships when the need is greatest.

It is obviously of the utmost importance that no action be taken which shall in any way diminish voluntary efforts which combine the intimate knowledge of local conditions with the sense of responsibility toward fellow citizens and neighbors in distress. Continuance of this organization with its background of experience is, in my opinion, most essential to the intelligent carrying out of the provisions of all relief activities, whether private or public.

The organization is made up primarily of volunteers serving without pay or expense. It is non-partisan and representative of various economic and social groups. To function successfully it must have funds to employ a relatively small number of trained personnel, together with necessary office help.

The appropriation requested for continuance of this organization is infinitesimal in its ratio to the large resources which are put at the command of those in distress and thus also relieves burdens upon municipalities, States, and the Federal Government.

HERBERT HOOVER.

THE WHITE HOUSE, *July 5, 1932.*

A DRAMA OF FINANCE

Mr. LUCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. WOODRUM in the chair). Is there objection?

There was no objection.

Mr. LUCE. Mr. Speaker, history was made at the White House on the evening of October 6, 1931. It was the opening scene of a drama of finance unmatched in the history of the country. The President had summoned senior members of the committees of Congress on Banking and Currency, on Ways and Means, and on Finance, which would pass on his proposals, and also the men expected to be the Republican and Democratic leaders in House and Senate, together with the high administrative officials concerned—perhaps 30 in all. Before these men he laid an alarming situation.

The trouble had begun in Austria five months before with the collapse of its great bank. Quickly it spread to Germany, with panic rampant. Fear gripped 14 other countries of Europe all the more strongly because they too were bound to make to the United States within a short time certain payments due as a result of the World War, besides other payments among themselves. Were all these payments enforced, chaos would follow, and the clock of civilization might be set back a century.

President Hoover saw the impending peril and acted swiftly. Brushing technicalities aside, he telegraphed every Member of Congress who could not otherwise be instantly reached, asking if he would be supported in declaring a moratorium—that is, a suspension of payments on international debt account—for a year. So hearty was the response in approval that the countries involved could be assured of relief from that strain as far as we were concerned.

This assurance, however, though preventing immediate collapse, could but check the flood of fear. Presently it rose again, and in September England had to go off the gold standard. This disaster gave evil-speaking trouble makers in France a pretext for sending round the world the falsehood that we were about to follow England in refusing to pay our debts with gold. Instantly began coming from every quarter of the globe orders by foreign investors to sell their American securities at any price. The contagion spread swiftly among our own people. The stock market crumbled. Banks saw the value of the securities on which they had relied dwindle until they were no longer solvent. Bank failures, which the depression had brought to 60 a week, were now reaching 25 a day. It was possible that within seven days every bank in the United States might have to close its doors. The biggest financial panic the world ever knew was round the corner.

If Herbert Hoover had never done anything else to win the gratitude of his fellow men, what he did in this juncture should alone bring him that gratitude in fullest measure, for he saved his country, and indeed the world, from terrible calamity.

With the skill of a born organizer and of a leader with infinite resource, he had already persuaded—perhaps "coerced" would be the better word—anyhow, he had induced a group of leading bankers to agree to organize a national credit association, pooling their resources in order to help banks in dire need of money to meet runs. This association got under way quickly and probably saved more than 700 banks from failing.

The President wished this to be the forerunner of an agency of the Federal Government which should do the same sort of work on broader lines, and the most important thing he wished to find out was whether the men gathered would support legislation to that end. Without hesitation they assured him they would. For the moment at least, patriotism eclipsed partisanship. The news could be sent out to a frightened country that its legislators and its administrators would be a unit in the fight against panic. The situation was saved.

Other measures of defense met approval that evening. These, with additions, were submitted to Congress by the

message from the President two months later at the opening of the session. Then he advanced a well-balanced, well-rounded program. Let us see how its parts were treated.

Take first the Reconstruction Finance Corporation, which was to replace the privately organized National Credit Corporation. It was to be a huge affair, dealing with amounts of money beyond the power of a human mind to grasp. Necessarily time was necessary to work out the details, and surely it is creditable that the bill took final shape and was signed within seven weeks from the day when Congress met.

By this bill the United States was to subscribe $500,000,000 of the capital stock of this corporation. Note well that this was not a gift, as it already has been frequently described by partisan orators, and as doubtless it will without ground or truth be described by many other partisan orators between this and election day. This money was to be lent by and in turn to be repaid to the corporation, with reasonable ground for confidence that when the corporation is wound up every dollar of it will come back into the Treasury of the United States. There is no "giving" to big "interests," whether they are big bankers or big railroads, or big anybody else. It is all "lending," with in the end no cost to the taxpayers.

The corporation was empowered to issue bonds or other securities to three times its capital stock, so that if the full borrowing power were used, that would add $1,500,000,000 to the $500,000,000 advanced from the Treasury. This was all to be lent for terms not exceeding three years, with possibility for extension to not beyond five years from the date of the original loan, and the life of the corporation was limited to 10 years, so that it was to be essentially a temporary, emergency affair.

The charge that this institution was created to help and in fact has only helped men of large means is false and will be made only by the demagogue. In common fairness notice the exact figures as to the lendings in the five months from the start of business to June 30. In the course of this period the corporation authorized 5,084 separate loans to 4,196 institutions aggregating $1,054,814,486.59, as follows: $642,789,313.07 to 3,600 banks and trust companies (including $27,398,350 to aid in the reorganization or liquidation of 316 closed banks); $52,484,923.40 to 418 building and loan associations; $63,465,500 to 63 insurance companies; $322,440.12 to 8 agricultural credit corporations; $1,270,000 to 5 joint-stock land banks; $6,594,586 to 10 livestock-credit corporations; $73,600,000 to 51 mortgage-loan companies; $405,000 to 3 credit unions; and $213,882,724 to 38 railroads (including $10,359,796 to 5 railroad receivers).

You will see that three-fifths of the money went to banks and trust companies. What are banks and trust companies? Institutions that lend money that has been intrusted to them by depositors. Who, then, in point of numbers, are most concerned with their safety and prosperity? Of course the depositors. And how many are they? At the close of business June 30, 1931, there were in the banks of this country 18,678,236 individual deposits subject to check, and 23,664,401 deposits evidenced by savings pass books—a total of 42,342,637. Add 1,588,375 time deposits, open accounts, Christmas savings, etc., then subtract for duplications, and you will have somewhere from thirty to forty million of our people gravely concerned that there shall be no bank runs, no bank failures. Will our demagogue insist on saying that an institution to protect and help more than 30,000,000, possibly 40,000,000 of his countrymen, exists for the benefit of the big fellow, is operated to help only "the interests"?

If he persists in his deceit, let him be told that in the five months in question of the 3,600 banks and trust companies to which loans were authorized, 70.3 per cent were located in towns of less than 5,000 population; 78.3 per cent in those of less than 10,000; 86.4 per cent in those of less than 25,000; 90.1 per cent in those of less than 50,000; 93.2 per cent in those of less than 100,000; and 95.6 per cent in those of less than 200,000 population.

Of all institutions to which loans were authorized, numbering 4,158 (excluding railroads), 62.7 per cent were located in towns of less than 5,000 population; 70.4 per cent in those of less than 10,000; 79.5 per cent in those of less than 25,000; 84.5 per cent in those of less than 50,000; 89.1 per cent in those of less than 100,000; and 92 per cent in those of less than 200,000 population.

Observe that $52,484,923.40 went to 418 building and loan associations. Their members are almost wholly men and women of small means. Most of the associations are mutual, with the profits all accruing to persons who own or wish some time to own a small home. Did we help only the big fellow when we put at their command more than $50,000,000 to save them from the loss of their homes by foreclosure or the loss of their scanty savings by failures of their associations?

How about the insurance companies that got $63,465,500? Are they "the big fellows"? Well, there are more than 120,000,000 life-insurance policies outstanding in this country, an average of close to one for every man, woman, and child. To be sure, many persons have two, three, or more policies. Even allowing for that, it would be hard to imagine any benefit exclusively confined to men of wealth in lending an average of a million dollars apiece to 63 insurance companies to protect their policyholders in every rank in life, for nowadays it is a rare wage earner who is in such humble circumstances that he does not carry at least an industrial policy.

The most brazen prevaricator will hardly have the audacity to say that the rest of the President's program was meant to help only the rich, the "big fellow," the "interests." The first thing he specifically recommended was further provision of capital for the Federal land banks. It will be remembered that when these were created in order to help farmers of small means acquire ownership of farms, the Government advanced the initial capital, practically all of which was in time repaid. With the great shrinkage in farm-land values this system has been brought to hard straits. Together with all other securities, its bonds have shrunk in value, new issues are almost out of the question for the moment, and foreclosures of mortgages are too numerous. It is not true that the system has been a failure. By reason of its existence farmers are having the benefit of about a billion dollars of mortgages at an interest averaging more than 1 per cent lower than would have been the case had the system not been established. Furthermore, they profit by the great blessing of amortization, through which in time they will find themselves out of debt for their farms. So it was wise and of great practical help now to put $125,000,000 more of Government money into these institutions—again money not given, but money advanced, presently to be repaid when presently times are good again, as surely they will be. Action to that end was the first that Congress took in the financial field after ratifying the moratorium for foreign debts.

Early in February the development of another serious situation in the financial world led to further conferences at the White House, this time between the President and members of the Senate and House Committees on Banking and Currency. Hoarding by the people had taken out of sight a billion and a quarter of dollars or more. At the same time the volume of commercial paper available for rediscount at the Federal reserve banks had so dwindled by reason of the falling off in trade and industry that an excessive amount of gold had to be tied up to meet the requirements of law in the matter of security for loans made to member banks. Proposed legislation to meet the needs was buried in a long banking bill that was pending in the Senate. The imperative need of the moment led to lifting three sections out of that bill and enacting them independently. They provided, first, that a group of five or more banks might pool their resources and support each other in a time of stress; secondly, that the larger banks in the Federal reserve system might for a year, and in exceptional and exigent circumstances afterwards, borrow from Federal reserve banks on their properly secured notes; and, thirdly, for a year the Federal Reserve Board might issue Federal reserve notes—that is to say, currency—upon Government bonds or other Government obligations as security.

These were all important changes, the last named—that about basing Federal reserve currency on Government bonds, being perhaps the most important. When anxious citizens hoard an enormous amount of money and when the banks themselves feel it necessary to keep money in their tills and vaults to unprecedented degree against the possibility of runs and withdrawals, it is reasonable to fill up the reservoir of money currency and keep it full until the fears of the people and the bankers have been so allayed by the passage of time that old practices may be safely resumed.

It is impossible to measure the benefits that come from steps of this sort. Nobody knows what otherwise might have been. In this instance we do know, however, that the number of bank failures has greatly lessened and that the banking world feels itself in a much more secure position. This, of course, all redounds to the benefit of the multitude of depositors, and their interests come first.

This bill quickly became law. It was the last exhibition of speed for many weeks. In the first month of the session there had been no serious occasion to suspect the introduction of partisanship into the consideration of these proposals looking to the relief of pressing distress. Then the Democratic leadership of the House seemed to forget that he gives twice who gives quickly. After the reporting of the Reconstruction Finance bill the House Committee on Banking and Currency was not called together for a month. Then when it had given a day to a hearing on the three amendments to the Federal reserve act another month of inaction followed. In part, as a result, only one of the remaining three proposals of the President that concerned the Committee on Banking and Currency received decision, and that only in the last hour of the session.

The President had told Congress that a method should be devised to make available quickly to depositors some portion of their deposits in closed banks as the assets of such banks may warrant. Such provision would go far to relieve distress in a multitude of families, would stabilize values in many communities, and would liberate working capital to thousands of concerns. He recommended that measures be enacted promptly to accomplish these results.

In accord with this recommendation identical bills were introduced in House and Senate. They received no action. Sections to accomplish the same end were grafted on the long and complicated banking reform bill fathered by a Democratic Senator, which presumably was the obstacle in the way of independent action. That general banking bill might have met the President's recommendation for prompt improvement of the banking laws, if early action could have been secured. As it turned out, the promptness the President urged was not shown, probably because the first draft of the bill roused such a storm of criticism, among the critics being nearly every banking expert in the country.

The proposal for relief of closed banks did, however, get attention to a degree in the Reconstruction Finance Corporation bill, that corporation being allowed to help closed banks. It will be seen that up to June 30, $27,398,350 was lent to aid in the reorganization or liquidation of 316 of them. It is to be regretted that the failure to enact the independent legislation urged by the President has kept tied up money that might otherwise have relieved the needs of so many thousands of unlucky depositors.

The final proposal of the President in the field of the Committees on Banking and Currency prevailed after a long and stormy voyage. He had advised creating a system of home-loan discount banks to furnish to men owning or wishing to own small homes the same facilities that the farm-loan system furnishes to farmers. He had in mind helping all kinds of institutions that lend money in comparatively small amounts on mortgages.

The group most needing such help is made up of building and loan associations, in some States called cooperative banks, and homestead associations in other States. There are nearly 12,000 of these, with a membership of more than 12,000,000, and assets of nearly $9,000,000,000, of which nearly $8,000,000,000 is lent on small-home mortgages. By reason of withdrawals, whether for domestic needs or hoarding purposes, perhaps three-quarters of these associations are hard pressed. In view of the nature of the membership, consisting as it does mostly of wage earners or men with small salaries in the cities, large and small, and their suburbs, a period of depression falls with especial weight on institutions of this class. At the same time the inability to finance new construction, and especially renovation, has kept out of work many thousands of artisans. In some parts of the country there is no great need for new home building, but in others there is opportunity, and everywhere there will be urgent demand when huddling stops.

The need to carry out the President's proposal in this matter has been serious and large. Yet for some reason not disclosed the Democratic leadership in the House prevented any move for months. The session was well along when at last a subcommittee was appointed and allowed to function. Working at full speed, as fast as a long and complicated bill would permit, the subcommittee made report in April; but it was a month later before the full committee reported the bill to the House. It took almost two months more to get the bill through the two Houses. It is fair to say that Democrats helped the passage of the bill, but its Democratic friends were helpless in this matter of haste. It was a measure for relief of great and urgent need. With sympathetic interest the Democratic leaders who controlled the House program could have made it possible for the help of this system to begin four months ago.

The significance of one amendment added in the Senate and accepted by the House has not been appreciated. It provides that any home owner who comes within the limits of the act and who is unable to obtain mortgage money from any other source may obtain it from any bank organized under the act. Akin to this is a provision put into the relief bill amending the Federal reserve act so that the Federal Reserve Board in unusual and exigent circumstances may discount, for any individual, partnership, or corporation, notes, drafts, and bills of exchange. Direct borrowing from these institutions is a novelty that deserves experiment. If it works well, this almost revolutionary innovation may find wide use. In any case, it will completely answer the charge that the President's program has taken no account of individuals but has been framed only for the immediate benefit of corporations.

The relief bill was not the work of the Committees on Banking and Currency. Others will have explained its contribution toward meeting the pressing needs of the time, but mention may well be made here that it authorized the Reconstruction Finance Corporation to issue securities to six and three-fifths times its subscribed capital stock, so that its total resources may be $3,800,000,000. Surely the use of this gigantic amount along the lines Congress has prescribed ought to break the jam and let the current of the country's activities resume its normal flow.

Also, the task of balancing the Budget by economies and higher taxes did not fall to the Committees on Banking and Currency. It was a task well done. The President's views largely prevailed, and at any rate the goal he set was reached, whether or not always in the way he would have preferred. Taken as a whole, his program was nearly enough followed to warrant the assertion that Congress gave it the stamp of approval.

That program has mitigated the depression. By reason of it suffering has been lessened and will be more lessened. It will surely have hastened the day of recovery. No President, no Congress, no single man, no group of men, however wise and powerful, could in the twinkling of an eye have dispelled the fear that possesses mankind in every quarter of the globe. The depression is a universal state of mind. We hope we have done something toward dispelling the fear that dispirits our own people. We hope we have given them ground for some measure of confidence. The outcome depends on how they use the tools we have forged. Used with courage, these tools will make better times.

STANDARD WEIGHTS AND MEASURES FOR DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 461) to amend section 18 of the act entitled "An act to establish standard

weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 461, with a Senate amendment thereto, and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 8, strike out all after "by" where it appears the second time, down to and including "inches" in line 5, page 2, and insert "adding thereto a subsection to be known as section 18a to read as follows:

"'SEC. 18a. That the standard measure for ice cream, sherbet, and similar frozen-food products shall be of the following capacities: One-half pint, pint, quart, half gallon, gallon, 2 gallons, 2½ gallons, and multiples of the gallon; and no person shall use in determining the quantity of ice cream kept for sale, offered for sale, or sold in the District of Columbia any measure of other than the foregoing capacities.'"

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. STAFFORD. A casual reading of the proposed Senate amendment would seem to ban the sale in the District of Columbia of ice-cream cones, because certainly an ice-cream cone does not, on its top, hold half a pint.

Mr. PALMISANO. I think all they did was to copy the phraseology of the old act and provide for a two-and-a-half-gallon measure.

Mr. STAFFORD. I am acquainted with the old act, and I am inquiring whether the amendment might not be too drastic in its effect.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SCHAFER. The Senate committee report on page 2 says that—

The proposed legislation does not, of course, affect the sale of ice cream and similar products in cones, or like containers, where the question of measure is not directly in point.

Mr. STAFFORD. That may be their statement, but is not the language here broad enough to affect that condition regardless of the statement of the clerk of the committee?

Mr. SCHAFER. The language is no broader than the language now on the statute books. In order to verify the matter I called up several of the ice-cream company representatives, and they indicated that it would not affect cones or like containers.

Mr. LAGUARDIA. Is this a consumers' bill or a manufacturers' bill?

Mr. SCHAFER. It is both. This is a bill to permit the use of two-and-a-half-gallon containers for frozen sherbets and ice cream in the District of Columbia because it can be handled in a more economical and sanitary way in that size container.

Mr. LAGUARDIA. Then, the only change in the law is to permit a two-and-a-half-gallon container?

Mr. SCHAFER. Yes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

So the Senate amendment was concurred in.

CONDEMNATION OF LAND IN DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5651) to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 5651, with Senate amendments thereto, and concur in the same. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 3, line 11, strike out "increase or reduce" and insert "exceed."

Page 3, line 14, strike out "such award" and insert: "the deficiency. If the compensation finally awarded in respect of said lands, or any parcel thereof, shall be less than the amount of the money so received the court shall have the power to enter judgment against the party or parties receiving the same for the amount representing the difference between the amount received and the amount awarded by the jury as fair compensation, and writs of execution may be issued thereon within the same time and have the same effect as liens, and shall be executed and returned in the same manner as if issued upon a common-law judgment."

The SPEAKER pro tempore. Is there objection?

There was no objection.

So the Senate amendments were concurred in.

SALE OF PISTOLS IN DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8754) to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 8754, with Senate amendments thereto, and concur in the same. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 1, line 5, strike out all after "length" down to and including "length" in line 7.
Page 1 after line 7, insert:
"'Sawed-off shotgun,' as used in this act, means any shotgun with a barrel less than 20 inches in length."
Page 6, line 13, after "gun," insert "sawed-off shotgun."
Page 6, line 23, after "gun," insert "sawed-off shotgun."
Page 7, line 2, after "gun," insert "sawed-off shotgun."
Page 7, line 9, after "guns," insert "sawed-off shotguns."
Page 7, line 25, after "gun," insert "sawed-off shotgun."
Page 8, line 7, strike out "pistols and" and insert "pistols."
Page 8, line 7, after "guns" insert: ", and sawed-off shotguns."
Page 8, line 13, after "gun," insert: "sawed-off shotgun."
Page 9, line 11, after "gun" insert: ", sawed-off shotgun."
Page 9, line 17, strike out "pistol or" and insert: "pistol."
Page 9, line 17, after "gun" insert: ", or sawed-off shotgun."
Page 9, line 18, strike out "pistol or" and insert: "pistol."
Page 9, line 18, after "gun" insert: ", or sawed-off shotgun."
Page 10, line 12, after "guns" insert: ", or sawed-off shotguns."
Page 10, line 13, strike out "any foreign government."

The SPEAKER pro tempore. Is there objection?

There was no objection.

So the Senate amendments were concurred in.

AGRICULTURAL APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I call up the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, with a Senate amendment thereto, and move that the House further insist upon its disagreement to the Senate amendment.

The SPEAKER pro tempore. The gentleman from Louisiana calls up H. R. 7912, the agricultural appropriation bill, with a Senate amendment thereto, and moves that the House further insist upon its disagreement to the Senate amendment. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

Mr. SIMMONS. Mr. Speaker, I offer the following preferential motion, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. SIMMONS moves that the House recede from its disagreement to Senate amendment No. 77 and agree to the same with the following amendment:

In lieu of the matter inserted by such amendment insert the following:

"GRASSHOPPER CONTROL

"For aiding States in the application of such methods for the control of grasshoppers as, in the judgment of the Secretary of Agriculture, may be necessary to prevent crop losses, $600,000, to be immediately available: *Provided*, That no part of this appropriation shall be expended (a) by State officials for purposes other than the purchase and transportation of poison bait or materials used in its manufacture, (b) for the payment for any such bait or materials except that which may be contracted for subsequently to the date of the enactment of this act, or (c) for labor in the local distribution or application of any such bait or materials

except upon the public domain: *Provided further*, That before payment by the Department of Agriculture for poison bait or materials purchased by any State, all such purchases shall be certified by the head of the State agricultural college and the State entomologist or two comparable State officials responsible for its use: *Provided further*, That, in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for grasshopper control in any State until the necessary State or local organizations for cooperation in carrying out the purposes of this paragraph have been established: *Provided further*, That in no event shall the Federal Government be responsible for the use or application of such poison bait or be liable to any State or any political subdivision thereof, or to any organization, individual, firm, or corporation, for any loss or damage resulting from the spreading or application thereof."

Mr. SANDLIN. Mr. Speaker, I yield five minutes to the gentleman from Nebraska.

Mr. SIMMONS. Mr. Speaker, will the gentleman make that 10 minutes?

Mr. SANDLIN. Oh, I think this matter has been discussed so much on the floor of the House that everyone understands it. I think that five minutes is ample.

Mr. SIMMONS. Mr. Speaker, last year when the grasshopper pest struck our Western States there was no appreciable amount of money available for expenditure by the Federal Government. Secretary Hyde then pledged his support to secure Federal funds to fight grasshoppers during this current year. When Congress met last December, a number of us who come from the States where the grasshoppers were rampant last year and where a plague threatened this year held a series of conferences on the matter. We conferred with the Director of the Budget, Colonel Roop, with the Secretary of Agriculture, Mr. Hyde, and other administrative officials. Secretary Hyde kept his pledge.

The President, on February 4, 1932, sent a message to Congress asking for an appropriation of $1,450,000 for that purpose. At the time this estimate came up the Agriculture appropriation bill was pending in the Senate. The Senators from the States affected secured the adoption of the item in the Agriculture appropriation bill. It became evident that the Agriculture appropriation bill, along with the other appropriation bills would be delayed in the Senate pending the passage of the tax bill, and the economy bill reducing Government expenditures. Accordingly, on February 24, 1932, I introduced House Joint Resolution 316, asking for the appropriation of the $1,450,000 that the President had asked for, to put on a control campaign through the Department of Agriculture in an effort to check the grasshoppers. Immediately after my resolution was introduced, some 15 or 20 of us from the affected States had a conference with Representative BYRNS, of Tennessee, Democratic chairman of the Committee on Appropriations of the House, and asked him to have that committee hold hearings on the resolution, and authorize its favorable report to the House for passage. Mr. BYRNS refused, and effectively blocked further action on it. Early in May the situation became acute. Senator SHIPSTEAD, of Minnesota, introduced and secured the passage in the Senate of a resolution making this appropriation. It came to the House. On May 16, Speaker GARNER recognized Congressman BUCHANAN, who moved to suspend the House rules and pass the bill appropriating $1,000,000 to fight grasshoppers.

Mr. BYRNS, as Democratic chairman of the Committee on Appropriations, opposed the proposal and invoked a seldom-used parliamentary procedure whereby he was able to prevent any discussion on the floor of the House on the merits of the item, with the result that it was defeated. There was no record vote. However, a check of the men that passed through the tellers showed that 66 Republicans and 33 Democrats voted to consider the appropriation; 47 Republicans and 91 Democrats voted against consideration of the proposal. While Speaker GARNER gave us his support at that time, he later on withdrew it and joined in the opposition of Mr. BYRNS. Every parliamentary procedure that could be used up to that time had been used in the House to secure this appropriation, and had failed due to the opposition of the gentleman from Tennessee [Mr. BYRNS]. On June 10 the Senate acted upon the conference report on the agriculture appropriation bill, and it came to the House, and on that date I made a motion that the House appropriate $750,000, which the Secretary of Agriculture could use in a control campaign against grasshoppers.

Secretary Hyde at that time sent a letter to Congressman BUCHANAN, in which he reviewed the various efforts the administration had made to secure the appropriation of this money, and did make the statement in that letter that, due to the delays that had been had, and the delays that under the law must necessarily follow before action could be gotten, that it was then too late for the Department of Agriculture to put on an effective control campaign. Up to that time we had been attempting to secure funds with which the Department of Agriculture could go out into the field through its own agencies to attempt to control this pest.

On June 11, when that proposal came up, some 10 or 12 of the western men, supported by others, took the floor and urged the passage of the appropriation. The gentleman from Tennessee [Mr. BYRNS] again took the floor, insisted on closing of the debate, opposed the appropriation, and, using his tremendous power as chairman of the Committee on Appropriations of the House, succeeded in defeating the proposal by a vote of 214 to 124. In the vote of 214 against the proposal there are 135 Democrats and 79 Republicans. The vote in favor of the proposal was 40 Democrats and 84 Republicans. Following that defeat we again had a conference with Secretary Hyde, and proposed that instead of the Department of Agriculture attempting at this late date to put on a control campaign, that Congress appropriate $600,000 to aid those States and support the campaigns already organized by the States. That came up again in the House on Tuesday, June 21. I made the motion that would have made the appropriation of $600,000 to aid these States. Again we had the support generally of the men from the northwestern section. Again the gentleman from Tennessee [Mr. BYRNS] opposed the appropriation.

Secretary Hyde wrote a letter to Congressman BYRNS urging the appropriation, and in it he stated that "while it is too late to conduct a control campaign under Federal control, much good can be accomplished and considerable crops saved by grants of funds individually for the purchase of poison baits or materials therefor, thus availing ourselves of the machinery set up by States and counties, and thus supplementing them beyond the point where their resources might otherwise fail."

Congressman BYRNS again opposed the appropriation, and in the discussion of it gave as his reason for opposing it that it was asked for only by a "few Representatives from a limited section of the country," and that his committee had not recommended it and that it was an effort to act in spite of his committee. He further referred to it as a "dole" to the States and the organizations that would be benefited by it. He defeated that motion by a vote of 102 to 72.

The President asked for this appropriation. Secretary Hyde favored it. We have been repeatedly blocked in the House in its consideration by the gentleman from Tennessee [Mr. BYRNS]. It was his opposition to consideration of the matter in the House on two occasions that forced the delay that caused Secretary Hyde to say that it was too late for an effective control campaign against the grasshoppers. It was his opposition in the House on the 21st of June that defeated it after Secretary Hyde had asked for it on the basis that financial aid to the States could still be effective.

The Senate on June 23 sent the bill back to the House again asking for the grasshopper money. Beginning Monday, June 25, it had a privileged status, and the gentleman from Tennessee [Mr. BYRNS] could have called it up at any time. Mr. BYRNS refused to ask House action on it, and on June 27, 1932, asked me what I proposed to do if it were called up. I told him I would continue the fight for the money. He replied that if that was my purpose he would not ask for action until the Democratic House Members then in Chicago returned to Washington, obviously in order to insure its defeat. Mr. BYRNS has done and is doing

everything in his power under the rules of the House to defeat us.

On Friday, July 1, I asked Mr. BYRNS on the floor of the House to call the bill up and he refused.

Now, on July 5, he says it is too late. Too late, because of delays that largely he has brought about.

The plan that is now before you in this amendment that I have offered to-day, however, is not the proposal that was originally before the Committee on Appropriations, and which we then discussed with the gentleman from Tennessee, as he so often has stated. Because of the delays that the gentleman from Tennessee, more than anyone else is responsible for, we have had to abandon hope of the Department of Agriculture itself doing any effective control work. The plan now submitted to the House in the amendment now pending before the House, in my motion to concur in the Senate amendment, is a plan whereby the only thing which the Federal Government does is aid those States which are now carrying on a control campaign. The department sets up no new campaign. The Department of Agriculture undertakes none. We are merely asking that the Federal Government aid those States and counties and other organizations which, in a small way, are fighting as best they can to control this pest.

I appeal to the House. In all those regions in the Northwestern States the farmers are seeing their crops imperiled, their lands and their homes in jeopardy because of this pest. It is a serious matter. Hunger and want and starvation are at stake in this issue. We are now appealing to the House not to authorize the Department of Agriculture, as once we asked, to go out and undertake this work, but that the United States aid financially those State groups and other organizations which, on their own account, are undertaking to fight this pest and are now carrying it on.

Mr. ANDRESEN. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. ANDRESEN. I may state the State of Minnesota has appropriated a quarter of a million dollars to fight grasshoppers in our State from the emergency fund created by the State legislature. Other States would follow suit if they had authority under the law. There is great necessity for this appropriation to carry on the campaign. The grasshoppers are now just getting their wings and they are spreading from field to field, and if this appropriation is made available we can secure the poison bait to help save the crops in the eight States of the Northwest.

Mr. SIMMONS. That statement is true of the other States in the western country that are in peril on this issue.

I appeal to the membership to understand that the plan that is now before the House and the plan that was before the House on the 21st day of June is not the plan which the gentleman from Tennessee discussed on this floor last Friday afternoon and will probably discuss to-day. It is a plan to put the financial resources of the Government, to the extent of $600,000, behind those States and organizations that are carrying on this fight. It sets up no new organization, but does aid in the completion of that work that they are now undertaking, to save their homes and their crops. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Nebraska has expired.

Mr. SANDLIN. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, this proposition has been discussed so many times that I see no reason why your time should be taken up.

The gentleman from Nebraska says I refused to have a resolution considered. It is true the gentleman did come to me with a resolution, and I said to him that it never had been authorized by the House and that the Committee on Appropriations never reported a special resolution for appriation unless the House had previously authorized it; that he should first have secured an authorization resolution; and that no one was more familiar with that practice than he. I told the gentleman that it was placed in the Agriculture Department appropriation bill by the Senate, which was pending in the Senate, and if he would get the Senators to pass that bill and send it over it would be considered in the House. I am not responsible for the long delay in the Senate.

Now, gentlemen, here is the proposition in a nutshell: We are called upon to vote $600,000 out of the people's Treasury, on July 5, to kill grasshoppers. Now, just think of it. The summer is nearly over. It is half over, and yet we are asked to appropriate $600,000 of the people's money, put into the Treasury by your constituencies and mine, for this purpose.

I read the other day where the horn worm in Maryland, I think it was, was absolutely destroying tobacco. If we set this precedent, somebody will be here next year asking for money to destroy the horn worm.

A man who lives in Chevy Chase said to me only yesterday that three weeks ago five men from a Government department drove out there in a truck and set a trap in the front yards of the people in Chevy Chase, and, as he said, all over Washington, to trap the Japanese beetle. They set one in his front yard, and he said he had been out every morning to see whether or not there was a Japanese beetle in the trap. He said there had never been anything in the trap except one morning he found a bumblebee. [Laughter.]

He said he had made inquiry throughout Chevy Chase, and in no trap have they ever found a Japanese beetle. That is an illustration of how much of the money is being expended.

Now, set this precedent if you want to. I have done my duty, much against what I would personally like to do as I have seen it. I have tried to discharge my responsibility to the people of this country. Put this item in this bill and you will be appropriating millions of dollars on other similar items. As I have said many times there are many things on this agricultural appropriation bill that ought to be taken off.

Mr. MICHENER. Will the gentleman yield?

Mr. BYRNS. No; I can not yield. Now, are you going to put this on?

Mr. Speaker, I was told, and it has not been denied, in February that if Congress did not make this appropriation by March 1 it would be too late. I was told the same thing as to the date of April 1. The Speaker of the House was told more than 60 days ago when he recognized a motion to suspend the rules that if it was not put through in 10 days it would be too late.

The Secretary of Agriculture wrote a letter, which is in the RECORD, on June 10, in which he said that it could not be used effectively.

Mr. BURTNESS. Will the gentleman yield right at that point?

Mr. BYRNS. No; I can not yield. He said that by letter on June 10 and confirmed it by telegram four days later.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. BRITTEN] the balance of my time.

Mr. BRITTEN. Mr. Speaker, when this appropriation for relief from grasshoppers was before the House four months ago it called for $1,450,000 and was decisively defeated. After numberless conferences the amount was reduced to $750,000 and again decisively defeated in the House. It now comes before us carrying $600,000, four months after the grasshopper has done his dirty work, and we are seriously asked to vote for this expenditure in the interest of the farmer. "Farm pork" would be the proper designation for this persistent legislation. The chairman of the Committee on Appropriations has just told you what he and even the Department of Agriculture thought of this legislation. Its passage would do the farmer no good and would only make the grasshopper laugh up his sleeve. It would be the sheerest waste of $600,000. Surely this is no time to actually throw that much money in the wastebasket. There are a great many other deserving places for expenditures of this size. When appropriations are considered of interest to the farmer the word "economy" flies out of the window. Anything with a "farmer" label can be passed, no matter how great the cost to the National Treasury. A vote in

favor of this expenditure is a vote to literally throw $600,000 in the waste can, and it will call for a duplication of the appropriation next year and each succeeding year.

Mr. BURTNESS. Will the gentleman yield?

Mr. BRITTEN. I can not yield. My belief is you are throwing $600,000 in the wastebasket. Any man who votes for this expenditure of $600,000 at this late date might just as well go home to his constituents and say he voted to throw $600,000 in the wastebasket.

[Here the gavel fell.]

Mr. MICHENER. Will the gentleman yield?

Mr. SIMMONS. We do not know what the gentleman is talking about.

Mr. BRITTEN. The gentleman is equally as dense when I suggest a modification of the Volstead law so as to legalize the manufacture of a wholesome glass of beer. He would do well to think of putting some revenue into the Treasury instead of pulling it out every time the farmer breathes a little hard. Opening the breweries to those States which really want beer would be a great blessing to the farmer and his surplus crops. The farmers' representatives in Congress are the very slowest ones to realize this fact. Some day in the not distant future even your eyes will be opened.

Mr. SANDLIN. Mr. Speaker, I move the previous question.

Mr. BURTNESS. Mr. Speaker, I demand a division.

Mr. BRITTEN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER pro tempore. The yeas and nays are demanded.

Mr. BRITTEN. Mr. Speaker, I withdraw my request.

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 117, noes 47.

So the previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Nebraska to recede and concur in the Senate amendment with an amendment.

The question was taken; and on a division (demanded by Mr. ANDRESEN) there were—ayes 52, noes 115.

So the motion was rejected.

Mr. SANDLIN. Mr. Speaker, I move that the House adhere to its disagreement to the Senate amendment.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Louisiana that the House adhere to its disagreement to the Senate amendment.

The motion was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

Mr. BLACK. Mr. Speaker, I object.

NOMINATION OF SPEAKER GARNER FOR PRESIDENT

Mr. OLIVER of Alabama. Mr. Speaker, many Members of the House on both sides of the aisle listened with pleasure and interest to a very eloquent and well-deserved tribute paid to the beloved and distinguished Speaker of the House by a former Member of the House, Senator CONNALLY. I ask unanimous consent to insert this speech in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. Mr. Speaker, under leave granted by the House, I am inserting the speech of Senator TOM CONNALLY, of Texas, in presenting the name of the distinguished Speaker of the House, Hon. JOHN N. GARNER, to the Democratic convention for nomination as President. It is very gratifying to the Speaker's many friends to know that he was nominated by acclamation for Vice President, and in this connection it should be said that the Speaker at no time was an active candidate for either President or Vice President.

Senator CONNALLY's speech follows:

When the Nation approached its last dramatic crisis it turned to Democracy for guidance. With an unsurpassed legislative record after leading the Nation triumphantly through the mightiest war of the centuries, the last Democratic administration turned the energies of the world toward peace and reconstruction from the waste and tragedy of bloodshed which had bathed the earth in misery and woe. After 11 years of Republican control our people are surrounded by conditions more tragic than the aftermath of war. The wreckage of business and industry and agriculture wrought by blundering policies and groping and befuddled Republican leadership calls for heroic remedies of reconstruction and restoration.

In another desperate crisis America turns to Democracy. This convention must meet the noblest expectations of the hour. It will adopt a platform and nominate a candidate who will be the next President of the United States. A platform is important. The candidate is more important. No platform throbs with life unless its champion both in character and service is equipped to vindicate its principles and to wage aggressive warfare in their behalf. A platform is a mere platitude; it is a gilded political plaything unless a dominant personality wields it as a battle-ax or swings it as a flashing blade in driving toward victory. The Democracy of Texas presents to the Democracy of the United States as the leader to carry our cause to glorious triumph in November her most distinguished son, the illustrious Speaker of the House, JOHN NANCE GARNER.

In 1836 Texas threw off the yoke of Mexico and became an independent Republic. Within her boundaries were settlers from every State of the original Union. In her armies were gallant spirits from the North as well as from the South. The last President of the Republic was a native of Massachusetts. During the years immigrants from every section of the United States have established new homes under Texas skies and have linked their fortunes with that of our majestic Commonwealth.

In 1845 Texas sacrificed her sovereignty as a nation to become a member of the Union. She yielded her national identity to join her life to the Republic whose daring sons, with swords in their hands, had given her freedom and independence. As an incident to her annexation and in her train there was brought under the flag a territory greater than that of the thirteen Colonies, stretching to the distant Pacific and along its shores to where it touched the Oregon Territory. New Mexico, Arizona, Utah, California, Colorado, and Wyoming, carved from that mighty domain, occupy places in the Union. Our mighty State lifts her head in pride that through her sacrifice the safety and power of this Republic were advanced and made more secure. She claims no reward; she demands no bounty; she asks no return. She is content that she served, and that the West and Southwest were added to the household of the Union. Lands and dominions do not alone make a nation great. She has also given men of character and lofty patriotism to the service of our country.

Of pioneer stock stretching back to the American Revolution, the man whom I present to this convention has spent his life among the people of his own country. Reared in humble surroundings, he has risen to a place of power. For almost 30 years he has sat under the dome of the Capitol. There he has mastered the affairs of the Federal Government. His grasp of tariffs and taxation, of Federal powers and their limitation, of the proper functions of Government activity, and of sound public policies, both domestic and foreign, is not surpassed by that of any man in public life. His knowledge came not alone from academic instruction. It came from daily contact with Government operations. Both theory and reality were his teachers. Political philosophy is one thing. Its actual application is another. He did not acquire his mastery of American traditions and government from a blue print. For almost a generation they have been his life—he knows every stone in the foundation, every beam and girder, and the vast complex and intricate structure of American Government.

Men of lasting fiber do not become great figures in a day. Back of wisdom lies a hinterland of experience and service. Far beneath the applause and acclaim of public place lie toil and achievement upon which is builded the structure of greatness. From an humble place on an obscure committee in the House of Representatives he has won his way to the first place of his party in America's official life. Neither by inheritance nor by the patronage of powerful personages was his rise aided or promoted. By his own industry, his own character, and his own ability he made his way from obscurity to eminence; from a place in the ranks to renown at the head of the column.

Secretary Mellon dominated three Republican administrations under which were generated the disasters that now engulf us. On the Ways and Means Committee of the House stood the most aggressive opponent of the Mellon policies. Republican subservience to the influence of greed and subordination of the public interest to private profit brought about the exploitation of our people and accelerated the forces which, with the violence of a tempest, swept down upon America in the Hoover panic of 1929. When Mr. Mellon, with the whole power of the administration behind him, sought to exempt rich and powerful groups from their just share of taxation and thereby to increase unduly the burdens upon men of small and average income; when he sought to shift from the stalwart shoulders of the strong that which they easily bore and to saddle it upon the bowed backs of the weak and staggering, he met an antagonist who stood like granite for the people's cause. The revenue act of 1924, the so-called Mellon bill, when it emerged from the House of Representatives, bore upon its face the character and the courage of JOHN GARNER. He triumphed over a Republican House and conquered a hostile Republican Senate. His party turned to him for leadership of the minority in the last Congress. With rare sagacity and strategy, issues were so formed and lines so drawn that the policies of the Hoover administration were laid bare before the people. It was inevitable that they should turn to Democracy for redemption.

On the record of his leadership the Democratic Party went to the country in 1930. A Republican majority of more than 100

was overthrown and a Democratic House was elected. The administration had been swept into office in 1928 by the largest popular majority ever recorded. Neither patronage nor propaganda could save the Republican administration and a Republican Congress from humiliating repudiation by a disappointed and disillusioned people. At the head of a small group of Democrats he overthrew in the midst of its term an administration fortified in the very citadel of power, and armed with a war chest bulging with the largess of those who had profited by its favor.

When the Seventy-second Congress convened he became the Speaker of the House. The Speaker was the first to note the imperative need of a balanced Budget. The duty to raise revenue rests in the House. He boldly assumed the responsibility that goes with leadership. Revenues had shrunk to unheard of proportions. Business and industry and agriculture were at the lowest ebb. New sources of revenue were difficult to find. Earnings had shrivelled. Demands upon the Treasury were greater than ever before in time of peace. Such was the challenge. Undaunted the Speaker faced the issue. In a numerous popular body there always is diversity of view.

In the multitude of new taxes there was disagreement as to individual items but when the tumult and the fury had subsided the Speaker led the House in the passage of a revenue bill approved by the Treasury and the administration as meeting the national need—a balanced Budget. In one of the most dramatic demonstrations in the political history of the country, the Speaker, taking the floor, stirred both sides of the aisle to a frenzy of enthusiasm and secured a pledge that partisanship would be submerged and the national credit preserved. He set an example of leadership for which the American people have been pleading and looking in vain toward the White House. In face of national danger he served his country before his party.

The Speaker indicated his willingness to cooperate with a hostile administration to the limit of conscience and patriotism. And that pledge was kept with unshaken faith and with unstained honor. It was kept, though the White House, with Punic faith, launched bitter political assaults against the Speaker in the vain hope of advancing the personal political fortunes of the President. Scorning the constitutional method of communicating his views to Congress by message, he adopted the tactics of the propagandist and the pamphleteer. A barrage of cheap and tawdry press publicity was loosed upon the country in an effort to array public opinion against the Speaker and thereby to enhance the political prospects of their author. With the Speaker's triumph in the House public confidence returned. The Nation's credit was restored. Above his political detractors, above the miasma of their partisan malice and envy loomed the towering figure of a great American.

It is often said of eminent men that they sprang from the plain people. JOHN GARNER did not spring from the plain people. JOHN GARNER is still of the plain people. Though the adviser of Woodrow Wilson—of Woodrow Wilson when he stood like a titanic figure on the bloody stage of war, as he struggled for peace amidst the crumbling of empires and the crash of thrones—though immersed in the reconstruction of peace and world problems, JOHN GARNER has never lost the common touch. He has never been nor has he desired to be other than one of the mighty host of plain citizens of America. Living amidst those who toil in field and on ranch and in busy villages, in contact in the Nation's Capital with public characters from every section of the Union, financial leaders and great masters of commerce, he knows America as no other public figure among men now living. His home is in the Southwest. His mind and patriotism live in every section of the Republic. He is not a sectionalist. He is not a provincialist. He is not a factionist. He is more than a southerner. His vision stretches farther to the west than that of an easterner. His eyes reach farther to the east than those of a westerner. His statesmanship is bigger than his geography. The scope of his principles is not limited by a surveyor's compass or the transit of an engineer. GARNER is a Democrat without prefix, suffix, or qualifying phrase. He is a sturdy and stout-hearted, clear-headed American whose statesmanship comprehends every section and every vital interest of our far-flung Republic. He owes allegiance to no political organization save the Democratic Party; he has no constituency save his countrymen.

In 1800, when federalism had plunged America into domestic difficulties and foreign dangers, when it had challenged democracy itself by the alien and sedition laws, the Democratic Party turned its eyes to Monticello, far from the centers of commerce, and called Thomas Jefferson to command.

In 1828, when the might of money defied the Government of the people, Democracy went almost to the frontier and selected the grim old soldier, Andrew Jackson, to strike from the Government the shackles of the tyranny of gold.

To-day, when our countrymen are standing amidst the shattered fragments of former prosperity; when foreign commerce is stagnated; when our people are weary of the rule of boards and bureaus and presidential commissions the country turns to the Democratic Party. We must offer courageous and capable leadership in the White House instead of indecision and delay. Weak and wavering vacillation must give way to a leader with a sense of direction and a determination to reach his destination. We want neither a superman nor a miracle man. Charms and incantations have lost their force. This supreme hour calls for a man. In answer to that call Texas presents to this convention a superb Democrat, a militant leader, a man of the people. His comrades promoted him on the field of battle for valor in the face of the enemy; I present as the field marshal of the armies of Democracy the great Speaker of the House, JOHN NANCE GARNER.

PERSONAL PRIVILEGE

Mr. LAMBERTSON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER pro tempore. The gentleman will state it.

ADJOURNMENT

Mr. McDUFFIE. Mr. Speaker, I move the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Alabama that the House do now adjourn.

The motion was rejected.

PERSONAL PRIVILEGE

Mr. LAMBERTSON. Mr. Speaker, I rise to a question of personal privilege.

On Friday the gentleman from Kansas [Mr. STRONG] made a personal attack on me which was unjustifiable, as shown by the RECORD. I would like in a few minutes to answer the attack.

The gentleman from Kansas stated that I put a speech in the RECORD four days after adjournment in 1930. This is not true, and I would like to show it.

The SPEAKER pro tempore. Does the Chair understand the gentleman from Kansas to rise to a question of personal privilege?

Mr. LAMBERTSON. Yes.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LAMBERTSON. That I was unjustifiably attacked; that the statements made in the attack were erroneous. I wish the privilege of showing this and answering the attack.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent that the gentleman may have five minutes in which to make a statement. I do not know whether the matter referred to raises a question of personal privilege because the text itself does not indicate that the statement is in error.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. STRONG of Kansas. Mr. Speaker, reserving the right to object, the gentleman has stated that I misstated the facts. I therefore ask if he is to have five minutes to make a statement that I shall have five minutes to defend myself and to reply.

The SPEAKER pro tempore. The Chair can only put one request at a time.

Is there objection to the request of the gentleman from New York.

Mr. ESTEP. Mr. Speaker, I object.

LETTER TO CONSTITUENTS

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend in the RECORD a letter I have written to my constituents.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, under leave to insert a letter written to my constituents, I insert the following:

MY DEAR FRIEND: I am happy to report that the Seventy-second Congress, now nearing the end of its first session, has, I believe, complied largely with the wishes of the people. It has passed the tax bill to balance the Budget, and has provided taxes on a great many things which was absolutely necessary, but omits taxes on the necessities of life.

I am pleased that it has managed to raise sufficient taxes without the sales tax, to which I was opposed because I believe it a burden upon the middle and poorer classes of our people who are less able to pay taxes. I did hope we might legalize non-intoxicating beer, which would have produced sufficient funds—some $500,000,000—and thereby avoided the levying of so many nuisance taxes.

The economy bill has been passed and signed by the President. This reduces Federal salaries by the furlough plan and by direct application, which together with the reductions in appropriations will aggregate a saving of nearly $400,000,000—a splendid saving.

The relief bill will provide relief for the unemployed and the building program of necessary buildings already approved by the Government, the dredging of channels and harbors, and road build-

ing, thereby giving work and employment to thousands of our people.

I am sure it will be most pleasing to Baltimoreans to know we have obtained our quota of Federal buildings: The new Federal bank you no doubt admire, as also the completed post office; the new marine hospital, one of the best in the country, is now under way, and the appraisers' warehouse has been provided for, and work will proceed perhaps by the time this letter reaches you.

The channel from the sea to Sparrows Point has been dredged to a depth of 37 feet, and to Fort McHenry and into Curtis Bay a depth of 35 feet, also an anchorage basin in proportion. Baltimore has at all times received its share of Federal appropriations, and the Maryland Members of Congress have devoted every effort to improving the city and harbor.

It should be gratifying, indeed, that The Star-Spangled Banner has by congressional action been made the national anthem and that Fort McHenry has been set aside as a national military park and shrine; it has been reconditioned and is now most attractive.

I trust this record may meet your approval, and if returned to Congress it will be my desire to comply with your requests whenever possible.

I have a large number of Agricultural Yearbooks for the present year of 1932 and will be only too glad to send a copy of this attractive book to anyone of my constituency desiring same.

Sincerely,

J. CHAS. LINTHICUM.

PERSONAL PRIVILEGE

Mr. LAMBERTSON. Mr. Speaker, am I denied the right to present my question of personal privilege?

The SPEAKER pro tempore. The gentleman has not yet stated it. The Chair will hear the gentleman.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STAFFORD. Was the request of the gentleman from New York put to the House?

The SPEAKER pro tempore. It was, and objected to.

Mr. STAFFORD. I understood the objection was to the request of the gentleman from Kansas [Mr. STRONG] that he have five minutes in which to reply to the gentleman from Kansas [Mr. LAMBERTSON].

The SPEAKER pro tempore. There was objection made to both requests.

Mr. LAMBERTSON. Mr. Speaker, the gentleman from Kansas [Mr. STRONG] said this:

My colleague——

Referring to me—

dated his remarks June 14, 1930, but it was not printed in the CONGRESSIONAL RECORD until July 7, 1930, four days after Congress had adjourned.

Then he said:

I call attention to the fact that after the last session of Congress two years ago, to which he refers and which adjourned on the 3d day of July, on the 7th of July my colleague put a speech in the RECORD by extension of remarks, four days after the Congress had adjourned.

We were not in session then, and I think I should have an opportunity to answer those remarks.

Mr. McDUFFIE. Mr. Speaker, I am wondering whether or not that is a question of personal privilege.

The SPEAKER pro tempore. The Chair does not think it shows any question of personal privilege.

Mr. McDUFFIE. I have no desire to shut off debate.

Mr. STRONG of Kansas. Mr. Speaker, I ask unanimous consent that my colleague [Mr. LAMBERTSON] may have five minutes in which to address the House.

The SPEAKER pro tempore. Is there objection?

Mr. ESTEP. Mr. Speaker, I object.

GOUVERNEUR MORRIS

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered yesterday by myself on the occasion of the unveiling of a monument to Gouverneur Morris.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, under the leave to extend my remarks, I submit my address, delivered at the unveiling of the memorial to Gouverneur Morris at St. Ann's Church, in the Bronx, New York City, on July 4, 1932:

Mr. Chairman and fellow citizens, it is eminently appropriate that we should hold these exercises on this day and on this historic spot. As the distinguished chairman, Alderman Curley, has well emphasized, this occasion has a threefold significance. First, it is the natal day of this Nation. Second, it is the two hundredth anniversary of George Washington, the founder of this Nation. Third, in this hallowed ground is the tomb of Gouverneur Morris, who helped to frame the Constitution of this Nation, while in the crypt of yonder church, under its sacred altar, lie the mortal remains of his elder brother, Gen. Lewis Morris, the only signer of the Declaration of Independence who was born in the Bronx, who died in the Bronx, and who was buried in the Bronx.

I like to feel that there is a sort of historic justice in my inclination to link the names of these two brothers. Fame was slow in coming to them. Their services to our country entitle them to a more conspicuous place in American history than an ungracious posterity has accorded them. It is only within recent years that the historian has put them in their proper place in the hall of fame. That is more particularly true of Lewis Morris, and it is only candid to say that, as to him, it is due only to the enthusiasm of the good rector of this historic church, Dr. Edward C. Russell, that belated recognition has been accorded him. To another man of less sensibility—or, I might say, of less susceptibility—to the significances of historic incidents, the tombs of the past would have awakened nothing more than a transitory mental reverberation. With Doctor Russell it was different. He saw at once how the names of these two brothers were inseparably interwoven in early American history and how important it was to emphasize their lives and their services in teaching the youth of to-day the lessons of civic duty and patriotism.

Upon the occasion of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence, he organized a celebration and invited me to speak on the life and the services of Lewis Morris. I accepted the task lightly, assuming that the encyclopedias and general histories would furnish the needed material for a short address. I found, to my amazement and distress, that all of these sources of general information were appallingly destitute of the needed information. In my despair and as a last resort, I buried myself in the Congressional Library and at last, after many hours of research, was able to resurrect from the past sufficient information to carry out my obligation.

While the Rev. Edward L. Hunt was reading, a few moments ago, the Declaration of Independence as a part of these exercises, I closed my eyes and strove to visualize the scene in Philadelphia when Lewis Morris put his hand to that immortal instrument. With what anxiety must he have thought of his family, his home, and his manor here in the Bronx. For, let it be understood that at that time, all about here were the meadows, the forests, the pastures, and the cultivated farms of his broad domain. To-day a big community occupies the site and we are surrounded by apartment houses, from the windows of which are gazing down upon us thousands of American citizens, who, through the devices of modern science, are listening to my voice and participating with this gathering in these historic exercises.

At the very moment that Lewis Morris was deliberating as to whether or not he should dedicate his life, his property, and his sacred honor to the cause of American liberty, Lord Howe, with a large fleet and a powerful army, was in the lower bay. Lewis Morris realized that the chances of war might, sooner or later, imperil all that he loved and all that he possessed. He was man enough and patriot enough to cast the die in favor of his country. His fears, if he had any, were soon realized. The British Army did advance. The Revolutionary Army of Washington was not strong enough to resist. The Morris manor house was despoiled, the cattle and stock captured, the fences and forests burned, and his family scattered. Not until the war was over were they again united.

The character and the patriotism of this splendid conscientious citizen have never been fully appreciated.

With his younger brother, Gouverneur Morris, it was different. In the debates of the Constitutional Convention of 1787 his name was frequently found as a participant, and in the framing and arrangement of the final instrument his splendid services were quite generally known. But there was nothing in the achievements of Gouverneur Morris to inflame the imagination of youth. His conquests were all in the domain of the mind—the labors of the statesman and the scholar.

Gouverneur Morris was born in the Bronx on January 31, 1752. He graduated from Columbia College (then known as Kings College) when he was under 17 years of age. A precocious youth, he promptly began to show an interest in public affairs.

HIS FINANCIAL VISION

When only 18 he wrote a series of articles attacking a proposal then before the Provincial Assembly of New York to pay the debts of the French and Indian wars by issuing interest-bearing bills of credit. The stock argument, used even then as it is used to-day, was that it "would make money more plenty." His sound native judgment told him that money does not make work, but that work makes money.

AS MEMBER OF THE NEW YORK PROVINCIAL CONGRESS

He was admitted to the bar before he was 21 and was elected to the Provincial Congress of New York when he was 23 years old. He immediately sprang into prominence. He was appointed on the committee to devise means of defense for the impending Revolution. He advocated the issuance of paper money by the Continental Congress, instead of by the States, "to promote among the united Colonies a common interest and a common responsibility." His report was accepted and forwarded to the Continental

Congress, where its suggestions were subsequently followed. Thus, he showed that he thought in terms of a united Nation and not of tribal selfishness.

HIS RELIGIOUS BREADTH AND TOLERATION

As the student of history knows, it was a long time before the Colonies realized that all hope of a compromise with the British Cabinet would have to be abandoned. The New York Provincial Congress, of which young Morris was a member, was a victim of that hope, and drafted a series of resolutions as the basis of such a reconciliation. Among these was one protesting against the right of Great Britain to extend indulgence to the French Catholics in Canada and permit them to practice their religion. Morris fought this bitterly, called it "arrant nonsense," but this arrant nonsense was carried by a small majority. At this time he was just 23 years old, yet his vision of the harmfulness of religious intolerance was confirmed later when efforts to have Canada join the Colonies were subsequently inaugurated. Were it not for this misstep in statecraft, as well as in moral precept, there can be no doubt that Canada would have ultimately joined the confederation.

THE CONSTITUTION OF THE STATE OF NEW YORK

Later this brilliant young statesman was appointed on the committee to draft a constitution for the State of New York. Joined with him were Robert R. Livingston and John Jay. The latter displayed his narrowness on this, as on other occasions, and proposed an article prescribing a test oath for Roman Catholics. Morris fought it with his usual vigor and it was beaten 2 to 1. Ten years later when he became a member of the Constitutional Convention, which was to draft a constitution for the new Nation, he made a similar fight for religious freedom and was largely instrumental in framing the first article of the bill of rights prescribing that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

OPPOSED TO SLAVERY

In the framing of the new constitution of the Province or State of New York he made an earnest effort to have adopted a clause recommending the early abolition of slavery, but was too far ahead of his time to succeed. But he carried on the fight in the National Constitutional Convention of 1787. The best that he could accomplish was the adoption of section 9 of Article I, the clause permitting Congress to abolish the slave trade in 1808.

AS MEMBER OF THE CONTINENTAL CONGRESS

In 1777 his elder brother, Lewis Morris, was anxious to throw off the burdens of statesmanship and go into the military arena. He gave way to his younger brother, Gouverneur, who was elected in his place to the Continental Congress. Here his reputation for good judgment preceded him and he immediately took a prominent place in its councils.

Although not related to Robert Morris, the latter appointed Gouverneur Morris as his chief assistant as head of American finances, in which office he served for over three years.

When the war was over, he returned to the practice of the law and was so highly esteemed that he was elected a delegate to the Constitutional Convention of 1787.

When the provisions of that immortal instrument were finally adopted, after long and tedious controversies, which often threatened the perpetuity of the young confederation of sovereign States, it was to a committee headed by Gouverneur Morris that the task was intrusted to put its principles and formulas into pure English and coordinated articles and sections. He performed this duty so admirably, with diction so perfect in its simplicity and cogency, that the American Constitution as it came from the hands of his committee, and as it was adopted by the convention, is recognized as one of the greatest national documents which ever emanated from the brain of man. As a mere manifestation of mental strength, this must be looked upon as the supreme public achievement of Gouverneur Morris, but in all the tasks intrusted to him in the early life of our Nation, he displayed the versatility of his splendid mind and masterful character.

AMERICAN MINISTER TO FRANCE

George Washington appointed him our minister to France, and it was his fate to serve there during the trying period of the French Revolution, when kings went down, aristocracies were destroyed, and the republican system of liberty, equality, and fraternity was erected upon the ruins of outworn systems of government. He met the responsibilities confronting him with firmness and handled the situations which inevitably developed with a hand as strong as his mind.

Throughout his diplomatic career, he displayed a high order of talent as well as a courage and an independence of mind which stamped him as a statesman as well as a patriot.

ERIE CANAL

All together, Gouverneur Morris was one of the most versatile statesmen brought forth in all our history. There was no human activity nor branch of finance nor of industrial or social progress to which he did not bring the analytic qualities of his superb mind. He early saw the possibilities of the Erie Canal and renewed his activity in its promotion in 1803. He was the first chairman of the canal commissioners from 1810 up to shortly before his death in 1816. He hoped ultimately to make it a ship canal. Stephen Van Rensselaer called him the "Father of the Erie Canal."

UNITED STATES SENATOR

In 1799 Gouverneur Morris was elected to the United States Senate. There his vision of the future prompted him to break with the Federalists, of which party he was a member, and to support Thomas Jefferson in the purchase of Louisiana.

I will not touch on the controversies which embittered the closing years of his life and his attitude with respect to the War of 1812. Such matters have no place in a eulogy. There is so much in his career to praise that it ill befits the occasion to criticise. No man of his period rendered greater service in putting this Nation on a solid foundation of sound basic principles coupled with the loftiest ideals of intelligent statesmanship.

This beautiful marble memorial which will in a moment be unveiled is the belated tribute of his native State and owes its existence to the patriotic endeavors of my friend, the Hon. Nicholas J. Eberhardt. We should unite in thanking him as well as Doctor Russell for their sense of historic justice to the memory of Gouverneur Morris.

This memorial will hand down to future generations a tangible proof that we of this material age are not lacking in knowledge or in appreciation of the services of those who contributed to the upbuilding of our Nation. With the tomb of Gouverneur Morris on this hallowed spot and this memorial to his achievements erected by a grateful country, giving visual evidence of our appreciation, let the purlieus of this sacred edifice become a national shrine to attract the youth of all succeeding generations as a fountain of inspiration, a source of encouragement, and a stimulus to good citizenship and patriotism.

EXTENSION OF REMARKS

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some statistical data.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, reserving the right to object, I desire to propound a question to the Chair. The question is whether in the judgment of the Chair a request to extend, with permission to insert, will comply with the spirit of the instructions given by the Speaker of the House not to recognize a Member of the House to speak out of order for five minutes or address the House on important legislation.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman from Texas inform the House as to the character of the insertions?

Mr. BRIGGS. It is some data with reference to an investigation concerning the effect of the utilization of lumber for paper purposes.

Mr. STAFFORD. How extensive are the insertions?

Mr. BRIGGS. They are not very long.

Mr. STAFFORD. Will they take more than one page?

Mr. BRIGGS. I can not say. I have not checked to find out.

Mr. STAFFORD. Will they take more than two pages?

Mr. BRIGGS. Probably not.

Mr. STAFFORD. If they will take more than two pages, I object.

GEORGE WASHINGTON'S MESSAGE TO MODERN AMERICA

Mr. EATON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address I made yesterday at Buffalo.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. EATON. Mr. Speaker, under leave granted I insert the following address by myself at Buffalo, N. Y., July 4, 1932:

It has been my privilege to witness many civic celebrations in the great communities of this country, but I have never seen anything to compare with the stupendous spectacle now being staged in Buffalo in connection with your pageant of progress. I congratulate the city of Buffalo on having among its citizens a man like Mr. Corey, with the courage, vision, patience, and industry to develop this amazing program, especially under the depressing conditions of the present hour. I congratulate Mme. Wickser upon the production of her remarkable epic covering a century of Buffalo progress, and certainly Mr. Chennery is deserving of all credit for the masterly manner in which he has handled the stage production.

This great celebration reveals Buffalo to itself. It has concentrated the attention of the entire citizenship representing every class, interest, and section on the meaning and value of their citizenship in Buffalo. It has revealed to all the people of this community the invincible energies resident in the community as a whole. It will be impossible from now on for any sane-minded citizen of Buffalo to doubt for an instant the vast possibilities of progress, prosperity, and happiness that lie in the immediate future, and I am sure that every citizen will be inspired

by this magnificent program to a new loyalty, a new enthusiasm, and a new consecration to the common welfare.

It is a striking coincidence that during the centennial celebration of the founding of the great city of Buffalo we should be engaged in celebrating the bicentennial of the birth of George Washington, the great founder of the Nation the development of which has made the history of communities like Buffalo possible.

At long intervals down the centuries some single personality becomes the symbol and expression of an age, a race, or of a great revolutionary change in human affairs. Such a man was Moses, who gave to the world its universal changeless moral law and revealed the principles upon which all that endures in social and individual achievement must finally foundation itself.

Such a man was the Apostle Paul, in whose character, words, and works the deathless energies of the Christian revelation found practical application to life in its entirety.

Such a man was George Washington, whose service, character, and intellectual concepts became the focal point and concrete expression of a new civilization environed by a new world and dedicated to new ideals of individual and social existence. As Thomas Jefferson pointed out in a remarkable tribute, Washington not only led the armies of his country to achieve its independence, but he became its chief counsellor and guide in the establishment of a system of government, new both in its forms and principles. George Washington was, indeed, what Thomas Jefferson said, "In every sense a wise, a good, and a great man" but, more than that, he had the vision, the courage, and the practical wisdom to sift out from the welter of revolutionary theories and ideas that were sweeping over the world, only those ideals and principles capable of creating and sustaining a new, and, we believe, a permanent type of civilization. It would be a congenial task to discuss George Washington as pioneer, farmer, businessman, and administrator. It will remain to the end of time an inspiration to every true American to follow General Washington through the arduous years of his battling for our independence. We could profitably devote the entire space of this address to an analysis of his character and mental qualities but under the circumstances now confronting the Nation and the world, we are drawn to a new study of the principles of our American Government as outlined in Washington's Farewell Address.

This great document begins with the principle that the American Nation constitutes a vital unity. He warns against sectionalism and faction in political practice. He conceives of the Federal Government as an instrument for guaranteeing the liberties of the whole people. With prophetic vision he foresees a tendency for leaders to confine their thinking to the particular section of the Nation from which they come, and he warns us against thus undermining our national integrity.

If we need any one thing in our Government to-day more than another, it is to return to this principle so clearly outlined by Washington. The American people are cursed by a peculiar delusion to-day; that is, that a part is greater than the whole. Groups, interests, blocs, and sections each are striving to advance their own particular interests. We are failing to think in terms of the whole Nation and of all the people. In the strengthening of some local interest we find ourselves weakening the Nation as a whole.

Washington warns us against innovations upon the principles of our Government as set forth in our written Constitution. We do well to ponder his statement that, "Respect for the authority of our Government, compliance with its laws, acquiescence in its measures are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power and the right of the people to establish government presuppose the duty of every individual to obey the established government."

If he could return to this land to-day, he would be profoundly disturbed by the distance we have traveled from the principles which have made America the land of opportunity for the common man and the star of hope for the struggling masses of the world. We have created a vast and smothering bureaucracy which infects and weakens every government—city, State, and local, which has laid an intolerable burden of taxation upon the people, and which has so weakened the personal initiative and self-reliance of our citizens that for the first time in our history the American people are caught in a wave of unreasoning fear and are turning to their Government to do for them what for 150 years they have gloriously done for themselves.

Washington saw that self-government, which is the essence of Americanism, rested upon the intelligence and character of the people. He therefore advocated the widest possible opportunities for education and he declared his belief that true religion affords government its surest support.

At this time when Congress has been wrestling through tragic months with the problem of balancing our Budget, it is interesting to note that Washington called our attention to the absolute necessity of maintaining a sound public credit. The quickest and surest method of balancing our governmental budgets and relieving our taxpayers of intolerable burdens is for our people to return to the sane and sound economic principles which Washington strove to place at the foundation of our economic life.

Washington's conception of our foreign policy is just as workable and just as necessary to-day as it was at the beginning of our Nation's existence—utmost freedom of economic intercourse with all the people of the world and absolute refusal to entangle ourselves in the politics of the world. He argued for a foreign policy based upon peace with all men, but he believed that the best insurance against war was full preparedness to defend ourselves in case of need.

In this Bicentennial Celebration of the Birth of Washington it is hoped that everywhere in our country American citizens will give renewed attention to the example and teachings of our country's first President. He is well named The Father of His Country. We have not outgrown the principles for which he stood; in fact, our problem is how to grow up to those principles. We seem to have been drifting away from them in recent years. We are passing through a period of reorganization which does not mark the end of our progress, but rather is the beginning of a new time of greater achievement, security, and happiness for all our people. If in the confusion and stress of this time one is tempted to doubt and fear, it will help us to recall one of the utterances of our great founder. In the very darkest hour of his campaign he said, "We must not despair, the game is yet in our own hands; to play it well is all we have to do."

Close beside this vast concourse of 30,000 citizens the majestic river sweeps silently along hastening to its fateful plunge over the ramparts of Niagara. This stupendous physical power science has utilized to furnish light to the people far and near and to turn the wheels of industry; but resident in the spirit of the people of Buffalo is a greater and diviner energy than is developed in the majestic spectacle at the Falls. The energy of free spirits dedicated to and united in the great alleviating tasks of civilization. This magnificent celebration has lifted the veil from this vast, unused reservoir of spiritual power. From this hour fear and failure ought to be driven far from the minds of the people of this great city and there must be awakened a new faith in themselves, in their community, in their country, and in the good God for the development of whose beneficent purpose America was born.

ECONOMY IN GOVERNMENT

Mr. ROBINSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ROBINSON. Mr. Speaker, economy is a fine-sounding word; economy is a good thing for individuals and it is also good for governments; economy is a hard thing to practice, and especially hard to bring about either in public or private affairs following a period of inflation, a time of large income, plentifulness of money, good times, and easy spending. We have recently gone through such a time, but we now, both as individuals and as a Nation, find ourselves in a financial and business condition that calls for strict economy, and the people are calling loudly in no uncertain terms for economy in government. I am strongly for it. The people are entitled to relief from unnecessary expense, and the cost of government should be reduced somewhat in proportion to the reductions that have occurred in values of property and in amount of income.

We have overspent. This is true of Nation, State, county, cities, and towns. It is also true of individuals. We have enjoyed the spending. It has brought us the things we desired; but we now find that a lessened income makes absolutely necessary lessened spending. The tendency for many years has been to do the things we desired; and if we did not have the money required, then borrow it, to go into debt, and not always limited to debt that we had a certain sure method of soon paying, but debt that might extend far into the future, even perhaps until the things for which the debt was incurred had worn out and become of no value; but the debt remained. Then came the present world-wide depression, most unwelcome and altogether unnecessary. I agree earnestly with the fine old lady who is reported to have said: "I don't see why this depression should come now; I don't believe in having a depression at the same time we have hard times." I think she is correct—either one is bad enough. We do not want both; but they are here, and the question we must face is, What shall we do with them? There are many answers with something of truth in all of them. How will this do for one?—we must have confidence in each other and in the value of property; we must work, have courage, good business sense, and exercise strict economy; we must overcome unemployment; we must restore the general price level to a point that covers the cost of

production and a living profit. All taxes must come down, but especially those that are making the ownership of homes and home farms more difficult. The cost of government must come down, and here we should remember that the cost of the Federal Government is only about one-third the cost of our total government. Some people seem to think that the heavy tax on farm or home is caused by extravagance in Congress, but this is not so. It is the town, city, county, school, State tax that is the real burden to the home and farm owner in Iowa. None of the taxes paid in the county courthouse goes to the Federal Government; the taxing bodies within the State have control of the tax that is now so heavy a burden on farm and home. Congress can not be charged with this responsibility nor control it.

At a time of great depression, down come incomes, and, consequently, down come income taxes, and the Government must raise the needed money in some other way, which is our present situation. It was not always thus. From 1920 to 1930 we had a good-sized surplus each year and paid it on the public debt. In 1920 the public debt was $24,000,000,000 and by 1930 it had been reduced to a little over $16,000,000,000. Several times during the past 12 years legislation was passed by Congress reducing national taxes and each year the surplus was applied upon the national debt, in addition to the statutory amount required to be paid, amounting in—

1920	$212,500,000
1921	86,700,000
1922	313,800,000
1923	309,700,000
1924	505,400,000
1925	250,500,000
1926	377,800,000
1927	635,800,000
1928	398,800,000
1929	184,800,000
1930	183,800,000

We were getting along splendidly and reducing our large national indebtedness more rapidly than had been expected; then came this world-wide depression.

We had been loaning vast sums of money to foreign nations and subdivisions thereof, also to their business organizations, much of it unwisely; as payments of interest and principal became unsatisfactory, we discontinued making new loans. Our foreign markets were at once affected, foreign nations were unable to buy our goods as we no longer furnished them the funds with which to pay for them. Our exports were largely reduced in consequence, and then came unemployment.

Our domestic exports for the year 1929 were $5,157,083,000.
Our domestic exports for the year 1930 were $3,781,172,000.
Our domestic exports for the year 1931 were $2,377,846,000
Our imports for the year 1929 were $4,399,361,000.
Our imports for the year 1930 were $3,060,908,000.
Our imports for the year 1931 were $2,089,802,000.

With greatly lessened business came unemployment, lower prices, lessened incomes, and reduced income tax, our national income tax for the fiscal year ending June 30, 1930, being about $2,411,000,000, and for the year 1932 it was only about $1,057,000,000, with other Federal income reduced somewhat in proportion.

The total Federal receipts for the fiscal year ending June 30, 1932, being $2,005,725,000, which caused us to have a very large deficit for this year, which can only be overcome by economies and increased taxes.

That the Budget must be practically balanced and the income and the expenditures about equal is, I think, believed by everybody. Some misunderstanding regarding the cause of the deficit was occasioned by the publication of figures showing increases, with no explanation as to the cause thereof.

Early in April this year the Du Pont Co. issued a circular statement comparing governmental expenditures for the years 1927 and 1932 and showing an increase of about $1,200,000,000, which statement was accepted by a number of leading business firms of the country as a correct showing and circulated by them. The Director of the National Budget states that the year 1927 showed the lowest expenditures in 15 years, while 1932 was a peak year, the lowest and the highest years being taken for the comparison. The increase was caused largely by—

Additional expenditure for public works	$435,000,000
Agricultural marketing fund	155,000,000
Postal deficiency	167,000,000
Navy and Shipping Board construction	75,000,000
Aircraft construction and activities	47,000,000
Veterans' care and adjusted-service certificate fund	246,000,000
1928 act war claims settlement	37,000,000

leaving only about $69,000,000 increased expense of other Government departments and activities.

This circular statement apparently gave many an erroneous impression as to the cause of the increased expenditures and does not give an average example of Government activities and expenditures in different years, but is an extreme case.

It is rather difficult to determine the exact savings effected by any session of Congress. Deficiency bills that sometimes follow after reductions, the amount of which can not be known in advance, enter into the final correct finding. The following table shows the reductions for the coming fiscal year in the departmental appropriation bills as they have passed Congress:

Federal appropriation comparison

[Prepared by Congressman DAVID HOPKINS, Missouri, July 13, 1932]

Departmental appropriation bills	Appropriation fiscal year July 1, 1931, to July 1, 1932	Amount carried in bill as it passed the Congress for 1933	Decrease as compared to final appropriation for 1932	Approximate percentage reduction
				Per cent
Agricultural	$235,694,694.00	$175,671,665.00	$59,993,029.00	25
Interior	69,342,606.73	45,533,672.33	24,808,934.40	35
War	400,078,650.00	336,078,513.00	64,000,137.00	13
State Department	18,506,306.34	13,663,792.89	4,842,513.45	26
Justice Department	51,229,201.00	45,996,000.00	5,233,201.00	10
Commerce Department	54,425,220.00	39,711,408.00	14,713,822.00	27
Labor Department	14,994,200.00	12,920,770.00	2,073,430.00	14
Treasury Department	261,703,113.00	250,308,158.00	11,394,955.00	4
Post Office Department	842,883,777.00	806,939,675.00	36,944,102.00	4
Independent offices	1,306,196,777.00	982,446,041.00	323,750,736.00	25
Legislative (Congress)	28,127,386.94	18,673,991.00	9,453,395.94	33
District of Columbia	45,711,638.00	41,245,622.00	4,466,016.00	10
Navy	360,101,593.00	317,583,591.00	42,518,002.00	12
Total	3,748,985,173.01	3,144,772,899.22	604,192,273.79	16
Add savings by economy bill			150,000,000.00	
Total savings			754,192,273.79	20

This is a good showing, but I hope in the next Congress authority and responsibility will be placed with the President or somewhere to reorganize and combine our various commissions, bureaus, and departments to eliminate unnecessary duplication of work and thus make the Federal Government more efficient and economical, with as large a saving of expense as can be rightly made, which is supposed to be a considerable amount. A saving or reduction of about 20 per cent, or a total of about $750,000,000, is certainly a large amount, and the amount saved is estimated by some to be considerably more, but even so, the insistent demand for reduction of the Federal Government expenditures continues. How and where it shall be done? I am for it and I believe it can be done without materially affecting the Government's efficiency. Much the Government is now doing may be desirable, but is it essential or necessary? Many good people demand reduction of expenditures and just as quickly and earnestly oppose such reduction when it affects the affairs in which they are especially interested. If we are to reduce expenditures, we must give up something we now have. The attitude of some has been, "Balance the Budget, but at the expense of the other fellow." It has been very easy to see the tendency during recent years of turning to the Federal Government for aid for State activities. "Let Uncle Sam do it" has become a popular slogan; for example, education, public health, law enforcement, good roads, reclamation of nonproductive land, Boulder Dam, Muscle Shoals, and many more. If an undertaking is difficult, of large cost, expensive, or uncertain of success, the tendency is, perhaps naturally, to ask the Federal Government to undertake it. I am not at this time

speaking in criticism of these activities, though I have regarded and do now regard such matters as Muscle Shoals and Boulder Dam to be local State and adjoining State undertakings and responsibilities rather than national in character. I am simply calling attention to the fact that many burdens are unloaded on the National Government that require vast sums of money.

Neither Government nor individual can long continue to spend more than their income without their financial affairs being adversely affected. Believing this to be true, the present Congress has endeavored, and we believe, succeeded, in reducing appropriations to the estimated Government income. As Congress appropriates in advance for the coming fiscal year and the income can not be exactly known, there is necessarily some uncertainty as to the exact outcome. The only way an individual can balance his budget and accumulate property is to keep his outgo less than his income. Our Federal Government is merely a combination of individuals and the same rule holds true.

We are all proud of our American Government; it is the finest and best in existence. But what of the future? Are we at the tail end of this business storm; when this depression ends and normal conditions return, whither will we be headed?

We have attempted to balance the Budget by:

First. Reduced appropriations.

Second. Reduction of governmental expense.

Third. A tax bill as nearly as possible fair to everybody.

There is no such thing as a welcome tax. No tax bill is ever popular; we pay taxes, not because we want to, but only as a matter of duty and obligation. Direct taxes are taken from those who have, and indirect taxes from those who have not. We all pay to a greater or less extent and are, consequently, all benefited by economy, rightly applied. I would have omitted a number of the special direct excise taxes that are provided in this bill, but it could not be brought about at this time.

It is my sincere belief that the present disastrous economic condition in agriculture, commerce, and industry will be overcome. We must restore the general price level to cost of production with a living profit. New capital must be accumulated through a revival of thrift and saving on the part of everybody. We must reestablish the American farm home and provide a way to have it become free from debt. We must always remember what is good for the farmer is good for the wage earner and the business man.

LAWS TO CURB KIDNAPERS, GANGSTERS, AND RACKETEERS

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether he intends to incorporate in those remarks a new definition of the word "immediate" as used in the Democratic platform concerning the modification of the Volstead Act?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, when the President signed the bills last week giving the Federal Government jurisdiction in kidnaping cases and also making it a felony to send a threatening letter through the mails demanding ransom or threatening bodily injury or property damage if the demands of the writer were not heeded, the law-abiding citizen became more secure from the activities of the gangster, racketeer, and kidnaper.

Cooperating with Senator PATTERSON, of my State, the bills were introduced both in the Senate and House last December. The bill I offered in the House, which gives the Federal Government the power to send a man to the penitentiary for using the mails to extort money, passed several months ago. Although offered many months prior to the Lindbergh kidnaping, the kidnaping bill was not pressed until after the body of the child was located. It first passed the Senate, amended by that body. After a full day's debate I succeeded in having the Senate bill agreed to. The threatening letter bill also was amended by the Senate after it had passed the House, and that amendment was agreed to by the House.

Prior to the time this bill was signed by the President one could send a letter through the mails demanding money upon the threat to kidnap a child or bomb a house or business establishment; and if apprehended, there was no law under which the sender could be prosecuted. I have it from the chief of police of St. Louis and the chief post-office inspector that thousands of such letters have been called to their attention in recent years. All that the citizen who receives a threatening letter has to do now is to contact the chief post-office inspector or the chief of police, and efforts will immediately be made to locate the sender and place him in jail.

The necessity for the kidnaping bill was due to the fact that kidnapers would move their victim from one State to another, thus avoiding capture. For instance, they could kidnap a man in St. Louis, take him to Illinois, and the St. Louis police had no power to follow the criminals. Now a Department of Justice agent can assume control when the victim is moved to another State.

The laws can properly be called the Patterson-Cochran Acts. The junior Senator from my State and I worked for months to secure the enactment of the bills. Had it not been for the cooperation we received from the citizen's committees of St. Louis, Chicago, and other cities, as well as the chief of police of many cities throughout the country, our task would have been much harder. Delegations were sent to Washington and appeared before the House and Senate committees in support of the bills. I feel we are especially indebted to Chief of Police Joseph Gerk, of St. Louis; the St. Louis Chamber of Commerce, and its special representative, former Congressman Cleveland A. Newton. The necessity for such legislation was shown to every Member of the House and Senate by the chiefs of police of cities in their districts and States.

ADJOURNMENT

Mr. McDUFFIE. Mr. Speaker, I move that the House do now adjourn.

Mr. DE PRIEST, Mr. CARTER of Wyoming, Mr. SCHAFER, and Mr. BOILEAU demanded a division.

Mr. MICHENER. Mr. Speaker, would a parliamentary inquiry be in order at this time?

The SPEAKER pro tempore. The Chair will recognize the gentleman.

Mr. MICHENER. A number of Members of the House desire to talk for 5 or 10 minutes to-day. It is now 1.30 o'clock, and we have nothing to do for the rest of the day. These men are going to want to talk at some time. If we have no program, why is it insisted that the House adjourn at this particular time and prevent these men from expressing themselves?

The SPEAKER pro tempore. The Chair does not think that is a parliamentary inquiry. As the gentleman knows, a motion to adjourn is always in order, and the gentleman from Alabama has made that motion and a division is called for.

The House divided; and there were—ayes 91, noes 72.

Mr. SCHAFER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 140, nays 174, not voting 116, as follows:

[Roll No. 109]

YEAS—140

Allgood	Carley	Crump	Fishburne
Almon	Cartwright	Cullen	Fitzpatrick
Arnold	Celler	Delaney	Flannagan
Auf der Heide	Chapman	DeRouen	Garrett
Barton	Chavez	Dickinson	Gavagan
Bland	Clark, N. C.	Dickstein	Gilbert
Bloom	Collier	Dies	Glover
Boehne	Collins	Dietrich	Goss
Boland	Condon	Disney	Granfield
Browning	Cooper, Tenn.	Doughton	Gregory
Brunner	Coyle	Doxey	Griffin
Bulwinkle	Crisp	Drewry	Griswold
Burch	Cross	Estep	Haines
Byrns	Crosser	Evans, Mont.	Hall, Miss.
Cannon	Crowe	Fiesinger	Hill, Ala.

Holmes	Lindsay	O'Connor	Stafford
Hornor	Linthicum	Oliver, Ala.	Steagall
Huddleston	Lonergan	Oliver, N. Y.	Stewart
Jacobsen	Lozier	Overton	Sullivan, N. Y.
Jeffers	Ludlow	Parsons	Sumners, Tex.
Johnson, Mo.	McCormack	Pettengill	Sutphin
Johnson, Okla.	McDuffie	Polk	Sweeney
Johnson, Tex.	McReynolds	Pou	Tarver
Jones	McSwain	Prall	Taylor, Colo.
Kelly, Ill.	Major	Ramspeck	Tierney
Kemp	Martin, Oreg.	Reilly	Underwood
Kleberg	May	Romjue	Vinson, Ky.
Kniffin	Mead	Rudd	Warren
Kunz	Miller	Sanders, Tex.	Weaver
Lambeth	Milligan	Sandlin	West
Lamneck	Mobley	Shallenberger	Whittington
Lankford, Ga.	Montague	Shannon	Williams, Mo.
Larrabee	Morehead	Smith, Va.	Wilson
Lea	Nelson, Mo.	Somers, N. Y.	Wingo
Lichtenwalner	Norton, Nebr.	Spence	Woodrum

NAYS—174

Adkins	Eaton, Colo.	Knutson	Schneider
Allen	Eaton, N. J.	Kopp	Seger
Andresen	Englebright	Kurtz	Seiberling
Andrew, Mass.	Erk	Kvale	Selvig
Andrews, N. Y.	Evans, Calif.	LaGuardia	Shott
Arentz	Fish	Lambertson	Shreve
Ayres	Foss	Lankford, Va.	Simmons
Bachmann	Free	Loofbourow	Sinclair
Barbour	French	Lovette	Smith, Idaho
Beedy	Fulbright	Luce	Snell
Black	Gasque	McFadden	Snow
Boileau	Gibson	McGugin	Sparks
Bolton	Gifford	McLaughlin	Strong, Kans.
Bowman	Gilchrist	Maas	Strong, Pa.
Briggs	Goodwin	Magrady	Stull
Britten	Green	Manlove	Summers, Wash.
Brumm	Guyer	Mapes	Swanson
Burdick	Hadley	Martin, Mass.	Swick
Burtness	Hall, Ill.	Michener	Swing
Butler	Hall, N. Dak.	Millard	Taber
Cable	Hancock, N. Y.	Moore, Ohio	Taylor, Tenn.
Campbell, Iowa	Hardy	Mouser	Temple
Campbell, Pa.	Hare	Murphy	Thatcher
Carter, Calif.	Hartley	Nelson, Me.	Thurston
Carter, Wyo.	Haugen	Niedringhaus	Tilson
Cavicchia	Hawley	Nolan	Timberlake
Chase	Hess	Parker, Ga.	Tinkham
Chiperfield	Hill, Wash.	Partridge	Treadway
Christgau	Hoch	Patterson	Turpin
Christopherson	Hogg, Ind.	Perkins	Wason
Clague	Hogg, W. Va.	Person	Watson
Clancy	Holaday	Pittenger	Weeks
Cochran, Mo.	Hooper	Pratt, Harcourt J.	Welch
Colton	Hope	Pratt, Ruth	White
Connolly	Hopkins	Purnell	Whitley
Crail	Horr	Ramseyer	Wigglesworth
Crowther	Houston, Del.	Rankin	Williamson
Culkin	Howard	Ransley	Withrow
Dallinger	Hull, William E.	Reed, N. Y.	Wolcott
Darrow	Johnson, Wash.	Rich	Wolfenden
Davenport	Kading	Robinson	Wolverton
De Priest	Kahn	Rogers, Mass.	Wyant
Dominick	Kelly, Pa.	Sanders, N. Y.	
Dyer	Kinzer	Schafer	

NOT VOTING—116

Abernethy	Cox	James	Parker, N. Y.
Aldrich	Curry	Jenkins	Parks
Amlie	Davis	Johnson, Ill.	Patman
Bacharach	Douglas, Ariz.	Johnson, S. Dak.	Peavey
Bacon	Douglass, Mass.	Karch	Ragon
Baldrige	Doutrich	Keller	Rainey
Bankhead	Dowell	Kendall	Rayburn
Beam	Drane	Kennedy	Reid, Ill.
Beck	Driver	Kerr	Rogers, N. H.
Blanton	Ellzey	Ketcham	Sabath
Bohn	Fernandez	Lanham	Schuetz
Boylan	Finley	Larsen	Sirovich
Brand, Ga.	Frear	Leavitt	Smith, W. Va
Brand, Ohio	Freeman	Lehlbach	Stalker
Buchanan	Fuller	Lewis	Stevenson
Buckbee	Fulmer	McClintic, Okla.	Stokes
Busby	Gambrill	McClintock, Ohio	Sullivan, Pa.
Canfield	Garber	McKeown	Swank
Carden	Gillen	McLeod	Thomason
Cary	Golder	McMillan	Tucker
Chindblom	Goldsborough	Maloney	Underhill
Clarke, N. Y.	Greenwood	Mansfield	Vinson, Ga.
Cochran, Pa.	Hancock, N. C.	Mitchell	Williams, Tex.
Cole, Iowa	Harlan	Montet	Wood, Ga.
Cole, Md.	Hart	Moore, Ky.	Wood, Ind.
Connery	Hastings	Nelson, Wis.	Woodruff
Cooke	Hollister	Norton, N. J.	Wright
Cooper, Ohio	Hull, Morton D.	Owen	Yates
Corning	Igoe	Palmisano	Yon

So the motion to adjourn was rejected.

The clerk announced the following pairs:

On this vote:

Mr. Boylan (for) with Mr. Bacon (against).
Mr. Sirovich (for) with Mr. McLeod (against).
Mr. Kennedy (for) with Mr. Dowell (against).
Mr. Bankhead (for) with Mr. Chindblom (against).
Mrs. Norton (for) with Mr. Cooper of Ohio (against).

Until further notice:

Mr. Abernethy with Mr. Wood of Indiana.
Mr. Buchanan with Mr. Clarke of New York.
Mr. Lanham with Mr. Bacharach.
Mr. Blanton with Mr. Kendall.
Mr. Swank with Mr. Baldrige.
Mr. Corning with Mr. Lehlbach.
Mr. Hart with Mr. Reid of Illinois.
Mr. Schuetz with Mr. Woodruff.
Mr. Tucker with Mr. Yates.
Mr. Mansfield with Mr. Doutrich.
Mr. Driver with Mr. Buckbee.
Mr. Patman with Mr. Ketcham.
Mr. Fuller with Mr. Stokes.
Mr. Stevenson with Mr. Frear.
Mr. Williams of Texas with Mr. Hollister.
Mr. McKeown with Mr. Jenkins.
Mr. Busby with Mr. Parker of New York.
Mr. Hastings with Mr. Beck.
Mr. Brand of Georgia with Mr. Lovette.
Mr. Harlan with Mr. Cole of Iowa.
Mr. Beam with Mr. Underhill.
Mr. Smith of West Virginia with Mr. Finley.
Mr. Gambrill with Mr. Johnson of South Dakota.
Mr. Rainey with Mr. Bohn.
Mr. Goldsborough with Mr. Stalker.
Mr. Rayburn with Mr. Curry.
Mr. Wright with Mr. Garber.
Mr. Hancock of North Carolina with Mr. James.
Mr. Kerr with Mr. Sullivan of Pennsylvania.
Mr. McClintic of Oklahoma with Mr. Peavey.
Mr. Davis with Mr. McClintock of Ohio.
Mr. Montet with Mr. Nelson of Wisconsin.
Mr. Douglas of Arizona with Mr. Amlie.
Mr. Ragon with Mr. Morton D. Hull.
Mr. Fulmer with Mr. Golder.
Mr. Maloney with Mr. Freeman.
Mr. Cary with Mr. Cooke.
Mr. Keller with Mr. Aldrich.
Mr. Fernandez with Mr. Cochran of Pennsylvania.
Mr. Wood of Georgia with Mr. Johnson of Illinois.
Mr. Connery with Mr. Brand of Ohio.
Mr. Palmisano with Mrs. Owen.
Mr. Greenwood with Mr. Parks.
Mr. Vinson of Georgia with Mr. Lewis.
Mr. Canfield with Mr. Sabath.
Mr. Thomason with Mr. Moore of Kentucky.
Mr. Douglass of Massachusetts with Mr. Mitchell.
Mr. Ellzey with Mr. McMillan.
Mr. Carden with Mr. Cox.
Mr. Cole of Maryland with Mr. Drane.
Mr. Karch with Mr. Gillen.
Mr. Larsen with Mr. Igoe.

The result of the vote was announced as above recorded.

SENATE BILLS REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rules, referred as follows:

S. 88. An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof; to the Committee on the Post Office and Post Roads.

S. J. Res. 190. Joint resolution concerning the expenses of participation by the United States in the general disarmament conference at Geneva and in the international radiotelegraph conference at Madrid; to the Committee on Economy.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3811. An act for the relief of Lela B. Smith;

H. R. 8766. An act to amend the sixth exception in section 3 of the immigration act of 1924 with reference to nonimmigrant status of certain aliens;

H. R. 9699. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes; and

H. J. Res. 418. Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 904. An act for the relief of Elizabeth B. Dayton;

S. 2570. An act authorizing adjustment of the claim of Joseph E. Bourrie Co.;

S. 3447. An act for the relief of John Stratis;

S. 4735. An act to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association; and

S. 4759. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.

FALLON, NEV.

Mr. ARENTZ. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3154) authorizing the conveyance of certain lands to the city of Fallon, Nev.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the city of Fallon, Nev., for use as a dumping ground, the following described lands heretofore withdrawn from entry for irrigation purposes: The southwest quarter southwest quarter southwest quarter section 20 and the northwest quarter northwest quarter northwest quarter section 29, all in township 19 north, range 29 east, Mount Diablo meridian, consisting of 20 acres, more or less, upon condition that the city shall make payment for the land at the rate of $1.25 per acre within six months after the approval of this act: *Provided*, That there shall be reserved to the United States all oil, coal, or other mineral deposits found at any time in the land, and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe: *Provided further*, That the grant herein is made subject to any valid existing claim or easement, and that the land hereby granted shall be used by the city of Fallon, Nev., only for a dumping ground, and if the said land or any part thereof shall be abandoned for such use said land or such part shall revert to the United States; and the Secretary of the Interior is hereby authorized and empowered to declare such a forfeiture of the grant and to restore said premises to the public domain if at any time he shall determine that the city has for more than one year abandoned the land for the use herein indicated, and such order of the Secretary shall be final and conclusive, and thereupon and thereby said premises shall be restored to the public domain and freed from the operations of this grant.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill, I believe, has not been reported by any House Committee.

Mr. ARENTZ. This bill has been reported by the Public Lands Committee and it was passed by the Senate. It provides for the conveyance of 20 acres of desert, sagebrush land adjacent to the city of Fallon, to be used by that town for sanitary purposes as a dumping ground. Any oil or gas or mineral rights are retained by the Federal Government. The land is valueless. It costs the Federal Government nothing, and this is simply in the interest of sanitation in this little town of Fallon. There is nothing else involved in the matter except this question of sanitation.

Mr. STAFFORD. If the land is valueless, why should we not then deed the land outright to this town without the requirement that it shall be used for a certain purpose, namely, as a dumping ground, and without providing that in case the land is not used for dumping-ground purposes it shall revert. If the land is worthless or of nominal value, why not deed the land to this city without stating that it is to be used as a dumping ground and without providing that in case the land is not used for that purpose, it shall revert?

Mr. ARENTZ. I did not care about having an amendment on the bill. It is nearing the last hours of the session and if the bill is amended at all, it is apt to be held over. It is of little importance and follows the procedure that is generally followed in bills of this kind.

Mr. STAFFORD. Mr. Speaker, were it not for the fact that we are in the closing days of this session I would insist on striking out the qualification as to the use of these lands for dumping-ground purposes and also the reverter clause I think it is rather inconsequential that the Congress shall provide a reverter clause in a grant of land which is virtually of nominal value, where they pay one dollar and a quarter an acre. Under the circumstances I shall not insist on striking out that provision.

Mr. CRAIL. Will the gentleman from Nevada please give me his personal assurance that this bill has no relation to the bill of the gentleman from Nevada, which has been reported favorably by the Committee on Public Lands, permitting the State of Nevada and the State of Arizona to tax Boulder Dam and the lands under it?

Mr. ARENTZ. I have been in this Congress since 1921——

Mr. CRAIL. All I want is the gentleman's personal assurance to that effect.

Mr. ARENTZ. And I want to tell the gentleman from California that I have never tried to put anything over on this Congress and never shall. This bill has nothing to do with Boulder Dam. I am trying to pass a simple bill here that is in the interest of a little city in my district; the bill is clear and could not be construed to have a double meaning.

Mr. CRAIL. I want to support the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ORDER OF BUSINESS

Mr. BLACK. Mr. Speaker, I ask unanimous consent that the House now take up consideration of bills on the Private Calendar in the House as in Committee of the Whole, beginning at the point where the call last left off.

Mr. SCHAFER. Mr. Speaker, I reserve the right to object, and I shall not object, provided the gentleman will answer this question. I understand that the Democratic convention claims to have turned wet. Will the Democratic Members who have voted dry and who claimed to have turned wet at the convention have a chance to again consider and vote for the beer bill before this session adjourns?

The regular order was demanded.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from New York?

Mr. McGUGIN. I object, Mr. Speaker.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

Mr. O'CONNOR. I object.

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

Mr. BLACK. I object.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to address the House on the question of the relief measure.

The SPEAKER. Is there objection?

Mr. O'CONNOR. I object.

Mr. CAMPBELL of Iowa. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. BLACK and Mr. O'CONNOR objected.

Mr. McDUFFIE. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Alabama moves that the House do now adjourn. Ordinarily the Chair can declare the House adjourned after a viva voce vote, but the Chair is not going to make any such declaration in the face of the vote taken a little while ago unless it should appear without a doubt that a majority of the House desires to adjourn. Fairness has been the watchword of the Chair ever since he has been Speaker. If the House wants to sit in session this afternoon without anything to do, the Chair is willing to sit here and look at you. [Laughter.]

The question was taken; and on a division there were 124 ayes and 103 noes.

Mr. SCHAFER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 155, nays 150, not voting 125, as follows:

[Roll No. 110]

YEAS—155

Allgood	Dieterich	Kleberg	Pou
Almon	Disney	Kniffin	Prall
Arnold	Dominick	Knutson	Rainey
Auf der Heide	Doughton	Kvale	Ramspeck
Barton	Douglas, Ariz.	LaGuardia	Rankin
Black	Doxey	Lambeth	Reilly
Bland	Drewry	Lamneck	Rudd
Bloom	Estep	Lankford, Ga.	Sanders, Tex.
Boehne	Fiesinger	Larrabee	Sandlin
Bolleau	Fishburne	Lichtenwalner	Shallenberger
Boland	Fitzpatrick	Lindsay	Shannon
Browning	Fulbright	Linthicum	Sinclair
Brunner	Gambrill	Lonergan	Smith, Va.
Bulwinkle	Garrett	Lozier	Somers, N. Y.
Burch	Gasque	McCormack	Spence
Burdick	Gavagan	McDuffie	Stafford
Byrns	Gilbert	McReynolds	Steagall
Cannon	Glover	McSwain	Stewart
Carley	Goldsborough	Major	Sullivan, N. Y.
Cartwright	Granfield	Martin, Oreg.	Sumners, Tex.
Celler	Green	May	Sutphin
Chapman	Gregory	Mead	Tarver
Chavez	Griffin	Miller	Taylor, Colo.
Clark, N. C.	Griswold	Milligan	Thatcher
Cochran, Mo.	Haines	Mobley	Tierney
Cole, Md.	Hall, Miss.	Montague	Tilson
Collier	Hare	Morehead	Underwood
Collins	Hill, Ala.	Nelson, Mo.	Vinson, Ky.
Condon	Holmes	Norton, Nebr.	Warren
Cooper, Tenn.	Hornor	O'Connor	Weaver
Cross	Huddleston	Oliver, Ala.	West
Crosser	Jeffers	Oliver, N. Y.	Whittington
Crowe	Johnson, Mo.	Overton	Williams, Mo.
Crump	Johnson, Okla.	Owen	Wilson
Cullen	Johnson, Tex.	Palmisano	Wingo
Delaney	Jones	Parsons	Withrow
DeRouen	Kading	Patterson	Wood, Ga.
Dickstein	Kelly, Ill.	Pettengill	Woodrum
Dies	Kemp	Polk	

NAYS—150

Adkins	Dyer	Kopp	Schafer
Allen	Eaton, Colo.	Kurtz	Seger
Andresen	Englebright	Lambertson	Seiberling
Andrew, Mass.	Erk	Loofbourow	Selvig
Andrews, N. Y.	Fish	Lovette	Shott
Arentz	Foss	Luce	Shreve
Ayres	Free	McClintock, Ohio	Simmons
Bachmann	French	McFadden	Snell
Barbour	Garber	McGugin	Snow
Beedy	Gibson	McLaughlin	Sparks
Bolton	Gifford	Maas	Stokes
Bowman	Gilchrist	Magrady	Strong, Kans.
Briggs	Goodwin	Manlove	Strong, Pa.
Britten	Goss	Mapes	Stull
Brumm	Guyer	Martin, Mass.	Summers, Wash.
Burtness	Hadley	Michener	Swanson
Butler	Hall, Ill.	Millard	Swick
Cable	Hancock, N. Y.	Moore, Ohio	Taber
Campbell, Iowa	Hardy	Mouser	Taylor, Tenn.
Carter, Calif.	Hartley	Murphy	Temple
Carter, Wyo.	Hess	Nelson, Me.	Thurston
Cavicchia	Hill, Wash.	Niedringhaus	Timberlake
Chase	Hoch	Nolan	Tinkham
Chiperfield	Hogg, Ind.	Parker, Ga.	Treadway
Christgau	Hogg, W. Va.	Parker, N. Y.	Wason
Christopherson	Holaday	Partridge	Watson
Clarke, N. Y.	Hooper	Perkins	Weeks
Colton	Hope	Person	Welch
Connolly	Hopkins	Pittenger	White
Cooke	Horr	Pratt, Harcourt J.	Whitley
Cooper, Ohio	Houston, Del.	Pratt, Ruth	Wigglesworth
Coyle	Howard	Purnell	Williamson
Crail	Hull, Morton D.	Ransley	Wolcott
Crowther	James	Reed, N. Y.	Wolfenden
Culkin	Johnson, Wash.	Rich	Wolverton
Curry	Kahn	Robinson	Wyant
Darrow	Kelly, Pa.	Rogers, Mass.	
De Priest	Kinzer	Sanders, N. Y.	

NOT VOTING—125

Abernethy	Campbell, Pa.	Douglass, Mass.	Golder
Aldrich	Canfield	Doutrich	Greenwood
Amlie	Carden	Dowell	Hall, N. Dak.
Bacharach	Cary	Drane	Hancock, N. C.
Bacon	Chindblom	Driver	Harlan
Baldrige	Clague	Eaton, N. J.	Hart
Bankhead	Clancy	Ellzey	Hastings
Beam	Cochran, Pa.	Evans, Calif.	Haugen
Beck	Cole, Iowa	Evans, Mont.	Hawley
Blanton	Connery	Fernandez	Hollister
Bohn	Corning	Finley	Hull, William E.
Boylan	Cox	Flannagan	Igoe
Brand, Ga.	Crisp	Frear	Jacobsen
Brand, Ohio	Dallinger	Freeman	Jenkins
Buchanan	Davenport	Fuller	Johnson, Ill.
Buckbee	Davis	Fulmer	Johnson, S. Dak.
Busby	Dickinson	Gillen	Karch
Keller	McKeown	Rayburn	Swing
Kendall	McLeod	Reid, Ill.	Thomason
Kennedy	McMillan	Rogers, N. H.	Tucker
Kerr	Maloney	Romjue	Turpin
Ketcham	Mansfield	Sabath	Underhill
Kunz	Mitchell	Schneider	Vinson, Ga.
Lanham	Montet	Schuetz	Williams, Tex.
Lankford, Va.	Moore, Ky.	Sirovich	Wood, Ind.
Larsen	Nelson, Wis.	Smith, Idaho	Woodruff
Lea	Norton, N. J.	Smith, W. Va.	Wright
Leavitt	Parks	Stalker	Yates
Lehlbach	Patman	Stevenson	Yon
Lewis	Peavey	Sullivan, Pa.	
Ludlow	Ragon	Swank	
McClintic, Okla.	Ramseyer	Sweeney	

So the motion to adjourn was agreed to.

The following pairs were announced:

On the vote:

Mr. Harlan (for) with Mr. Buckbee (against).
Mr. Bankhead (for) with Mr. Chindblom (against).
Mrs. Norton (for) with Mr. Evans of California (against).
Mr. Kennedy (for) with Mr. Dowell (against).
Mr. Sirovich (for) with Mr. McLeod (against).
Mr. Boylan (for) with Mr. Bacon (against).

Additional pairs:

Mr. Crisp with Mr. Bacharach.
Mr. Dickinson with Mr. Dallinger.
Mr. Evans of Montana with Mr. Lankford of Virginia.
Mr. Ludlow with Mr. Campbell of Pennsylvania.
Mr. Sweeney with Mr. Davenport.
Mr. Flanagan with Mr. Eaton of New Jersey.
Mr. Romjue with Mr. Hall of North Dakota.
Mr. Kunz with Mr. Haugen.
Mrs. Rogers with Mr. Clague.
Mr. Jacobsen with Mr. Smith of Idaho.
Mr. Turpin with Mr. Hawley.
Mr. Clancy with Mr. Schneider.
Mr. Ramseyer with Mr. Swing.

Mr. CHIPERFIELD. Mr. Speaker, I desire to announce that my colleague, Mr. CHINDBLOM, is ill and desires to be excused on this call.

The vote was announced as above recorded.

EXTENSION OF REMARKS

LET US NOT ADJOURN UNTIL ANTIMONOPOLY PLEDGE OF DEMOCRATIC PLATFORM IS KEPT AND UNTIL ECONOMY PLEDGES OF BOTH PARTIES ARE KEPT

Mr. McGUGIN. Mr. Speaker, I have read with interest the platform adopted by the Democratic Party in its convention at Chicago. Republican though I am, it is not my purpose in these remarks to criticize the parts of that platform which I shall now discuss; but, on the contrary, it is my purpose to congratulate the Democratic Party for placing in its platform the propositions which I wish to bring to the attention of the House of Representatives.

In the very first paragraph of the platform of the Democratic Party it states:

> In this time of unprecedented economic and social distress the Democratic Party declares its convictions that the chief causes of this condition were the disastrous policies pursued by our Government since the World War, * * * fostering the merger of competitive businesses into monopolies * * *.

Mr. Speaker, I am in full accord with this statement of the Democratic Party that fostering the merger of competitive businesses into monopolies is unquestionably the outstanding domestic error which has been committed. This is a frank statement of fact by the Democratic Party. It does not present a partisan question. The American people during the war became obsessed with the idea that there was a superefficiency to be found in the program of merging and consolidating every line of business, thereby driving out of existence all individual and independent institutions which formed the basis of honest competition in each branch of business. This program was first started in the second administration of Woodrow Wilson. It was a complete reversal of the economic policies of the Roosevelt administration and the first administration of Woodrow Wilson. It was carried on throughout the administrations of Harding, Coolidge, and Hoover. In carrying out this policy we were worshiping the false god of efficiency. Individuals were denied an economic opportunity upon the theory that we were eliminating waste from American industry and practicing true economic economy. The waste which was elim-

inated was the opportunity for the individual American citizen to engage in honest business. Both parties in common with the country were obsessed with this false idea. I am glad to know that in the fullness of time the Democratic Party has recognized this crime against American life.

The ninth pledge of the Democratic Party in its platform is as follows:

Strict and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the smaller packer and distributor.

Mr. Speaker, here we find the Democratic Party not only recognizing the economic and social crime against America, which is to be found in the merging and monopolizing of all business, but we also find that the Democratic Party has pledged not only the enforcement of the antimonopoly laws in the event of the election of a Democratic President, but it has also pledged a legislative revision of the monopoly laws "for the better protection of labor and the small packer and distributor."

Mr. Speaker, American labor is at this moment in such dire distress that 9,000,000 men are unemployed and practically every employed American laboring man is working on part time or for greatly reduced wages. The individual distributor is in such great distress that thousands of American merchants are at this time facing bankruptcy and being destroyed by the monopolistic chain-store system. Labor and the distributors are much in need of the relief which would be given to them by this promised revision of the antitrust laws for their benefit. The present distress of labor and the individual American business man is so great that they can not wait for a Congress elected under this platform to give to them the relief which is to be found in the revision of the antitrust laws. The Congress which will be elected under this platform will not, under the Constitution, be in session until December of 1933, which is 17 months in the future. Labor and individual business can not wait 17 months for legislative protection from the ruthless devastating hand of monopoly.

The Democratic Party is in control of the House of Representatives. It is, at this moment, in a position to pass legislation through the House of Representatives, which will revise the antitrust and monopoly laws for the benefit of labor and individual business. The Democratic Party not only has a clear majority in the House of some 10 or 12 Members but in addition to that, it can count upon a very substantial support from the Republican membership of this House for such legislation. The Democratic Party has practically equal control of the United States Senate. There are at least from 15 to 20 Republican Senators who would gladly join with the Democratic membership of the Senate and pass such legislation through the United States Senate. For my part, I would ask for no greater opportunity to be of service to my country than at this time to join with the Democratic majority in the House of Representatives and vote for such legislation. If the Democratic Party in the writing of this platform is in good faith and intends to give this legislative protection to the millions of American laboring men and the hundreds of thousands of individual American business men, it will immediately proceed through its membership in the House of Representatives and the Senate of the United States to enact such legislation as will revise the antimonopoly laws for the benefit of the individual American citizen. If the Democratic membership in this Congress permits this Congress to adjourn without enacting this legislation immediately, then the Democratic Party was in bad faith when it placed these planks in its platform or the present Democratic membership in the House of Representatives and in the United States Senate are not in accord with this platform pledge of the Democratic Party.

A political party must not play upon the heartstrings of human misery for the exclusive purpose of gathering in the votes of the millions of suffering laboring men and individual business men. Yet, the Democratic Party is in this hypocritical position if its membership of the House of Representatives, which is in a clear majority, does not meet the present crisis by the immediate enactment of such legislation.

So far as the Democratic membership in this House of Representatives is concerned, it has either not recognized this situation as the Democratic Party in its convention has recognized it, or else throughout this session of Congress, it has completely betrayed the interests of struggling labor and of individual business. The Democratic membership is in the majority in the House of Representatives. It has one of its members as Speaker of the House. It has complete control of the Judiciary Committee and the Rules Committee. It has been in a position at all times during any week of this session of Congress to bring such legislation out of the Democratic-controlled Judiciary Committee. The Democratic-controlled Rules Committee has been in a perfect position to make such legislation the special order of business. The Speaker has been in a position at any moment to recognize such legislation as a special order of business. The Democratic majority has had a sufficient number of votes without the aid of a single Republican vote to put such legislation through the House of Representatives, yet the fact remains that a most substantial Republican membership of this House will be glad to support the Democratic membership in support of such legislation.

Notwithstanding the fact that the Democratic membership in the House of Representatives has been in a position since the convening of this Congress last December to enact the very legislation which the Democratic Party now pledges its support, yet the Democratic majority of this House has not submitted or enacted one syllable of legislation which would give any relief or protection to labor, the small packer, or distributor. On the contrary, the Democratic majority has smothered and refused to consider any such legislation. Months ago I introduced in this House H. R. 8930, which was for the purpose of restoring the antimonopoly laws to the full effect and force which they had for over 20 years, and until the so-called rule-of-reason decision by the Supreme Court in the American Tobacco case and in the Standard Oil case in 1913. This bill is in keeping with the dissenting opinion of Justice Harlan in those two cases.

Prior to these decisions the Supreme Court of the United States had, in some five or six decisions, held that the rule of reason did not apply to the antitrust laws. The decision of the Supreme Court in the American Tobacco case and in the Standard Oil case reversed at least five previous decisions of the Supreme Court. The decision in these two cases destroyed the antitrust laws in this country, and since 1913 monopoly has virtually run unbridled and unchecked. All the mergers of which the Democratic Party in its platform complains and which the Democratic Party boldly states to the country have been one of the main contributing causes for our present economic distress, have been made possible by these two decisions.

Has this Democratic-controlled House of Representatives given any favorable consideration to this bill? It has not. The Democratic-controlled Judiciary Committee of the House of Representatives has not only smothered this bill and refused to bring it out for consideration but has also refused even to give a hearing on this bill.

In the light of the record of the Democratic membership in the House of Representatives in this session of Congress, this pledge of the Democratic Party in its platform will never be carried out unless the present Democratic membership of this House immediately reverses its record to date or unless a new set of Democrats are elected to Congress.

There are at least two monopolies which are to-day ruthlessly and shamefully robbing the American producer and the American consumer. These two monopolies are causing untold suffering to millions of our citizens. These two monopolies, if permitted to carry on their present program unbridled and unchecked, are a menace to free government and civilization in America. I refer to the tobacco monopoly and to the steel monopoly.

The tobacco monopoly has such a strangle hold on the tobacco industry that every tobacco producer in the United

States is in bankruptcy and the American consumers of tobacco are being robbed. The tobacco monopoly has such a control of the tobacco industry that it dictates the prices paid to the producer of tobacco and dictates the price made against the consumers of tobacco. During the year of 1931 every producer of tobacco in the United States lost money. At that time when the prices of all other commodities were going down the price of tobacco to the consumer was increased. The principal tobacco company was enjoying such huge profits that it was able to pay a million-dollar bonus to its president.

Notwithstanding the fact that tobacco is produced exclusively in the Southland, the bulwark of Democracy, not a single Democratic Congressman has stood in this House and uttered one word against the tobacco monopoly. Now that the Democratic Party has recognized the need of legislation to curb such a monopoly, it is nothing less than deceit, hypocrisy, betrayal of the American people, and a crime against the country if the majority of the Democratic membership of this House permits an adjournment without immediately enacting such legislation as will curb the tobacco monopoly.

Mr. Speaker, the steel monopoly without competition and dictating the price charged for steel to-day is directly responsible for the misery, which is being suffered by millions of our citizens, who are in the ranks of the unemployed. The steel monopoly more than any other source is solely responsible for the distress of 27,000,000 farm people. The breakdown in our distribution system is largely due to the fact that 27,000,000 farm people are impoverished and can not buy the products of industry. These 27,000,000 farm people did not become impoverished during the last two years. They were slowly but surely becoming impoverished between 1920 and 1929. The statistics of the Agriculture Department disclose that from 1920 to 1929 the American farmer went broke on his buying market rather than on his selling market. These statistics disclose that the American farmer received $1.30 from 1920 to 1929 for the product for which he received $1 from 1909 to 1914. These same statistics disclose that the industrial product which he purchased from 1920 to 1929 cost him $1.70, which cost him $1 between 1909 and 1914. The farmer had his 30 per cent increase in the price of the products which he sold. The trouble is that when he purchased farm implements, fence, and tools, and paid transportation charges for his commodities, he was obliged to pay a 70 per cent increase over the price from 1909 to 1914. The net result was that the farmer was 15 per cent worse off from 1920 to 1929 than he was from 1909 to 1914.

The steel monopoly was primarily responsible for this robbery of 27,000,000 farm people. The steel monopoly was overcharging the fence factory, the tool factory, and the implement factory for steel. The steel monopoly was overcharging the railroads for rails. This overcharge was reflected in the finished articles such as implements, fencing, and tools, which were purchased by the farmer. The overcharge of the railroads by the steel monopoly was reflected in the transportation charges paid by the farmer.

The steel monopoly is at this moment robbing the consumers of steel and is directly responsible for the distress of millions of our citizens. Any individual or any institution which is responsible for prolonging our present misery is disloyal to country and an enemy to mankind. Such an institution is the steel monopoly.

These are not alone the conclusions of any liberal, progressive, or radical Member of Congress. They are the conclusions of the conservative Alexander Hamilton Institute. In a most recent edition of the report of the Alexander Hamilton Institute, it points out that during the last two years the price of steel has been pegged, and that the price of steel has depreciated 13½ per cent since the peak of 1929 as compared to a 31½ per cent depreciation for all other commodities.

Mr. Speaker, this condition could not exist except that the price of steel is controlled by a monopoly, which is free from competition and is able to bleed the American people. This report of the Alexander Hamilton Institute further points out that the 1921 depression was broken by a reduction in the price of steel. It also points out that this depression can not be broken until there is a 31 per cent decrease in the price of steel. It points out that the automobile industry and other industries can not be revived until the price which they pay for steel is reduced. Mr. Speaker, the American people can not wait 17 months for congressional warfare against the tobacco and steel monopolies.

The chain-store monopoly is daily draining and impoverishing each of the thousands of local communities in this country. It is ruthlessly driving into bankruptcy hundreds of thousands of individual business men. The chain store is one of the few institutions in this country which is making money. This session of Congress has been compelled to obtain nearly a billion dollars in new forms of taxation. The last penny of this money is being collected from people with diminished incomes and who can not afford to pay increased taxes. The second pledge of the Democratic platform pledges the party to the principle of a system of taxation "levied on the principle of ability to pay."

When the Democratic majority in this House in control of the House of Representatives and the Ways and Means Committee levied a billion dollars of new taxes upon an impoverished people and refrained from levying one penny of extra taxes upon the chain-store system, which is making money and impoverishing the country, it has made a mockery of this pledge of the Democratic Party in its platform.

In two respects the Democratic platform demands that the Democratic majority of this House immediately place a tax upon the chain-store system. The first respect is, that it pledges a revision of the monopoly laws for the protection of the American distributor, who is being destroyed by vicious chain-store competition. The second respect is, that the Democratic Party pledges taxation upon the basis of the ability to pay. The Democratic majority in this House during this session of Congress has not done one thing to protect the individual distributor from the chain-store monopoly, and it has not levied one penny of special taxes against the chain-store monopoly on the theory that it was able to pay, while it has levied a billion dollars of new taxes such as increased postage, a tax on gasoline, a tax on checks, and a tax on gas and electricity consumed by the masses. The question of taxing the chain stores was considered and investigated by the Ways and Means Committee which is under the control of the Democratic Party, but it was abandoned.

When the Ways and Means Committee brought this revenue bill to the House without any special tax on the chain store I offered an amendment which would have placed a tax on them. A Democratic chairman of the Committee of the Whole House, upon the motion of the Democratic leader of the Ways and Means Committee, held that my amendment was not germane to the bill. In other words, not only did the Democratic-controlled Ways and Means Committee refuse to tax the chain stores but it brought a bill onto the floor of the House which was in such a nature and form that a Member could not offer an amendment which would specially tax the chain store. At any rate, a Democratic-controlled House of Representatives, with its Democratic chairman, held that any such an amendment was not germane to the bill.

This is the record of this Democratic House on the question of chain-store taxation, notwithstanding the fact that the new Democratic platform pledges relief for the American distributor. As the matter stands, the platform pledge of the Democratic Party and the conduct of this Democratic House belie one another. I am not inclined to criticize the Democratic platform pledge. I think the Democratic convention fully realized that this Democratic House has failed the Democracy of the country, repudiated its campaign pledges, and has failed the country. At any rate, the Democratic platform fails to recognize this Democratic House as a Democratic institution. At any rate, it could not point to the record of this House with pride, and, in good manners,

it passed by this Democratic House and its record with the contempt of silence.

I think that the delegates to the Democratic convention, fresh from the Democrats of the country, reflected the true view of the great mass of Democrats of the United States when it recognized the merger of competitive business into monopolies as one of the chief causes of our present condition and when it pledged revisionary legislation of the antitrust laws for the benefit of labor, small packers, and distributors. I congratulate the delegates to the Democratic convention for keeping this faith with the Democrats of the country.

I criticize the Democratic membership of this House for permitting seven months to be wasted by giving no consideration to these needs, recognized by the Democrats of the country and by the delegates to the national convention. I beseech the Democratic Members of this House not to let this Congress adjourn without immediately fulfilling these pledges of the Democratic convention and these pleas of the Democrats of the Nation.

Let no man arise and say that it would be useless for the Democrats of the Senate and of the House to join with liberal and progressive Republicans and enact such legislation as will keep faith with this platform pledge with the alibi that the Republican President would veto the bill. The responsibility of enacting legislation in Congress rests solely upon the Members of the House and the Senate. The responsibility of vetoing or approving such legislation rests solely upon the President. No Congressman nor Senator has any right to refrain from doing his duty on the pretext that he does not believe that a President will approve of the legislation. No Congressman nor Senator can excuse his own malfeasance by a suggestion that a presidential veto will nullify his acts.

In the first place, no man has a right to assume that President Hoover or any other President would veto such needed legislation. In the second place, no Democrat should be apprehensive as to whether or not President Hoover would be in favor of such needed legislation. If he should veto such legislation, he would inevitably be beaten in the coming election. Until such legislation is passed through Congress, the responsibility for the present and future misery to millions of citizens who are so much in need of such legislation rests solely upon this Democratic-controlled Congress and not upon the President. In matters of legislation the duties of the President begin after the Congress has arisen to its duty and its responsibility.

Mr. Speaker, I wish to discuss another one of the planks in the Democratic platform. It is not my purpose to criticize this plank. I am in full accord with it. The plank which I have in mind is the very first pledge of the platform of the Democratic Party. It is as follows:

> We advocate an immediate and drastic reduction in governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government.

The Democratic convention takes a true position. At this time the American people are less able to pay taxes than they ever were in the history of the country, yet they are being burdened with the heaviest tax burden in the history of the country. There must be immediate relief. This reduction pledge of the Democratic platform will give the needed relief to the struggling tax-paying millions of this country. The American people can not wait 17 months for a Congress elected upon this platform to give them this promised relief. It will be 17 months, or December, 1933, before the Congress which is elected on this platform is in session.

The Democratic Party is in full control of the House of Representatives. Such relief at this time is utterly impossible except that it originates in the House of Representatives and is permitted by the Democratic majority, which is in sole control of this House. I appeal to the Democratic majority not to let this Congress adjourn until the necessary legislation has originated in and passed the House of Representatives to give this promised tax relief to the American people.

The President has begged the House of Representatives to give him power to bring about this consolidation and abolishment of useless offices and bureaus. The Democratic majority has refused to provide for such a reduction and elimination of bureaus and commissions. The Democratic majority of this House will not permit the President to do this and it will not do it. The Democrats of the Nation have spoken through their delegates to the national convention. They demand this relief. They promise it to the country.

I appeal to the Democratic membership of this House to keep faith with the Democrats of this country and with the people of this country. It can keep faith with this pledge only by immediately bringing in the legislation, which will bring about this 25 per cent reduction in expenses. For seven months, the Democratic membership has had control of this House and has been the only power on earth which would either permit or bring about this relief. It is not yet too late. This Congress has not adjourned, and it can not and will not adjourn until the necessary legislation has been enacted to give this promised relief to the taxpayers of the country unless the Democratic majority in this House deliberately adjourns and walks away from its post of duty without giving this relief to the people.

If the Democratic majority of this House permits an adjournment without such legislation, it repudiates this solemn pledge of the Democratic convention. It spurns the wishes of the Democrats of America. It betrays the American people in every walk of life and of every political faith.

In this connection I wish to speak specifically to my Republican colleagues. Our platform places an obligation upon us. Our platform pledges a reduction in public expenditures. I wish to quote from the Republican platform:

> We urge prompt and drastic reduction of public expenditures and resistance to every appropriation not demonstrably necessary to the performance of the essential functions of government, national or local.

The crying need for the reducing of the tax burden which is upon the shoulders of the American people demands that we do everything in our power immediately to keep this pledge. The people can not wait 17 months for a Republican Congress elected under this pledge to give them this tax relief. We are in the minority in this House and we are helpless in forcing this legislation through the House at this time. However, we can vote against adjournment until the Democratic majority brings legislation before this House which keeps faith with the pledge of the Democratic Party for a reduction of expenses and gives us an opportunity to keep faith with the pledge of our party to reduce these public expenses. If we vote for an adjournment before the Democratic Party has given us a chance to keep this pledge, then we stand before the country as not willing to keep the pledge and consenting to leave our post of duty before giving the people the immediate relief which they need. We owe it to our party and to our country to vote against any adjournment until the Democratic majority in this House brings in legislation which consolidates bureaus and commissions, abolishes all unneeded public places, or brings in legislation which gives our President full power and opportunity to effect such consolidations and eliminations in the Government.

Our President has asked that he be given this power. The Democratic majority has up to date refused to give it to him. We are not supporting our President and we are not keeping faith with the people if we vote for an adjournment before the Democratic Party, which controls this House, has complied with this request of the President. In at least three different messages to Congress President Hoover has called upon the Congress to consolidate the bureaus and commissions and to abolish unneeded and useless places on the public pay roll or give him the authority to do so.

If the Democratic majority of this House permits an adjournment without meeting this economy and monopoly pledge of the Democratic platform, then the Democratic

membership of this House is not in accord with the Democrats of the Nation and deserves repudiation in the coming primary and general elections, or if in accord with the true intentions of the Democratic convention, then this platform pledge is not a solemn platform pledge to the country but is mere political bait used for the purpose of deceiving millions of distressed people and defrauding them of their votes. Again I beseech the Democratic majority not to adjourn this Congress until it has kept faith with the millions of Democrats of the country; yes, with all of the people of this country. Again I beseech the Republican membership of this House not to vote for any adjournment until we have kept faith with our party platform in its economy pledge and until the demands of the President that bureaus and commissions be consolidated and useless places abolished by the Congress, or the authority given to him to carry out such a program of economy, has been respected. Fidelity to our platform, loyalty and support to our Chief, and service to country demand that we follow this course of voting against adjournment.

ACCEPTANCE SPEECH OF GOVERNOR ROOSEVELT, DEMOCRATIC CANDIDATE FOR PRESIDENT

Mr. LANKFORD of Georgia. Mr. Speaker, for weeks and months past I have been in the valley of legislative disappointment. My people are suffering the awful agonies of the greatest depression that ever engulfed the sons and daughters of men.

Congress, over my bitter protest, was doing the things I believed would harm my people and leaving undone the things I believed would aid them. There has been no way to turn the tide. The same old program was being enacted.

The Republicans met in national convention and dealt in the same meaningless, glittering generalities which have always characterized that party. I feared the Democratic Party would do the same or, if possible, worse. I feared the Democrats would destroy the party by an acrimonious contest over candidates.

AM HAPPY BUT ANXIOUS

I am now delighted that the convention has become history and has done the best possible, both as to the selection of standard bearers and as to economic features of the platform.

Here is why I have been so anxious. These are matters of most vital importance to our suffering people everywhere.

COUNTRY NEEDS LEADERS

Our country needs leaders with vision, with conscience attuned to the best interest of the average citizen and with the courage to make known and fight for what they believe to be right. This is what we now have in our candidates for President and Vice President. Pulling in the same direction at the same time, for the same noble purpose, they will accomplish splendid results.

ROOSEVELT'S ACCEPTANCE SPEECH

The Democratic candidate's acceptance speech must have thrilled every suffering man and woman who heard it. I could not have hoped for declarations more in line with what I have been advocating all these years.

RUINOUS LEGISLATION

Listen to what Mr. Roosevelt said when he criticized the system of government which—

sees to it that a favored few are helped and hopes that some of their prosperity will leak through, sift through, to labor, to the farmer, to the small business man.

ECONOMIC ISSUES

Again, our candidate locates the real issue when he says:

Now it is inevitable—and the choice is that of the times—it is inevitable that the main issue of this campaign should revolve about the clear facts of our economic condition, a depression so deep that it is without precedent in modern history.

WILD FINANCIAL ORGY OF 1929

Many of us now in Congress criticized what happened in the financial world in 1929. We were called demagogues for saying the common people were being robbed by the speculators and gamblers. Here is what Mr. Roosevelt said of the 1929 situation and money then stolen by the speculators:

The consumer was forgotten; very little of it went into increased wages; the worker was forgotten, and by no means an adequate proportion was even paid out in dividends.

DOOM OF THE OPEN SALOON

Listen to the great truth as expressed in this one sentence from this sincere candidate for the Presidency:

We must rightly and morally prevent the return of the saloon.

This is a text for volumes of books. Those of us who can not conscientiously support a move for the return of the open saloon may differ with him as to the policy to be pursued; we can not challenge his clear-cut honest determination in opposition to the return of the open barroom.

FARM RELIEF

In behalf of agriculture he said:

Why, the practical way to help the farmer is by an arrangement that will, in addition to lightening some of the impoverishing burdens from his back, do something toward the reduction of the surplus of staple commodities that hang on the market. It should be our aim to add to the world prices of staple products the amount of a reasonable tariff protection, give agriculture the same protection that industry has to-day.

And in exchange for this immediately increased return I am sure that the farmers of this Nation would agree ultimately to such planning of their production as would reduce the surpluses and make it unnecessary in later years to depend on dumping those surpluses abroad in order to support domestic prices. That result has been accomplished in other nations, why not in America, too?

For the first time the Democrats in their platform and our presidential candidate—while not using my exact words—have adopted my contract plan of controlling production, marketing and prices of basic farm products. Of course, I am happy over this progress for the farmer along this most important economic line.

TO STOP MORTGAGE FORECLOSURES

Ever since Congress convened in December I have been, day and night, with all my might, fighting to stop the present mortgage-foreclosure orgy. I have been up against an impassable wall of opposition.

Now listen again to our Democratic candidate as he says:

Our most immediate concern should be to reduce the interest burden on these mortgages. Rediscounting of farm mortgages under salutary restrictions must be expanded and should, in the future, be conditioned on the reduction of interest rates. Amortization payments, maturities, should likewise in this crisis be extended before rediscount is permitted where the mortgagor is sorely pressed. That, my friends, is another example of practical immediate relief action.

ASK SAVING OF HOMES

And he said this also in behalf of the home owners:

I aim to do the same thing, and it can be done, for the small-home owner in our cities and villages. We can lighten his burden and develop his purchasing power. Take away that specter of too high an interest rate. Take away that specter of the due date just a short time away. Save homes, save homes for thousands of self-respecting families, and drive out that specter of insecurity from our midst.

WORK AND SECURITY

I can not refrain from reading just one more quotation from the acceptance address of this good man, as follows:

What do the people of America want more than anything else? In my mind, two things: Work; work, with all the moral and spiritual values that go with work, and with work a reasonable measure of security—security for themselves and for their wives and children. Work and security; these two are more than words. They are more than facts. They are the spiritual values, the true goal toward which our efforts of reconstruction should lead. These are the values we have failed to achieve by the leadership we now have.

Mr. Speaker, the man who announced these great truths is the hope of our people. He is honest, able, fearless, and, above all else, has at heart the welfare of the American people. We must elect him and save ourselves and our Nation.

DEMOCRATIC PLATFORM

I am truly glad the Democratic platform is so brief and explicit. The people want definite, specific plans for prompt relief.

GENERAL KNOWLEDGE

We all know the people are in dire need. There is too much centralization of wealth, too much State, county, city and Federal taxes. The Federal reserve system and Farm Board are subject to criticisms; the present capitalistic theory is wrong; we need better salaries and more employment, and so on, and so on, but what are we to do about it? That is the question.

TALK NOT SUFFICIENT

We can talk about these things until doomsday and nothing will be done unless some worth-while plan is offered and put into effect.

TARIFF NOT SUFFICIENT

The tariff question is ever present. No amount of tariff on farm products will solve the farm problem. One dollar a pound tariff on cotton and tobacco would not help my people get a cent a pound more for these products. It might slightly help the price of high-grade wrapper tobacco of Northern States and indirectly hurt my people. Tariff on wheat is 40 cents a bushel, and wheat is selling for around 20 cents a bushel.

TARIFF ON PEANUTS, ETC.

High tariff does my farmers much more harm than good. It always runs up the price of what we buy more than what we sell. I fought for and helped to put a tariff on peanuts, certain turpentine products, and several other farm products. Very little good has resulted. A little good will come from an act to keep out the oils which now come in from the Philippine Islands. I am doing all I can along this line. Tariffs is of vital importance, and yet the farmer needs more—yes; much more—than a high-tariff policy. It has always done him much more harm than good.

IMMIGRATION AND FOREIGN INVESTMENTS

A mighty drive is now under way by many of us to remedy the evils of our immigration laws and overcome the abuses in connection with foreign investments. The solution of these questions will help greatly, and yet the solution of any one or all of these general questions will not do the all real work needed by the farmer and the laborer.

NEEDS OF FARMER

I am not trying to minimize other questions. I am, though, emphasizing the three main questions that must be solved to help the farmer. Here they are: How can he save his home, or get one if he has none? How can he get relief from too much taxes? And how can he pay what he owes? I have heretofore tried to answer these. I shall do so again and again as long as God gives me breath, regardless of whether I stay in Congress or not. They cover all the farmers' troubles. I love our next President, Franklin D. Roosevelt, because he has shown by his every utterance his deep sympathy with my farmers and people generally and his great desire to help them. I find he is in complete accord with my ideas on the great economic problems of farm relief, employment of labor, taxation, saving the farms of the Nation for the farmers, and so forth and so on.

BREVITY OF DEMOCRATIC PLATFORM

I like the brevity of the Democratic platform. I admire the way Governor Roosevelt locates our real trouble and offers the correct remedy.

GOOD PHYSICIAN

The good physician is he who can locate the real trouble of the sick child. Of course, there is fever, high pulse, abnormal stomach condition, and dozens of symptoms. The good physician is he who knows there is one real trouble somewhere and that, when he locates and removes that all other troubles will disappear.

GOOD LAWYER

The good lawyer seeks for the real issue and stays by it until he wins. He will not be misled by false or immaterial issues.

REAL STATESMAN

The good Congressman or good President is he who gives due weight and credit to the hundreds of minor issues, but out of all the chaff and noise, locates the vital all-consuming issue and stays by it until his efforts are crowned with victory. Governor Roosevelt with his great qualification, with his love of the farmer, the laborer, and the masses of people, and with his honesty of purpose will make us a great President. His election means a "new deal" for the common, average citizen.

THE HIGH COST OF GOVERNMENT

Mr. FLANNAGAN. Mr. Speaker, when elected to Congress I professed to know something about the fundamental principles upon which our Government was founded. But, Mr. Speaker, soon after coming to Washington I confess that I found out that I knew little, if anything, about the Government we have here in Washington. I found that the old principles that I have been cherishing since boyhood had been warped, twisted, and stretched, always for the purpose of creating new jobs and consequently increasing taxes, until I no longer recognized them.

I had thought, and still think, that the true philosophy of our Government was expressed by Jefferson in his first inaugural address, when he said:

A wise and frugal government, which shall restrain men from injuring one another, shall otherwise leave them free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned.

I soon found that we had wandered far from the teachings of Jeffersonian Democracy, and, in reality, had substituted a bureaucracy in its place and stead.

My reaction to what I found in Washington was expressed in an interview I gave to the papers some time ago, which is as follows:

While we still claim to have a Democracy, we have built up here in Washington the most complex, elaborate, and costly system of Government on the face of the earth. Every kind of bureau and commission the human mind can conjure up has been established. The thought seems to be that a bureau, and if not a bureau, a commission, can cure any ill the Government falls heir to. The only purpose most of these bureaus and commissions serve, so far as I am able to find out, is the service most of them render as agencies of those in authority to "pass the buck." You go to one and you are sent to another. One makes a mistake or blunder which, as soon as discovered, is passed on to another; and if you try to chase it down and finally fix the responsibility you will find that you will be worn out trotting from bureau to bureau, or die of old age, before you are able to run the gantlet.

The ordinary man knows very little, if anything, about the system we have built up here in Washington; and I doubt seriously if there is a single man in the United States who can even name the different bureaus and commissions we have here without first spending several days working up the list, and when the list is worked up it will simply be a long string of imposing names and titles that are meaningless to the ordinary citizen.

These bureaus and commissions all start off with modest appropriations and a few employees. The trouble is that the employees multiply like fleas, and the modest appropriations in a few years grow into the millions.

We have entirely too much Government. What we need is more simplicity.

This bureaucratic system we have built up has not, in my opinion, resulted in efficiency, but in costly inefficiency in that no one is responsible and millions of dollars are yearly fleeced from the taxpayers to maintain the useless bureaus and commissions.

Governments are supposed to be necessities. Our Government has grown into an expensive luxury. A luxury that is costing the American taxpayers around $4,000,000,000 per year to maintain, which is, based on population, a yearly assessment of $33 against every man, woman, child, and baby in this country.

It is absolutely ridiculous to think the American taxpayers can support a $4,000,000,000 Government.

In order to reduce the expenses of government there are certain things that will have to be done—

1. Simplify our Government by abolishing the useless and costly bureaus and commissions.

2. Get rid of the thousands of parasites and leeches that live at the Government's expense without rendering, except in name, any Government service.

3. A drastic cut in the salaries of all Government employees in the higher brackets. I mean by this that the salary of the employee who is only making a decent living wage should not be cut. Work on the fellow who is making more than a decent living wage.

If the Democrats want to render the people a real service they will start off on a plan at once to reduce the expenses of this Government at least 30 to 40 per cent. If this is done, we will not only have a less expensive Government but a simpler and more efficient Government.

I determined to find out something about our Government, its workings and costs, in order to find the remedy for the waste and inefficiency that is rampant. I have spent a great deal of time and labor nosing into this, that, and the other

department, bureau, and commission, and I am a long way from through. I am determined to get to the bottom of this modern bureaucratic luxury that we have set up here in Washington and call our Government. It will take time, but if I remain here I am going to give the question such time as may be necessary.

It is of the cost of government I desire to speak to-day, which, since I gave the statement to the press, I find is going to cost the taxpayers in 1932 $38.60 per person instead of $33 per person.

I do not pretend to know all that is wrong but, so far, my investigation has found little that is right. The leaks seem to be as numerous as the holes in a sieve.

One reason our people have paid but little attention to the ever-mounting cost of our Federal Government has been due to the fact that, except in time of war and periods of panics, the Federal taxes have been more or less indirect or secret taxes. These taxes, as they are added to the costs of what we purchased, have made very little, if any impression upon us. When the income tax law went into effect those so fortunate as to come within the provisions of the law for the first time began to realize that it took real money to run this Government. Now, that we are in the midst of the greatest and most disastrous panic in the history of our Government which has forced Congress, in order to provide revenue, to impose upon the people taxes that they can actually see and feel, taxes that it takes real money to satisfy, I hope that the people will become tax conscious and demand that the expenses of government be reduced and the affairs of this Government placed upon a sane and business-like basis.

This panic is awful. It is demanding a costly toll. It has already brought suffering and ruin to millions of American families. If, however, it will wake the American people up to a realization of what is going on here in Washington it will in the end, provided we are able to live through it, probably prove a blessing.

THE EVER-MOUNTING COST OF GOVERNMENT

The founders of this Government were able to run the Government on approximately $2 per year per person. As late as 1860 the cost of Government was only around $2 per person. In 1860, the year before the Civil War, our population was 31,443,321, and the expenses of Government $63,130,598.

As late as 1916, the year before the World War, the cost of Government was only $7.41 per person. In that year our population was 100,757,735, and our expenses $741,996,727.

For the fiscal year ending July 1, 1932, the cost of our Government was $38.60 per person.

Let me give you the cost of our Government per person at intervals of 25 years, beginning with the year 1800.

The figures are as follows:

In 1800 our population was 5,308,483, and the ordinary expenses of Government $10,786,075, which is approximately $2 per person.

In 1825 our population was 11,225,339, and the ordinary expenses of Government $15,857,229, which is approximately $1.42 per person.

In 1850 our population was 23,191,876, and the ordinary expenses of Government $39,543,492, which is approximately $1.71 per person.

In 1875 our population was 44,453,721, and the ordinary expenses of Government $274,623,393, which is approximately $6.15 per person.

In 1900 our population was 75,994,575, and the ordinary expenses of Government $520,860,847, which is approximately $6.85 per person.

In 1925 our population was 114,867,141, and the ordinary expenses of Government $2,464,169,062, which is approximately $21.50 per person.

In 1932 our population is 124,822,000 and the ordinary expenses of government $4,819,217,518.08, which is approximately $38.60 per person.

To impress upon you the rapid rate at which our expenses are increasing, and how they are increasing out of all proportion to the increase in our national wealth and our population, let me give you another picture. During the past 20 years, from 1911 to 1931, while the expenses of government increased 467 per cent our national wealth only increased 94 per cent and our population 34 per cent.

Here are the figures:

EXPENSES

In 1911 the governmental expenses were $726,424,850.
In 1931 the governmental expenses were $4,219,950,339.
This is an increase of 467 per cent.

NATIONAL WEALTH

In 1911 our national wealth was $186,300,000,000.
In 1931 our national wealth was $361,800,000,000.
This is an increase of 94 per cent.

POPULATION

In 1911 our national population was 91,972,266.
In 1931 our national population was 124,070,000.
This is an increase of 34 per cent.

Let me give you just one more picture. In 1800 our population was 5,308,483, and we had approximately 3,000 Government employees. In other words, 1 person out of every 1,769 worked for the Government. To-day our population is 124,000,000, and exclusive of the Army and Navy, judiciary, and legislative branch of our Government, there are 732,460 Government employees. In other words, to-day 1 person out of every 167 works for the Government. Does it take over 10 people to-day to perform the governmental services of 1 person in 1800? If this is not true, then 9 out of every 10 persons employed by the Government should be fired. Figure it for yourself.

WHY THE EVER-MOUNTING COST OF GOVERNMENT?

The reason, in my opinion, is due to the fact that we have deserted our democratic form of government and substituted in its place a bureaucracy. Our Government to-day is being run by bureaus and commissions, and the prime object of these commissions and bureaus seems to be to build up larger and costlier organizations.

A government by bureaus and commissions is naturally a costly government. As none of the heads of the bureaus and commissions are answerable to the people, they soon become not only autocratic but extravagant and wasteful.

In order to justify their existence these bureaus and commissions believe in advertising. Printer's ink has gone a long way to keep them alive. It is their staff of life. Take away from them the printing press and many could no longer justify their existence. The Government printing press is at the bottom of most of our governmental ills. While the printing press is itself a very costly piece of machinery for the Government to operate, the bureaus and commissions feed, fatten, and grow upon the propaganda it spreads. Mr. BECK, the able and learned Representative from Pennsylvania, recently intimated that the direct and indirect cost of public printing is $50,000,000 per year. This sum is as much as the total governmental expenses as late as 1850.

I will tell you a little later about some of the wonderful publications these governmental bureaus, commissions, and departments get out. Some of them make fine bedtime stories.

Let me give you a few concrete illustrations of how these departments, bureaus, and commissions grow.

(1) Department of Commerce: This department was created in 1903. It started off with a Secretary, a small office force, and a modest appropriation. The printing press did the rest, because its accomplishments have never justified the appropriations it has received. But the printing press can accomplish wonders. If you do not believe in the efficiency of the printing press, then take a trip through the Department of Commerce 30 years later. To-day you will find that it is housed in a building that cost the taxpayers $17,500,000, erected upon land worth $30,000,000. This building covers nearly 8 acres, is seven stories high, contains 3,311 rooms, has a floor space of 1,605,066 square feet, and contains over 7 miles of corridors. In 30 years this department has grown from a handful of employees to 26,955 employees under civil service, and this number does not include many employees who do not come under the civil service laws.

In 1932 the taxpayers were assessed $54,436,582.95 to maintain this 30-year-old son of the printing press.

In 1931 the Department of Commerce got out 11,319,540 copies of different publications at a cost to taxpayers of $2,894,787.

It pays to advertise.

(2) Department of Agriculture: This department was established in 1839 for the purpose of collecting agricultural statistics. An appropriation of $1,000 was made. In less than a century this department has multiplied its bureaus over a hundredfold, and the printing press has played an important part. In 1932 the appropriation for the Department of Agriculture was the princely sum of $289,925,550.95. If the farmers were getting the benefit of the appropriations, very few, if any, would complain. It seems, however, that the more we appropriate the less good it does the farmers.

In 1931 the Department of Agriculture got out 29,866,506 copies of different publications at a cost to the taxpayers of $1,080,021.83.

It pays to advertise.

(3) Department of Labor: This department was created in 1913, the first direct appropriation of $721,700 being made in the year 1915. The department cost the taxpayers $15,565,450 in 1932.

This department also believes in advertising. In 1932 the printing press of the Department of Labor cost the American taxpayers $296,500.

It pays to advertise.

(4) Department of Justice: This department was created in 1870, but the first appropriation I have been able to find was of $628,230 for the year 1889. Last year it cost the American taxpayers $51,489,201.

This department also believes in advertising. In 1932 the printing bill of the Department of Justice amounted to $350,000.

It pays to advertise.

(4) Bureau of Animal Industry: This bureau was created in 1887 with an appropriation of $10,000, for the purpose of studying "the composition and digestibility of different kinds of foods for domestic animals." Last year this bureau cost the American taxpayers $23,437,933.03.

This is also largely a printing-press bureau.

It pays to advertise.

(5) Children's Bureau: Created in 1912 with an appropriation of $25,640, this bureau, which is run by a bunch of old maids for the purpose of telling mothers how to bear and raise children, cost the American taxpayers $399,400 in 1932.

While I do not have the figures, the printing press, and not the old maids, has been the chief factor in telling mothers how to bear children.

It pays to advertise.

(6) Bureau of Home Economics: Created in 1928 with an appropriation of $109,963, it cost the taxpayers $247,380 in 1932.

This bureau is engaged in getting out 160 different pamphlets telling folks how to live. It would be engaged in a much more profitable business these days if it told the folks how they could make a living.

Another printing-press bureau.

It pays to advertise.

(7) Liquor commission: This commission, appointed by Mr. Hoover, to figure out the prohibition question, is a typical illustration of the futility and wastefulness of commissions.

The men and women appointed by the President were men and women of strong character with well-known and fixed opinions on prohibition. The President and everyone else knew that they would have the same strong and fixed opinions on the prohibition question after they quit commissioning. That is the reason he appointed them. He did not want them to agree because he would be, in a way, bound by their finding. He wanted them to do exactly what they did, disagree, so he could pass the matter up without stating his opinion.

You know the decision of a commission usually depends upon the commissioners and not the evidence introduced. If, for instance, the President wanted a dry decision on prohibition, all he had to do was to appoint dry commissioners. If he wanted a wet decision, appoint wet commissioners. If he wanted disagreement—and that is what he wanted and got—appoint a commission composed of wets and drys.

The President and everyone else knew when the liquor commission was appointed what the decision would be, and yet it cost the American taxpayers exactly $500,000 to find out what they knew when the commission was appointed.

And this commission also used the printing press to the tune of $23,289.67.

It pays to advertise.

(8) Farm Board: The Federal Farm Board, a creature of the present administration, over which the people have no control, is a shining example of how the hard-earned money paid by the taxpayers, in the hands of these boards and commissions, is spent with all the wrecklessness of a drunken sailor. It started off in 1929 with $500,000,000 of the taxpayers' money, and after a stabilization debauch of three years we find that it is practically "busted" and that is has about "busted" every farmer in the land. It was organized to stabilize the prices of farm products, and this is the way it has stabilized: It has stabilized wheat from $1.25 per bushel to 30 cents per bushel, corn from 75 cents per bushel to 20 cents per bushel, cotton from 20 cents per pound to 5 cents per pound, wool from 20 cents per pound to 7 cents per pound, and every other farm product has been stabilized in the same direction—downward.

The board, to say the least, has been rather extravagant with the taxpayers' money in paying salaries. I find that the board members receive $12,000 each, the general counsel $20,000, and 38 other employees from $5,000 to $10,000 each. In all, the board has been paying its employees $968,780 per year.

On November 24 to 28, 1931, the Committee on Agriculture of the Senate held hearings on the agricultural situation, and it developed that the Farm Board had purchased at that time 329,641,052 bushels of wheat at an average price of 81.97 cents per bushel and 1,310,000 bales of cotton at the price of $120,000,000, and it was admitted at that time that the Farm Board had lost on wheat and cotton alone, based on the market at that time, $177,000,000. The market has gone down, down, down since then, and it is hard to estimate just how much the Farm Board has actually lost.

I doubt seriously if the Farm Board is solvent if it had to balance its books to-day. Five hundred million dollars of the taxpayers' money thrown away on another bureau!

As an example of the reckless and extravagant way the Farm Board is handling the taxpayers' money, I call attention to the fact that the Farm Board is financing many of the cooperative associations, and that it permits these cooperative associations to pay salaries ranging from $20,000 to $75,000 per year. For instance, E. F. Creekmore, general manager of the American Cotton Cooperative Association, gets $75,000 per year and George S. Milnor, of the National Grain Corporation, $50,000 per year.

The President this year in his budget asked for $1,880,000 for the Farm Board. The House cut the President's estimate to $1,000,000, and the Senate, I am glad to say, struck out the $1,000,000 and allowed the Farm Board to use as much as $600,000 of its unexpended balances, which amount, in conference, was raised to $800,000, which, in my opinion, is exactly $800,000 too much.

And do not think that the Farm Board is not onto the publicity racket. I find on page 14 of the hearings before the Senate Agriculture Committee, under the heading "Press Relations," nine employees listed receiving salaries ranging from $1,440 to $8,000 per year. The Farm Board would not be in existence to-day but for the printing press and the radio.

It pays to advertise.

(9) Commission on veracity: The absurdity to which our commission form of Government has been carried is illustrated by the recent commission appointed to settle a question of veracity between the President of the United States and the president of the Navy League.

As I understand the situation, Mr. William Howard Gardner, president of the Navy League, attacked the admin-

istration's naval policy, stating among other things that Mr. Hoover was "abysmally ignorant" of naval affairs.

Now, being a new Member, and unacquainted with the different shades and degrees of ignorance prevailing at this time in governmental circles, the adverb "abysmally" used by Mr. Gardner to describe Mr. Hoover's ignorance had me stumped, so I consulted Mr. Webster to find out, as best I could, the degree of the charge, whether in the first or second degree, though I had a sneaking idea all along that it was just plain manslaughter.

Abysmally, according to Mr. Webster, means bottomless, so what Mr. Gardner was trying to say, I take it, was that there is no bottom to the President's ignorance. It is a pretty serious charge, you know, to say that a fellow is ignorant a part of the way down—say, to his collar—but when he is charged with being ignorant all the way down, and then some—no bottom to it—the charge takes on serious proportions.

Mr. Hoover, realizing that the charge was a serious one and one that demanded immediate attention, and knowing that it would never do to have a personal encounter with Mr. Gardner, or for one who had hobnobbed around with British royalty to so far forget himself as to follow the good old American custom of using a few plain, simple American words in denial, appointed a commission to settle this momentous question of veracity, and I presume, though I have no way of obtaining knowledge on the subject, paid the bill out of the contingent fund allowed the President, which fund, of course, is furnished by the American taxpayer.

The American taxpayers, in order to avoid the expense, provided, of course, they paid the expense, would have gladly condoned a reasonable amount of unbecoming conduct on the part of the President, if by a little unbecoming conduct this personal matter between Mr. Gardner and Mr. Hoover could have been settled personally and without expense to them. Yes, sir; they would have cheerfully applauded if Mr. Hoover, at no expense to them, had simply dismissed the whole matter by calling Mr. Gardner an abysmal or some other mean kind of liar.

Well, so much for our commission form of government.

A FEW BEDTIME STORIES

Just a word on some of the bedtime stories turned out by the Government printing press.

(a) Farmers' Bulletin No. 587 is gotten out by the Department of Agriculture, and the cover page contains a beautiful picture of a white and black skunk. When a boy I had the misfortune of catching a skunk in a rabbit trap. As a result of my experience with that skunk, who played a mean trick on me, I became convinced that all skunks should be killed on sight. You can imagine my surprise when I read the heading of the bulletin: "Economic Value of the North American Skunk." Well, I must say the Government in the bulletin makes out a pretty strong case in favor of the skunk, a case that the ignorant and inexperienced may believe. No one, however, who ever caught a skunk in a rabbit trap will believe a single word in the 24-page bulletin.

(b) Farmers' Bulletin No. 754, on the bedbugs, contains a different tale. While this bulletin contains many striking and familiar pictures of bedbugs, it does not state, I am glad to report, that the bedbug has any economic value. The bulletin contains 16 pages, and under the heading "Remedies" you are told that you can either cook or freeze them to death.

I quote from the bulletin, page 14:

> A temperature maintained below freezing for 10 or 15 days destroys the eggs, and this temperature continued for 15 days or a month will destroy the newly hatched young. It may be, therefore, that if infested houses in cold climates should be opened up and allowed to remain at a temperature well below freezing for a considerable period all eggs and the young, and possibly most, if not all, of the adults, would be exterminated.

I now quote from page 15 for the benefit of those living in hot climates:

> As indicated elsewhere, in a temperature of 96° to 100° F., accompanied with a high degree of humidity, newly hatched bedbugs perish within a few days; and if this temperature is raised to 113° F., in a few minutes.

Take your choice—freeze them or cook them, or if they are biting too bad and you are unable to wait on the seasons or do not have the money to put in a cooling or heating plant, simply "squeeze" them.

(c) Farmers Bulletin No. 1520 reminds one of a circular gotten out by a department store. It is headed "Fitting Dresses and Blouses," and is evidently an appeal to the women farmers. It was gotten out, I presume, since the laws and constitutional amendments were passed bestowing upon women all the rights, privileges, and minutes of citizenship. The bulletin contains 30 pages and is fully illustrated.

(d) Farmers' Bulletin No. 1412 contains on the cover page a beautiful picture of what seems to be a thoroughbred Jersey bull. The title of the bulletin is "Care and Management of Dairy Bulls." To me, as I was raised on a farm and know my bulls, bulls have always been just bulls, always will be just bulls, and there is only one way to handle them, and that is as bulls; but I find upon reading this enlightening bulletin that bulls are very temperamental animals, and if handled in the right way are as docile and playful as kittens. But, as I said, I know my bulls, and if I ever have any future dealings with them, in spite of the information contained in the bulletin, I am going to follow the old-fashioned way that experience has taught is the only safe way and handle them as just plain bulls.

The bulletin starts out by telling how to feed and raise bull calves. Like children, I find that their gentility depends upon their raising. The trouble with a bull that paws up the earth and makes you run to the first tree on sight is that he was not given proper parental training during childhood. We are told that he should be given a little more food than the heifer calf, which, of course, is not exactly according to my code, as I was taught to give the ladies preference in everything, including food; and then, too, the bulletin states that, like a child, he needs plenty of exercise. On page 7 of the bulletin you will find a picture of two bulls hitched to a plow and under the picture we are told that they should be plowed in order to give them proper exercise. Then, too, on the same page is a picture of a beautiful bull in a treadmill, and we are told that they should also be exercised in a treadmill.

We have all heard of bull pens! Well, the bulletin contains a beautiful diagram of a bull pen containing a concrete floor, feeding alley, gate, and sliding door operated with ropes from the feed alley. It is the last word in bull pens, and is a much more attractive place than the bull pens built these days for just ordinary folks who go off on a rampage and act like real bulls. Then, on pages 20 and 21, we are given four pictures of the proper way to manicure the bull's toes, feet, and dewclaws. As to whether the manicuring is done by a beautiful woman all dressed in white or a farmer dressed in overalls the bulletin fails to state.

(e) The bull's better half has not been overlooked. Leaflet No. 10 contains a picture of Mrs. Bull and her young progeny. The title of the leaflet is "Care of the Dairy Cow at Calving Time." No cost has been spared in giving the farmer information on such subjects as "Care Before Calving," "Care During Calving," and "Care After Calving."

The bulletin was gotten out, no doubt, by the maternity ward of the cow branch of the Department of Agriculture.

So much for the bedtime stories. If the farmers want to keep their children at home on the long winter nights, all they have got to do is to get a supply of some of these remarkable bulletins, which have been written by authors whose imaginative faculties are as keen and highly developed as those of the author of the "Diamond Dick" series we slipped off to the barn and read during childhood's happy hours.

Yes; it pays to advertise.

THE EVER-MOUNTING COSTS OF GOVERNMENT UNDER THE HOOVER ADMINISTRATION

Mr. Hoover, while no doubt a great engineer, has always been unable to make a true survey of our economic situation. When he looked through his transit in 1928 and saw that wonderful picture of a land where poverty had been

banished, the housewives boiling two chickens in the pot at the same time, and garages running over with automobiles, he was not blessed with prophetic vision. He was simply color blind. Now, since the crash of Wall Street, the tramp of countless millions walking the streets and highways in search of work, and the cries of hungry children, have awakened him from his Utopian dream, he seems to be peeved and is trying, in spite of the fact that his party has been in charge of every branch, department, bureau, and commission of this Government for the past 12 years, to create the impression that the Democrats, since gaining control of the House have wrecked the dream picture he painted back in 1928. Well, to say the least, the picture was not good for hungry stomachs before the Democrats organized the House.

Oh, yes, Mr. Hoover, these days, seems to be greatly disturbed over balancing the Budget and economy, things that the Democrats have always practiced and observed. I have always been sort of skeptical over the fervid manifestations of a new convert. Since when, may I ask, has Mr. Hoover been concerned over economy in government? Since when, may I ask, has Mr. Hoover been concerned over balancing the Budget?

I am afraid that all these letters he has been writing to the Senate and House have simply been campaign literature, like his famous appearance before the Senate was simply a campaign side show of the vaudeville variety.

Oh, let me tell you something about the side show. At 11 o'clock on the morning of May 31, 1932, Mr. Hoover phoned over that he would address the Senate on balancing the Budget. He knew before he phoned over that the Budget would be balanced by the Senate on that day. Well, why did he go? The reason as I unfold the tale will become apparent. He came, walked in, read his message without looking up, and walked right out again. But there was purpose in his very rashness. Either before or after leaving the Senate Chamber he went over to another hall or room and read the same message, or a part thereof, while the motion-picture machines clicked as they reeled off the wonderful picture of the President whipping the Senate into line on balancing the Budget. And several days later the people all over the United States paid good money to see the picture of the President whipping the Senate into line, thinking that it was a genuine picture of the President addressing the Senate. Why, you know and I know, that a motion picture has never been made in the Senate Chamber of the United States!

Now, I may have a suspicious mind, but since that eventful morning I have been wondering if the President really wanted to engage in the useless task of talking to the Senate about balancing a Budget that he knew would be balanced in a few minutes, or if he came for the purpose of having a picture made to be exhibited in the theaters of this land, depicting him in a rôle as courageous as that of Ajax when he defied the lightning.

First let me go into the President's record on balancing the Budget.

Let the record speak:

In 1931 we had a deficit of $903,000,000. Well, what did Mr. Hoover do? Did he demand a balanced Budget? Oh, no; it was not a presidential year, the Democrats were not in control of the House, so Mr. Hoover balanced the Budget by issuing short-term notes and bonds. May I ask, if sound business demands a balanced Budget in 1933, why didn't the same sound business demand a balanced Budget in 1931? Well, what about 1932 (this Congress has been working on the 1933 Budget) Budget? In 1932 we have a Hoover deficit of $2,885,362,299.02. Did Mr. Hoover demand a balanced Budget? No; he again balanced it, like he did in 1931, by issuing bonds. May I again ask, if sound business demands a balanced Budget in 1933, why didn't the same sound business demand a balanced Budget in 1932? The answer is apparent. Mr. Hoover did not desire to emphasize his mistakes in 1931 and 1932 by imposing upon the people additional taxes. In 1932 the Democrats organized the House, and evidently Mr. Hoover concluded that it would be a fine piece of political strategy to demand a balanced Budget for 1933, and to get a Democratic House to suffer the odium incident to imposing additional taxes in order to correct the mistakes and abuses of his own administration.

By their fruits ye shall know them.

How about Mr. Hoover's record on economy? He seems to be greatly disturbed these days about economy. Since when, may I ask, did he catch the economy fever?

Let the record speak:

The expenses of Government have increased from $3,455,646,991.25 in 1928 under Coolidge to $4,819,217,518.08 in 1932 under Hoover. This is an increase of 39 per cent.

Here are the figures:

Mr. Hoover was elected in 1928 and took the oath of office March 4, 1929. The expenses of government under Coolidge in 1928 were $3,455,646,991.25. Under Hoover in 1929 the expenses of government were $3,856,603,432.40. So Mr. Hoover, the recent convert to economy, cost the American taxpayers $400,956,441.15 during the first year of his administration. What did he do during the second year of his administration? The expenses of government in 1930 were $3,823,111,547.84, an increase of $367,464,556.59, over the cost under Coolidge in 1928. Again Mr. Hoover proved to be an expensive luxury. How about 1931, the third year under Mr. Hoover? The expenses of government in 1931 were $4,231,440,339.86, an increase of $775,802,446.61 over the cost under Mr. Coolidge in 1928. Well, how about 1932, which, I hope and believe, is the last year the great economist, the banisher of poverty from our land, the man who promised to build double garages and put two chickens in each pot, will remain in charge of the affairs of this Government? In 1932 the expenses of government amounted to $4,819,217,518.08, an increase over the cost under Coolidge in 1928 of $1,363,570,526.83.

By their fruits ye shall know them.

Now, let us figure up how much the great engineer, who preaches economy and practices waste, has cost the American taxpayers during the past four years.

Increase in 1929 over 1928	$400,956,441.15
Increase in 1930 over 1928	367,464,556.59
Increase in 1931 over 1928	775,802,448.61
Increase in 1932 over 1928	1,363,570,526.83
Total	2,907,794,073.18

Let me give you a bird's-eye picture of the expenses of some of the departments under Coolidge in 1928 and Hoover in 1932.

Here is what the records show:

Department	Coolidge, 1928	Hoover, 1932	Increase	Per cent
Commerce Department	$36,821,839.14	$54,436,582.95	$17,614,743.81	48
Department of Justice	26,432,106.66	51,489,201.00	25,057,094.34	95
Department of Labor	10,160,396.00	15,565,450.00	5,405,054.00	53
Navy Department	320,465,998.47	358,269,823.63	37,793,825.16	11
War Department	370,429,310.67	445,910,938.02	75,481,627.35	24
Independent offices	630,040,576.30	1,318,962,723.58	708,921,967.28	150
Legislative establishment	16,479,576.56	28,786,036.94	12,306,460.38	74
Department of Agriculture	156,429,535.94	289,925,550.95	133,496,015.01	89
Executive Office	438,460.00	474,880.00	36,420.00	8

By their fruits ye shall know them.

Is there any wonder we had a deficit this year of $2,885,362,299.02?

And the President is now preaching economy! If he had been acting economy since being in office, instead of preaching it since the Democrats organized the House, the country would be better off.

Let the record speak again:

When Mr. Coolidge went out of office there were, exclusive of the Army and Navy, the judiciary and the legislative branch of this Government, 568,715 Federal employees. To-day, exclusive of the Army and Navy, the judiciary and the legislative branch of this Government, there are 732,460 Federal employees. This is an increase of 163,745, or ap-

proximately 30 per cent. Where Mr. Coolidge had two Federal employees Mr. Hoover has three.

By their fruit ye shall know them.

Why, Federal employees are so thick around here that many stories are told at their expense. I recently heard this one—I do not vouch for its correctness, but as it illustrates the point I want to bring home I am going to tell it: The President as a reward for faithful service to the party had appointed a friend to office. It was simply a pension. The only real work the fellow had to do was to go to the window once a month and draw his pay.

Things went along nicely for several months, but at last the poor fellow—probably his conscience commenced to hurt him—became suspicious of a certain little sawed-off, bow-legged fellow that followed him to the pay window each month. He became obsessed with the idea that the little sawed-off fellow knew that he was not rendering value received and was watching him and that he would finally get in trouble. He stood the agony of conscience as long as he could, and then went to the President. He said:

Mr. President, every time I go to get my pay a little sawed-off, bow-legged fellow follows me to the pay window. I am afraid he knows that I am not rendering any service for the pay I receive, and I am afraid I am going to get into trouble. I just came around to tell you that I am going to quit.

The President, the story runs, looked up and said:

Now, my dear sir, do not get frightened. That little sawed-off, bow-legged fellow that has been following you to the pay window, why, sir, that fellow is your helper.

Economy! Balance the Budget!

Why, the President never made an attempt to balance the Budget and economize until the Democrats organized the House, and his efforts since then have been confined chiefly to letter writing to the House and Senate. Why, Mr. Speaker, he will write a letter to Congress demanding reductions in this, that, and the other, and at the same time permit Cabinet officers, heads of departments, bureaus, and commissions, even his private secretary, to invade the Capitol and lobby to increase the appropriations his letters demand should be reduced. If the President would quit writing letters to Congress and write a few to his Cabinet officers, heads of departments, bureaus, and commissions, and keep his private secretary at home, he would probably render a real service.

DEMOCRATIC RECORD

The mistake the Democrats have made so far, as I see it, has been in attempting to cooperate with an administration that will not cooperate. If we had started out at first on a program and put it through, we would have been at home long ago and the country probably in much better shape. The mistake we made, and it was made in an honest effort to work for the common good, was in consulting the President and Mr. Mills about economy and balancing the Budget. Why consult an administration that has as many theories about economy and balancing the Budget as a society lady has gowns and changes just as often? Why go to the leader of a discredited administration whose lack of vision, vacillating attitude, and unsound and visionary policies have bankrupted the farmers, thrown 10,000,000 people out of employment, closed the doors of thousands of our banks and business concerns, and put out of operation practically every coal mine and sawmill in this country for leadership?

Why consult men who have been in charge of every branch of this Government for the past four years and who, during that period, have increased the expenses of government from $3,455,646,991.25 in 1928 to $4,819,217,518.08 in 1932 on questions of economy? Why consult an administration that permitted the Government to run behind $903,000,000 in 1931 and $2,885,362,299.02 in 1932 on how to balance the Budget? Why go to an administration that appoints a commission to determine every question from prohibition to the veracity of the President to find out if our Government is honeycombed with useless and costly bureaus and commissions?

I am indeed glad that the Democrats woke up to the true situation before it was too late, and will be able to effect reductions in the expenses of government amounting to over $800,000,000. Not so bad for the beginning! We should keep in mind, however, that this is just the beginning, and that the real economy will come when we curtail the Government printing press, abolish the useless and unnecessary bureaus and commissions, and weed out the parasites in the other departments.

In view of the fact that the President in some of his messages as well as many of the leading papers has, it seems, purposely, and obviously for political reasons, tried to bring the Congress into disrepute by creating the impression that very little, if anything, has been done to reduce the expenses of government, I desire to give the figures showing exactly how, and in what particular, the expenses of government have been reduced since the Democrats obtained control of the House. The people over the country, because of the false reports carried by the newspapers, have no idea of what has been accomplished.

Before doing this I desire to call attention to the fact that the gentleman from Alabama [Mr. BANKHEAD] on May 13 openly charged on this floor that the reports of the proceedings of this House were being colored by the press and backed his charge up by stating that some of the newspaper men admitted the charge. The gentleman from Alabama said:

It has come to me from newspaper men themselves—and this statement has been made upon the floor of the House—that the men in this press gallery undertake to send the facts back to their papers, but the publishers of those papers and the editors of those papers will absolutely color and doctor the real facts so as to undertake to reflect partisan advantage.

While this charge is a serious one and one which everyone familiar with the proceedings of this Congress knows to be true, not a single line of the charge was printed, so far as I know, by a single newspaper. Moreover, so far as I know, not a single newspaper has denied the charge.

I am not trying to sing the praises of this Congress. I am trying to see that the people get the truth.

Here are the figures:

	1932 expenditures	1933 President's Budget estimate	1933 appropriations as passed	Reductions made in President's estimate	Reductions made in cost of government
Agriculture	$289,925,550.93	$136,243,405.00	$175,408,814.00	$10,834,591.00	$114,516,736.93
District of Columbia	45,811,888.00	44,086,919.00	41,245,622.00	2,841,290.00	4,566,266.00
Executive and independent offices	1,318,962,723.58	1,041,395,041.00	982,446,041.00	58,949,000.00	336,516,682.58
Interior	69,755,342.13	56,840,352.33	45,533,672.33	11,306,680.00	24,231,669.80
Legislative	28,786,036.94	22,517,842.00	18,673,991.00	3,843,851.00	10,112,045.94
Navy	358,289,823.63	341,677,450.00	317,583,591.00	24,093,859.00	40,686,232.63
State	18,730,573.34	16,683,071.89	13,663,792.89	3,019,279.00	5,066,780.45
Justice	51,489,201.00	53,900,364.00	45,996,000.00	7,904,364.00	5,493,201.00
Commerce	54,436,582.95	44,716,304.00	39,711,408.00	5,004,896.00	14,725,174.95
Labor	15,555,450.00	14,484,397.00	12,920,770.00	1,563,627.00	2,644,680.00
Treasury	261,704,977.68	269,016,418.00	250,308,158.00	18,708,260.00	11,396,819.68
War	445,910,938.02	411,363,762.00	392,586,146.00	18,777,616.00	53,324,792.02
Post Office	842,912,129.86	813,559,487.00	805,939,675.00	7,619,812.00	36,972,454.86
	3,802,271,218.08	3,316,484,813.22	3,142,017,681.22	174,467,132.00	660,233,536.86
Public debt	1,016,946,300.00	1,000,000,000.00	1,000,000,000.00		16,946,300.00
Economy bill					150,000,000.00
	4,819,217,518.08	4,316,484,813.22	4,142,017,681.22	174,467,132.00	827,199,836.86

In other words the appropriations made by this Congress are $660,253,454.86 under the appropriation for the year 1932 made by the last Congress and $174,467,132 less than the Budget estimates furnished by the President. These reductions in appropriations added to the $150,000,000 saved under the economy bill make reductions in the expense of government in one year of $827,199,836.86, which is the greatest record ever made in the history of this country.

In spite of all that has been said by a hostile press, in spite of the President's nagging attitude toward a Democratic House, the record speaks for itself, and shows:

(1) Mr. Hoover's record:

(a) Increase in the cost of government from 1928, last year under Coolidge, to 1932 (which I hope is the last year under Hoover)	$1,363,570,526.83
(b) An unbalanced Budget in 1931; the deficit being	$903,000,000.00
(c) An unbalanced Budget in 1932; the deficit being	$2,885,362,299.02
(d) Thirty per cent increase in Government employees, the figures being 568,715 Federal employees in 1928 under Coolidge and 732,460 Federal employees in 1932 under Hoover. Increase in numbers	163,745
(e) Increase in bonded debt from June 30, 1929, to June 30, 1932	$2,555,913,960.03

(2) Record under a Democratic House for one year:

(a) A balanced Budget for the first time in three years.	
(b) Decrease in appropriations for the running expenses of the Government	$677,199,836.86
Reduction in expenses under the economy bill	150,000,000.00
Total reduction	827,199,836.86

This is a record that not only Democrats but every citizen in this country should be proud of.

Reducing the cost of government is only one of the problems that the Democrats should solve. There are many others equally as important, such as relief of the unemployed, farm relief, reduction of the tariff, and last, but not least, restoring this Government back to the people.

I am sorry that I do not have time to go into these other problems. I have faith that the Democratic Party, if given the opportunity, will tackle them in a sane and businesslike manner and work them out in the interest of the people of our country.

GRASSHOPPER CONTROL APPROPRIATION

Mr. ANDRESEN. Mr. Speaker, on Tuesday of this week the Democratic Party, under the leadership of Speaker GARNER and Chairman BYRNS of the Appropriations Committee, proceeded to take another slap at the farmers of nine agricultural States in the Middle West when they succeeded for the fourth time in defeating the appropriation which provided for Federal assistance in those States to control the grasshopper pest.

The responsibility for the failure of this appropriation lies wholly with the Democratic organization of the House. It is rather difficult to understand just why the Democratic leaders should play politics with a serious proposition of this character when they have been furnished with complete information and have knowledge of the fact that the States of Minnesota, North Dakota, South Dakota, Montana, Wyoming, Idaho, Iowa, Nebraska, and Kansas are faced with the possibility of a disaster the like of which has no parallel in our history.

We have every prospect of the best grain and feed crop since 1924, and we have every prospect that our crops will be devoured by grasshoppers. We have gone through the lean years of drought, partial failures, and grasshoppers. We have struggled through with the Red Cross feeding thousands of our farmers last winter. The Government has been obliged to feed the livestock and has loaned $22,000,000 for seed in these States for the crop year of 1932. All this we have lived through only to be confronted by a menace more far-reaching in its possibilities of devastation—the worst plague of grasshoppers ever known.

The Northwest can not survive another year like 1931; the Red Cross will not be in a position to continue to feed the farmers, and surely the Government will not be able to again loan money for seed for another crop if we have the destruction that is now anticipated by the grasshoppers.

In order that the farmers of the Northwest may have information as to this legislation, I want to state that the original appropriation of $1,450,000 was placed in the agricultural appropriation bill by the United States Senate. The bill with this provision was returned to the House of Representatives for consideration and approval. The Democratic chairman of the House Appropriations Committee, Mr. BYRNS, of Tennessee, made a special effort to have his Democratic colleagues on the floor when the matter came up for consideration and succeeded in defeating the grasshopper amendment. Four successive votes were had on the grasshopper amendment within the course of six weeks, and each time this Democratic leader succeeded in rallying his Democratic colleagues about him in sufficient numbers so as to prevent the passage of this legislation to give emergency aid to the farmers of the Middle West.

When the last vote was taken on this appropriation we only asked for $600,000, but this reduction made no difference with the leader from Tennessee, although he had full knowledge of the devastations in the States affected by the grasshopper plague.

I assume that the reason for the Democratic opposition to this proposal was due to the fact that the farmers of the Middle West did not reside in the Democratic South or in his State of Tennessee or in the State of Texas, the home of the Speaker of the House, who, by the way, was just nominated at Chicago as the Democratic candidate for Vice President. Had this appropriation included the Texas fever tick, the Mediterranean fruit fly, the pink boll worm, or some other kind of worm causing damage in the South, for which millions have been appropriated, then of course the results would have been more favorable.

The purpose of the grasshopper appropriation was for the Federal Government to cooperate with the States by providing poison mash to be distributed amongst the farmers in infested areas without any additional cost to the United States. The President and the Secretary of Agriculture approved the amount contained in the bill, but the Democratic majority decided to play politics with our farmers, who are on the verge of bankruptcy and a total crop failure.

Millions of dollars are now being expended by individuals and States in order to save the crops of the Northwest. The State of Minnesota has spent $250,000 up to date in order to help the farmers of Minnesota. The work will be carried on despite the attitude of the Democratic leaders, and I want the farmers of the Middle West to be fully advised as to the responsibility for the failure of this emergency appropriation which was intended to help them in the time of need.

THE EXTRAVAGANT NATIONAL CAPITAL PUBLIC BUILDING PROGRAM OF THE HOOVER ADMINISTRATION

Mr. LOZIER. Mr. Speaker, the Coolidge and Hoover administrations have spent and are spending hundreds of millions of dollars of public funds beautifying Washington. All the property between the Capitol and Union Station, an area one-fourth mile long and several blocks wide, has been acquired and transformed into a beautiful park at a cost of $5,000,000; also all the property between the Treasury Building and the Capitol, fronting on the south side of Pennsylvania Avenue for a distance of nearly a mile, at a cost of $26,000,000. These large areas were covered with brick buildings, many of them three and four stories high, all of which have been wrecked and are to be replaced with monumental department buildings, the ultimate cost of which will be several hundred million dollars.

Moreover, this lavish public-building program calls for the destruction of a number of substantial and useful public buildings that cost millions, to make room for a number of large marble palaces to shelter the several hundred thousand officers and employees who carry on the numerous activities of the United States Government. It seems that the splendid buildings in which the departments have been

housed do not satisfy the esthetic taste of President Hoover and his departmental chiefs, who in this period of unprecedented depression, and in the face of a bankrupt Treasury, insist on carrying out their foreordained public-building program which will cost the American people millions of dollars at a time when they are unable to meet the demands of the Government from our ever-decreasing revenues.

This wasteful purchase of properties at extravagant prices, this wanton destruction of substantial and useful Government buildings, this prodigal expenditure of public funds in erecting new and exceedingly costly departmental buildings, involves, as I have said, an ultimate expenditure that staggers the comprehension of the ordinary individual and which can only be justified in times of exceedingly great national prosperity.

Typical of the buildings constructed and to be constructed is the great Commerce Building, erected at a cost of $17,000,000, and the new Internal Revenue Building that cost $9,000,000. This prodigal building program was inaugurated with the approval of Presidents Coolidge and Hoover and is being stubbornly continued in spite of a bankrupt Treasury and in the midst of an unprecedented depression that has paralyzed the economic forces of the Nation. These wasteful building operations can only be consummated by increasing more and more the burden of taxation, and the cost of these structures has contributed materially to the Hoover $5,000,000,000 deficit for the fiscal years 1931, 1932, and 1933. Many Federal buildings have been constructed in cities throughout the Nation on much more elaborate and extravagant plans than the Government business justified.

By voice and vote I opposed this extravagant and wasteful public-building program. For several years I led the fight to prevent the Hoover administration forces from tearing down the Post Office Department Building, the Southern Railway Building, the District Building, and the extravagant and iconoclastic remodeling of the State, War, and Navy Building, and we have so far succeeded in preventing the wrecking of these magnificent structures, all of which are in perfectly good condition and will stand for centuries and serve the purposes of the Government just as well as the new buildings they propose to construct at an enormous expense.

In the last 12 months, in addition to the billions of dollars of taxes collected from the American people, the Hoover administration has borrowed money and issued Government bonds at the average rate of $240,000,000 a month, or $8,000,000 a day; and notwithstanding an empty Treasury and the inability of the people to pay more taxes, Mr. Hoover and his associates insist on continuing his public-building operations in the city of Washington, indifferent to the fact that there is no immediate necessity for these buildings, and the money they will cost could and should be used to meet the fixed charges of the Government so as to lessen the tax load.

The RECORD shows that I spoke and voted against the $14,750,000 Arlington Memorial Bridge expenditure, and the Mount Vernon Highway project, costing the Government $7,200,000. Fifteen miles long, this is the most costly road construction in all the tide of time, $480,000 per mile. These two projects were authorized under the so-called economical administration of President Coolidge and completed under the two-chickens-in-every-pot administration of President Hoover.

I see from the Washington papers that Assistant Secretary of the Treasury Heath has let the contract for four new public buildings, to cost $16,488,000, to be constructed in the heart of the triangle south of Pennsylvania Avenue. One is the new Post Office Department Building, which will cost $7,642,000 and will be erected by the side of the present Post Office Department Building, which is, as I have stated, a perfectly good building, but which is to be destroyed because it is not of the classic or Grecian order of architecture. Congress has by decisive votes informed the departments that the present Post Office Department Building and other structures should not be destroyed, but the protests of Congress fall on dull ears, and, seemingly, the administration intends to destroy these buildings which, if undisturbed, will stand and serve the Government for more than a thousand years.

The three other buildings to be constructed are one for the Interstate Commerce Commission, one for the Department of Labor, and one for a Government auditorium. These three structures will cost the American people $8,846,000, and the cost of the four buildings will aggregate $16,488,000.

In view of the present nation-wide distress the American people should demand that this extravagant public-building program be postponed until business and economic conditions become normal.

GOVERNOR ROOSEVELT'S SPEECH OF ACCEPTANCE

Mr. COLE of Iowa. Mr. Speaker, we have been told that Gov. Franklin D. Roosevelt went by airplane to Chicago to break the tradition that a nominee must keep still until he has been in some manner formally notified of his nomination.

It is more likely that he took this flight, as Frederic William Wile suggested, "to destroy the theory that he lacks prowess to withstand the rigors of the Presidency"; that is, to silence the whisperings that his infirmities, due to infantile paralysis, would be a handicap to him in that high office.

With this explanation the speech of acceptance made in such haste was hardly satisfactory. It was rambling from a literary viewpoint and unconvincing politically. The governor thundered in the index about a "new deal," but as he proceeded he dealt many of the same old cards from the same old deck of politics.

The speech started out with a decided swing to the left, which is a European phrase for radicalism. In this swinging to the left he called upon all "nominal Republicans" to join him, and at the same time he invited like nominal Democrats to get out. Those Democrats who do not want to browse with him on the cacti of radicalism are not wanted. The first "nominal Republican" to respond to the call was Senator NORRIS, of Nebraska, of whom it has been said that he hates everyone, including himself.

Senator NORRIS is certain of his welcome. He will find plenty of radical company in Mr. Roosevelt's headquarters. The most radical of the Democrats, Senator BURTON K. WHEELER, has stood as one of the chief sponsors for the "new deal," and Senator HUEY LONG, the most radical of the southern Democrats, will also be there to welcome the Nebraska recruit.

IS IT THE RADICALISM OF 1896 AGAIN?

The line-up means that for the first time since 1896, when William Jennings Bryan sought to rescue the American Republic from the cross of gold, we are to have a national campaign with the conservatives on one side and the radicals on the other.

In 1896 the conservatives, led by the almost sainted William McKinley, won the victory, and the country entered on an era of renewed prosperity. Will the outcome in this year of 1932 be the same?

Or shall we now, after having passed through the severest ordeals of the world-wide depression without abandoning the principles and practices of safe and sound government, now forsake that course and turn to the left with Mr. Roosevelt and his associates?

How well we have fared in following the Republican leadership of President Hoover through these times of stress and strain was generously acknowledged by Mr. Roosevelt when he said:

> The great social phenomenon of this depression, unlike others before it, is that it has produced but few of the disorderly manifestations that too often attend such times.

The fact that we have passed through nearly three years of depression without a major strike or lockout, with few "disorderly manifestations" of any kind, is not due to chance, but to wise leadership. It may be recalled that at the very beginning of these troubles Mr. Hoover called to the White House important leaders of the industrial and labor

groups and outlined and planned with them the result that Mr. Roosevelt saw fit to praise so highly in his speech of acceptance at Chicago.

The Democratic candidate might well have gone a little farther and given the praise to the President that is his due in this matter.

NEGLECTING GARNER'S LEADERSHIP

But if Mr. Roosevelt forgot to give to the modest man in the White House the credit due his wise leadership, the fact that he forgot to allude at all to the leadership of JOHN N. GARNER as Speaker of the House of Representatives stands out even more conspicuously. In the whole speech of acceptance there was no reference whatsoever to the fact that the Democrats have been in control of the House since last December. Has the leadership in the House been so radical, so uncontrolled, and extravagantly tainted with pork-barrelism that the candidate for President of Speaker GARNER'S own party could find no praise for it, or even allude to it?

Instead of holding up before his audience the leadership of the Democratic Party in the House of Representatives that was still in session, Mr. Roosevelt harked back to the Democratic leadership of Woodrow Wilson, whose spirit he invoked and whose "interrupted march" he hoped to see resumed. On this point he fervently exclaimed:

Many of his captains, thank God, are still with us to give us wise counsel!

Was this said to console Newton D. Baker, one of the surviving captains, who has tried to keep the faith of his dead Commander in Chief, even to the League of Nations, but whose faithfulness was so little appreciated that he wound up in the last roll call with only 5½ votes left to his credit?

Or was it said to reward the Wilsonian captain, William G. McAdoo, by whose "wise counsel" were garnered the 88 votes from California and Texas, just the votes necessary to save Mr. Roosevelt from defeat?

WILSON'S "CAPTAIN" M'ADOO ON TOP AGAIN

But rumor whispers that this verbal reward in the speech of acceptance is not to be the last of Captain McAdoo's rewards. If he does not attain the Senatorship from the State of California, it may be believed that Mr. McAdoo will be Secretary of State, when, and if Mr. Roosevelt is elected President.

That he is to be Secretary of State and not again Secretary of the Treasury as he was under President Wilson is at least a matter for national congratulations. As Secretary of the Treasury, Captain McAdoo was the most extravagant spender that ever sat in that chair. The American people were so eager to invest in Liberty loans to save the world for democracy that Mr. McAdoo literally tossed the millions and hundreds of millions, and finally the billions into the laps of the European nations, until our loans to those associated with us in the war totaled more than $11,000,000,000. When a borrowing nation asked for $100,000,000, Mr. McAdoo said, in effect, Take twice that amount for we have plenty of money.

Will the American people, with memories of the World War, with its wasteful spendings, welcome back the Wilsonian captain, Mr. McAdoo?

RELIEF TO ALL AT THE SAME TIME

In his explanation of the depression, Mr. Roosevelt was rather happy when he said, that, after the war—

For 10 years we expanded on the theory of repairing the wastes of the war, but actually expanding far beyond our natural and normal growth. * * * Then came the crash. * * * And there we are to-day.

After placing no blame on Republican leadership for the depression as such he proceeds to blame that leadership for not dealing properly with its consequences. It is there he proposes a "new deal." He says he is going to do what the Republicans have failed to do—that is, recognize "the interrelationships of the credit groups."

This language needs to be interpreted, and he proceeded to do the interpreting himself, to this effect:

Statesmanship and vision, my friends, require relief to all at the same time.

President Hoover, it may be inferred, in the opinion of Governor Roosevelt, has lacked the "statesmanship and the vision," but he is ready to supply it after the 4th of March next.

But is not the idea rather vague? What is meant by "relief to all at the same time"? Is it more than a glittering generality, and is it less than common sense? But when and if he is elected, he asks us to believe he will relieve "all at the same time," and presumably at once.

That is the new idea, and that is the "new deal" which he is holding out. Fortunately, before he closed that speech he laid a few of the new cards on the table, and instead of being new they looked very much like old ones.

ABOUT REDUCING GOVERNMENTAL EXPENSES

First of all, to give "relief to all at the same time," he proposed the reduction of taxes by reducing governmental functions and activities. On this he almost exclaimed, as if the idea were new—

We must merge, we must consolidate subdivisions of the Government and, like private citizens, give up luxuries we can no longer afford.

In this statement Herbert Hoover was the forgotten man—the man Governor Roosevelt forgot. He might well have given the man in the White House credit for that idea. It was one of the cardinal items in the program of relief legislation that the President laid before Congress last December.

And if Mr. Roosevelt had been minded to tell the whole truth, he would have been compelled to rebuke the Democratic leadership in the House of Representatives for obstructing this program. Under the leadership of Speaker GARNER the Democrats, thinking to deprive the Republican administration of some credit that might accrue to it, formulated an economy program of their own. They appointed a committee to handle the whole subject. This committee after laboring like the mountain, like the mountain brought forth a mouse. Instead of the $300,000,000 demanded by the President, this committee came out with an estimated saving of $38,000,000—and then, disgusted with the result, sent the bill to the Senate in the hope that it would be fixed up there.

Was this a failure in Republican leadership, or was it the Democratic leadership of the House that fell down?

SELF-LIQUIDATING VERSUS PORK BARRELS

Second. He proposed to afford some relief from unemployment by carrying on public improvements. On this he said at Chicago:

I have favored the use of certain types of public works, as a further emergency means of stimulating employment and the issue of bonds to pay for such public works, but I have pointed out that no economic end is served if we merely build without building for a necessary purpose. * * * Such works * * * should * * * be self-sustaining, if they are to be financed by the issuance of bonds.

Again he forgets to give the credit that is due to President Hoover. The very policy that he outlines is the very policy that the man in the White House has been insisting on. Instead of condemning the Republican leadership of the President, he should condemn the Democratic leadership of Speaker GARNER, who stepped out of the Speaker's chair to drop into the legislative hopper the longest list of non-self-sustaining public improvements ever brought forth in an American Congress—the bill now familiarly known as GARNER'S pork barrel bill. Under whip and spur of the Democratic caucus rule this bill was forced through the House.

Again, was it Republican leadership that failed or was it the Democratic leadership of Speaker GARNER that fell down?

THIRD ITEM BORROWED FROM MR. HOOVER

Third. He proposed help for home owners and builders who have become embarrassed in their payments—it may be through building and loan associations.

Again Herbert Hoover is the man he forgot. If he had read the President's program submitted at the beginning of this session of Congress, he would have known when he delivered his Chicago speech of acceptance that a system of

home-loan banks patterned after the farm-loan banks was a cardinal item in the White House program.

The three that I have enumerated are the best of the proposals put forth by Mr. Roosevelt in his Chicago speech. He made them parts of what he called his "new deal." But there is nothing new about them. They were all in President Hoover's oft-repeated program.

FARM RELIEF FROM FUTURE TREE TOPS

Where Mr. Roosevelt ventured forth into new fields he was not so happy. His most original idea had to do with reforestation. He presented this as one of his solutions. He said it was "incidentally about agriculture." On "tens of millions of acres," from the Atlantic to the Mississippi, he would plant trees, and from the east bank of the Mississippi he would jump to the "marginal lands" of the semiarid West, where trees will hardly grow, to plant millions more. He called this—

the kind of public work that is self-sustaining, and therefore capable of being financed by the issuance of bonds.

One may well look with favor on the planting of trees. But before issuing bonds—and to carry out his vast project it is estimated at least two billions of bonds would have to be issued—it may be well to ask if there may not be a surplus of lumber when the trees begin to mature, a surplus that may then be more embarrassing than are the surpluses of wheat and cotton now, or than coffee is in far-away Brazil. Lumber has been going into the discard in this age of concrete and steel and aluminum.

But as a help for agriculture, even incidentally, reforestation is somewhat remote, to say the least about it. Agriculture wants relief before it can be picked out of the tree tops 30 or 40 years in the future.

A VAGUE FORM OF DUMPING SURPLUSES

As a more direct relief for agriculture, Mr. Roosevelt proposed the immediate repeal of—

those provisions of the law to compel the Federal Government to go into the market to purchase, sell, to speculate in farm products, in the futile attempt to reduce farm surpluses.

But if there are such "provisions of the law," which is questionable, their repeal has already been effected in practice. The Farm Board is not now buying surpluses for storage, and Congress has made no appropriations for such purposes.

But in almost his next breath in Chicago Mr. Roosevelt stumbled back into such a policy himself, when he exclaimed:

Why, the practical way to help the farm is by an arrangement that will do something toward the reduction of surpluses of staple commodities that hang on the market.

He did not state directly how he would perform that miracle, but from what followed it may be inferred that he meant to dump them in that somewhat ample place that is called "abroad." But that dumping place is harder and harder to find. From Germany has come the announcement that they are producing now all the foods they need, and France is so insistent on keeping up its own agriculture that it has placed almost embargoes on foreign wheat.

But if the Government will get rid of these surpluses by dumping them abroad, or by other legerdemain, Mr. Roosevelt said:

In exchange for this immediate increased return, I am sure that the farmers of this Nation would agree ultimately to such planning of their production as would reduce the surpluses and make it unnecessary in later years to depend on dumping those surpluses abroad in order to support domestic prices.

In other words, Mr. Roosevelt is going to leave it to the farmers themselves to solve their own problems, by farming less, or at least by producing less. This is hardly a "new deal" for them.

WRITING TARIFFS IN FOREIGN CONFERENCES

There is at least one more card out of this "new deal" that is worthy of examination. This card is labeled "The tariff." On this he presents nothing new, but he follows the Democratic leadership of the House of Representatives.

Last December when the Democrats came into full control of the House it was assumed that they would formulate a tariff bill of their own to take the place of the "iniquitous Smoot-Hawley law" that is now in effect, and against which they had inveighed from the time of its enactment. But after thinking it all over, the Democratic leaders sidestepped that issue. They did not dare to face the November elections with rates of their own making. So, instead of doing a practical thing, they forced through the House a resolution calling for an international conference on this subject. Mr. Roosevelt blandly accepted this glittering generality and promised that if and when he is elected President he will invite the nations of the world—

to sit at the table with us, as friends, and plan with us for the restoration of the world trade.

That will be very pretty, when the 57 nations sit at a table with us to help us to fix the rates of admission for their products into the American market. Of course, they will help us—and not help themselves. Uncle Sam has been so kindly treated in all these international conferences. Was it Will Rogers who said that the Americans had never lost a war and had never won a conference?

Would it not be better for us to treat such matters as the admission of foreign products—or the admission of immigrants—as our own domestic business?

At the present time, in spite of what are denounced as our high tariffs, the whole world is using the American market as a dumping place for their surplus products. Belgium has sent whole cargoes of steel products as far inland as Chicago, and every ton of steel so imported has deprived American laborers of four days of work at American wages.

Will it not be better if we continue to write our own tariff bills, and to write them so that American products shall be safeguarded in the markets of America?

WHY SWAP HORSES MID-STREAM?

No one who will read Governor Roosevelt's speech of acceptance over can come to any other conclusion than that it is vague, vacuous, and vacillating, and even evasive. Starting out with the promise of a new deal, there is not a new idea of relief in the whole speech.

If the Governor of New York has nothing better to propose, to change the simile, is there any convincing idea in his candidacy that could justify the dangerous experiment that Abraham Lincoln condemned, of changing horses in midstream?

In 1864, also, the Nation was in midstream. The war was almost over. Lincoln had charted the course through the years of heartbreaking troubles. In the election of 1864 the Democrats asked the voters to swap horses—to put a new and untried man in the White House in the place of the man who had brought the Nation so far and so safely through.

The American people did not do it then. The troubles of the last three years may almost be likened to those of the Civil War. The man in the White House, now as in 1864, has been patient, persistent, and successful. Will it not be wiser to let him finish the job?

INDEPENDENCE FOR THE PHILIPPINE ISLANDS

Mr. SELVIG. Mr. Speaker, I am in favor of granting independence to the Filipinos. They are entitled to it. When granted, the responsible citizens of the Philippine republic will take care of themselves. During my three terms as a Member of Congress I have been gratified to note the poise, the breadth of understanding, and the reassuring tone of argument of the distinguished resident commissioners, Hon. PEDRO GUEVARA and Hon. CAMILO OSIAS, representing the Filipinos in the House of Representatives. It augurs well for a people desiring independence to have as their spokesmen the men of vision and ability they have sent to Washington to plead their cause.

No one can read the testimony presented to the Committee on Insular Affairs of the House of Representatives by the members of the commission sent by the Philippine Legislature to Washington without recognizing that they made a most able, clear-cut, and convincing statement. It will serve as a textbook on the Philippines in its mass of facts

and figures, its historical summary, and its well-elucidated argument for independence.

It is not my intention to discuss the problem of Philippine independence in all its aspects and phases. The hearings on the various bills presented to the distinguished committee of the House having this matter in charge do full justice to the problem.

It is my purpose merely to express my general approval of the bill. It was a distinct shock to learn that the bill would be called up under suspension of the rules, allowing of no amendments. I had hoped we would be able to secure certain changes before the House gives its final approval to the measure.

I am in accord with the fact that when the United States, following the war with Spain, assumed sovereignty over the Philippine Islands it disclaimed any intention to colonize or exploit them. The great achievement of our country in the Philippines has been to prepare the Filipino people for independence. This stands as a monument to the idealism of our citizens and Government. Both the United States and the Filipinos themselves have a right to point to the 30 years of progress in the Philippine Islands with justifiable pride and satisfaction.

I am in accord also with the fact that the United States, through Executive pronouncements and a formal declaration made by the Congress in 1916, pledged itself to grant independence to the Philippines on the sole condition that a stable government be established there.

Proof as conclusive as can be made manifest by free-willed humans exists that there is a stable government now in the Philippine Islands.

The steps taken by the United States to prepare the Filipino people for their independence have borne fruit. The quality of the people there, the magnificent system of education which has been established, and the readiness on the part of the Filipinos themselves to acquire a working knowledge of popular government have made them ready for independence politically, socially, and economically.

In addition to the cause of independence presented by the people of the Philippine Islands themselves, there are other aspects of this problem that appeal to me as being of outstanding importance. First, the American farmer is urging protection from the unrestricted free entry of competitive Philippine products. Second, American labor is seeking protection from unrestricted immigration of Filipino laborers, especially at this time of widespread unemployment. I do not stress these reasons as being of paramount rank. Historic, moral, and other valid reasons for independence rightfully rank first.

The enactment of this bill, however, will bring nearer the day when both the American farmer and the American laborer will be relieved of a particularly unfair competition. There is no doubt but that the "bread-and-butter" angle, the economic argument, has played an important part in bringing the Philippine-independence question to the fore. Dr. Charles A. Beard, in his monumental book, cites the economic theory as being the guiding principle in focusing attention on governmental problems and that economic advantage is the chief motivating force that compels the changes. It applies with vivid reality in this case.

The traditional view of the United States as a noncolonizing Nation was broken in 1898 by the occupation of the Philippine Islands as a result of a military campaign. Doubtless the acquisition and possession of the Philippine market for the United States was in the minds of large groups in this country at that time.

After 30 years of occupation the economic interests of those adversely affected—in this case the American farmer and the American laborer—have gradually come to the foreground. The strength of the pro-Philippine independence sentiment in the House of Representatives to-day indicates unmistakably this change in front.

I am not one of those who believe that American trade with the people of the Philippine Islands will cease when the Philippine republic is established. Our American farmers will gain protection from unrestricted free entry of competitive Philippine products, it is true, but the Philippine Islands can produce and will produce a huge volume of noncompetitive products which we shall be glad to buy, in return for which American industry will sell to the Filipinos those products which are being sold to foreign nations everywhere.

The salient provisions of the House of Representatives' draft of the Philippine independence bill are as follows:

First. The Filipino people are authorized to adopt a constitution and institute the government of the Commonwealth of the Philippine Islands which will exist pending complete independence. Under such government they will enjoy complete autonomy as to domestic affairs, subject only to certain reservations intended to safeguard both the sovereignty and the responsibilities of the United States.

Second. Pending final relinquishment of American sovereignty the free importation of certain Philippine products into the United States shall not exceed specified limits based upon the status quo as represented by estimated importations from existing investments.

Third. Pending independence, Philippine immigration to the United States is limited to a maximum annual quota of 50.

Fourth. On the 4th of July immediately following the expiration of a period of eight years from the date of the inauguration of the government of the Philippine commonwealth American sovereignty will be withdrawn and the complete independence of the Philippine Islands formally recognized. Thereupon the Philippines, to all intents and purposes, will become a country foreign to the United States.

Fifth. The United States reserves the right and privilege, at its discretion, to retain and maintain military and naval bases and other reservations in the Philippine Islands.

I am not satisfied with the provision outlined in item 2 relating to tariff regulations during the period prior to the final relinquishment of American sovereignty. In this particular the bill does not go far enough, in my opinion.

In item 4 reference is made to the provision that a period of eight years shall elapse from the date of the inauguration of the government of the Philippine Commonwealth until complete independence is accomplished. If we allow 2 years from the enactment of this bill for the Filipinos to adopt their constitution, at least 10 years of unrestricted free entry of competitive Philippine products will be permitted to continue.

Why ask the American farmer to carry this load for more than 10 years? It is estimated that the prevalence of unrestricted free entry of competitive Philippine products is costing the American farmers between $100,000,000 and $150,000,000 each year. This burden should by all that is fair and just be lifted from our farmers' backs. From the point of view of agriculture the time provision should be reduced and there should be put into application the gradual tariff set-up machinery which the Hare bill originally carried.

A Philippine independence bill was recently carefully considered in the Senate where it was accorded strong support. The opposition succeeded, however, in deferring final action until December. At that time the two changes to which I have referred ought to be incorporated in the Senate draft of the bill and agreed to in conference. Nothing else will be acceptable to American agriculture. The farmers would then begin to receive some benefits during the second year after the Filipinos adopt their constitution.

I have already on two occasions presented to the House my views regarding the Philippines from the standpoint of our American farmers. Many years before I became a Member of this body I called the attention of the farmers in my section of the State to the increasing menace of competition from the "coconut cow," largely a Philippine "animal."

Every pound of imported animal, vegetable, and marine oils and fats comes into direct or indirect competition with the domestic producers of fats and oils. In 1930, there were imported 1,597,000,000 pounds of oils and fats. In the same year, 7,927,000,000 pounds of oils and fats were domestically

consumed. The imports, therefore, were about 20 per cent of our domestic consumption.

I have said before, we import our farm-products surplus. We do not produce it. This is doubly true in regard to imported fats and oils.

The imports of sugar duty-free from the Philippines is a millstone around the necks of our sugar-beet producers. There can be no future for beet-sugar production in the United States until Philippine independence becomes a declared fact and import duties are levied.

It may be true that the supply of coconut oil coming into this country will not be materially reduced by such tariff as Congress may in time place upon the oil and the raw product, which is known as copra. This may be true, but we know that the price effect of such duty will be reflected in the prices of every other domestic oil and fat in this country.

An increase in the price of cottonseed oil of 1 cent a pound can be reflected by the mill to the cottonseed producers in an amount of $3 per ton for the seed. A 2-cent duty on coconut oil, if safeguarded by a compensatory duty on interchangeable oils and fats, such as palm oil, and others, will give us domestic protection without endangering our domestic needs. In the meantime, our domestic production can be increased to advantage.

The price of duty-free imported coconut oil at the present time practically controls the price of oils and fats in this country. The trend downward for the past 18 months in coconut oil has been the single controlling factor which has brought the price of all fats and oils in this country down to a practically unheard-of level, never before experienced in American agriculture.

It is obvious to all why organized agriculture so keenly desires a change in the status of tariff regulations affecting importations from the Philippine Islands. The beet-sugar growers know, the dairy farmers know, the domestic producers of fats and oils know that the prices they obtain for these products are being forced down to the price level of imported sugar and of imported fats and oils by this ruinous competition with Philippine sugar and coconut oil.

The record for Philippine independence has been made in the House of Representatives and is almost completed in the Senate. The voice of America has spoken in unmistakable terms in favor of a new policy. In this new policy American agriculture is vitally concerned that the bill, as finally adopted, shall fully safeguard their interests. There should be no dodging on that point. The issue should be met fairly and fully.

A MONUMENT TO THE GREAT NEGRO STATESMAN, FREDERICK DOUGLASS

Mr. CELLER. Mr. Speaker, under the general leave granted Members at the close of the session for extension of remarks in the RECORD, I present the following:

I have introduced in the House a resolution (H. J. Res. 458) calling for the erection in the National Capital of a memorial to Frederick Douglass, the fugitive slave whose name will ever survive as one of America's most eloquent orators as well as one of the most profound thinkers of his time.

The life of Frederick Douglass epitomized the struggle of the Negro race in its rise from the abysmal depths of slavery. He saw the slaves, including himself, emancipated; but he realized that freedom brought duties and responsibilities and created expectations which must needs be fulfilled. He taught the colored people that they must maintain a high state in the Republic and could not be mere driftwood in a stream. He fought and bled to achieve for his people equality of opportunity in industry and education. He knew that they had entered the portals of freedom with the greatest handicaps—without money, without friends, without shelter, and without food. The land which they had watered with their tears, enriched with their blood, and tilled with their hard hands was owned by those who did not wish them well. They were forced to leave their familiar quarters to seek shelter and food elsewhere. The marvel is not so much that the race made great progress but that it was not exterminated.

But much of the progress made was due to the influence and efforts of Frederick Douglass. He did more for the colored people in America than anyone else of his own race. He was a born orator and swayed thousands to espouse the cause of the colored race. With no education except that which he snatched as a slave beside candlelight, he became most proficient in the study of rhetoric, logic, politics, and history.

Few men have equalled him in his power over an audience. A rugged honesty and fine sincerity of purpose weaved its way through all his words and deeds. His was a fearless courage that achieved for him honor and distinction.

He was the trusted confidant of Lincoln and Grant and many other statesmen. What George Washington was in the darkest hours of American independence; what Abraham Lincoln was to this country in its hours of travail; what General Grant was in the Wilderness, "fighting it out along that line if it took all summer"; what Toussaint L'Ouverture was to the black Republic of Haiti when the armies of Napoleon were encamped about it, attempting its reenslavement—that and more was Frederick Douglass to his people in their struggle before and after emancipation.

In the Revolutionary War the negro fought for us and with us. In the War of 1812 Jackson at New Orleans found their assistance necessary in the defense against England. In the Civil War, when Lincoln called upon them for assistance they responded gallantly; nor were they found wanting in the Spanish-American or the World War. Many of the colored troops went through the valley of the shadow "to keep the world safe for democracy." Should not our men in public life, therefore, have a care lest, by forcing the colored race outside the law, they destroy that love of country which is so needful for a nation's defense in the day of trouble?

Such a monument would serve to remind this Nation of its responsibilities to the colored race, upon whom it foisted the bondage of slavery, and to whom it should now lend a helping hand. Instead of proscription, there should be sympathy; instead of resentment, there should be charity. The way of the colored people should not be disputed at every turn of the road. Unfortunately for the colored man, if he comes in rags and wretchedness, he meets the public demand for a negro. He may not provoke anger, but he provokes derision. But let him presume to be a gentleman and a scholar; he is then naturally out of place; he excites resentment; he calls forth stern and bitter opposition. No matter what his ability and talents may be, the bar sinister is upon him. All this should not be. We are prone to judge the colored race by the exemplification of those who stray from the paths of righteousness; we should judge them as well by the flower of the flock, by their great and good men.

A monument to the memory of Douglass has been erected at Rochester, N. Y., where he is buried, but he should be enshrined at the National Capital, where he lived for so many years as the "Sage of Anacostia." Such a memorial should lead the youth of the land, both near and far, to study the character of this great man and draw from it lessons urging them on to higher and more noble effort.

It is hoped that a committee of representative citizenry will be formed to raise the necessary funds for this project.

The resolution which I have introduced reads as follows:

Joint resolution authorizing the erection on public grounds in the District of Columbia of a monument or memorial to Frederick Douglass

Resolved, etc., That the Director of Public Buildings and Public Parks of the National Capital be, and he is hereby, authorized and directed to select a suitable site and to grant permission to any association or associations organized within two years from the date of the approval of this resolution for that purpose, to erect as a gift to the people of the United States, on public grounds of the United States in the city of Washington, D. C., a monument or memorial in memory of Frederick Douglass, the entire cost of such memorial to be defrayed by popular subscription: *Provided*, That the site chosen and the design of the monument or memorial shall be approved by the Commission of Fine Arts, that it shall be erected under the supervision of the Director of Public Buildings and Public Parks of the National Capital, and that the United States shall be put to no expense in or by the erection of said monument or memorial.

ADJOURNMENT

Accordingly (at 2 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Wednesday, July 6, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

627. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1933, to enable the Federal Farm Board to carry into effect the provisions of House Joint Resolution 418, Seventy-second Congress, first session (H. Doc. No. 356), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 12534) granting an increase of pension to Cecelia Randall, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW: A bill (H. R. 12895) to abolish the appointment of a receiver for a debtor and the placing of a debtor's property in hands of a receiver, while insolvent, as acts of bankruptcy, and for other purposes; to the Committee on the Judiciary.

By Mr. COLLINS: A bill (H. R. 12896) to repeal the tax on checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H. R. 12897) to provide for the protection of ladies' hand bags, ladies' pocketbooks, vanities, and other designs, applicable to pouch bags, underarm bags, and other ladies' novelty hand bags; to the Committee on Patents.

By Mr. LaGUARDIA: A bill (H. R. 12898) to regulate the sale of securities, and for other purposes; to the Committee on Banking and Currency.

By Mr. LANKFORD of Virginia: A bill (H. R. 12899) repealing sections 404, 405, and 406 of title 18 of the Code of Laws of the United States enacted July 31, 1912 (37 Stat. 240, 241, ch. 263, 1, 2, and 3, respectively); to the Committee on Interstate and Foreign Commerce.

By Mr. BRITTEN: A bill (H. R. 12900) to amend the national prohibition act, and for other purposes; to the Committee on the Judiciary.

By Mr. McSWAIN: Joint resolution (H. J. Res. 460) to authorize the use of the supplies and equipment of the Army of the United States in furnishing relief and in assisting to administer relief to former soldiers, sailors, and marines, and to citizens of the United States, and for other purposes; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FIESINGER: A bill (H. R. 12901) granting an increase of pension to Susan Low; to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H. R. 12902) for the relief of Asa J. Hunter; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 12903) granting a pension to Della Leach; to the Committee on Invalid Pensions.

By Mr. LARRABEE: A bill (H. R. 12904) granting an increase of pension to Julia P. Kiess; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 12905) granting an increase of pension to Nancy J. Lyon; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 12906) granting an increase of pension to Delilah A. Wicker; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12907) granting an increase of pension to Sarah M. Rust; to the Committee on Invalid Pensions.

By Mr. WATSON: A bill (H. R. 12908) for the relief of Anna L. Auchenbach; to the Committee on Claims.

By Mr. WOLVERTON: A bill (H. R. 12909) granting an increase of pension to Catharine Ann Page; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8497. By Mr. BEAM: Resolution of the Crawford Civic Association of Chicago, Ill., requesting the repeal of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

8498. By Mr. MEAD: Petition of Mohawk Valley Towns Association, urging that the New York State Barge Canal be approved among the inland-waterways projects for Federal maintenance, etc.; to the Committee on Rivers and Harbors.

8499. By Mr. LINDSAY: Petition of Mohawk Valley Towns Association (Inc.), Amsterdam, N. Y., regarding the New York State Barge Canal; to the Committee on Rivers and Harbors.

8500. By Mr. RUDD: Petition of Mohawk Valley Towns Association (Inc.), Amsterdam, N. Y., with reference to the New York State Barge Canal; to the Committee on Rivers and Harbors.

SENATE

WEDNESDAY, JULY 6, 1932

(Legislative day of Thursday, June 30, 1932)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Robinson, Ark.
Austin	Couzens	Hull	Robinson, Ind.
Bailey	Dale	Johnson	Schall
Barbour	Davis	Jones	Sheppard
Bingham	Dickinson	Kean	Shipstead
Black	Dill	Kendrick	Shortridge
Blaine	Fess	Keyes	Smoot
Borah	Fletcher	King	Steiwer
Bratton	Frazier	Lewis	Stephens
Brookhart	George	Long	Thomas, Idaho
Broussard	Glass	McGill	Townsend
Bulkley	Glenn	McKellar	Trammell
Bulow	Goldsborough	McNary	Tydings
Byrnes	Gore	Metcalf	Vandenberg
Capper	Hale	Moses	Wagner
Caraway	Harrison	Norbeck	Walcott
Carey	Hastings	Norris	Walsh, Mass.
Cohen	Hatfield	Nye	Watson
Connally	Hawes	Oddie	White
Coolidge	Hayden	Patterson	
Copeland	Hebert	Reed	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from the Better America Federation, Los Angeles, Calif., praying for the prompt passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by members of the International Labor Defense, of Worcester, Mass., protesting against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

He also laid before the Senate telegrams in the nature of memorials from the Russian Relief Committee for the Far East, signed by its chairman, V. Kappel, San Francisco,

Calif., and the Unions of Russian Invalids and Russian Veterans, signed by Gen. N. Shultze, Col. M. Topalov, and Col. N. Rybakoff, Detroit, Mich., remonstrating against the recognition of the Soviet Government of Russia, which were referred to the Committee on Foreign Relations.

AGRICULTURAL RELIEF

Mr. SCHALL. Mr. President, I ask unanimous consent to publish in the RECORD a letter from a farmer in my State, and also ask that it be referred to the Committee on Agriculture and Forestry.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

ROUTE 2, MORA, MINN., *June 30, 1932.*

DEAR MR. SCHALL: I have your letter which I will say very glad to get. I am going to tell you just how we stand. We have a farm of 160 acres in Kanabec County with a loan of $3,500 to the Federal land bank, on which we must pay $165 two times a year—payment comes due August 21 next, and we have no way of paying it; and not only we but just about all are in the same fix, and we have a tax of $168 on this farm. We milk cows and have a few hogs—butter at 18 cents—hogs at 3 cents, and eggs at 9 cents. One can work night and day and then it will not help. I hope something can be done and must be done and at once. The farmer can not last this way. Honest, God-fearing people are losing all they ever had. We want a big cut in taxes and also in interest. I think we should not pay over 2 per cent, and about half as much in taxes—we might have some hope of pulling through.

Truly yours,

OLE LOVAAS.

FULLY MODERN HOME COSTS $1,400—RENTED FOR $15 PER MONTH

Mr. SCHALL. Mr. President, while we are discussing the home loan bank bill and in compliance with the recommendations of the President's conference on home building and home ownership, according to an article in to-day's United States Daily, July 6, 1932, reading in part as follows:

Construction costs must be cut before houses of high standards can be brought within the reach of the wage-earning group of our population, it is pointed out. Ignorance of cost-saving materials now on the market is widespread, according to the report * * *.

it seems to me it will not be amiss to call attention to cheaper construction of homes—a home within the means of the ordinary folks. I received a letter and data to-day which I ask leave to print in the RECORD and which set out the fact that a separate 4-room modern up-to-date home can be built complete for $1,400 which will rent for $15 per month.

THE PAULY MANUFACTURING CO.,
Washington, D. C., July 5, 1932.

Senator THOMAS D. SCHALL,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Pursuant to your request for actual productive information on the low cost of Pauly thin-shell cement-tile semifireproof homes the writer told you about a few days ago at your office.

Please be advised semifireproof cement-tile 2-story 4, 5, and 6 room homes with full basement, hot-air furnace, hot-water heater, bath with essentials, piped for gas and wired for electricity should at the present labor and material prices be built for $350 per room, a 4-roomed home for $1,400; a 5-roomed home for $1,750, a 6-roomed home for $2,100.

Furthermore, the inclosures will convince the above costs are not theory-estimated costs, and that the inclosure introductory semifireproof home building coupled with low-cost cement tile makes it possible to build homes now with Government technical approval of the tile for use in all types of Government construction. The inclosures also give other economical data.

If I can be of further service to you on this economical low-cost home-building subject please do not hesitate to make the request.

Very truly,

A. A. PAULY.

P. S.—Data and letters follow.

On October 15, 1931, after a long probationary practicableness of national and worldwide scope, hollow concrete units were recognized as a standard building unit with a specified safe shell thickness under Federal specification S. S. C. 621, which gives Pauly thin-shell tile an equal world-wide competitive chance with similar thin-shell hollow-clay units. Pauly thin-shell tile is made scientifically correct of poured (cast) concrete. It is not the ordinary hollow-concrete unit most readers are familiar with. It is approximately nonabsorbent, but has ample suction for plaster and stucco bond.

Based on precedent introductory home-building costs at present labor and material market, rooms in Pauly tile semifireproof homes, with all modern conveniences, should not cost to exceed $350 per room, and without any apologies for sameness, look, or changing status of other local material and labor to complete the homes. The hollow walls insulate against heat and cold; and when concrete-tile factories become available locally semifireproof homes can be built in a few days ready to move into, and by stuccoing an expanded metal band or two on the walls or building rods in several wall courses will make 1-story homes earthquake proof. However, rooms in bungalow homes will cost slightly more than in 2-story construction. This is caused by greater foundation and roof cost.

Excerpts from letter dated March 2, 1918, signed by D. C. Hamilton, of Youngstown, Ohio, where 28 homes were built:

"In compliance with your request of to-day, we hand you herewith information and data on the Pauly and Fleming houses owned by us.

"The size of each house is 16 by 28 feet, containing 4 rooms, 2 on first floor and 2 on second floor, in addition to basement kitchen, the latter being possible because of the lot sloping down from front to rear.

"The erecting cost of each house was $1,200, and value on each lot, 40 by 125 feet, was $300, making total cost of $1,500 for each property. Originally we had 16 houses, of which we have sold 12 at not less than $2,000. While renting we received $15 per month. The district in which they are located is very close to the steel mills, therefore, not what we would call a desirable one. However, if said houses were located in a more desirable district for residence, we would say, they would command a selling price not less than $3,000 any time within the period we have had them.

"Panama Canal permanent quarters Balboa twenty-eight 4-family and nine 2-family quarters. The cost shown in a later Canal Zone report varied from 12 cents per cubic foot to 18 cents per cubic foot, room cost about $400 average. The variation in cost was caused by foundation on soft land and on hillsides. The tile was used in many other buildings in the Canal Zone of a larger and more expensive type. The construction was done in the fiscal year ending June 30, 1914."

THE PANAMA CANAL, WASHINGTON OFFICE,
Washington, June 24, 1932.

Mr. A. A. PAULY,
Chairman of Board The Pauly Manufacturing Co.,
1333 K Street NW., Washington, D. C.

DEAR SIR: As requested by you to-day, there is quoted below an extract from the report of the resident engineer permanent building division, supply department, contained on pages 311 and 312 of the Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30, 1914:

"It was decided to construct the walls and partitions of the permanent administration building, the permanent quarters, the shops office building, and the substations of hollow concrete blocks or tile similar in form to the clay product of the fire-proofing companies. To accomplish this, 12 machines were purchased from Mr. A. A. Pauly under his patent for machines to manufacture concrete blocks by steam process.

"One of the machines produces blocks 3 by 12 by 12 inches.
"Two of the machines produce blocks 4 by 12 by 12 inches.
"One of the machines produces blocks 6 by 12 by 12 inches.
"Four of the machines produce blocks 8 by 12 by 12 inches.
"Two of the machines produce blocks 8 by 16 by 12 inches.
"Two of the machines produce blocks 12 by 18 by 12 inches.
"The last dimension, or height, is variable up to 12 inches.

"These machines were installed in a reerected section of the Cocoli cement shed at Corozal and began the manufacture of blocks on November 10, 1913. Since that date the following number of blocks have been manufactured at a cost for labor and material shown on the following table. The labor cost is an average of $0.034 per block, the variation shown being due to the difference in amount of material required for the respective sizes:

Size of blocks	Number manufactured	Cost for labor and material
3 by 12 by 12 inches	85,622	$0.057
4 by 12 by 12 inches	162,101	.060
6 by 12 by 12 inches	90,067	.073
8 by 12 by 12 inches	247,766	.088
8 by 16 by 12 inches	106,191	.098
12 by 18 by 12 inches	77,925	.119
Total	769,672	

"This letter should not be used for advertising purposes.

"Very respectfully,

"A. L. FLINT, *Chief of Office.*"

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, June 24, 1932.

Mr. A. A. PAULY,
Chairman Board of Directors, Pauly Manufacturing Co.,
1333 K Street NW., Washington, D. C.

DEAR SIR: In fulfillment of the promise made on the occasion of your recent visit to this office, I give below the statistics requested.

	Census year	Wages paid	Value of products
Clay products (except pottery) and non-clay refractories	1929	$106,918,327	$294,934,513
Concrete-products industry	1929	22,688,062	92,900,749
Do	1927	24,897,709	93,259,206
		Quantity (tons)	*Value*
Gypsum block produced	1929	309,331	$2,579,869

Very truly yours, LEVERNE BEALES,
Chief Statistician for Manufactures.

Mr. SCHALL. I ask that the matter may lie on the table.

The VICE PRESIDENT. The matter presented by the Senator from Minnesota [Mr. SCHALL] will lie on the table.

REPORTS OF THE CLAIMS COMMITTEE

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (H. R. 1289) for the relief of William Dalton, reported it with amendments and submitted a report (No. 977) thereon.

He also, from the same committee, to which was referred the bill (S. 4738) for the relief of Newport Contracting & Engineering Co., reported it without amendment and submitted a report (No. 978) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 2189) for the relief of Elsie M. Sears, reported it with an amendment and submitted a report (No. 979) thereon.

He also, from the same committee, to which was referred the bill (H. R. 3467) for the relief of David C. Jeffcoat, reported it without amendment and submitted a report (No. 980) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 3460. An act for the relief of Caughman-Kaminer Co. (Rept. No. 981); and

H. R. 4160. An act for the relief of Raymond D. Woods (Rept. No. 982).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE:

A bill (S. 4950) granting a pension to Emily A. Bailey; to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 4951) for the relief of Fred R. Hamilton; to the Committee on Civil Service.

By Mr. DAVIS:

A bill (S. 4952) to authorize the issuance of a special series of stamps commemorative of the two hundredth anniversary of the organization of the first American volunteer fire company; to the Committee on Post Offices and Post Roads.

By Mr. THOMAS of Idaho:

A bill (S. 4953) to provide for the establishment at the seat of the Government of the United States of a bank to be known as the Government farm-loan bank of the United States, with an authorized capital stock of $150,000,000, or as much more as may from time to time be authorized, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHIPSTEAD:

A bill (S. 4954) for the relief of Teresa de Prevost; to the Committee on Foreign Relations.

A bill (S. 4955) for the relief of Olive Amelia Larson and Ellen S. Solomonson; to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A bill (S. 4956) to aid the Grand Army of the Republic in its annual Memorial Day services; to the Committee on Military Affairs.

AMENDMENT TO HOME LOAN BANK BILL

Mr. BULKLEY, Mr. TYDINGS, and Mr. WALSH of Massachusetts submitted an amendment intended to be proposed by them to the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

At the end of Title I insert the following:

"TITLE II—AMENDMENT TO NATIONAL PROHIBITION ACT

"Notwithstanding the provisions and limitations of the national prohibition act, as amended and supplemented, it shall hereafter be lawful to manufacture, sell, transport, furnish, and possess without obtaining permits therefor (except such permits as may be required under the internal revenue laws or regulations made pursuant thereto), beer or other similar fermented liquor containing 2.75 per cent or less of alcohol by weight; but no such beer or other liquor may be sold, transported, or furnished except in bottles of pint or half-pint capacity. The provisions and limitations of section 37 of Title II of said act, as amended and supplemented, shall apply to the manufacture of such beer or other similar liquor; except that where there is developed in such manufacture beer or other similar fermented liquor containing more than 2.75 per cent of alcohol by weight, such liquor may be withdrawn from the factory or otherwise disposed of upon the reduction of the alcoholic content thereof to 2.75 per cent by weight, or less."

JESSICA HARRISON

Mr. PITTMAN submitted the following resolution (S. Res. 261), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent expenses of the Senate, fiscal year 1932, to Jessica Harrison, widow of Dudley P. Harrison, late an assistant clerk in the office of Senator KEY PITTMAN, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. TOWNSEND subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which the foregoing resolution was referred, reported it without amendment and it was considered by unanimous consent and agreed to.

FEES CHARGED FOR ISSUE OF DOMESTIC MONEY ORDERS—CONFERENCE REPORT

Mr. ODDIE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

TASKER L. ODDIE,
GEO. H. MOSES,
PORTER H. DALE,
PARK TRAMMELL,
KENNETH MCKELLAR,
Managers on the part of the Senate,

JAS. M. MEAD,
M. A. ROMJUE,
JOHN H. MOREHEAD,
A. D. SANDERS,
CLYDE KELLY,
Managers on the part of the House,

The report was agreed to.

CHARGE ON NOTICES REGARDING UNDELIVERABLE SECOND-CLASS MATTER—CONFERENCE REPORT

Mr. ODDIE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted in said amendment insert the following: "except that where the undeliverable copies bear the pledge of the sender to pay the return postage no notice shall be sent to the publisher, but the copies received during the period

specified in this paragraph shall be returned charged with postage due at the rate of 1 cent for each 2 ounces or fraction thereof, with a minimum charge of 2 cents, and indorsed to show the reason they are undeliverable and the new address of the addressee, if known"; and the Senate agree to the same.

TASKER L. ODDIE,
GEO. H. MOSES,
PORTER H. DALE,
PARK TRAMMELL,
KENNETH MCKELLAR,
Managers on the part of the Senate.

JAS. M. MEAD,
M. A. ROMJUE,
JOHN H. MOREHEAD,
A. D. SANDERS,
CLYDE KELLY,
Managers on the part of the House.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 3154) authorizing the conveyance of certain lands to the city of Fallon, Nev.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2841) for the relief of the owners of the steamship *Exmoor*.

ACCEPTANCE SPEECH OF HON. FRANKLIN D. ROOSEVELT

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD the acceptance speech of Governor Franklin D. Roosevelt, delivered at the Democratic convention on last Saturday.

The VICE PRESIDENT. Without objection, it is so ordered.

The speech is as follows:

TEXT OF ROOSEVELT'S ACCEPTANCE ADDRESS

Chairman WALSH, my friends of the Democratic convention of 1932, I appreciate your willingness after these six arduous days to remain here, for I know well the sleepless hours that you and I have had.

I regret that I am late, but I have no control over the winds of heaven and could only be thankful for my Navy training.

The appearance before a national convention of its nominee for President to be formally notified of his selection is unprecedented and unusual, but these are unprecedented and unusual times. I have started out on the tasks that lie ahead by breaking the absurd traditions that the candidate should remain in professed ignorance of what has happened for weeks until he is formally notified of that event many weeks later.

My friends, may this be the symbol of my intention to be honest and to avoid all hypocrisy or sham, to avoid all silly shutting of the eyes to the truth in this campaign. You have nominated me and I know it, and I am here to thank you for the honor.

Let it also be symbolic that in so doing I broke traditions. Let it be from now on the task of our party to break foolish traditions. We will break foolish traditions and leave it to the Republican leadership, far more skilled in that art, to break promises.

TRIBUTE TO WOODROW WILSON

Let us now and here highly resolve to resume the country's uninterrupted march along the path of real progress, of real justice, of real equality for all of our citizens, great and small. Our indomitable leader in that interrupted march is no longer with us, but there still survives to-day his spirit.

Many of his captains, thank God, are still with us, to give us wise counsel. Let us feel that in everything we do there still lives with us, if not the body, the great indomitable, unquenchable, progressive soul of our commander in chief, Woodrow Wilson.

I have many things on which I want to make my position clear at the earliest possible moment in this campaign. That admirable document, the platform which you have adopted, is clear. I accept it 100 per cent.

And you can accept my pledge that I will leave no doubt or ambiguity on where I stand on any question of moment in this campaign.

As we enter this new battle, let us keep always present with us some of the ideals of the party. The fact that the Democratic Party by tradition and by continuing logic of history, past and present, is the bearer of liberalism, of progress, and at the same time of safety to our institutions. And if this appeal fails, remember well my friends, that a resentment against the failure of Republican leadership—and note well that in this campaign I shall not use the words "Republican party," but I shall use, day in and day out, the words "Republican leadership"—the failure of Republican leaders to solve our troubles may degenerate into unreasoning radicalism.

REACTION AND RADICALISM

The great social phenomenon of this depression, unlike others before it, is that it has produced but a few of the disorderly manifestations that too often attend upon such times.

While radicalism has made few converts, the greatest tribute that I can pay to my countrymen is that in these days of pressing want there persists an orderly and hopeful spirit on the part of the millions of our people who have suffered so much. To fail to offer them a new chance is not only to betray their hopes but to misunderstand their patience.

To meet by reaction that danger of radicalism is to invite disaster. Reaction is no barrier to the radical; it is a challenge, a provocation. The way to meet that danger is to offer a workable program of reconstruction, and the party to offer it is the party with clean hands.

This, and this only, is a proper protection against blind reaction on the one hand and an improvised hit-or-miss irresponsible opportunism on the other.

There are two ways of viewing the Government's duty in matters affecting economic and social life. The first sees to it that a favored few are helped and hopes that some of their prosperity will leak through, sift through, to labor, to the farmer, to the small business man. That theory belongs to the party of toryism, and I had hoped that most of the Tories left this country in 1776.

"PEOPLE WANT GENUINE CHOICE"

But it is not and never will be the theory of the Democratic Party. This is no time for fear, for reaction, or for timidity and here and now I invite those nominal Republicans who find that their conscience can not be squared with the groping and the failure of their party leaders to join hands with us; here and now, in equal measure, I warn those nominal Democrats who squint at the future with their faces turned toward the past, and who feel no responsibility to the demands of the new time, that they are out of step with their party.

Yes, the people of this country want a genuine choice this year, not a choice between two names for the same reactionary doctrine. Ours must be a party of liberal thought, of planned action, of enlightened international outlook, and of the greatest good to the greatest number of our citizens.

Now it is inevitable—and the choice is that of the times—it is inevitable that the main issue of this campaign should revolve about the clear facts of our economic condition, a depression so deep that it is without precedent in modern history. It will not do merely to state, as do Republican leaders, to explain that broken promises of continued inaction that the depression is world-wide. That was not their explanation of the apparent prosperity of 1928. The people will not forget the claim made by them then that prosperity was only a domestic product manufactured by a Republican President and a Republican Congress. If they claim paternity for the one they can not deny paternity for the other.

ENORMOUS CORPORATE PROFITS

I can not take up all the problems to-day. I want to touch on a few that are vital. Let us look a little at the recent history and the simple economics, the kind of economics that you and I and the average man and woman talk.

In the years before 1929 we know that this country had completed a vast cycle of building and inflation. For 10 years we expanded on the theory of repairing the wastes of the war, but actually expanding far beyond that and also far beyond our natural and normal growth. Now, it is worth remembering, and the cold figures of finance prove it, that during that time there was little or no drop in the prices that the consumer had to pay, although those same figures proved that the cost of production fell very greatly. Corporate profit resulting from this period was enormous. At the same time little of that profit was devoted to the reduction of prices—the consumer was forgotten. Very little of it went into increased wages—the worker was forgotten, and by no means an adequate proportion was even paid out in dividends—the stockholder was forgotten. And, incidentally, very little was taken by taxation to the beneficent Government of these years.

What was the result?

Enormous corporate surpluses piled up, the most stupendous in history. Where, under the spell of delirious speculation, did those surpluses go?

CAUSES OF MARKET CRASH

Let us talk economics that the figures prove and we can understand. Why, they went chiefly in two directions. First, into new and unnecessary plants, which now stand stark and idle, and, secondly, into the call-money market of Wall Street, either directly by the corporations or indirectly through the banks. These are the facts. Why blink them?

Then came the crash. You know the story. Surpluses invested in unnecessary plants became idle, men lost their jobs, purchasing power dried up, banks became frightened and started calling loans. Those who had money were afraid to part with it. Credit contracted and industry stopped. Commerce declined and unemployment mounted, and there we are to-day.

Translate that into human terms. See how the events of the past three years have come home to specific groups of people. First, the group dependent on industry; second, the group dependent upon agriculture; third, and made up in large part of members of the first two groups, the people who are called "small investors and depositors"; in fact, the strongest possible tie between the first two groups, agriculture and industry, is the fact that the savings and to a degree the security of both are tied together in that third group—the credit structure of the Nation.

INTERESTS OF ALL UNITED

Never in history have the interests of all the people been so united in a single economic problem. Picture to yourself, for instance, the great groups of property owned by millions of our citizens represented by credits issued in the form of bonds and mortgages—Government bonds of all kinds, Federal, State, county, and municipal—bonds of industrial companies, of utility companies, mortgages on real estate in farms and cities, and finally the vast investments of the Nation in the railroads. What is the measure of the security of each of those groups? We know well that in our complicated interrelated credit structure, if any one of these credit groups collapses, they may all collapse. Danger to one is danger to all.

And how, I ask, has the present administration in Washington treated the interrelationship of these credit groups? The answer is clear: It has not recognized that interrelationship existed at all. Why, the Nation asks, has Washington failed to understand that all of these groups, each and every one, the top of the pyramid and the bottom of the pyramid, must be considered together—that each and every one of them is dependent on every other, each and every one of them affecting the whole financial fabric?

Statesmanship and vision, my friends, require relief to all at the same time.

WHERE TAX MONEY GOES

Just one word or two on taxes, the taxes that all of us pay toward the cost of government of all kinds. Well, I know something of taxes. For three long years I have been going up and down this country preaching that government—Federal and State and local—costs too much. I shall not stop that preaching. As an immediate program of action, we must abolish useless offices. We must eliminate actual perfunctions of government—functions, in fact, that are not definitely essential to the continuance of government. We must merge; we must consolidate subdivisions of government; and, like the private citizens, give up luxuries which we can no longer afford.

By our example at Washington itself, we shall have the opportunity of pointing the way of economy to local government; for let us remember well that out of every tax dollar in the average State in this Nation, 40 cents enters the Treasury in Washington, D. C.; 10 or 12 cents only go to the State capitals, and 48 cents out of every dollar are consumed by the costs of local government in counties and cities and towns.

I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent and that the example be set by the President of the United States and his Cabinet.

WANTS DRY LAW REPEALED

And talking about setting a definite example, I congratulate this convention for having had the courage, fearlessly, to write into its declaration of principles what an overwhelming majority here assembled really thinks about the eighteenth amendment. This convention wants repeal. Your candidate wants repeal. And I am confident that the United States of America wants repeal.

Two years ago the platform on which I ran for governor the second time contained substantially the same provision. The overwhelming sentiment of the people of my State as shown by the vote of that year extends, I know, to the people of many of the other States. I say to you now that from this date on the eighteenth amendment is doomed. When that happens, we as Democrats must and will rightly and morally enable the States to protect themselves against the importation of intoxicating liquor where such importation may violate their State laws. We must rightly and morally prevent the return of the saloon.

To go back to this dry subject of finance, because it all ties in together, the eighteenth amendment has something to do with finance, too. In a comprehensive planning for the reconstruction of the great credit groups, including Government credit, I list an important place for that prime statement of principle in the platform here adopted calling for the letting in of the light of day on issues of securities, foreign and domestic, which are offered for sale to the investing public.

"PUBLICITY FOE OF CROOKS"

My friends, you and I as common-sense citizens know that it would help to protect the savings of the country from a dishonesty of crooks and from the lack of honor of some men in high financial places. Publicity is the enemy of crookedness.

And now one more word about unemployment, and incidentally about agriculture. I have favored the use of certain types of public works as a further emergency means of stimulating employment and the issuance of bonds to pay for such public works, but I have pointed out that no economic end is served if we merely build without building for a necessary purpose. Such works, of course, should, in so far as possible, be self-sustaining if they are to be financed by the issuing of bonds. So as to spread the points of all kinds as widely as possible, we must take definite steps to shorten the working day and the working week.

Let us use common sense and business sense, and just as one example we know that a very hopeful and immediate means of release, both for the unemployed and for agriculture, will come from a wide plan of the converting of many millions of acres of marginal and unused land into timber-

land through reforestation. There are tens of millions of acres east of the Mississippi River alone in abandoned farms, in cut-over land, now growing up in worthless brush. Why, every European nation has a definite land policy and has had one for generations. We have not; having none, we face a future of soil erosion and timber famine. It is clear that economic foresight and immediate employment march hand in hand in the call for the reforestation of these vast areas.

EMPLOYMENT FOR MILLION

In so doing employment can be given to a million men. That is the kind of public work that is self-sustaining—and, therefore, capable of being financed by the issuance of bonds, which are made secure by the fact that the growth of tremendous crops will provide adequate security for the investment.

Yes, I have a very definite program for providing employment by that means. I have done it, and I am doing it to-day in the State of New York. I know that the Democratic Party can do it successfully in the Nation. That will put men to work and that is an example of the action that we are going to have.

Now, as a further aid to agriculture, we know perfectly well—but have we come out and said so clearly and distinctly?—we should repeal immediately those provisions of law that compel the Federal Government to go into the market to purchase, to sell, to speculate, in farm products, in a futile attempt to reduce farm surpluses. And they are the people that are talking of keeping Government out of business. Why, the practical way to help the farmer is by an arrangement that will, in addition to lightening some of the impoverishing burdens from his back, do something toward the reduction of the surpluses of staple commodities that hang on the market. It should be our aim to add to the world prices of staple products the amount of a reasonable tariff protection, give agriculture the same protection that industry has to-day.

HOLDS FARMERS WILL AGREE

And in exchange for this immediately increased return, I am sure that the farmers of this Nation would agree ultimately to such planning of their production as would reduce the surpluses and make it unnecessary in later years to depend on dumping those surpluses abroad in order to support domestic prices. That result has been accomplished in other nations, why not in America, too?

Farm leaders, farm economists generally, agree that a plan based on that principle is a desirable first step in the reconstruction of agriculture. It does not in itself furnish a complete program, but it will serve in great measure in the long run to remove the pall of a surplus without the continued perpetual fret of world dumping. Final voluntary reduction of surplus is a part of our objective, but the long continuance and the present burden of existing surpluses make it necessary to repair great damage of the present by immediate emergency measures.

Such a plan as that, my friends, does not cost the Government any money nor does it keep the Government in business or in speculation.

And as to the actual wording of a bill, I believe that the Democratic Party stands ready to be guided by whatever the responsible farm groups themselves agree on. That is a principle that is sound, and again I ask for action.

NATION OF INTERDEPENDENCE

One word about the farmer, and I know that every delegate that lives in the city in this hall knows why I lay emphasis on the farmer. It is because one-half of our population, over 50,000,000 people, are dependent on agriculture; and my friends, if these 50,000,000 people have no money, no cash to buy what is produced in the city, the city suffers to an equal or a greater extent.

And that is why we are going to make the voters understand this year that this Nation is not merely a Nation of independence, but it is if we are to survive, bound to be a Nation of interdependence, town and city, and North and South, East and West. That is our goal, and that goal will be understood by the people of this country no matter where they live.

Yes, the purchasing power of that half of our population dependent on agriculture is gone. Farm mortgages reach nearly $10,000,000,000 to-day and interest charges on that alone are $560,000,000 a year. But that is not all. The tax burden caused by extravagant and inefficient local government is an additional factor. Our most immediate concern should be to reduce the interest burden on these mortgages.

HELP FOR SMALL HOMES

Rediscounting of farm mortgages under salutary restrictions must be expanded and should, in the future, be conditioned on the reduction of interest rate. Amortization payments, maturities, should likewise in this crisis be extended before rediscount is permitted where the mortgagor is sorely pressed. That, my friends, is another example of practical, immediate relief. Action.

I aim to do the same thing, and it can be done for the small-home owner in our cities and villages. We can lighten his burden and develop his purchasing power. Take away, my friends, that specter of too high an interest rate. Take away that specter of the due date just a short time away. Save homes; save homes for thousands of self-respecting families and drive out that specter of insecurity from our midst.

Out of all the tons of printed paper, out of all the hours of oratory, the recriminations, the defenses, the happy-thought plans in Washington and in every State, there emerges one great, simple, crystal-pure fact that during the past 10 years a Nation of 120,000,000 has been led by the Republican leaders to erect an impregnable barbed-wire entanglement around its borders through the instrumentality of tariffs which have isolated us from all the other human beings in all the rest of the round world. I accept that admirable tariff statement in the platform of this convention. It would protect American business and American labor.

RETALIATION OF OTHER NATIONS

By our acts of the past we have invited and received the retaliation of other nations. I propose an invitation to them to forget the past, to sit at the table with us as friends, and to plan with us for the restoration of the trade of the world.

Go into the home of the business man. He knows what the tariff has done for him. Go into the home of the factory worker. He knows why goods do not move. Go into the home of the farmer. He knows how the tariff has helped to ruin him.

Yes, at last our eyes are open; at last the American people are ready to acknowledge that Republican leadership was wrong and that the Democracy is right. My program, of which I can only touch on these points, is based upon this simple moral principle—the welfare and the soundness of a nation depends first upon what the great mass of the people wish and need; and secondly, whether or not they are getting it.

What do the people of America want more than anything else? In my mind, two things: Work—work with all the moral and spiritual values that go with work. And with work, a reasonable measure of security—security for themselves and for their wives and children. Work and security—these two are more than words. They are more than facts. They are the spiritual values, the true goal toward which our efforts of reconstruction should lead. These are the values that this program is intended to gain. These are the values we have failed to achieve by the leadership we now have.

ECONOMIC LAWS MAN-MADE

Our Republican leaders tell us economic laws—sacred, inviolable, unchangeable—that these laws cause panics which no one could prevent. But while they prate of economic laws, men and women are starving. We must lay hold of the fact that economic laws are not made by nature. They are made by human beings.

Yes, when—not if—when we get the chance, the Federal Government will assume bold leadership in distress relief. For years Washington has alternated between putting its head in the sand and saying there is no large number of destitute people in our midst who need food and clothing, and then saying the States should take care of them, if there are. Instead of planning two and a half years ago to do what they are now trying to do, they kept putting it off from day to day and week to week and month to month, until the conscience of America demanded action.

I say that while primary responsibility for relief rests with localities now, as ever, yet the Federal Government has always had and still has a continuing responsibility for the broader public welfare. It will soon fulfill that responsibility.

BARES PLANS FOR CAMPAIGN

And now, just a few words about our plans for the next four months. By coming here instead of waiting for a formal notification, I have made it clear that I believe we should eliminate expensive ceremonies and that we should set in motion at once—to-night, my friends—the necessary machinery for an adequate presentation of the issues to the electorate of the Nation. I myself have important duties as governor of a great State. Duties which in these times are more arduous and more grave than at any previous period, and yet I feel confident that I shall be able to make a number of short visits to several parts of the Nation, and my trips will have as their first objective a study at first hand from the lips of men and of women of all parties and all occupations the actual conditions and needs of every part of an interdependent country.

One word more; out of every crisis, every tribulation, every disaster, mankind rises with some share of greater knowledge, of higher decency, of purer purpose. To-day we shall have come through a period of loose thinking and descending morals, an era of selfishness, of individual men and women and of whole nations. Blame not governments alone for this. Blame ourselves an equal share; let us be frank in acknowledgment of the truth that many amongst us have made obeisance to "mammon," that the profits of speculation, the easy road without toil, have lured us from the old barricades. To return to higher standards we must abandon the false prophets and seek new leaders of our own choosing.

PLEDGE FOR NEW ORDER

Never before in modern history have the essential differences between the two major American parties stood out in such striking contrast as they do to-day. Republican leaders not only have failed in material things; they have failed in national vision, because in disaster they have held out no hope; they have pointed out no path for the people below to climb back to places of security and of safety in our American life.

Throughout the Nation men and women, forgotten in the political philosophy of the Government of the last years look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth.

On the farms, in the large metropolitan areas, in the small cities, and in the villages millions of our citizens cherish the hope that their old standards of living and of thought have not gone forever. Those millions can not and shall not hope in vain.

I pledge you—I pledge myself—to a new deal for the American people. Let us all here assembled constitute ourselves prophets of a new order of competence and of courage. This is more than a political campaign; it is a call to arms. Give me your help not to win votes alone but to win in this crusade to restore America to its own people.

EMERGENCY RELIEF BILL—ADDRESS BY SENATOR WAGNER

Mr. PITTMAN. Mr. President, I have here a very able address delivered by the Senator from New York [Mr. WAGNER], which is an analysis of the relief and construction measure now in the form of a conference report between the two Houses. I ask leave to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow citizens, during the past week a conference committee representing the United States Senate and the House of Representatives have been at work upon a plan to adjust the differences between the relief bills passed by each of the two Houses of Congress. They have agreed upon a program of relief and construction which will now be returned to the two legislative bodies for final approval. It is my devout hope that before the week is over the bill will have been ratified by both Houses and signed by the President, so that the depression-fighting machinery provided in the bill may be released for action at the earliest possible moment.

I shall take this opportunity afforded to me through the courtesy of the Washington Star and the National Broadcasting Co. to state to you very concisely the problem we have been trying to solve, the methods we have selected, and the results we hope to achieve. In the course of my remarks I shall make an earnest effort to state as simply as possible, precisely the kind of assistance which the farmer or business man, the States and municipalities, and primarily the man out of work can expect from the operation of the relief and construction bill.

What is our problem? I know of no shorter way to describe it than to call it the vicious spiral of depression. When men lost their jobs they stopped buying. As buying was curtailed prices fell, profits disappeared, and factories reduced production. Reduced production meant that more men were laid off, deprived of their wages, and in turn more families curtailed their buying. So the vicious circle continued. As it spread a great apprehension began to sweep through the country. A man who was at work was uncertain how long his job would continue and he, too, reduced his purchases. That quickened the decline. Then home owners out of work found that they could not meet interest and amortization on their mortgages; business houses unable to sell their merchandise could not pay their debts; and foreclosure and bankruptcy joined the forces of destruction. When debts became uncollectible banks and other financial institutions were compelled, in order to meet the demands of their depositors, to reduce the amount of their loans, even to their solvent customers. The business man who could not get credit at the bank was in turn forced to restrict his operations and more men were let out to join the growing army of unemployed.

Each succeeding step aggravated a bad condition. Each turn quickened the slide down the toboggan of depression. That is the vicious spiral which has been whirling the country steadily downward into the abyss of suffering and stagnation.

A few illustrations will serve to show precisely how that condition has afflicted the business life of our country. Imagine, if you please, a long freight train moving the products of this Nation, of its farms, mines, and factories. For every hundred cars that were in that train in April, 1928, there were 97 cars in April, 1929; 88 cars in April, 1930; 72 cars in April, 1931; and only 57 cars in April, 1932.

These figures reveal the continued constriction of American business. Forty-three cars of that hundred-car train are to-day empty and idle because the factories that used to fill them with merchandise are entirely or partly closed. The men who worked in those factories are idle. Their families are in desperate need. With these figures we begin to understand how it happens that in 124 cities alone over a million proud American families are, according to official reports, eating the bread of charity.

About 4,000,000 people normally look to the construction industries for a living. In 1929 we did over $9,000,000,000 worth of construction. For 1932 we have less than three billion in prospect. That decline alone accounts for about 2,600,000 men out of work.

Employment in the factories has steadily declined until 4 out of every 10 men thus normally employed are now out of jobs. It is conservatively estimated that all together there are in the United States to-day over 10,000,000 wage earners ready and eager to work but unable to find a place to earn their bread.

No further proof, it seems to me, is necessary that the problem is and has been for a long time in the nature of a national catastrophe, which dare not be left to continue its fury unresisted. Our economic life is beset with a creeping paralysis which, if not checked, will destroy and demoralize the Nation.

This is not the first time that I speak of this problem. Long before the Nation was aware of any sign of approaching depression I publicly advocated adequate preparedness to meet this very situation which has brought untold agony to our people. Since then I have repeatedly urged action along the lines now proposed in the bill I shall describe. I am convinced that now, at last, all elements of responsible public opinion in this country have come to recognize the irresistible necessity of taking such action.

What do we propose to do? First, we propose to help relieve the desperate and irrepressible needs of the destitute so that no one in the United States shall have cause to go cold or hungry. Second, we propose to launch and finance a gigantic program of construction, both public and private. And, third, we propose to help finance agricultural, industrial, and commercial undertakings, where credit for proper enterprises can not be obtained through normal banking channels. Our ultimate object is to initiate a program which will create a demand for commodities and labor. We hope thereby to help check the decline of prices. When prices stop falling private business will resume its normal activity without governmental assistance.

What means and methods does our bill provide to carry these purposes into effect?

For the relief of destitution, $300,000,000 is provided out of the funds of the Reconstruction Finance Corporation. Out of that sum a hundred million dollars is made available to the President

of the United States and is to be disbursed by him in the form of gifts or loans as he prefers, through such agencies as he shall designate. The President is given complete power to use this mercy fund wherever it will do most good in relieving human distress.

The remaining $200,000,000 is to be apportioned among the States in proportion to their population. However, before any State can secure its portion of this fund the governor must certify that the State is unable to meet its relief needs. These payments to a State will carry interest at the rate of 3 per cent and will either be repaid to the Reconstruction Finance Corporation directly by the State, or the Reconstruction Finance Corporation will be reimbursed by making deductions over a period of years from future Federal highway grants to that State.

Whatever theories we may personally entertain as to where responsibility lies for the relief of distress, it can no longer be denied that many communities throughout the country and many States are no longer able to carry unaided the crushing burden which the unprecedented demands for relief has placed upon them. These are days of emergency and it is, therefore, the sacred duty of the Federal Government to help meet that emergency and to mitigate the human misery which has been the unmerited lot of many of our citizens.

In order to finance a program of construction and stimulate the recovery of agriculture and industry, the bill provides for loans by the Reconstruction Finance Corporation for these purposes in the following manner:

Primarily, loans are to be made to finance the construction of self-supporting projects undertaken by States, municipalities, and other public bodies, by limited dividend housing corporations engaged in the elimination of slums, and by private corporations engaged in the construction of bridges, tunnels, docks, viaducts, waterways, canals, and markets devoted to public use. Loans for the purposes which I have mentioned are entitled to a preference under the bill. They may be made for a period of 10 years, or for more than 10 years if the borrower is a State, municipality, or public body, and the loan is effected through the sale of bonds to the Reconstruction Finance Corporation.

All of these loans must be fully secured, and will be so secured, since every project must be self-supporting and must be able to pay its construction cost out of its income.

In addition the Reconstruction Finance Corporation is authorized to make loans to help finance any agricultural, industrial, or commercial undertaking and to relieve unemployment where the borrower gives full and adequate security for the loan and can not obtain funds on reasonable terms through the regular banking channels. These loans are to be made for periods not exceeding five years.

The authority of the Reconstruction Finance Corporation to make any of these loans will expire on January 22, 1933, unless the President extends the time, which he may, but not beyond January 22, 1934.

Two special provisions are made for agriculture. The first of these is that loans may be made by the Reconstruction Finance Corporation to help finance the exportation to foreign markets of the accumulated farm surpluses where—and only where—such exports will not adversely affect the world price of the commodities. The second provision is that the Reconstruction Finance Corporation is given authority to create regional agriculture credit corporations to make loans to farmers.

How large a fund is available for this program? At the present time the Reconstruction Finance Corporation has a maximum strength of $2,000,000,000. In the bill I am discussing we have increased its borrowing power by $1,800,000,000, so that a total of $3,800,000,000 will be available for the financing of the enterprises I have described, as well as for the original purposes of the Reconstruction Finance Corporation act.

I am fully aware that these are extraordinary remedies. Some of the provisions I have mentioned would be unthinkable in normal times. Under ordinary circumstances I would be the first to oppose the principle that a governmental agency like the Reconstruction Finance Corporation should be permitted to make loans to private business. But these are not normal times or circumstances. Conditions face us which must be met and can only be met by heroic and extraordinary methods. The justification for these proposals is the plight of the Nation.

I come now to that part of our program of rehabilitation in which the Federal Government directly takes the initiative in providing employment. The bill makes provision for a Federal construction program of $325,000,000. Out of that amount $120,000,000 is to be advanced to the States for highway construction. The Federal Government is to be reimbursed for these advances by making deductions from future Federal highway grants to the States. The balance of the $325,000,000 is to be expended upon the construction of Federal buildings, river and harbor improvements, flood control, and other Federal projects which have been long ago investigated and approved by Congress and the President, and the plans for which are in readiness so that work may start promptly after the bill is enacted into law.

In order to make additionally certain that there shall be no unwarranted Federal construction and no waste of public funds, the bill leaves to the President and his executive departments, wherever that course is possible, the selection of the individual projects out of the Government's authorized construction program. In other words, we shall build now, when employment would be a godsend, what we would build in the very near future in any event. Certainly the Federal Government can do no less in helping to carry its share of the national burden.

The Federal construction program will involve no increase in the present heavy burden of taxation. The cost of the construction will be met with borrowed funds and will be amortized by payments into the Federal sinking fund. That course is eminently proper, since the improvements are of a permanent nature and constitute capital investments.

What results can be expected from this legislation? In answering that question I desire to emphasize an exceedingly important provision which prescribes that wherever practicable, no one shall be employed more than 30 hours a week upon projects prosecuted under the bill. That increases the employment possibilities of these projects by 60 per cent. Taking that into consideration, it is estimated that about 2,000,000 men and women will be given employment directly in construction and indirectly in the factories, mines, and railroads which are engaged in the preparation and transportation of materials. That, however, is only the immediate effect of the program. Of even greater importance is the effect upon the economic life of the country when these 2,000,000 men use their newly acquired purchasing power to buy food, clothing, and an endless number of other commodities. It is that purchasing power to which we look to restart the stalled machinery of industry.

We shall resume employment to check and counteract the spiral of depression. For employment breeds more employment. There is no greater force for recovery than a job for the man who is eager to work.

The American people have never yet admitted defeat or succumbed to despair. We have the resources, the means, and the energy not only to check the depression but to lift our people to a higher level of prosperity than we have ever known. Our immediate task is to deal with the present emergency. The relief and construction bill is in my judgment a well-designed lever to give American industry a lift and a start until its own great native strength can be brought into vigorous action again. I repeat the hope that before the week is over the country may hear the encouraging news that the relief and construction bill has become a law and that this program of rehabilitation is under way.

PROPOSED DAY OF PRAYER AND FASTING

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a communication from the Ministerial Alliance of Kansas City, Kans., urging that by proclamation a day be set aside for prayer and fasting all over this Nation, a proposal which I think merits our most serious consideration. Representative U. S. GUYER, of the second congressional district of Kansas, has introduced such a resolution in the House of Representatives; and I also ask unanimous consent that a copy of his resolution, which I am glad to approve and which I send to the desk, be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

KANSAS CITY, KANS.,
June 27, 1932.

Whereas, the Ministerial Alliance of Kansas City, Kans., after much prayer and deliberation on June 27, 1932, believe it to be wise and beneficial, in this time of great national and world-wide distress, for our people to humble themselves before God and fast and pray as this Nation has done in other times of great crises.

We believe we are following in the footsteps of our predecessors, in calling upon God for help in time of need. There are outstanding precedents well marked as milestones in our national life for us to be guided by. This was well expressed in the Constitutional Convention of the United States. In that assemblage, Benjamin Franklin arose and, addressing George Washington, its President, said, "I have lived, sir, a long time. The longer I live, the more convincing proofs I see of this truth, that God governs in the affairs of men. And if a sparrow can not fall to the ground without His notice, is it probable that an empire can arise without His aid? We have been assured, sir, in the sacred writing, 'that except the LORD build the house, they labor in vain that build it.' I firmly believe that without His concurring aid we shall succeed in this political building no better than the building of the Tower of Babel. I therefore beg leave to move that hereafter prayers imploring the assistance of Heaven and its blessings on our deliberations be held in this assembly every morning before we proceed to business."

During the darkest hour of the Civil War, Abraham Lincoln issued a proclamation calling for a day of prayer on April 30, 1863. Senator James Harlan, of Iowa, introduced the following resolution which was incorporated in Lincoln's call to prayer:

"*Resolved*, That devoutedly recognizing the supreme authority and just government of Almighty God in the affairs of men and of nations, and sincerely believing that no people, however great in numbers and resources or however strong in the justice of their cause, can prosper without His favor, and at the same time deploring the national offenses which have provoked His righteous judgment, yet encouraged, in this day of trouble, by the assurances

of His word, to seek Him for succor according to His appointed way, through Jesus Christ, the Senate of the United States do hereby, request the President of the United States by his proclamation to designate and set apart a day for national prayer and humiliation, requesting all the people of the land to suspend their secular pursuits and unite in keeping the day in solemn communion with the Lord of Hosts, supplicating Him to enlighten the counsels and direct the policy of the rulers of the Nation and to support all our soldiers, sailors, and marines, and the whole people in firm discharge of duty, until the existing rebellion shall be overthrown and the blessings of peace restored to our bleeding country."

In a little more than two months the sky was flooded with decisive victory. Lincoln soon set aside another day for the people to publicly thank God for answered prayer. He fixed August 6 in his proclamation as a day of thanksgiving, which read in part: "It has pleased Almighty God to hearken to the supplications and prayers of an afflicted people and to vouchsafe to the Army and Navy of the United States victories on land and sea so signal and effective as to furnish reasonable grounds for augmented confidence that the Union of these States will be maintained, their Constitution preserved, and their peace and prosperity permanently restored."

Again, during the greatest crisis of the late World War, Senator Gallinger, of New Hampshire, introduced a concurrent resolution, which was immediately passed by both Houses of Congress, recommending "a day of public humiliation, prayer, and fasting." President Woodrow Wilson thereupon did issue the following proclamation: "Now, therefore, I, Woodrow Wilson, President of the United States of America, do hereby proclaim Thursday, the 30th of May, a day already freighted with sacred and stimulating memories, a day of public humiliation, prayer, and fasting, and do exhort my fellow citizens of all faiths and creeds to assemble on that day in their several places of worship and there, as well as in their homes, to pray Almighty God that He may forgive our sins and shortcomings as a people and purify our hearts to see and love the truth, to accept and defend all things that are just and right, and to purpose only those righteous acts and judgments which are in conformity with His will; beseeching Him that He will give victory to our armies as they fight for freedom, wisdom to those who take counsel on our behalf in these days of dark struggle and perplexity, and steadfastness to our people to make sacrifice to the utmost in support of what is just and true, bringing us at last the peace in which men's hearts can be at rest because it is founded upon mercy, justice, and good will."

Our Nation did observe such a day, and it is a matter of history that the Central Powers never advanced a foot of ground from that day the tide was turned and in a few months victory and peace.

Now we are in the greatest distress and perplexity ever known in history in a time of peace. It is world-wide, and the people of all nations are suffering. We therefore believe it high time for Congress by resolution to importune the President to call for a day of humiliation, prayer, and fasting.

We believe, if we pray to God in such a spirit, that He will again hear from Heaven and heal the land.

We therefore respectfully request the Hon. ARTHUR CAPPER, the senior Senator of the State of Kansas, to introduce such resolution for consideration in the present Congress assembled in Washington.

THE MINISTERIAL ALLIANCE OF KANSAS CITY, KANS.,
By G. P. HOY, *Secretary*.

RESOLUTION OF HON. U. S. GUYER, OF KANSAS

Resolved, That devoutly recognizing the supreme authority of Almighty God in the affairs of men and nations, and sincerely believing that no people, however great in numbers and resources, can prosper without His favor, and encouraged in these troublous times by the assurances of His inspired word to seek Him for succor according to His appointed way, the House of Representatives of the United States does hereby request the President of the United States by his proclamation to designate and set apart a day for national prayer and humiliation, requesting all the people of the land to suspend their secular pursuits and unite in keeping the day in solemn communion with the Lord of Hosts, supplicating Him to enlighten the counsels and direct the policy of the rulers of the Nation, to forgive our sins and shortcomings as a people, and purify our hearts to see and love the truth, to accept and defend all things which are in conformity with His will, beseeching Him that He will give guidance and wisdom to those who take counsel on our behalf in these days of economic perplexity and steadfastness to our people, and bring the blessings of prosperity and stability to our distressed Nation, that hunger and want, poverty and sickness may be banished from our land.

HOME LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from New Mexico [Mr. BRATTON].

Mr. BRATTON. Mr. President, after conferring with several Senators interested in this particular matter I desire to modify my amendment so that it may read as follows: After the word "interest," in line 4, page 6, insert "and rates allowed for other charges permitted by contract or otherwise."

Mr. BORAH. Mr. President, may I ask the Senator to state the amendment again and to read the provision as it would read if these words were inserted?

Mr. BRATTON. I will say to the Senator that it relates to section 5, beginning on page 5. The amendment would come on page 6, line 4, after the word "interest," to insert the words "and rates allowed for other charges permitted by contract or otherwise," so the section would then read:

No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum legal rate of interest and rates allowed for other charges permitted by contract or otherwise (regardless of any extension from usury laws) in the State where such property is located.

The section would read in that way. As I understand the provision it would mean that any institution that is conforming to the law of its State with respect to interest would be eligible for relief under the measure, but any institution that exceeds the law of its State with respect to interest, and which charges a usurious sum, would not be eligible for a loan under the provision. It leaves the entire matter to each State to determine for itself, the only proscription being that an institution or a lender which sees fit to transgress the law of the State renders itself ineligible for assistance under the measure.

Mr. COUZENS. Mr. President, may I ask the Senator from New Mexico if it would add anything to the effect of the provision to insert the word "lawful" before the word "interest"? I have not the Senator's amendment before me, but I think that we might well insert the word "lawful," because otherwise there is a very great latitude in the amount of discount, commissions, and so on, that might be collected from the home owner.

Mr. BRATTON. The provision would read that the charges must not exceed "the maximum legal rate of interest and rates allowed for other charges permitted by contract or otherwise."

Mr. COUZENS. Would it add anything to it to insert the word "lawful" before the word "interest"?

Mr. BRATTON. I think not. If we say "the maximum legal rate of interest permitted by contract or otherwise," it would permit a lender to charge up to the maximum sum authorized by contract or otherwise in the State in which he operates. It seems to me that is as far as we should go. Every State should be free to fix all such rates for itself, but having fixed them we should provide that a lender is eligible for relief under the bill only so long as he keeps within the maximum fixed.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. The Senator from Michigan has the floor.

Mr. COUZENS. I should like to ask the Senator from New Mexico what protection the home owner would have if there were no law in the State where the institution operated controlling the amount of discounts, bonuses, commissions, and so forth, that may be charged the applicant for a loan. In other words, I am convinced that there are many States where there are no statutory provisions limiting the commissions, the bonuses, the discounts, and the premiums, and in that event I assume, under the Senator's amendment, the borrower would have no protection at all.

Mr. BRATTON. Mr. President, I think that matter should be governed by the law of the State in which the lending concern operates.

Mr. COUZENS. Yes; but assuming that there is no law regulating such charges, what then?

Mr. BRATTON. If the lender is not violating the law, he should not be excluded from eligibility for relief under this bill. Whether relief would be granted would be a matter for the bank itself to determine.

Mr. COUZENS. In other words, no matter how much the premium or how much the bonus or how much the commission charged might be, if there were no State inhibitions, the lender would be eligible under this act?

Mr. BRATTON. He would not be barred by an arbitrary provision of the bill; he would be eligible to apply; whether he obtained a loan would be a matter for the bank itself to determine.

Mr. COUZENS. I think if the amendment should be adopted, the whole section would be valueless, because it is quite obvious that this institution will not violate the usury law. They will get around it by discounts, bonuses, commissions, and so on. Therefore the home owner would get no protection under this section; and it is for that very reason that I opposed taking out of the bill section 5, as first suggested by the Senator from New York.

Mr. BARBOUR. Mr. President, I should like to ask the Senator from New Mexico a question, if I may. Is it intended by the Senator's amendment to retain the phrase "regardless of any exemption from usury laws," which is found in the brackets, on line 4, or is it proposed to strike that out in connection with the new language proposed by the Senator's amendment?

Mr. BRATTON. The amendment which I have offered does not strike out the language in brackets. I have no objection to it being stricken out. However, it may be offered as an independent amendment.

Mr. BARBOUR. My feeling is that the Senator's amendment without that phrase is just as strong, and there would be less chance for confusion and misunderstanding. It seems to me it would be better to strike out the phrase contained between the brackets.

Mr. BRATTON. I have no objection to striking out those words.

Mr. BARBOUR. If the Senator will do that, it will be very agreeable, I think, from the point of view of New Jersey.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Mexico [Mr. BRATTON].

Mr. FLETCHER. Mr. President, do I understand that the amendment suggested by the Senator from New Mexico [Mr. BRATTON] has been modified?

The VICE PRESIDENT. The Senator from New Mexico did not modify his amendment.

Mr. FLETCHER. Does the Senator from New Jersey [Mr. BARBOUR] mean to offer his suggestion as an amendment to the amendment of the Senator from New Mexico?

Mr. BARBOUR. I should like to offer it as an amendment to the amendment of the Senator from New Mexico.

The VICE PRESIDENT. The amendment of the Senator from New Jersey is a separate proposition and may be offered after the amendment proposed by the Senator from New Mexico shall have been acted on.

Mr. BRATTON. That is the thought I had in mind, although I am willing to accept the suggestion of the Senator from New Jersey as an amendment to my amendment.

Mr. BARBOUR. I should like to offer as an amendment to the amendment of the Senator from New Mexico the proposal to strike out the words found in brackets in lines 4 and 5, on page 6, which read "regardless of any exemption from usury laws."

Mr. BRATTON. I accept that suggestion and modify my amendment accordingly.

The VICE PRESIDENT. The Senator from New Mexico modifies his amendment. The question is on the amendment of the Senator from New Mexico as modified.

The amendment as modified was agreed to.

The VICE PRESIDENT. The Senator from New York [Mr. COPELAND] proposed an amendment to strike out section 5. Does he insist on that amendment or does he withdraw it?

Mr. COPELAND. I withdraw the amendment.

The VICE PRESIDENT. The Senator from New York withdraws the amendment.

Mr. COUZENS. Mr. President, will the Senator from New York yield to me to make a motion to reconsider?

Mr. COPELAND. I yield to the Senator from Michigan for that purpose.

Mr. COUZENS. I desire to enter a motion to reconsider the vote by which the amendment of the Senator from New Mexico [Mr. BRATTON] as modified was just adopted.

The VICE PRESIDENT. The motion will be entered.

Mr. COPELAND. Mr. President, it so happens that I rose to my feet to enter a motion to reconsider the vote by which the amendment of the Senator from Michigan, on line 17, page 4, was adopted yesterday. I was off the floor at the time, attending a conference committee meeting, and frankly I was quite astonished in reading the RECORD this morning to see that this proposal of the Senator had been adopted. What the amendment of the Senator from Michigan did was to strike out in lines 17 and 18 the words—

makes such home-mortgage loans as in the judgment of the board are long-term loans.

Mr. President, one of the important purposes of this bill is to do away with the short-term mortgage, the one, two, and three year mortgages, and in some States the demand mortgage. The reason the small-home owners are having trouble to-day is because the short-term mortgages are being called.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. COUZENS. That was done for the very purpose of relieving those who have given short-term mortgages. The amendment does not prohibit but rather permits the board to take either long or short term mortgages. I do not want the board restricted to taking only long-time mortgages, and the elimination of the language which on my motion was stricken out yesterday leaves it wide open for the board to take any kind of mortgage as to the length of term which, in its judgment, is wise. The adoption of the amendment will not deny the board the power to take long-time mortgages.

Mr. COPELAND. Mr. President, the only interest I have in this bill—and, by the way, it is of very little value to my State—is, as I said yesterday, that in 1924 and again in 1927 I introduced, at the instance of the national league of the building associations, measures almost identical with this, but limited to building and loan associations.

If the amendment of the Senator from Michigan is permitted to stand, it will wipe out, to a great extent, the support we are hoping to give to building and loan associations. Building and loan associations never have short-term mortgages but always long-term mortgages—8-year mortgages.

We would not have any such crisis as we now have if it were not for the short-term mortgages. A man goes down to the bank and borrows money on his property, payable in 1 or 2 or 3 years. The panic now has lasted for three years and many men who have given such short-term mortgages are helpless. Our aim is to give relief that is permanent in character to the home owner, not to make it possible for the banks to give him merely an extension of a year or two years but to have these mortgages transferred to some institution where they will be extended over a period of years.

I think if Senators will study this question they will see that a serious mistake was made yesterday in accepting the amendment of the Senator from Michigan, and I think the Senator from Michigan will also realize that to be so if he will consider the subject a little more carefully.

Mr. COUZENS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. COUZENS. The elimination of that language does not affect paragraph (1) of section 10, on page 17, which plainly provides:

If secured by a home mortgage given in respect of an amortized home-mortgage loan which was for an original term of eight years or more, or in cases where shares of stock which are pledged as security for such loan mature in a period of years or more.

Mr. COPELAND. I know that; I realize that it does not interfere with the amortized mortgage; but it encourages State and national banks and other banking institutions to have some more of these short-term mortgages, and it is my judgment that we do not want them.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. COPELAND. Yes.

Mr. COUZENS. How is the home owner who has the short-term mortgage now to be relieved if he is excluded from the operations of this bill? In other words, if the building and loan association has a mortgage that has two or three or four years to run, how is the mortgagor going to be helped if we restrict the home-loan banks to discounting only long-term mortgages?

Mr. COPELAND. He will have to have his mortgage refunded or changed. We can not continue the abuses which have existed. If a man has a short-term mortgage—we will say a 2-year mortgage—when the time comes the banking institution will say, "We want our money"; he applies for a new mortgage and pays the bonus and the charges and all that sort of thing, and he gets a mortgage for another two years, and when that two years have expired he pays a lot more premium charges and bonuses. That is what we are trying to get away from.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. COPELAND. Yes.

Mr. COUZENS. The Senator from Arkansas yesterday, as the Senator will note if he will read the RECORD, very plainly stated that there was a very great demand for relief of even $10,000 mortgages that had been paid down to one or two thousand dollars. Assuming that a $10,000 mortgage has been paid down seven or eight thousand dollars, and the mortgagor said, "I only want an extension for a couple of years; I only have two or three thousand dollars to pay on my $10,000 mortgage; I do not want it amortized for an eight or ten year period; I only want it for a couple of years; I have paid 80 per cent of my mortgage," does the Senator contend that that kind of a mortgagor is unable to get the relief for which the Senator from Arkansas pleaded yesterday?

Mr. COPELAND. He will get relief if we retain the language that the Senator proposes to strike out, because if the local bank which is borrowing from the home-loan bank knows that under the rules it can provide a long-term mortgage he will give such a mortgage, and there will be an agreement if the man wants to pay off in a less than the long-term period.

Mr. HEBERT. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Rhode Island?

Mr. COPELAND. I yield.

Mr. HEBERT. I wish to invite the Senator's attention to the situation in the mutual savings banks all over New England, and in the Senator's State, and in other parts of the country as well. Such banks have short-term mortgages only; they can not take long-term mortgages; they can not tie up their funds because their deposits are subject to call, and if they should tie up their funds for 6 or 8 or 10 years, the time might come when they could not pay their depositors when they seek to withdraw their deposits. They are mutual institutions for the most part. They proceed on very moderate rates of interest. I doubt if the rate of interest on a mortgage ever exceeds 6 per cent in my State, and ordinarily mortgages are made for a year, renewable for 6-month terms as the semiannual interest payments called for by the obligation are made. If clause 3, which was eliminated yesterday, remains in the bill, none of those institutions will be able to take advantage of this measure, because none of them make what are known as long-term mortgages. Yet I venture to say that there is much need in those institutions for available funds at this time.

Only last week I was told that withdrawals from savings institutions in New England in a period of about three weeks were in excess of $46,000,000. Of course, their funds are not all invested in mortgages; but I think I am safe in saying that the savings banks in New England, at any rate, have more money invested in mortgage loans than do the building and loan associations. So if we are going to provide available funds for them under this bill, it will be necessary to eliminate this clause 3; otherwise, they can not secure any advances. I assume that that would be true of many of the savings banks in the Senator's own State, many of which, I understand, loan on mortgages and on short-term mortgages.

Mr. COPELAND. Mr. President, the logical conclusion of this argument is that we ought to take care of the pawnbrokers, because they will make three months' or six weeks' loans, or whatever it is. That is not what we are trying to do. We are trying to protect the home owners of America so that they will have long-time mortgages; and back of it is the principle of the building and loan, that these loans are repaid by the month; they are amortized, and the payments made monthly. That is what we are striving to do—to help the little fellow. If we have this plan of making 1 or 2 or 3 year mortgages acceptable under the bill, it will mean that these little-home owners will have the same worry to go through every 1 or 2 or 3 years; and, for my part, I am opposed to it.

Further, Mr. President, on lines 10 and 11 of this bill, page 4, the committee started out very properly at the beginning of section 4, line 8:

Any building and loan association, savings and loan association, cooperative bank, homestead association, or savings bank—

Those are the natural banking institutions to supply long-term money. That was the principle of the bill.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. COUZENS. I think the Senator is in error, because as a matter of fact the insurance companies in many cases supply the longest time mortgage money of anybody.

Mr. COPELAND. I have no objection to including insurance companies; but when we put in "trust company, State bank, national bank, or other banking organization," what will be the practical effect? This is what will happen:

Many of these banks now have mortgages, and the aim of these institutions is to become liquid. We have heard more about liquidity in connection with finance than we ever heard with reference to the Volstead Act or the eighteenth amendment. The banks are bragging, actually boasting, that they are 80 per cent liquid. They have their assets in the form of negotiable paper or bonds or cash—80 per cent liquid. I have said here time and again that it is like a hospital bragging that 80 per cent of its beds are empty when there are 1,000 people applying for admission.

One of the great curses of the present day, one of the troubles we are having, is a lack of money in circulation. We hear every day here from somebody: "We must have more money." As a matter of fact, the money is tied up, lots of it, in the vaults of the banks. The individuals who have been hoarding to the extent of $2,000,000,000 are criticized because they are hoarding money. The worst hoarders, the most conspicuous examples of hoarders are the banks of America.

What will happen if we include in this bill these various institutions? What will happen will be that they will discount their mortgages at these home-loan banks and put the money in their vaults, and they will not give a dollar of it to the people.

That is what will happen. The institutions that are habitually lending money on mortgages, the institutions the sole reason of whose existence is the lending of money on mortgages, are the ones that we want to help.

I had had it in my mind, instead of striking out language as the Senator from Michigan has done, to add "habitually or regularly making long-term loans." Senators, in my opinion we make a great mistake if we broaden the loaning

base of this bill and permit the inclusion of these other banking institutions—institutions which are not regularly engaged in lending money on mortgages. We will simply release them from the mortgages which they have by turning them over to the home-loan banks; and the people, the common people, the working people, those who want the benefits of this bill, will be left stranded on the shore. That is the way I feel about it.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. COUZENS. May I point out that those amendments were adopted on Friday, I think? I do not know whether the time has passed for filing a motion for reconsideration or not, but the amendments to which the Senator is referring have already been adopted.

Mr. COPELAND. Is it too late now to make a motion to reconsider them?

The VICE PRESIDENT. The rule applies to days when the Senate is in session. To-day would be the last day to enter the motion. Does the Chair understand that the Senator has entered his motion?

Mr. COPELAND. Yes; as regards the language on lines 17 and 18 of page 4; but I wish also to give notice of a reconsideration of the language in lines 10 and 11.

The VICE PRESIDENT. Then the Senator files motions to reconsider the two amendments.

Mr. COPELAND. Mr. President, I may be wrong—I probably have been wrong more times in my life than I have been right—but this particular matter has been close to my heart for a great many years; and I know from my observation and my personal participation in the building and loan movement through a period of 40 years what it has done for this country. There are literally millions of families in America in homes of their own, living in home surroundings, by virtue of the building and loan association. We have a measure here which was primarily intended—intended by the President in his proclamation, intended by those who are back of this movement—to help the small loaning associations, to give them more funds to take care of the victims of short-term loans in the regular banking institutions; and we propose to emasculate the bill and ruin it by these additions.

Either this is another bill for the relief of the great banking institutions of the country, or else it is a bill for the little fellows. We could well afford to turn aside for once from our helping the great corporations, the great banks, and the railroads—and I voted for those measures; I was glad to do it—we could well afford now to turn aside and give our aid to the little-home owner in America. That is what we are here for.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. HEBERT. Would the Senator deny relief to the home owner who has a short-term mortgage in a mutual savings bank?

Of course, this amendment does not affect building and loan associations. The funds will be available to them regardless of the action on this amendment; but unless the amendment is made, I will say to the Senator, the borrowers from mutual savings banks on short-term loans—and they are of necessity short-term loans—will get no relief from this bill.

The mutual savings banks can not make long-term loans. I think the Senator will agree with me on that proposition; but in effect they do turn out to be long-term loans, because they are renewable at each interest period. Mortgages for the most part are made for a period of a year; and then, when the interest is paid at the end of the year, if the interest be payable semiannually, that renews the mortgage for six months more, and it continues to do so.

I have known of instances where mortgages have been held by savings banks in my State for upward of 20 years. I think perhaps the Senator from New York has had instances of that kind brought to his attention; but I repeat that unless this amendment prevails, the borrowers from the mutual savings banks on these short-term mortgages can not get relief.

Mr. COPELAND. I know that what the Senator says is true.

In the record—I hoped I might be able to turn to it—is a reference to a bank up in New England which loaned a man, I think, $4,000 in 1868—1868!—and he has gone down to the bank every six months or every year, or whatever it was, and paid the interest, and automatically his loan has been extended for another year.

Mr. WATSON. What bank was that? [Laughter.]

Mr. SMOOT. Mr. President, that could not be without a renewal, because there is a limitation; and at a certain time the obligation would be outlawed, and the borrower need not pay after that. Eight years is the longest I know of in any State in the United States.

Mr. COPELAND. The Senator from Indiana lives out West, where those things are not possible; but he does not know the shrewdness of our people in New England. My father was born there, and I know about it. I do not know how it is arranged, but I do know there are such arrangements in New England. The Senator from Connecticut shakes his head, "Yes." How they do it, I do not know.

Mr. SMOOT. I do not, either.

Mr. COPELAND. But this is, in effect, a demand mortgage. I hope the Senators from New England will stand up and confirm me in what I have said, for otherwise I shall have to look through the record and tell you what bank it was.

Mr. WATSON. Both of these Senators here know it, but they will not admit it. [Laughter.]

Mr. SMOOT. Do I understand that the Senator wants to take out savings banks?

Mr. COPELAND. No; I do not want to take out savings banks.

Mr. HEBERT. Mr. President, will the Senator yield? I did not understand the statement the Senator made. If he made the statement that savings banks in New England made continuing loans, I think that is contrary to law.

Mr. COPELAND. That is not what I said, but I want to ask the Senator, Are there any banks in New England that permit a mortgage to go from 1868 down to now by certain renewals every year?

Mr. HEBERT. There is no law against that, Mr. President, for the simple reason that that is virtually a new mortgage by renewal.

Mr. COPELAND. All right. We are splitting hairs on a thing which is unimportant. The fact remains.

I often say in my campaign speeches, when I am talking in the rural sections of New York, that I was born on a farm, I live on a farm, and I know all about farming, because I go down to the bank every three months and renew my note. [Laughter.] All right. If we are willing to have the American people subjected to a banking system which makes it necessary for them to go down on their knees every year to the banker to get a renewal or to get a new mortgage, all right; let us leave these amendments in as they are.

I remember the story of the man who went into a bank to borrow $36, and the banker said, "I can't let you have it. You can't have it." He wholly rejected his request. The applicant said, "I must have it. My wife is sick. She has pneumonia, the baby has the croup, we shall be dispossessed, and they will die if I don't get the money." The banker softened just a little and he said, "I'll tell you. I have a glass eye. If you will tell me which is my good eye, I will let you have the money." The applicant looked at him and said, "Your right eye is your good eye." The banker said, "How did you know?" The applicant answered, "Because I looked into your other eye and I saw a little glint of kindliness in it, and I knew it was not your good eye." [Laughter.]

We do not want our people to have to pay these glass-eyed bankers every year or every two years or every three years. The great value of the building and loan association is that it is a mutual affair; it is carried on by the people of the community, by the upstanding men there, who know

all the conditions. That is true to a great extent, too, of the savings banks in the communities. When a man goes to one of those banks to get a loan, his character is known and he is given the money. There is no glass eye in the head of anyone of the persons in charge, although they are hard-headed and anxious to have protection given. It is wonderful how few losses the building and loan associations have had.

I am sure that if the privileges of this bill are extended to trust companies, State banks, national banks, all sorts of loaning institutions, the result will be that the funds which we provide will be absorbed to a great extent by the rediscounting of the mortgages held locally at the present time, and the money will go back into the coffers of the banks and they will brag once more that they are not 80 per cent liquid, but that they are 90 per cent liquid. That is not the purpose of the bill. The purpose of the bill is to try to help the little fellows to preserve their property, and I say from my own experience that it is very unwise for a man to have a 1, 2, or 3 year mortgage. If he has a long-term mortgage, he can amortize it, pay it in regular installments, and at the end of the time he will have paid off his debt. But the short-term mortgage simply encourages him to think, "Well, I can have that renewed at the end of the year, or two years," and no payment is made on the principal.

I have spoken feelingly on the subject because I feel so. I believe that if we leave these amendments in the measure, we have defeated the purpose of the bill. I would have personally no further interest in it. I have not had any interest in it so far as my own State is concerned, but I have had an interest in it because of my belief in the building and loan associations of our country, and I think we will make a very serious mistake if we leave in the bill the amendments which have been adopted.

Mr. COUZENS. Mr. President, the Senator from New York has expressed such great interest and kindly consideration for the building and loan associations that I desire to read a telegram I received from his State, as follows:

> The following telegram relative to the home loan bank bill has been sent to Senators COPELAND and WAGNER: "Never having misled you regarding true interests of savings and loan associations, I assure you that home loan bank bill now pending can serve no need of the home seekers or home owners of New York State. It was disapproved by overwhelming vote of State league convention, Lake Placid, last week. The savings banks do not want it. Our associations don't want it, and its usefulness in other States is at least dubious. Why, then, foist another wasteful and unnecessary governmental system upon the country. Charles O'Connor Hennessy." Mr. Hennessy is well known to Senator COPELAND. He is president of the Franklin Society for Savings of New York City, second largest savings and loan institution in the State; is ex-president of the United States Building and Loan League and of the State league.
>
> F. I. WOLFE, *Secretary.*

If the Senator has so much confidence in the officials of these building and loan associations, I wonder why he does not express it on the floor more definitely.

Mr. COPELAND. Mr. President, if the Senator will permit me, I have said two or three times this morning that so far as my State is concerned I have no interest in this bill. Senator Charles O'Connor Hennessy is one of the finest men in the United States. I thank God that I have his friendship, and I want to retain it. During the war, when I had on my hands, as an official of the city of New York, great housing problems, Mr. Hennessy did me more good than any other 20 men put together. He knows more about the building and loan business than almost anybody else. He is a sort of a daddy of the organization. He is the head of the great Franklin Society for Savings in my city.

The telegram says that this bill would be of no value to New York. I will ask the Senator from Michigan to let me take the telegram a moment.

Mr. COUZENS. May I also point out that he states it is of dubious value to any other State?

Mr. COPELAND. All right. The telegram states:

> It was disapproved by overwhelming vote of State league convention, Lake Placid, last week. The savings banks do not want it. Our associations don't want it, and its usefulness in other States is at least dubious.

Anyway, we have the land bank in New York.

Mr. NORRIS. What do they want with a land bank in New York?

Mr. COPELAND. It seems strange, does it not?

Mr. NORRIS. Yes.

Mr. COPELAND. We have land in New York, and we have the land bank, and it has been helpful to these associations. We do not need the pending legislation for my State. But I know this, that if this legislation is passed and permission given to all these other banking institutions to discount mortgages, we will need everything we can get, because they will be discounted, money will be put into the vaults of the banks, and there will be greater liquidity and less money put out on mortgages.

Mr. President, I know that my friend, Senator Hennessy, is opposed to this bill. The building and loan associations of my State have no enthusiasm for it, because we do not need it. But once in a great while a man stands on the floor of the Senate and pleads for some other State than his own. I have voted for the farm bills that have come before us. Every Senator from a farm State knows that. I have voted for various reclamation projects. I have not voted as a selfish representative of the State of New York. I have tried to vote in the interest of the people of the country, whom in part I represent.

The pending bill is of great value to many other States, provided it is not emasculated. But if these amendments which have been put into it are permitted to stay, every building and loan association from every State in the Union will say that the bill is not any good, and they will not want it any more than Senator Hennessy wants it.

Mr. President, I have not contended for a moment that my State was pleading for this legislation. I said that before the telegram was read; but if it is properly formulated, it is a bill which will do great good to thousands, yes, to millions, of home owners in this great country of ours, and we ought to leave it in such form that it will help them, and not help some banking institutions.

Mr. President, I ask unanimous consent that there may be inserted in the RECORD at this point a letter from Senator Hennessy.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter referred to is as follows:

NEW YORK, *June 8, 1932.*

Hon. ROYAL S. COPELAND,
United States Senate Building, Washington, D. C.

DEAR SENATOR COPELAND: I appeal, with confidence, to you as an old friend of the savings and loan movement in your home State, to use your influence in the Senate toward the defeat of the so-called Federal home loan bank bill.

I am told that because of presidential pressure, the bill in its amended form (which makes it worse rather than better than Senate bill 2959) is likely to pass the House and that an effort will be made to substitute it for the Senate bill.

I urge you not to be deceived by statements that this bill is approved by the United States Building and Loan League. On the contrary, the convention of the league in Philadelphia last August refused to indorse this or any similar bill, and the men who are working for it in the name of the league are doing so quite without authority. Of the seven members of the legislative committee of the United States league, four, including myself, have expressed disapproval of the bill.

In your own State, 12 former presidents of our State league, including two ex-presidents of the United States league, have expressed disapproval of the bill.

Our savings and loan bank, the central credit organization of the savings and loan associations, at its annual meeting, adopted a resolution opposed to the bill.

With the large number of matters claiming your attention, it is doubtful whether you have had time to analyze this measure closely. You would find it objectionable, I am sure, not only because it would be wasteful of the public funds, but it could not possibly accomplish the purposes at which the President aimed in the first instance. The President has been misled, I am sure. At any rate, because this measure could not benefit home owners or home seekers in your own State and because it might seriously damage our savings and loan movement, I assure you that I speak for your friends in the savings and loan movement here when I say that it merits your disapproval.

Yours sincerely,

C. O'C. HENNESSY.

LOANS BY RECONSTRUCTION FINANCE CORPORATION

Mr. NORRIS. Mr. President, I ask unanimous consent for the present consideration of the Senate resolution, which I sent to the desk and ask to have read.

The PRESIDING OFFICER (Mr. FESS in the chair). The proposed resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 260), as follows:

Resolved, That the Reconstruction Finance Corporation be, and it is hereby, directed to report to the Senate a complete and detailed list of all loans which have been made by said corporation, giving, in each instance, the name of the person, firm or corporation to whom or to which such loans have been made; the date of maturity; the rate of interest; and the nature of the security taken for the making of all such loans.

The said Reconstruction Finance Corporation is further directed to report to the Senate all commitments and agreements for the making of any loans which have not been completed, giving, in each instance, the terms, conditions, and rate of interest in regard to such proposed commitments or agreements.

The PRESIDING OFFICER. Is there objection to immediate consideration?

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Ashurst	Costigan	Howell	Robinson, Ark.
Austin	Couzens	Hull	Robinson, Ind.
Bailey	Dale	Johnson	Schall
Barbour	Davis	Jones	Sheppard
Bingham	Dickinson	Kean	Shipstead
Black	Dill	Kendrick	Shortridge
Blaine	Fess	Keyes	Smoot
Borah	Fletcher	King	Steiwer
Bratton	Frazier	Lewis	Stephens
Brookhart	George	Long	Thomas, Idaho
Broussard	Glass	McGill	Townsend
Bulkley	Glenn	McKellar	Trammell
Bulow	Goldsborough	McNary	Tydings
Byrnes	Gore	Metcalf	Vandenberg
Capper	Hale	Moses	Wagner
Caraway	Harrison	Norbeck	Walcott
Carey	Hastings	Norris	Walsh, Mass.
Cohen	Hatfield	Nye	Watson
Connally	Hawes	Oddie	White
Coolidge	Hayden	Patterson	
Copeland	Hebert	Reed	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present. Is there objection to the request of the Senator from Nebraska?

Mr. WATSON. Mr. President, I ask that the resolution may go over until to-morrow so I can study it and learn something about it.

Mr. NORRIS. I have no particular objection to it going over until to-morrow, but are we to have an adjournment to-day so it will be in order to-morrow? The session is probably nearing its close, and we ought to pass the resolution promptly so that the Reconstruction Finance Corporation will have time to respond to it before we adjourn.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. The Senator has introduced a resolution, and I understand there was no objection to it being received?

Mr. NORRIS. Oh, no; there is no objection to that, but under the rule it goes over one day on objection.

Mr. LONG. The only thing I was going to suggest, and I am sure the Senator from Indiana will agree, is that the resolution merely asks a list of loans that have been made by the Reconstruction Finance Corporation. Am I correct in that understanding?

Mr. NORRIS. It is a little more detailed than that, but in a general way that is it. I would like to inquire, by way of a parliamentary inquiry, if the resolution goes over a day under the objection, and assuming that we recess to-night and do not adjourn, will it be in order to-morrow to take up the resolution?

The PRESIDING OFFICER. It will not be in order.

Mr. NORRIS. Then I will ask the Senator from Indiana if he will have an adjournment to-day so the resolution may come up to-morrow?

Mr. WATSON. Will not the Senator be willing to wait until the home loan bank bill is out of the way?

Mr. NORRIS. Oh, I would not want to do that. I do not know when it will be out of the way.

Mr. WATSON. I do not know either, and I might not object to the Senator's resolution, but being sponsor for the home-loan bank measure I do not want to permit anything to stand in the way of its passage, because it will have to go to conference after we have passed it.

Mr. NORRIS. The consideration of the resolution ought not to take any time. I think there will be no objection to the resolution.

Mr. WATSON. I do not know. I merely want to investigate it. I am not trying to baffle it at all.

Mr. NORRIS. I do not want to object to any debate that anybody wants to present on it, but I do not want to make it impossible for the resolution to come up by virtue of taking a recess every day until the session is ended.

Mr. WATSON. I would agree that that shall not be done. I think the Senator is entitled to a vote on his resolution.

Mr. NORRIS. We ought not to wait until the last day. We ought to have a report back from the Finance Corporation before we adjourn.

Mr. WATSON. I think that is true. I have no objection to that.

Mr. NORRIS. Then we have no disagreement as to that.

Mr. WATSON. I am satisfied we will be here Saturday.

Mr. NORRIS. Assuming that is true, the resolution ought to pass to-morrow, if it is going to pass at all.

Mr. WATSON. Why?

Mr. NORRIS. To-morrow will be Thursday. May we not make the agreement that we shall take it up to-morrow?

Mr. WATSON. It is not a concurrent resolution?

Mr. NORRIS. No; it is not. It is merely a Senate resolution.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. I yield.

Mr REED. Even if we do adjourn to-night and have a morning hour to-morrow it does not follow that the Senator will have an opportunity to discuss or even to call up his resolution, because there is already a resolution introduced by the Senator from New Jersey [Mr. BARBOUR], which has gone over under the rule and which naturally would come up ahead of the resolution of the Senator from Nebraska.

Mr. NORRIS. Mr. President, I ask unanimous consent that the resolution may come up to-morrow at 2 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. REED. Mr. President, that is not fair to the Senator from New Jersey [Mr. BARBOUR], who introduced yesterday a resolution dealing with repeal of the eighteenth amendment, which went over under the rule. If we have an adjournment to-night, he is entitled to call up his resolution first, so I must object to the request of the Senator from Nebraska.

Mr. NORRIS. I ask unanimous consent that when the Senate concludes its business to-day it adjourn until 10 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

Mr. WATSON. Mr. President, I do not want to appear in the attitude of trying to thwart the present passage of the resolution. The only thing I am interested in is the disposal of the home loan bank bill. I do not like to have anything get in the way of it, especially by my action, until it shall have been disposed of. To my mind, it is a measure of very great importance. It ought to be either passed or beaten, and until it shall have been disposed of I can not consent that anything shall get in its way. The truth about it is that in one way and another for months in the Committee on Banking and Currency the matter was postponed and got into the rut of delay. We put it aside for this bill and we put it aside for that bill, until here we have come to the last of the session without having it considered.

Mr. NORRIS. I realize that.

Mr. WATSON. I do not want anything to get in the way of it until we get rid of it.

Mr. NORRIS. Further, I realize also that if we continue to take recesses and refuse to enter into any agreement to consider my resolution until the last day when we are about ready to adjourn, the Senate will not be in session and the resolution will not be answered until next December.

Mr. WATSON. I think we are going to be in session.

Mr. NORRIS. The resolution only calls for information, and nothing else. There is nothing in it that ought to delay or take any time if Senators are not opposed to its passage. If we had an opportunity to take it up, I have an idea that there would be no debate on it. I do not care to take any time to discuss it. I am satisfied, I will say to my friend from Indiana, that while all he says about the home loan bank bill is true there is no one that I know of who has stood in its way or tried to prevent taking it up and disposing of it. I know I have not.

Mr. WATSON. No; the Senator has not.

Mr. NORRIS. So far as I know, no one is trying to delay it.

Mr. WATSON. I think that is true.

Mr. NORRIS. If it is time the Senator wants to save——

Mr. WATSON. That is all.

Mr. NORRIS. We will save it by passing the resolution, because if it is not passed it may result in some debate.

Mr. WATSON. Will the Senator wait until the Senator from Oregon [Mr. McNARY] returns to the Chamber, so that I may consult with him?

Mr. NORRIS. Very well; and later in the day we can perhaps reach an agreement.

Mr. DILL. Mr. President, I want to compliment the Senator from Nebraska on his resolution. I think it is high time that the American people know where their money, taken out of the Treasury of the United States and given to private interests, is going. Especially is that true when we are proposing now to enlarge by hundreds of millions the amount that the Reconstruction Finance Corporation may loan. I want to know why anybody should object to the American people knowing where the money from the Treasury of the United States, turned over to private corporations, is going? What is there sacred about it?

Senators of the United States can not find out to whom the money has been loaned by the corporation. I tried to find out as to all the corporations in my section of the country. That information is as secret as though it were from a sacrosanct source. It is high time we find whether the organization is being fair to all interests in the country or whether there are a few pet institutions in the country which are receiving favors from the Treasury of the United States through this corporation.

Mr. NORRIS. Mr. President, I will say to the Senator from Washington and to the Senate that the only object of the resolution is to secure the very information to which the Senator from Washington refers. I agree with what he has said. I think we will save a great deal of time and perhaps prevent quite an extensive debate if we pass the resolution and let the Reconstruction Finance Corporation send us the information.

Mr. WATSON. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. I yield.

Mr. WATSON. Under the terms of the act creating the Reconstruction Finance Corporation is there not a requirement that they shall make a report to Congress?

Mr. NORRIS. I think at some time, but I do not remember when.

Mr. COUZENS. There is a report due July 1. The report required by the act does not include the information requested in the resolution of the Senator from Nebraska.

Mr. WATSON. That is what I was about to ask. The Vice President sent for me just a few moments ago and I did not hear the Senator's resolution read, which explains my lack of familiarity with its terms.

Mr. NORRIS. I do not believe I am asking for any information in the resolution that is improper. Of course it is subject to amendment. I do not think the people of the country, and particularly the Senate and the House, the representatives of the people, ought to be refused information as to what is being done with the money that is taken from the people of the country by taxation.

WHY THE SECRECY OVER PUBLIC FUNDS?

Mr. LONG. Mr. President, am I to understand that the Senator from Indiana does not object to the resolution being taken up to-morrow?

Mr. NORRIS. The Senator from Indiana has not decided about that yet.

Mr. WATSON. Later in the day we can determine about that.

Mr. LONG. Mr. President, the resolution merely requires a report to be made to the Senate. Of course if the Senate has adjourned before the report is made, then it would be too late for us to receive it. That would indicate all the more the necessity for its being taken up at once. For example, if the resolution were passed to-day the Reconstruction Finance Corporation naturally would be given some hours' time in which to make reply. I would say that 24 or 48 hours' time might be allowed them to make reply, perhaps not quite so long. That would throw us through another day or two.

If we are going to adjourn before we receive the corporation's report, we might almost as well not pass the resolution, because the information would not be available for any good that it might do the Senate or the country. I do not believe the Senator from Indiana [Mr. WATSON] has examined the resolution very carefully or he would not object to it. The Senator from New Hampshire [Mr. MOSES] just came to my desk and read it. I have it here in my hand now. The sole purpose of the resolution and its sole content is that the Reconstruction Finance Corporation is asked to give a list of the loans made and a list of the loans it has agreed to make. I do not get anything else out of the resolution.

Mr. President, it would seem that there is a demand throughout the country at this time that there should be an accounting of this nature. The people want to find out how far this "percolator" system has worked. We were all given to understand that this was going to be a process by which the concerns were going to be helped and that good was going to "percolate" down to the banks. But the experience of the country has been, unless we have been sadly misinformed, that the percolator has failed to percolate. It is only fair that within a reasonable time we should have the information. Speeches are being made all over the country about the good that is being accomplished by the Reconstruction Finance Corporation. The last time I was in the city of New York I listened to one over the radio by the Secretary of the Treasury, Mr. Ogden Mills. He delivered a speech of some hour's duration in which he went on at length to state that a certain per cent of the loans had been made to a certain class of people and that another certain per cent of the loans had been made to another class of people, and that a certain total sum had been loaned.

What is the objection? Why are we going to stand here on the floor of the Senate and leave the American people to take the dose that is being offered to them either by Mr. Mills or by the varied statistics that are being published by the Reconstruction Finance Corporation? What is the objection to-day to the administration's unfolding the facts before the American people and letting them know what they have done with these $2,000,000,000 which we have allowed them to handle in such way as they see fit? Why all this secrecy? If it is to be a secret matter, why has the Secretary of the Treasury of the United States been sent all over the country to tell that a certain per cent went in one place and another per cent went in another place and that a certain portion is still being held? If he does not intend that the information shall be public property, why should he be the manufacturer of the statistics to show where this money has gone?

Many of us have been unable to see any good that has been done by the Reconstruction Finance Corporation. We are being asked to vote more money for it; we are being asked to continue the life of this organization; and now, with the Senate about to adjourn, it is high time that this body should give some consideration to the disposition of two or three billion dollars of the people's money which was intended to bring about some relief from hunger and from various and sundry forms of distress from which we have had no relief by the Reconstruction Finance Corporation legislation.

I submit to the Senator from Indiana, as the leader of the great Republican Party in the Senate, charged with the responsibility as the head of the majority of the Senate, that he can not afford, for his party's sake, to have this resolution fail to be adopted by the Senate and the information that is being called for given the American people at this time. I submit to the Senator from Indiana—not being a Greek bearing gifts in this particular instance—that, for the good of the Republican Party, hanging as it now is on a thread, he should give a toe hold to the American people by which they may have some confidence in the present administration for which votes are going to be asked in the State of Indiana, which he so nobly represents. I submit that he should not allow the Senate to adjourn with a resolution pending calling upon this organization to show what it has done with the people's money.

Mr. President, one of the reasons for the widespread lack of confidence in the Republican administration to-day is the blindfold tactics, as they might be called, which have hung on the people a blind bridle to not allow them to see what the menace that confronts them is. I started to say that that is one of the faults to-day that afflicts the "grand old party." It may be that a disclosure of the facts in this instance would be worse on the party organization than to have them remain a secret, as they now are, to the minds of the American people.

I say to the Senator from Indiana if he is making this objection solely in his own right, solely as it affects him in this particular instance or as majority leader, here is all the Senate is being asked to do. I am going to read the resolution. I came in after it had been read and I know some of the other Senators answered the quorum call after the resolution had been read. It is only about 8 or 10 lines long, and I am going to read it, because I can not, for the life of me, believe that, carrying the great responsibility of the leadership of the party organization, the Senator from Indiana can afford to hesitate a moment in joining hands with others in the effort to require the Reconstruction Finance Corporation to file statistics and details showing what they have done with the $2,000,000,000 which has been placed in their control. The resolution reads as follows:

Resolved, That the Reconstruction Finance Corporation be, and it is hereby, directed to report to the Senate a complete and detailed list of all loans which have been made by said corporation, giving, in each instance, the name of the person, firm, or corporation to whom or to which such loans have been made; the date of maturity; the rate of interest; and the nature of the security taken for the making of all such loans.

The said Reconstruction Finance Corporation is further directed to report to the Senate all commitments and agreements for the making of any loans which have not been completed, giving in each instance the terms, conditions, and rate of interest in regard to such proposed commitments or agreements.

That is the resolution.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. LONG. Yes, sir; I yield to the Senator from Michigan.

Mr. COUZENS. May I say, for the information of the Senator, that when this resolution comes before the Senate I propose to offer an amendment providing that the Vice President shall appoint a committee of five Senators, three of them of the majority and two of the minority, as a continuing body so long as the Congress may be in recess to make examination and inquiry and otherwise check on the activities of the Reconstruction Finance Corporation?

Mr. LONG. I think that is a very timely suggestion.

Mr. SHIPSTEAD. Mr. President——

Mr. LONG. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, when the Reconstruction Finance Corporation measure was before the Senate a proposal was made, I believe, by the Senator from Wisconsin, that the information which this resolution seeks to obtain should be made public. The objection was then made that it would not be good public policy to make public the names of banks which were compelled to borrow from the Reconstruction Finance Corporation, and I believe that objection had a great deal to do with the defeat of the amendment offered by the Senator from Wisconsin. When, however, that action was taken I believe the Congress overlooked the fact that when banks borrow money from the Reconstruction Finance Corporation or any other lender of money they must make public reports to the banking departments of the various States or of the Federal Government, and those public reports and bank statements show the facts. So the objection to this information being public can not be sustained, because banks borrowing money will have to show it in their public statements anyway.

Mr. NORRIS. Mr. President——

Mr. LONG. I yield to the Senator from Nebraska.

Mr. NORRIS. Right along the line of the suggestion made by the Senator from Minnesota, I desire to say that, in my judgment, publicity would have been served if we had put the provision in the original act. I think it ought to have been in, but since the act was passed I have had occasion, as probably all Senators have had, to take up various things with the Reconstruction Finance Corporation. I know of an instance where several banks made the objection which the Senator from Minnesota has suggested. They wanted to get the money through an intermediary corporation so that it would not appear that the bank had borrowed money from the Reconstruction Finance Corporation. I took that up with the Reconstruction Finance Corporation, and I was told by Mr. Dawes himself—and I agreed with him and thought his argument was perfectly sound—that they declined to do it in the way that had been suggested, and he said, "There is no injury to a bank in having the people of the vicinity know that the bank has borrowed money from the Reconstruction Finance Corporation." He said, "It is a good thing for banks which have borrowed money to let their customers know it and to let the community know it, because the community at once gets the idea that the Government is taking care of it."

Mr. LONG. That the Government is behind it.

Mr. NORRIS. Yes; and is supplying funds and that the bank is in no danger. It will stop a run any time to let the people know the facts. Not only that, but it is evidence that the Reconstruction Finance Corporation has made an investigation and concluded that the bank is solvent. So it is really the same as the Reconstruction Finance Corporation saying to the community where the bank is located, "This bank is sound; we are not afraid of it." And hence, the people would not be afraid of it.

Mr. LONG. I have understood just what the Senator from Nebraska says and I agree exactly with the argument of the Senator from Minnesota. The facts are that the banks have to publish statements showing every dollar of money they have borrowed. I know of banks which have borrowed money from the Reconstruction Finance Corporation which preferred that the loan be segregated and shown as a Reconstruction Finance Corporation loan rather than any other kind of a loan, because it is a certificate that the Government has found that bank to be solvent.

But what is the reason for opposing this resolution? I must attribute to my friend from Indiana the refined political skill with which he ordinarily distinguishes himself and his service in this body. I give to my friend the credit for knowing exactly the effect that a disclosure is going to have at this time, when the people of this country are weighing in the balance the acts of administration. There could not be any objection because it would disclose information. The only reason for opposing it must be that somebody does not want this information to go to the American people.

Why? Because, Mr. President, I have been informed—and not by second-hand information—that loans have been made by the Reconstruction Finance Corporation on the narrowest kind of collateral, loans which have been previously discounted by J. P. Morgan & Co., whereas other loans have been turned down for other institutions where the collateral was all the way from one and one-half to two and one-half times as good, but the applicants in those cases have gone away without any loans whatever. I am informed by the "grapevine route," through which we get most of our information, and which may be reliable or which may not be reliable, that a detailed statement will show that the Reconstruction Finance Corporation has not been anything but a backdoor entrance to J. P. Morgan and other financial houses in Wall Street in rediscounting and liquefying loans they have made and which they could not collect. I am informed that a bond of the house of Morgan or Kuhn, Loeb & Co. is almost a certificate of guaranty that a loan can be had from the Reconstruction Finance Corporation as against the proposition of the ordinary people coming up from this country and trying to obtain help from this kind of an institution. What help has it been to the American people?

I am not one of those who opposed it. When I was confronted with the proposition as to whether I was opposed to the Reconstruction Finance Corporation measure, I made no dissent; when I was confronted with the question as to whether I would stand for the moratorium I made no dissent to that; but when it came to the La Follette-Costigan bill, to give direct relief to the people, which met with the displeasure of the national administration, we were told that the legislation was not going to be so much needed in the future because of the fact that the Reconstruction Finance Corporation was going to establish a percolating system by which the benefits would trickle from the big down to the little. Instead of that, however, we find ourselves in the dire plight that has made the Republican administration almost reprehensible to the small men and even to the big men of this country.

Mr. President, it is high time that we knew something about what is going on in this administration. We all know, so far as we are able to hear, that Mr. Ogden L. Mills has been the body and soul of the Reconstruction Finance Corporation. We all know that, boots, saddle, and breeches, he has been running the whole show. I was even told by some Senator, whose name I have forgotten, that in some conferences held some time ago, in which these matters were being discussed with the President of the United States, every time a question was addressed to the President Mr. Ogden L. Mills himself answered the question and that the President sat there in the course of a conversation extending over two or three hours, with question after question being propounded to him with regard to the policy of the national administration, and the questions were immediately answered by Mr. Ogden L. Mills, and the President had nothing whatever to say either in approval or disapproval of the answers given by Mr. Mills.

We have this Reconstruction Finance Corporation, composed of whom? Eugene Meyer, president. Who is Eugene Meyer, the president of the Reconstruction Finance Corporation? An ordinary tin-pot bucket-shop operator up here in Wall Street. [Laughter.] He was not even a legitimate banker. Eugene Meyer, who was the partner of Barney Baruch, who was imported and exported to and from New York and Washington, D. C., to act as the head of the Reconstruction Finance Corporation and as the head of the Federal Reserve Board, an ordinary two-by-four bucket-shop manipulator in Wall Street, has been given more power than has ever been given to the highest-honored man in the length and breadth of America from the time of Lincoln on down to date. No man has been given the power over the finances of this country that has been given into the hands of this one man, Eugene L. Meyer, with $2,000,000,000 to dispense, and probably another billion and a half to dispense, and the control over the Federal reserve system of this country.

Who is another one that he has there? One of the men from this sanctified Farm Board. [Laughter.] He is another one of them. If there was anybody on earth that ought not to have been included in the list of people who were to manage the affairs of the Farm Board, it certainly was one who had so mismanaged in his jurisdiction over the Federal reserve banks of this country and a gentleman who has been such an utter failure in the manipulations of the Farm Board; and to-day we come along here trying to find out, "What have you done with our money? Where has this money gone? How much of it have you filched from the pockets of the American people?" With parades of the starving from one part of this country to the other, from the Atlantic to the Pacific, from the Great Lakes to the Gulf, with people starving and their homes being sold for taxes, we come along here to-day and ask the Reconstruction Finance Corporation, "What have you done with our money, and what have you arranged to do with the balance of it?" and the Senator objects to the people of the United States being supplied the information that they are entitled to have under the peculiar status of the Senate to-day, because unless this resolution is immediately passed it is going to be of no benefit whatever to the people of this country in gathering the information that the resolution will bring forward.

I submit, Mr. President, that this is one time that you can not holler "wet" or "dry." Of course, if they had time now to go off and write a resolution and a platform on this thing, they would make it read any way they wanted it to read; but this resolution calls for the information. I have been told that the administration is very much occupied in interpreting some of the platforms of the parties that have been adopted, but this will not interfere with that. This will not interfere with the President in any respect whatever. It simply calls on one of the administrative boards to file here a list of what they have done with this $2,000,000,000 of money, and how many commitments they have made in addition.

I submit to the Senator from Indiana, and I ask the Senator from Indiana—because the Senator from Indiana is not only a personal friend of mine, but he is a political friend of mine—when he goes back into the farms of that great old Hoosier State, what is he going to say to the people of the State of Indiana when they have merely asked and when some other Senator has merely asked that they be furnished with the information as to what has been done with their $2,000,000,000?

I can tell the Senator from Indiana that, so far as I have been able to find out, the farmers of his State have received practically no benefit whatever from anything that has been done by the Reconstruction Finance Corporation. I may be wrong in that. The Senator is better able to tell about that than I am; but I can tell him that so far as the farming communities of this country are concerned, and the laboring people of this country, not one whit of benefit has come from the administration of the Reconstruction Finance Corporation, shoveling their money out. I am told that last week they shoveled $80,000,000 by telephone into one man's hands. I am told that they practically load that money out by the wheelbarrow when the request comes from the right source; but I know, on the other hand, that it is like trying to shoot something through a brush heap to get any money out of the Reconstruction Finance Corporation for anything that is really going to affect the employment of the laboring people of this country.

So I say that it is up to the Republican organization, through its leader, to take the responsibility. Are you going to say here to-day that you will for one moment delay this country knowing what has been done with this $2,000,000,000 of money? Are you going to keep the people of America blindfolded from knowing the particular persons and the kind of collateral on which these loans have been made; or are you going to say that the Republican administration has nothing to hide and that it is willing to let the men and women and children of this country know the disposition you

have made of the $2,000,000,000 of money already provided and another billion and a half that is about to be provided for this organization, so that as stewards of this situation we can protect the people in whatever funds we may have remaining at the disposal of this national administration and see that to some extent it may go for the relief and alleviation of the people of the United States?

I indorse the suggestion made by the Senator from Michigan [Mr. COUZENS]. That is what we ought to have done to start with. We ought never to have turned the Reconstruction Finance Corporation loose here with $2,000,000,000 without having somebody checking in on the situation all the time. There should be appended to this resolution—I would not object to it, and I would vote for it, and I am satisfied the Senator from Nebraska would not object to the suggestion that has been made by the senior Senator from Michigan—that we provide a committee of three Senators of the majority and two Senators of the minority who will check into this situation as time goes on, so that the membership of the people's representatives can understand just what to look out for in the conduct of the affairs of the Reconstruction Finance Corporation.

I submit that the Senator from Indiana should now withdraw any objection that he may have urged and allow this resolution to be passed and permit the Reconstruction Finance Corporation to furnish this information to the American people.

LOANS BY THE RECONSTRUCTION FINANCE CORPORATION

Mr. COUZENS subsequently submitted an amendment intended to be proposed by him to the resolution (S. Res. 260) directing the Reconstruction Finance Corporation to report to the Senate regarding loans made or proposed to be made by it (submitted to-day by Mr. NORRIS), which was ordered to lie on the table and to be printed, as follows:

At the end of the resolution, insert:

"There is hereby created a select committee of the Senate to be appointed by the Vice President, consisting of five Senators, not more than three of whom shall be chosen from one political party, which committee shall be authorized and directed to investigate the loans made by the Reconstruction Finance Corporation and to ascertain any information or facts concerning such loans which the committee deems advisable that the Senate should have. The committee shall make a report to the Senate at the first meeting of the Senate in January of 1933 and shall also make such recommendations as the committee deems advisable."

HOME LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

Mr. COPELAND. Mr. President, on page 7, line 8, I move——

The PRESIDENT pro tempore. The Senator already has a motion to reconsider pending, if he would like to have that disposed of.

Mr. COPELAND. No; I simply had it noted.

The PRESIDENT pro tempore. Merely entered?

Mr. COPELAND. I had it entered.

On page 7, line 8, after the word "stock," I move to add "but not more than the amount paid in thereon."

It will be recalled that in the early part of the section it is provided that—

The board shall from time to time adjust the amount of stock held by each member so that, as nearly as possible, such member shall at all times have invested in the stock of the Federal home loan bank at least an amount calculated in the manner provided in the preceding sentence (but not less than $1,500). If the board finds that the investment of any member in stock is greater than that required under this section, upon application of such member, the bank shall pay such member for each share of stock in excess of the amount so required an amount equal to the value of such stock.

I propose to insert, after the word "stock," the words "but not more than the amount paid in thereon." This, of course, has been designed to eliminate administrative difficulties in this connection. It was suggested by those who administered the Federal farm loan act.

Mr. WATSON. I do not see any objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New York.

The amendment was agreed to.

Mr. WALCOTT. Mr. President, may I ask the Senator if he has other amendments?

Mr. COPELAND. Yes; two or three very trifling ones.

Mr. WALCOTT. I have an amendment.

Mr. COPELAND. Also on page 21, line 9, I move to strike out the words "any issue of."

This permits the collateral behind the bonds of the Federal home loan bank to be dealt with as a pool, not allocated to specific issues. If the collateral is dealt with in gross, many problems of administration are eliminated and the salability of the bonds is increased. In many cases the bonds may be issued in relatively small amounts from time to time. The present language in the bill makes such procedure awkward. The amendment in no way diminishes the amount or character of the security behind the bonds of the Federal home loan bank system, but the change is important.

Mr. WATSON. What was the amendment?

Mr. COPELAND. On line 9 of page 21 strike out the first three words, "any issue of."

Mr. SMOOT. That is all right.

Mr. COPELAND. That is so they may be dealt with in a pool and not by individual issues.

Mr. HEBERT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Rhode Island?

Mr. COPELAND. I yield.

Mr. HEBERT. Would the Senator have it read "as security for all issues of bonds or debentures"?

Mr. COPELAND. Yes; as security for all.

Mr. HEBERT. "For all issues"?

Mr. COPELAND. It reads now, "as security for any issue of bonds or debentures." I think if we strike out the three words I have mentioned we will have it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New York.

The amendment was agreed to.

Mr. COPELAND. Mr. President, on page 18, line 4, is a matter which we debated the other day but did not settle. The bill reads, to get the context:

No home mortgage shall be accepted as collateral * * * if, at the time such advance is made, * * * the value of the real estate with respect to which the home mortgage is given exceeds $20,000, or (3)—

Now comes the debatable language—

is past due when presented.

The other day I suggested that we add, after the word "due," the words "six months or more." It seems to me now, as I have thought about it, that we could leave out entirely that language, "which is past due when presented."

Mr. COUZENS. What is the purpose of the Senator's amendment?

Mr. COPELAND. Of course, many of these building and loan mortgages or payments become past due.

Mr. COUZENS. Yes; but the Senator argued this morning that he did not want to take those. He said they must be long-time mortgages that the home loan bank rediscounted.

Mr. WATSON. May I ask, in order to get intelligently at the amendment, what is the Senator's proposal?

Mr. COPELAND. The other day I proposed to insert, after "past due," the words "six months or more." Now the Senator from Michigan chides me because I want to aid long-term mortgages. Of course, that is perfectly proper facetious comment.

Mr. COUZENS. There is nothing facetious about it. It seems to me to be not related to the Senator's previous argument. Now he desires to take past-due mortgages, while heretofore he did not want to take any but long-time mortgages.

Mr. COPELAND. That is true; but I want these mortgages refunded, or some arrangement made to continue them. We do not need to split hairs on that, however. The Senator is only having fun with me on that.

Mr. COUZENS. No; I take the matter seriously, because the Senator from New York has entered a motion to reconsider an amendment which we adopted providing that these home loan banks may take any mortgages they elect to take. That was my thought as to how it should be operated; but if the Senate reconsiders the amendment which it adopted yesterday and confines the banks to taking only long-time mortgages, I am unable to see the purpose of the Senator's proposal that they can take past-due mortgages.

The PRESIDENT pro tempore. Has the Senator from New York formally offered the amendment?

Mr. COPELAND. I formally offer the amendment, to add after the word "due" the words "six months or more."

Mr. HEBERT. Mr. President, would the Senator think that his purpose might well be accomplished if he limited his amendment to inserting after the word "due," in line 4, the words "not more than six months"?

Mr. COPELAND. Yes.

Mr. HEBERT. So that it would read "past due not more than six months when presented."

Mr. COPELAND. Yes; I would be satisfied with that.

Mr. HEBERT. That, I think, would be some protection to the bondholders, and might afford them security which otherwise would not be afforded if the mortgages were due for a longer period of time.

Mr. COPELAND. I agree to that, because ordinarily it would be only the lapse of one installment payment, or two or three, perhaps. I think if the language used by the Senator were adopted it would be entirely agreeable.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New York, as modified.

The amendment, as modified, was agreed to.

Mr. WALCOTT. Mr. President, I want to propose an amendment, on page 38, to strike out section 25, two lines and a half, and to insert an entirely new section limiting the activities of this bill. I shall ask that the amendment be read in a moment. The amendment is to limit the active period of lending to 5 years and the period of liquidation to 10 years thereafter, a total of 15 years.

A great many arguments have been presented here in the last two days as to why the pending bill should not be passed. Everyone concedes that it is an emergency measure. Everyone concedes, I think, that it presents competitive elements against some of the present banking institutions, and many of the insurance companies. But if the activities under the bill are limited to 5 years of lending and 10 years of liquidation, the companies with which I am familiar would not seriously object to the provisions of the measure.

Mr. HEBERT. Mr. President, will the Senator from Connecticut yield a moment in order that I may make a suggestion regarding the amendment last agreed to?

Mr. WALCOTT. I yield.

Mr. HEBERT. I find that the paragraph to which the amendment proposed by the Senator from New York relates, beginning on page 17, proceeds in the negative, and the amendment as it was proposed is in the negative, whereas it should be otherwise. So I ask to have the vote by which that amendment was agreed to reconsidered, in order that I may offer it in another form.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote whereby the amendment was agreed to is reconsidered.

Mr. HEBERT. I ask to insert, after the word "due," in line 4, on page 18, the words "more than six months."

The PRESIDENT pro tempore. In lieu of the language already agreed to?

Mr. HEBERT. In lieu of the language of the previous amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment just proposed by the Senator from Rhode Island.

The amendment was agreed to, so as to make the provision read:

(b) No home mortgage shall be accepted as collateral security for an advance by a Federal home loan bank if at the time such advance is made (1) the home-mortgage loan secured by it has more than 15 years to run to maturity, or (2) the value of the real estate with respect to which the home mortgage is given exceeds $20,000, or (3) is past due more than six months when presented.

Mr. WALCOTT. Mr. President, I would like to have the amendment I am offering read.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The CHIEF CLERK. The Senator from Connecticut proposes to strike out, on page 38, section 25, being lines 17, 18, and 19, and to insert in lieu thereof:

SEC. 25. Beginning at the expiration of five years after the enactment of this act, every Federal home loan bank then in existence shall, in accordance with such rules, regulations, and orders as the board may prescribe and as expeditiously as practicable, be liquidated and its stock paid off and retired after paying or making provision for the payment of its liabilities. If at the expiration of 15 years after the enactment of this act the liquidation of any such bank shall not have been completed, the duty of completing such liquidation shall be transferred to the Secretary of the Treasury, who, for such purpose, shall succeed to all the powers and duties imposed by this act upon the board of directors of such bank and the board. In such event such board of directors, if then in existence, and the board shall cease to exist for the purposes of this act and the Secretary of the Treasury may assign to any officer or officers of the United States in the Treasury Department the exercise and performance, under his general supervision and direction, of any such powers and duties; but nothing herein shall be construed to affect any right or privilege accrued, any penalty or liability incurred, any criminal or civil proceeding commenced, or any authority conferred hereunder, except as herein provided with respect to the liquidation of the remaining assets and the winding up of the affairs of such Federal home loan bank, until the Secretary of the Treasury shall find that the continuance of such liquidation will no longer be advantageous, whereupon such bank shall be deemed to be dissolved.

On page 38, line 20, after the word "Whenever,", insert a comma and the words, "within five years after the enactment of this act," followed by a comma.

Mr. COPELAND. Mr. President, will the Senator from Connecticut yield?

Mr. WALCOTT. I yield.

Mr. COPELAND. I assume that the Senator contemplates that these banks will wind up after a while. I anticipate that the Government participation will be ended, but it is very probable that if the system works out well the plan will be perpetual. But the Senator has another thought in mind, has he not?

Mr. WALCOTT. Mr. President, I have the thought in mind that at this time we treat this as an emergency measure, because an emergency exists, as everyone knows, and some relief is probably very important with the small home owner whose home is mortgaged. But although we have some pretty good illustrations of this character of institution abroad, it is an experiment in this country.

The measure is drawn a little along the lines of the Federal farm bank act, and that has not been a success, nor has the joint stock land bank been a success. Now another experiment is proposed, the capital of which is to be furnished by the Federal Government, and let us treat it as an emergency measure—let us treat it, if you will, as an experiment for the time being—and if it works well, and if it is wise to make it permanent, the legislation can easily be amended to make it a permanent institution later on, after the emergency ceases to exist. I believe it is in the interest of safety and sound banking to have this treated as an emergency measure, and I think 5 years is long enough for the lending period, and 10 years further beyond that for the liquidation period.

Mr. FLETCHER. Mr. President, if I gather it correctly, the Senator's view is that in normal times, under normal conditions, there is no need for such an institution as that

proposed under this legislation, and the Senator estimates that within five years we ought to have reached that sort of a situation, and therefore that this institution should then go out of existence. I am inclined to think the Senator is right about it.

Mr. WALCOTT. I thank the Senator.

Mr. COPELAND. Mr. President, will the Senator from Connecticut yield further?

Mr. WALCOTT. I yield.

Mr. COPELAND. I do not know that I care to enter into a contest in the matter, because if we found everything all right at the end of five years we might go ahead. Yet, after all, there is an implication in this proposed amendment that this thing is not going to succeed, and that there must be found some way to liquidate it, and provison made, even before we begin to operate, to do that. Frankly, I am not very sympathetic with the amendment; but I am not enough interested to make a fight about it.

Mr. WALCOTT. Mr. President, the best criterion I have by which to measure this amendment is that I have consulted nearly all the large insurance companies, and, so far as I have been able to find out, they are all in favor of treating this as an emergency measure. If it is to be permanent, they feel that the competition furnished by this act to the existing insurance companies would be unwarranted and unsound.

Mr. COPELAND. Mr. President, if the Senator will yield, as far as I am concerned, if I had my way, I would not have these competing companies in the measure.

Mr. WALCOTT. But they are in.

Mr. COPELAND. They are now; but if I am lucky enough to get a reconsideration of the vote by which the amendments were agreed to, they will not be in. So far as I am concerned, I never would vote for the bill containing the provision including those institutions, because I do not want to see all this money, as I said before, go into these banks just to be piled up there until they get rid of their mortgages. I do not want that to happen. I want the honest-to-goodness home-loaning institutions to be encouraged—encouraged not for 5 or 15 years but forever. That is the way I feel about it.

Mr. WALCOTT. The Senator from New York gives me my most potent argument, because it is to avoid just what he speaks of that we desire to make this an emergency measure by the amendment; that we desire to avoid all risk, or at least to shorten the duration of the risk, by making the lending power of this bill last only five years instead of indefinitely. I believe it is in the interest of safety and sound banking.

Mr. COPELAND. Does the Senator mean that the loans will be made for only five years?

Mr. WALCOTT. No; the lending period.

Mr. COPELAND. And then 10 years after that?

Mr. WALCOTT. Ten years after that for liquidation. In the event any of the mortgages were to run beyond the 15 years, they would be turned over to the Secretary of the Treasury to work out.

Mr. HEBERT. Mr. President, will the Senator from Connecticut yield to me?

Mr. WALCOTT. I yield.

Mr. HEBERT. It occurred to me that possibly the limitation which is imposed in the amendment offered by the Senator might have a tendency to create a better market for the securities that are to be issued by these organizations.

Mr. WALCOTT. I think it would.

Mr. HEBERT. That is, short-term loans rather than long-term loans. That, to my mind, is one reason why I should be inclined to favor the amendment.

In the second place, this is essentially an emergency measure. It is drawn along lines which indicate to my mind that it is to meet an emergency, and we all hope that the emergency will have passed away at least by the end of five years, and then if there is need of carrying on such institutions, perhaps we should want to redraft the law along different lines and have different provisions in it. On the other hand, if it were found desirable to continue the existence of these organizations, the legislation making that possible could readily be enacted at the proper time.

So I confess I can see no objection to the amendment, and I think the measure would permit these activities to go on and fulfill their purposes just as well with the amendment adopted as it would otherwise.

Mr. WATSON. Mr. President, what effect would the amendment have on the sale of the securities?

Mr. HEBERT. I proposed an inquiry to the Senator from Connecticut, and he stated it was his opinion, as it is mine, that it would restrict the period during which securities might be issued.

In other words, it would provide for short-term bonds instead of long-term bonds, and that, the Senator from Connecticut believes and I agree with him, would probably create a better market for the securities than would otherwise be the case.

I want now to invite the attention of the Senator from Connecticut to the language on page 2 of his amendment, which I think ought to be perfected. It now reads:

> In such event said board of directors, if then in existence, and the board shall cease to exist for the purposes of this act, and the Secretary of the Treasury shall assign—

And so forth. I think, in order to make that intelligible, the words "and the board" after the word "existence" should be deleted, so that part of the amendment would read:

> In such event said board of directors, if then in existence, shall cease to exist.

Mr. FLETCHER. Mr. President, may I interrupt the Senator to say that the word "board" there refers to the board of five members in Washington. That must go out of existence, too. We want to include both the directors of the bank and the board in Washington.

Mr. WATSON. Mr. President, we can not hear what is being said by the Senator from Florida.

Mr. FLETCHER. I say the word "board" refers to the board of five members in Washington, and not merely to the board of directors of the bank. The word "board" refers to both. The directors of the bank go out of existence, the bank goes out of existence, and the board here in Washington goes out of existence.

Mr. WALCOTT. The language might be amplified by adding the words "home-loan board."

Mr. FLETCHER. It is desired that the board go out of existence as well as the banks.

The PRESIDENT pro tempore. Is the Chair to understand that the Senator from Connecticut accepts the verbal corrections?

Mr. WALCOTT. No; because I think the amendment is correct as it reads.

Mr. HEBERT. It refers to two different boards?

Mr. WALCOTT. Yes.

Mr. HEBERT. Then it is intelligible, if that is the case.

Mr. COPELAND. Mr. President, Senators are making it easier and easier for me to vote against the bill. If the bill is simply a gesture to help us through a political campaign and it is not intended honestly and squarely to help the home-owning business in America, then let us damn it to begin with as we are proposing to do by this amendment. What is the use of talking about this as a purely and exclusively emergency measure? Back during the Wilson administration I introduced a bill relating to this subject, and I introduced a similar bill in 1924 and again in 1927. Why were those bills introduced? It was not because there was an emergency. They were introduced in order that the building and loan associations might be given more money to do a larger work of mercy throughout the country. Under the present laws and under the system in operation the building and loan associations have only the money which is paid in by the sustaining and borrowing members. That is all the money they have with which to carry on their work. Through the bills to which I have referred it was proposed to create a larger fund to enable them to

have more money to do more of the work of building homes and sustaining homes for other people.

Now we are proposing to make this merely an emergency measure and damning it with faint praise by saying it is an emergency measure that will help the American people now. If it is only one of the gestures to be used for campaign purposes, I am not interested in it. If it is a bill actually to help the home owners in America pay their mortgages and own their homes, all right, then let us have it; but if it is something else, let us defeat it.

Mr. FESS. Mr. President, I think what the Senator from New York has said is sound. It is the first suggestion I have had that the proposal is simply a temporary affair. While I know this is an emergency, yet I assumed the plan had some permanency and that we were trying to do for one type of mortgage what the Federal reserve system does for another type. From the beginning that has been the ground work for the demand for this sort of legislation. There has always been opposition to it in certain circles where it was thought it was not advisable, but that the credit should be gotten from other sources, and that necessarily and inevitably this sort of legislation would be unnecessary. I have recognized that opposition from the beginning.

I agree with the Senator from New York that if this is merely to be for a short period, we had better not create this system as a separate one but we had better make it an agency of something that already exists and have done with it. I had thought the foundation of this proposal was to be permanent. If it is not to be that, I do not have very much interest in it myself. If it is simply to be an emergency measure and at the end of a short period it is to be discontinued, like the Reconstruction Finance Corporation is to be, then let us make it a part of the Reconstruction Finance Corporation and let it go out of existence at the same time. It seems to me the Senator from New York is correct in his observation.

Mr. COPELAND. Mr. President, I thank the Senator from Ohio. The amazement I have is that all Senators do not make the same response. If we are not going to make this a worth-while, permanent part of our financial machinery, let us do what the Senator from Michigan [Mr. COUZENS] has proposed. He has a substitute here to have the Reconstruction Finance Corporation advance $400,000,000 to take care of the emergency.

Mr. LONG. Mr. President, may I inquire of the Senator from New York what Senator is offering the amendment to restrict the life of the corporation?

Mr. COPELAND. The Senator from Connecticut [Mr. WALCOTT] has offered a substitute for section 25 which restricts the life of the corporation.

I have said too much to-day, but I want to say again that it is becoming easier and easier for me to vote against the bill, because if we put in it everything but the kitchen stove—and we have it already in there now—it will not be worth considering. I am opposed to the amendment submitted by the Senator from Connecticut.

Mr. WATSON. Mr. President, notwithstanding my very great respect for the Senator from Connecticut [Mr. WALCOTT] and for the judgment of my good friend the Senator from Rhode Island [Mr. HEBERT] I can not reconcile myself to supporting the amendment. I am inclined to the belief that it emasculates the proposition. Home owning is not a temporary affair. It is permanent. There are hundreds of thousands of home owners in distress in the country. To say that we are going to set up a temporary organization to help them will not in my judgment finally help them at all. If we say in the financial world that we are going to set up an organization for five years only, I am inclined to the belief that we will not be able to sell the securities because it is a temporary affair with short-term loans. I am sure it would undermine the confidence of the people, who otherwise would be interested in the plan, in the substantial character of the bank we are setting up for the purpose.

I can not bring myself to believe that in the matter of protecting the American home and sustaining the American home owners under these extreme conditions, we ought, by the very terms of the measure, to assert that it is merely a short term and ephemeral affair. I believe it ought to be made a permanent part of our financial policy, just as the Federal reserve system is a permanent part of our financial policy in one respect and perhaps the Federal Farm Loan Board in another respect. I do not believe in setting up a temporary organization to aid the home owners of the United States at this time. There is no reason in my judgment why the limitation should be imposed. If we are going to pass the bill at all let us pass it so it will mean something and be of some value and of some substance to those who need the legislation. If we are not going to do it, let us abandon the whole plan.

Mr. COUZENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. WATSON. I yield.

Mr. COUZENS. While the Senator is on that subject, it seems to me the section that has a bearing on the subject we are discussing is section 24. Will the Senator tell us what that section means?

Mr. COPELAND. To what section does the Senator refer?

Mr. COUZENS. Section 24. It is rather an involved section. If the amendment of the Senator from Connecticut should be adopted, I have wondered how it would affect all the organizations that are described under section 24. I wish the Senator from Indiana would tell us what section 24 means and what he intends to cover by it.

Mr. WATSON. When I first looked at section 24 I was somewhat confused. It looked to me as if somebody had offered an amendment, and in order to satisfy that Member the amendment had just been stuck on.

Mr. COUZENS. It does not appear to have happened in the House but in the Senate committee.

Mr. WATSON. I think it happened in the House. I understand this provision has reference to State institutions and not to national institutions.

Mr. COPELAND. Does it relate to the qualifications of the borrowers?

Mr. COUZENS. Oh, no.

Mr. COPELAND. The Senator is speaking about section 24?

Mr. COUZENS. That is true.

Mr. COPELAND. That refers to the qualifications of the borrower members.

Mr. COUZENS. The qualifications of the borrowing members are what was criticized by the Senator this morning when he said the provision included all the banks. I want to point out to the Senator from New York that this seems to apply to any organization organized under the laws of any State and subject to inspection and regulation under the banking or similar laws of such State. Of course, all of the banking organizations that are referred to in the previous section come under that same provision. It is already provided that those organizations shall be under State regulation.

Mr. WATSON. But "if" it is organized solely for the purpose of supplying credit to its members, and "if" its membership is confined exclusively to building and loan associations, and so forth. Over on the House side, when the matter was under discussion in the committee and on the floor, I am informed that the matter seems to have been sponsored by the New York land banks and also by a Massachusetts institution that had recently been established by act of the legislature. The word "if" occurs all the way through.

Mr. COUZENS. Are these supplemental organizations that may borrow other than as described in the previous section?

Mr. WATSON. That is my understanding of it.

Mr. COUZENS. Then I want to know what kind of a new organization it is going to be, because in the section where the agencies that may borrow are enumerated these same restrictions are not included. But this provision seems to

define an organization that may borrow separately from those previously described and only if it is organized solely for the purpose of supplying credit to its members. Is not that the qualification of a building and loan association?

Mr. WATSON. If the Senator desires to take the time to read the act establishing the cooperative central bank, I will hand it to him. This grew out of that measure. However, I am not as alarmed about conditions as is the Senator. While, in a sense, it is a separate enactment, nevertheless it must be construed, as lawyers say, in pari passu; it must be construed with the remainder of the statute which we are passing; and it must be construed with reference to the former sections which we already have enacted or which we will enact.

Mr. COUZENS. Do I understand that if a group of savings banks get together and form an organization they can collectively become members of the home loan bank system? Is that right?

Mr. WATSON. That is to say, if they have organized under the laws of the State and are subject to inspection and regulation.

Mr. COUZENS. I have a telegram here which concerns me, because I am unable to respond as to what this section intends.

Mr. WATSON. I want to say to my friend I am wondering what that has to do with the proposition before us limiting the lending power to five years?

Mr. COUZENS. Only this, if it is limited to five years—and I think it ought to be limited to a lesser time——

Mr. WATSON. The Senator thinks it ought to be limited to to-day.

Mr. COUZENS. Then these organizations would not be encouraged to organize for the purpose of borrowing for temporary purposes.

It is obvious that the intent of the amendment which is now pending is at least to try out this experiment rather than permanently to commit the Government to so large a system of banks. Let me point out that if the Congress at the approach of the end of the five years desires to continue these agencies, because it has found them highly desirable and beneficial to the home owner, there is nothing to prevent Congress from enacting a law to continue them. There is nothing wrong with the amendment of the Senator from Connecticut in that these banks may not continue permanently if it shall be found desirable to continue them.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I yield.

Mr. COPELAND. If the Senator will read section 25 the other way, it will accomplish just as well as what he suggests. If we find that we do not want this system continued permanently, it may be dissolved by act of Congress. It just reverses the process; that is all. Section 25 reads:

> Each Federal home-loan bank shall have succession until dissolved by the board under this act or by further act of Congress.

Mr. COUZENS. That is true, but that is never as desirable as fixing a limitation. The Senator will remember that in enacting the rehabilitation act, the mothers' pensions, and other acts we established a period of limitation, so that the acts automatically would expire. Then when that time approached it was decided that the work of those agencies had been sufficiently desirable that they should be continued. That is a much better procedure than to have the act permanent, subject to repeal.

I hope, so long as this whole measure is an experiment and no one knows the extent to which the proposed system will be patronized, that the amendment at least may be adopted until we find out where we are going.

Mr. FLETCHER. Mr. President, I think this would be a wise provision. I quite agree with the idea that it would not be advisable to establish the home loan bank system as a permanent institution under the provisions of this bill. I think we ought to give a little time to try out the experiment; we ought to allow five years in which to ascertain how it works. Then we can easily extend it, if we want to extend it, after that time. In connection, however, with creating a bureau like this, placing the Government behind it, to shoulder the expense in connection with it and to make the appropriations which may be necessary—and $125,000,000 are provided to start with—and then giving authority to issue bonds and debentures, which are to be tax free, it seems to me that to provide that the system shall be permanent is to run a very great risk, which we are not justified in assuming to meet a condition which has arisen. We are not in normal times; and everybody concedes that in normal times there is no trouble about finding loans for homes and for building purposes; there is no difficulty; there are a dozen or more different agencies seeking loans of that kind, availing themselves of every opportunity to make properly secured loans on real estate—banks, loan institutions, private individuals, and other agencies.

Why put the Government into that business and take it over by the Government? It is perfect nonsense. Furthermore we are not advantaging the home owner; we are not, under the bill, giving him cheap interest and the other facilities that would be to his benefit. We are simply establishing an agency under the control of the Government authorized to put out more tax-exempt securities and thereby deprive the Government of the income taxes which it ought to have. We are not only depriving the Federal Government of such sources of income, but also the State government, municipal governments, and others. Under this bill all the debentures and bonds of the home-loan banks are to be tax-exempt so far as States, counties, and cities as well as the Federal Government are concerned, thereby, as I say, putting out a large amount of debentures and bonds for investment by people who do not care to pay any taxes to the Government at all, and depriving the Government of the tax income from this kind of property and continuing the process under a permanent plan, which is only warranted, only excusable for the moment because we are now existing under abnormal conditions. As soon as normal conditions can be restored, there will be no possible excuse for this sort of institution at all.

This measure is not at all comparable to the Federal reserve system, and has no relation whatever to it. It is not at all comparable to the farm loan act; although the bill is modeled after that act, its purposes are altogether different. There we were attempting to set up a financial system for the benefit of agriculture, to accommodate farmers when they could get no accommodations otherwise. There is no need for this system now to help build homes; there are plenty of homes existing. Practically everywhere ones goes he will find vacant houses for rent. In a great majority of cities it is cheaper to rent than to own a home. As rents are to-day, by the time the owner pays taxes, insurance, and necessary repairs on the property which he calls his home, he finds that it would have been much cheaper to have rented. There are plenty of instances to demonstrate that fact. I know a person who had to foreclose a mortgage and take over three houses—residences—that formerly rented for $65 a month, and now he is only able to rent them for $22.50 a month, and more than half the time they are vacant. So rents are down and taxes are up, and we are not accommodating anybody by providing a system making it easy for people to go in debt in order to acquire a home.

I want every man to own his own home, if possible, but there are local organizations in the communities where these needs exist which can supply those needs under ordinary circumstances. I do not want to establish a permanent system that may be a burden, that may be expensive, that can do nobody any good except a few stockholders in building and loan associations, possibly, and really burden the people of the country with higher taxes than they now have to pay. Five years will demonstrate whether it is a good thing or not. Let us provide that the system shall go out of existence at the end of five years unless we see fit to continue it, with 10 years to complete liquidation. That is all right; I am in favor of that provision. It will not interfere, may I say to my friend from Indiana, with the sale of these securities or bonds at all; it will help them, as the Senator

from Connecticut and the Senator from Rhode Island have both agreed. To make these debentures and bonds short-time obligations will be rather a help. It will be better than to issue long-time obligations. The tax-exempt securities can be sold, the cash obtained, and the resources provided for carrying on this business better on a short-time basis than if we should provide that the securities may run over a period of 20 or more years.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Indiana?

Mr. FLETCHER. I yield.

Mr. WATSON. Does the Senator intend to vote for this measure whether or not this amendment shall be adopted?

Mr. FLETCHER. I will vote for the amendment; I am not saying what I may do as to my vote on the bill.

Mr. WATSON. Has not my good friend from Florida constantly and persistently opposed this measure in the committee and on the floor ever since its conception, and is he not now opposed to it?

Mr. FLETCHER. I have never been convinced or satisfied it was a wise, helpful measure, or had in it anything of efficacy such as the Senator from Indiana has claimed for it. I have never been satisfied as to that. I have never said I would not vote for it; I do not say now I will not vote for it. I have been inclined to do so if I could possibly satisfy myself that it was a proper thing to do. I have not reached any conclusion about that.

The Senator from Michigan is going to offer a substitute. I believe in the committee I voted for his substitute, and I think it likely I will vote for it on the floor. What I will do when the final vote comes upon the passage of the bill as it shall then be before the Senate I will signify when we get to it. I should like to vote for it, I will say to the Senator. I should like to vote for anything that those in whom I have confidence feel would be helpful if it should become a law. I should like to go along with those who think that there is something good in the measure; but when it comes to my final vote on it I have got to vote according to my judgment and conscience, and I am not as yet satisfied that this was a wise proposition to begin with. I am quite clear, and have been all along, that it would only be justified upon the grounds of an emergency, and that it is not such legislation as we ought to enact and place permanently upon our statute books. I do not think it is necessary. It puts the Government into the loaning business, straight and clear, right up to its eyes. There is no question about that. Is it necessary to do that?

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I expect to talk only a moment or so longer; but if the Senator would like to ask a question, I will yield.

Mr. COPELAND. I did want to ask a question. The Senator is aware, of course, that it is not anticipated that the Government will continue in this concern. The Government's contribution is to be repaid. We are setting up, however, a machinery which will go on and operate after the Government is out; and certainly if anything is clothed with a public interest which would justify us in passing some such legislation as this, it would seem to me that the homes of the people would be included.

Mr. FLETCHER. I understand the provision of the bill that after a while, if there are subscriptions enough, members enough, if capital enough is paid in, the Government will step out. That is a possibility that may not arise at all, however. I do not know whether the Government's stock of $125,000,000 is ever going to be canceled out or not. You do not know. What is going to happen depends to a large extent on the operation of this system, its management, its wise conduct, and upon conditions which sometimes the best men can not control. We do not know.

We do know that the Government is establishing these banks. We do know that this board of five directors is to be appointed by the President and confirmed by the Senate. We do know that this organization is to be set up by the Federal Government. We do know that the directors of these banks will be just like the directors of the Federal land banks, named by the Government. Provision is made for their selection. It appears as if the members are going to control them; but the Federal Government is in control of the banks, of the board, of the whole institution. So I say we are justified in what we propose to do.

Of course, under the farm loan act the Secretary of the Treasury is ex officio chairman of the board. He is not chairman of this board, but the board is a Federal board just the same. This board will have control of these banks. These banks will operate under its direction, and it is a Federal board. It is a bureau of the Treasury Department of the Government.

We can not escape that. I do not say that the Government needs to be obligated to pay off the debts, or what not. Maybe the Government is not responsible for these bonds and these debentures. Possibly so; but that does not mean that the Government is not in control of the institution.

I do not want to establish permanently an affair like this, authorized to issue tax-exempt bonds and debentures, thus, as I said, depriving the Government of tax income from that kind of property, and depreciating the market of other Government securities. That is what it means. If we keep piling up these tax-exempt bonds, Federal issues, Reconstruction Finance Corporation bonds, Federal land bank bonds, intermediate credit bank bonds, and now home loan bank bonds, if we keep flooding the market with these tax-exempt securities, what effect do you suppose it is going to have on the price in the market of these securities? There is a limit to that. The demand will fall off. The prices of even Federal bonds will depreciate if we keep piling on these tax-exempt debentures and bonds in this way. It is not right. We are not justified in doing it.

The Senator from New York has mentioned here former bills that he has introduced for the purpose of helping building and loan associations. I do not know how that system was concocted in his mind at that time. Did it provide for the issue of bonds, or how were the building and loan associations to be helped by the Government under his scheme?

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I yield to the Senator.

Mr. COPELAND. In the Wilson administration a bill on the subject was first presented; and afterward, in 1924, and again in 1927, I introduced a bill which is practically identical with this bill, even to the number of pages, except that it was limited to building and loan associations, and there was to be the sale of bonds in the same way as provided here.

Mr. FLETCHER. I do not remember examining those bills. At any rate, they do not seem to have gotten very far. My judgment is that the home owners, the people whom we say we are trying to help, will be disappointed in the operation of this measure. I favor limiting it to five years, according to the Senator's amendment; and then, if it does turn out better than some of us believe it will, we can easily extend the organization, and make it a permanent and established institution.

I offer for the RECORD, Mr. President, two letters. One of them is from the president of a bank in Tampa, Fla., a very fine financier, a gentleman of splendid judgment, who does not approve of this measure. He says:

> Large additional Federal appropriations with authority to issue and sell home loan bank bonds, tax exempt, would further deplete the tax income of the Federal Government, States, and smaller governmental units, and would further depreciate other Government securities. It would also make it more difficult for the Government to balance its Budget without an unreasonable increase in Federal taxes occasioned by such large appropriations.

The other letter is from Judge A. B. Small, of Miami, Fla., pointing out certain objections to the bill. I ask to have those letters inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

THE EXCHANGE NATIONAL BANK,
Tampa, Fla., January 29, 1932.

Hon. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: It rather seems to me that the proposed home loan bank bill, known as H. R. 5090, for a $500,000,000 appropriation is unnecessary legislation at this time.

The Reconstruction Finance Corporation, as a temporary credit stabilization measure, appears to be justified, and it is contemplated that it will be automatically liquidated, with or without loss, when it has served its purpose. It rather seems to me that a permanent corporation such as the home-loan bank would only result in a stimulation of building in many places where there is no need and where there is already a surplus, and in the future would only result in depressing the value of existing home equities.

It rather appears to the writer that when liquidation has pursued its natural course private lending can adequately finance real estate, as and when real estate warrants it. Large additional Federal appropriations with authority to issue and sell home loan bank bonds, tax exempt, would further deplete the tax income of the Federal Government, States, and smaller governmental units, and would further depreciate other Government securities. It would also make it more difficult for the Government to balance its Budget without an unreasonable increase in Federal taxes occasioned by such large appropriations.

There is no lack of opportunity to acquire and own homes on most favorable terms by anyone who has the earning capacity and the will to save.

Very sincerely yours,

J. A. GRIFFIN, *President.*

CIVIL COURT OF RECORD, DADE COUNTY,
Miami, Fla., March 8, 1932.

Senator DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

DEAR SENATOR FLETCHER: I thank you for your letter of the 3d instant, inclosing me copy of Senate bill 2959.

There is so much in this bill of a technical nature that I have been unable to determine, from a rather hasty reading of it, just what it provides with reference to loans to home owners upon their homes; and what restrictions there are, if any, thrown around the rate of interest which may be charged for such loans. It seems to me that this bill as drawn provides for the advancement by the Government of large sums of money to what is referred to as Federal home-loan banks, such loans to be secured by collateral furnished by such banks. If that is the purpose of the bill, and there is no restriction as to the amount of interest which these home-loan banks may charge the home owner actually getting the money, then it seems to me that the purpose of the bill is not what it should be, and it merely affords an opportunity to the persons operating these home-loan banks to get money from the Government at a low rate of interest and in turn lend it out to the local customers—the actual home owners—at the highest rate of interest which the local State laws authorize.

It seems to me, as a citizen and home owner, that if the Government is going to lend money for the purpose of assisting the home owner, then it should be made in some way direct from some Government authority to the home owner at the lowest rate of interest the Government ought to have under such circumstances, so as to shut out the profit ordinarily made by the middleman. As I said in the beginning, I don't know that I understand just what will be the practical operation of this bill, and it may be that I have mistaken its purposes and just how it will be worked out. Now, having stated what seems to me to be the objection to the bill, as I understand it, can I get you to write me or have some one there in your office write me just what is a proper and correct conception of the purposes of the bill so far as it will apply to the actual home owner who wants to borrow money from the Government on his home? If this bill is open to the objections I am suggesting here, then I want to suggest to you very earnestly that you and other members of the Florida delegation should take steps to correct the features of the bill about which I have my doubts, as expressed hereinabove.

I would certainly greatly appreciate some information from you as to the actual operation of this bill as applied to the home owner and as to how he is protected in the matter of interest and other charges upon loans he expects to negotiate if this bill becomes a law.

Very truly yours,

A. B. SMALL.

Mr. SHEPPARD. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Black	Broussard	Carey
Austin	Blaine	Bulkley	Cohen
Bailey	Borah	Bulow	Connally
Barbour	Bratton	Byrnes	Coolidge
Bingham	Brookhart	Capper	Copeland
Costigan	Hastings	McNary	Shortridge
Couzens	Hatfield	Metcalf	Smoot
Dale	Hawes	Moses	Steiwer
Davis	Hayden	Norbeck	Stephens
Dickinson	Hebert	Norris	Thomas, Idaho
Dill	Howell	Nye	Townsend
Fess	Hull	Oddie	Trammell
Fletcher	Jones	Patterson	Tydings
Frazier	Kean	Pittman	Vandenberg
Glass	Kendrick	Reed	Wagner
Glenn	Keyes	Robinson, Ark.	Walcott
Goldsborough	Lewis	Robinson, Ind.	Walsh, Mass.
Gore	Long	Schall	Watson
Hale	McGill	Sheppard	White
Harrison	McKellar	Shipstead	

The PRESIDING OFFICER. Seventy-nine Senators have answered to their names. A quorum is present.

Mr. SHEPPARD. Mr. President, I can well understand how a Senator who is opposed to the bill is in favor of the amendment of the Senator from Connecticut [Mr. WALCOTT]. I can not understand how a Senator who is in favor of the bill can favor the amendment.

In my judgment, the adoption of the amendment will mean danger for the bill. A great institution of this kind could not well be gotten under proper way in five years. Bonds and debentures can not be successfully marketed in connection with a financial institution which is known to have a time limitation of five years and whose financial transactions cover longer periods than five years. I can conceive of no worthier object than the protection of building and loan associations and the support of the American home. Let us do nothing to handicap this measure. It is entitled to a fair trial.

I trust that the amendment will be voted down.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Connecticut [Mr. WALCOTT].

Mr. BINGHAM. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. Mr. President, may the amendment be read?

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out section 25 and in lieu thereof to insert:

SEC. 25. Beginning at the expiration of five years after the enactment of this act, every Federal home-loan bank then in existence shall, in accordance with such rules, regulations, and orders as the board may prescribe and as expeditiously as practicable, be liquidated and its stock paid off and retired after paying or making provision for the payment of its liabilities. If at the expiration of 15 years after the enactment of this act the liquidation of any such bank shall not have been completed, the duty of completing such liquidation shall be transferred to the Secretary of the Treasury, who, for such purposes, shall succeed to all the powers and duties imposed by this act upon the board of directors of such bank and the board. In such event such board of directors, if then in existence, and the board shall cease to exist for the purposes of this act, and the Secretary of the Treasury may assign to any officer or officers of the United States in the Treasury Department the exercise and performance, under his general supervision and direction, of any such powers and duties; but nothing herein shall be construed to affect any right or privilege accrued, any penalty or liability incurred, any criminal or civil proceeding commenced, or any authority conferred hereunder, except as herein provided with respect to the liquidation of the remaining assets and the winding up of the affairs of such Federal home-loan bank until the Secretary of the Treasury shall find that the continuance of such liquidation will no longer be advantageous, whereupon such bank shall be deemed to be dissolved.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Connecticut [Mr. WALCOTT]. On this amendment the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DALE (when his name was called). I have a pair with the junior Senator from Alabama [Mr. BANKHEAD]. Not knowing how he would vote, I withhold my vote.

Mr. DAVIS (when his name was called). I have a pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. DICKINSON (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. BARKLEY].

I have not been advised as to how he would vote if present, and therefore I withhold my vote.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. HOWELL (when his name was called). I have a pair with the junior Senator from West Virginia [Mr. NEELY]. Not knowing how he would vote on this question, I withhold my vote.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I do not know how he would vote, and therefore I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Utah [Mr. KING]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from Oklahoma [Mr. THOMAS]. In his absence I withhold my vote. If I were permitted to vote, I would vote "nay."

Mr. SHORTRIDGE (when his name was called). I have a general pair with the senior Senator from Montana [Mr. WALSH]. Not knowing his views as to this vote, I must, of course, refrain from voting. If permitted to vote, I should vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH], but as he favors this bill he has been specially paired with the senior Senator from Colorado [Mr. WATERMAN], who is opposed to the measure. I am, therefore, at liberty to vote, and I vote "nay."

The roll call was concluded.

Mr. THOMAS of Idaho. I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote on this question, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. FESS. I desire to announce the general pair of the Senator from New Mexico [Mr. CUTTING] with the Senator from Arkansas [Mrs. CARAWAY], and of the Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. GEORGE].

The result was announced—yeas 36, nays 33, as follows:

YEAS—36

Bailey	Cohen	Hawes	Oddie
Bingham	Costigan	Hebert	Pittman
Black	Couzens	Hull	Robinson, Ark.
Blaine	Dill	Kean	Shipstead
Borah	Fletcher	Kendrick	Steiwer
Bratton	Glass	Keyes	Stephens
Bulow	Glenn	McKellar	Vandenberg
Byrnes	Gore	Metcalf	Walcott
Carey	Harrison	Norris	White

NAYS—33

Ashurst	Copeland	McGill	Townsend
Austin	Fess	Moses	Trammell
Barbour	Frazier	Norbeck	Tydings
Brookhart	Goldsborough	Nye	Wagner
Broussard	Hale	Patterson	Walsh, Mass.
Bulkley	Hastings	Reed	Watson
Capper	Hayden	Robinson, Ind.	
Connally	Lewis	Sheppard	
Coolidge	Long	Smoot	

NOT VOTING—27

Bankhead	George	Logan	Swanson
Barkley	Hatfield	McNary	Thomas, Idaho
Caraway	Howell	Morrison	Thomas, Okla.
Cutting	Johnson	Neely	Walsh, Mont.
Dale	Jones	Schall	Waterman
Davis	King	Shortridge	Wheeler
Dickinson	La Follette	Smith	

So Mr. WALCOTT's amendment was agreed to.

Mr. BINGHAM. Mr. President, I have an amendment on the desk which I desire to offer as soon as the amendments perfecting Title I, the banking feature of the bill, have been acted upon, and I rise to inquire of the Senator from Indiana, in charge of the bill, whether he knows of any other amendments that are to be offered.

Mr. WATSON. I think there are one or two other amendments to be offered.

Mr. FLETCHER. I want to offer an amendment, I will say to the Senator.

Mr. BINGHAM. Then I shall not offer the amendment to which I have referred until the amendments perfecting the banking feature of the bill have been disposed of.

Mr. REED. Mr. President, I have three or four rather unimportant amendments, but they are amendments which I think should be put into the bill for the sake of clarity. The first is on page 2, line 12.

The VICE PRESIDENT. Let the amendment be reported.

The LEGISLATIVE CLERK. On page 2, line 12, after the word "mortgage," the Senator from Pennsylvania proposes to insert "(not junior to any lien or encumbrance)," so as to read:

(6) The term "home mortgage" means a first mortgage (not junior to any lien or encumbrance) upon real estate, in fee simple, or leasehold under a renewable lease for not less than 99 years, upon which there is located a dwelling for not more than three families, and shall include, in addition to first mortgages, such classes of first liens as are commonly given to secure advances on real estate by institutions authorized under this act to become members, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

Mr. REED. Mr. President, the purpose of the amendment is to prevent the acceptance of a mortgage which is, in fact, a first mortgage, but which might be junior to a large judgment, and therefore would not be security of the sort we all have in mind. I understand the Senator from Indiana is willing to accept the amendment.

Mr. WATSON. I am.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. REED. Mr. President, the next amendment I desire to offer is to be inserted on page 17.

The VICE PRESIDENT. The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 17, line 16, and in line 22, the Senator from Pennsylvania proposes to strike out the word "real" before the word "estate," so as to read:

(1) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of eight years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of eight years or more, the advance may be for an amount not in excess of 60 per cent of the unpaid principal of the home mortgage loan; in no case shall the amount of the advance exceed 40 per cent of the value of the estate securing the home mortgage loan.

(2) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 per cent of the unpaid principal of the home mortgage loan; in no case shall the amount of such advance exceed 30 per cent of the value of the estate securing the home mortgage loan.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment offered by the Senator from Pennsylvania.

The LEGISLATIVE CLERK. On page 18, line 5, after "(a)," the Senator from Pennsylvania proposes to strike out the words "the value of real estate" and to insert the word "value," so as to read:

(b) No home mortgage shall be accepted as collateral security for an advance by a Federal home loan bank if, at the time such advance is made (1) the home mortgage loan secured by it has more than 15 years to run to maturity, or (2) the value of the real estate with respect to which the home mortgage is given exceeds $20,000, or (3) is past due when presented. For the purposes of this subsection and subsection (a) value shall be as of the time the advance is made and shall be established by such certification by the borrowing institution, or such other evidence, as the board may require. For the purposes of this section, each Federal home loan bank shall have power to make, or to cause or require to be made, such appraisals and other investigations as it may deem necessary.

Mr. COPELAND. Mr. President, I should like to have the Senator from Pennsylvania make a brief statement of the reason for the amendments which he has offered.

Mr. REED. It is just this, Mr. President: A typical case is the provision in lines 14 to 16, page 17, that the amount of the advance shall not exceed 40 per cent of the value of the real estate securing the home-mortgage loan. The mortgagor might be a tenant in common and own only half the property. The real estate—just the land—might be worth a great deal more, of course, than his interest in it.

Mr. COPELAND. I see.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. REED. I offer another amendment, on page 27.

The VICE PRESIDENT. The amendment will be reported.

The LEGISLATIVE CLERK. On page 27, line 13, after the word "surplus," the Senator from Pennsylvania proposes to insert the words "its advances to members" and a comma, so as to read:

EXEMPTION FROM TAXATION

SEC. 13. Any and all notes, debentures, bonds, or other such obligations issued by any bank shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The bank, including its franchise, its capital, reserves, and surplus, its advances to members, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the bank shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

Mr. REED. We should not, of course, put the loans of this new bank in the position of being taxable in the several States. I do not believe they would be, anyway, as they are part of its capital and reserves, but this would make it clear that the bank's assets are not in fact taxable by the States or municipalities.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I have an amendment to offer, which is not a very important one, but I call it to the attention of the Senator from Missouri, as his State is interested and he is, of course, interested in it.

On page 24, line 25, I move to strike out the following proviso:

Provided, however, That no such advances under this subsection (4) shall be made without the security of home mortgages after the State in which the institution is organized enacts legislation authorizing such institution to pledge or assign home mortgages or other security for advances or after the expiration of the next regular session of the legislature of such State begun after the enactment of this act, whichever is earlier.

I do not see any real reason for that proviso. The provision above it is that the bank can make loans in States which do not by express statute provide for the transfer or assignment or pledge of mortgages by building and loan associations.

They can make loans to these associations without security under certain conditions, provided the liabilities of the associations do not exceed 5 per cent of the net assets. That is a perfectly safe loan. I do not see any reason why that should not be done. That provision is already in the bill, but there is a proviso that when the legislature meets after this, if the legislature does not see fit to enact a law expressly authorizing the building and loan association to pledge their mortgages and assign and transfer their securities, then no more advances may be made to such associations. If it is safe to do it now, why is it not safe to do it after the legislature meets? It may be that some legislature may neglect or overlook enacting a provision of that kind.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Nebraska?

Mr. FLETCHER. I yield.

Mr. NORRIS. In addition to that, the legislature of the State may be perfectly satisfied with the existing condition, so that in their judgment they do not want to change that law.

Mr. FLETCHER. Exactly; and there may be something in the contract on the part of the building and loan associations whereby their mortgages are not to be assigned or transferred. It is a perfectly safe matter to loan to the building and loan associations without security under those conditions.

Mr. WATSON. Would not this permit them to lend without security forever?

Mr. FLETCHER. Why not, if it is safe?

Mr. WATSON. There are certain restrictions and limitations which are imposed in a great many States where legislation has been enacted, and in States where no legislation has been enacted they are not imposed. It seems to me that this puts them all on a common level.

Mr. FLETCHER. I can see the reason for it was to enforce uniformity of legislation in the various States in connection with the use of their mortgages.

Mr. PATTERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Missouri?

Mr. FLETCHER. Certainly.

Mr. PATTERSON. May I suggest that even though the legislature should enact a law providing that the mortgages in the future should be negotiable and assignable, that would not remedy the situation, because it could not affect those mortgages which they now have, and they would virtually be precluded from any benefits under the bill unless this proviso is stricken out.

Mr. WATSON. May I ask my friend from Missouri whether that would preclude the possibility of their giving new mortgages and coming under the terms of the legislative enactment?

Mr. PATTERSON. That is correct. The new mortgages could be pledged, but I apprehend the purpose of the act is to relieve the building and loan associations which are not in a position to make future loans. They are perfectly solvent, but they have a lot of frozen assets. This would merely prevent any relief from being given to building and loan associations of that character.

Mr. FLETCHER. I think the Senator is right and I am glad to have his statement. Of course a legislature could not enact a retroactive law.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. FLETCHER. I yield.

Mr. BLAINE. It is not assumed that the authority which may be granted by Congress would permit any building and loan association or other eligible institution under the bill to make a loan contrary to any State law in the State in which these institutions may be organized. It does not make any difference what Congress may do.

Mr. FLETCHER. That is quite true. I quite agree with that statement. This provision would enable the building and loan association that has no authority to transfer its obligations under certain conditions, namely, when the extent of its liabilities do not exceed 5 per cent of its assets, to do that without security. That is a perfectly good loan and I see no reason why it should not have access to these banks. The other provision is "or other security upon such terms and conditions as the board may prescribe," so they have control of the situation anyhow. Striking out the proviso does not interfere at all with the power of the board to fully protect the loan and require any security it may see fit.

Mr. President, I move that the proviso be stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. COPELAND. Mr. President, it will be recalled that I entered a motion to reconsider the action of the Senate relative to the amendment in lines 10 and 11, on page 4. It is my desire to have stricken from the bill the words "trust company, State banks, or other banking organization." I have no objection at all for my part to the inclusion of the insurance companies which have done a great work in putting out real estate mortgages and savings banks;

but I do not think trust companies, State banks, or other banking organizations should be included.

Mr. COUZENS. Mr. President, does the Senator withdraw his motion to reconsider the action on the other section?

Mr. COPELAND. I entered two motions, one relating to lines 10 and 11, on page 4.

Mr. COUZENS. Which one is the Senator speaking of now?

Mr. COPELAND. The one to which I have just referred. I am not referring to the one to which the Senator from Michigan offered his amendment. I am not so sure but I am willing to leave the amendment offered by the Senator from Michigan; but I can see no reason why these great banking institutions, which have the benefit of the Reconstruction Finance Corporation and can borrow money from it and discount securities there, should be given access to the facilities provided under this bill. For my part, I want to see all of the money provided under this measure given to those institutions, the building and loan associations, cooperative banks, homestead associations, and savings banks, which really and truly lend money on small property. That is the reason why I am making the argument.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I yield.

Mr. PITTMAN. Is it not a fact that in some of the States with smaller populations the State banks, to a great extent, take the place of the building and loan associations?

Mr. COPELAND. I am not sure about other States. In my State of New York the banks have savings departments.

Mr. PITTMAN. Let me state that in a great many of the Western States where there is a small population they have not found it either profitable or advantageous to organize building and loan associations, and the small State banks in the small communities have taken the place of the building and loan associations in dealing with that character of loan.

Mr. COPELAND. In that case, may I ask the Senator, Are they permitted under State laws to take long-term mortgages?

Mr. PITTMAN. Yes. They serve exactly the same purpose.

Mr. SMOOT. Mr. President, I hope the Senator will not insist that State banks shall be stricken out of the bill. As the Senator from Nevada said, almost all the loans in the southern part of Utah are made to farmers on their homes through the State banks. They are carrying them now. They certainly should not be excluded from the provisions of the bill. I know they did loan the money in that way. I hope the Senator will not propose to strike out the State banks.

Mr. COPELAND. Mr. President, I would have no disposition to take out of the bill any banking institution that really serves the small-home owner. That I do not desire to do. But I want to make clear that my face is set against the advancing of money to institutions which can go to the Reconstruction Finance Corporation for money. Of course, the purpose I have in mind would be served if we left State banks in the bill and if the amendment of the Senator from Michigan were rejected. In lines 17 and 18 on the same page he had stricken out the words "makes such home mortgage loans as, in the judgment of the board, are long-term loans." I would not object to any of these concerns being left in the bill if the further language were left in that they were to make long-term loans.

The thing I want is to prevent the commercial bank, the checking bank, taking a mortgage for one year, much as a pawnbroker would take a ring from somebody. I do not want that business to go on because we are not serving well the people if we create a condition where at the end of each year they must go and get a renewal. If in the States of the West State banks are actually loaning money on long-term mortgages—I mean in excess of three years—I would have no objection to their being included in the bill under those circumstances.

Mr. PITTMAN. Mr. President, if I understand the bill, it is in the interest of building and loan associations.

Mr. COPELAND. Largely.

Mr. PITTMAN. I thought it was to be in the interest of the people who are about to be foreclosed.

Mr. COPELAND. Of course it is in the interest of people who are about to be foreclosed.

Mr. PITTMAN. I have heard nothing since I have been here except "building and loan associations." If the bill is to protect certain institutions and it is not to protect against the foreclosure of homes, then I would not have any interest in it at all. When we start to frame a bill so it will protect certain kinds or classes or certain institutions, without a knowledge of the whole situation, it will be found that it will meet great opposition. Of course, the State bank does not lend for any longer time on real estate than it has to. As a general thing, it will lend for a year or perhaps two years, but it does not like that kind of business. When hard up, they will extend the time, but they do not have to extend it, and foreclosures are going on through the State banks. We know that, and we want to stop those foreclosures. It is not any desire on the part of the banks to destroy the people in their communities, but the banks have frozen assets; and when we start placing these conditions around the State banks, we are creating conditions that are going to continue the foreclosures.

As to the large State banks, the State banks in San Francisco, Portland, Seattle, or Denver make very few real-estate home loans, because they have in those large cities of course, the building and loan associations. But out in the country where the farmer is located, where they have very small communities, they must rely as a general rule on the State banks for any credit they get. They have relied on them, and all of the rural communities and small towns throughout the country in the West are relying on the small State banks. If we start placing these restrictions around them, the foreclosures which are now going on of necessity and not because of any desire on the part of the State banks will increase. I am not interested in any of those institutions, and I do not think the bill is intended to aid such institutions only in so far as it is essential to prevent foreclosures and bankruptcy of those people who have had to borrow on their homes.

Mr. COPELAND. Mr. President, I want to invite the attention of the Senator from Nevada to page 13 of the bill, the last subsection on that page:

(d) The board shall divide all the members of each Federal home-loan bank into three groups which shall be designated as Groups A, B, and C, which groups shall represent, respectively, and as fairly as may be, Group A, the large, Group B, the medium-sized, and Group C, the small members.

Mr. SMOOT. Most of the State banks in the West will come under that clause.

Mr. COPELAND. Does the Senator refer to Groups B and C?

Mr. SMOOT. Those banks will mostly come under Group C.

Mr. COPELAND. Then, would the Senators from the West be satisfied if after the words "State bank," in line 11, page 4, we inserted "of the C type as outlined in lines 22 and 23 on page 13"?

Mr. SMOOT. I think that ought to be left entirely with the board. They will decide that question, it seems to me, better than we could express it here. If it be desired to designate the banks, then we would have to indicate by reference to capital and surplus, and otherwise just what a class C bank is. There is no description in the bill; that is left entirely to the judgment of the board.

While I speak for the State of Utah and for the State of Nevada, both of which I know very well, I speak also of all the Western States, where usually the State banks are small, with a capital of $50,000 or so.

Mr. COPELAND. The Senator from Utah, then, would have no objection to leaving out trust companies, and the words "or other banking organizations"?

Mr. SMOOT. Those organizations ought to be mentioned in the bill.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from New York yield to me?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I yield.

Mr. ROBINSON of Arkansas. In many of the States the trust companies are the agencies which make these home loans.

Mr. PITTMAN. They are organized for that purpose.

Mr. ROBINSON of Arkansas. They are organized for that purpose. In one State with which I am familiar they are the principal agencies through which loans are made on homes, both rural and urban.

Mr. COPELAND. Mr. President, if the Senate desires to make eligible banks and banking organizations which can obtain loans under the Reconstruction Finance Corporation and to have the money which is provided for the small-home owner absorbed by institutions which can get the money elsewhere and encourage them to give themselves further liquidity by daming up in their coffers money which should be in circulation, I have no objection; the Senate is perfectly free to do it. That, however, is not the purpose of this bill; it was not the purpose, so to speak, of the ancestors of the bill. This bill was designed to help the small cooperative, mutual organization, the building and loan association, the homestead association, cooperative banks, and other cooperative organizations. It was never intended by those who have thought long on this subject to have these privileges extended to the great and powerful organizations which have access under existing laws to money and loans which they can use for their purposes.

The Senate has already voted to make this an emergency measure, a measure which will be used by the Republican Party during the coming campaign as an instance of its helping the small man. Well, the small man is not going to be helped. The bill becomes simply a useless gesture; it does not mean anything at all, or at least it means very little for the relief of those who need relief. It is simply a measure which will help great, strong financial organizations to get more money. We have by amendment after amendment taken away the strength and power of the bill; we have made it a useless measure. I said this morning that it is of no value to my State, anyway; we do not need it. My own efforts in this matter have been to help the building and loan associations and the smaller borrowers in other States, not in my State.

Mr. President, if the Senate is unwilling to limit the operations of the bill to such institutions as have been organized by borrowers themselves throughout our country, the cooperative organizations, represented in their management by the local members who have put their little savings into these institutions; if, instead of benefiting them and making available to those organizations the funds provided, it purposes to make them available to great banking institutions, I have no interest in it. If the purpose of the bill—and that has become its purpose through the various amendments—is simply to afford more money to banking institutions, controlled by the "banksters," by the invisible oligarchy in New York, the men who are controlling the banking destinies of this country, all right; the Senate may pass it; but I will not vote for it.

That, however, is not what we came here to do. We came here to formulate a bill which would help the little fellows in the little villages, in the little communities, in the little clumps of houses throughout that country. That is what the bill was intended to do; but the Senate has inserted amendments in the bill which will put in control of the great banking institutions of our country the funds which will be gathered under the operations of the measure. So far as I am concerned, I do not want any of that, and I do not intend to vote for it, if that is the final determination of the Senate.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. COPELAND. I yield.

Mr. BLAINE. I desire the floor in my own right rather than to interrupt the Senator.

Mr. COPELAND. Very well; I will yield the floor to the Senator from Wisconsin. He may proceed in his own right.

Mr. BLAINE. Mr. President, I suggest, in a perfectly amicable way, that the Senator is taking himself a little too seriously——

Mr. COPELAND. Possibly that is true; I have done so before.

Mr. BLAINE. And shows such concern for "the little fellow" that he is overlooking "the little fellow." I think it is conceded that building and loan associations, savings and loan associations, cooperative banks, and insurance companies all served, at least, until the present depression, the credit requirements in the larger centers of population, the larger cities. Therefore, the only available credit reservoir in the small cities and villages—in fact, for cities and villages located in every State in the United States—for the home owner or the person who desires to erect a home is the local banking institution, which may be a savings bank or a small trust company or a State bank or some other banking organization. I say those institutions constitute the only source from which credit may be obtained with the exception of the individuals who may reside in the respective cities and villages and who have money to loan or advance for home-building or home-ownership purposes. Therefore, in view of that fact, it seems to me perfectly obvious that to adopt the amendment proposed by the Senator from New York would bring consequences which would deprive all the cities and all the villages where the other institutions to which I have referred do not transact business of any available credit either presently or proposed by this bill for the benefit of the larger centers.

So it seems to me that it is perfectly obvious that the Senator's argument is running quite contrary to the facts, and if we are to provide credit resources for the smaller cities and villages, where organizations which loan money on homes, such as the building and loan associations and others which I have mentioned, do not exist, then we must include the local institutions within the provisions of this bill. The bill can not afford any credit facilities for those smaller cities and villages without including the banking institutions located within them.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. BLAINE. I yield.

Mr. COPELAND. The Senator overlooks the fact that I am perfectly willing to leave in savings banks and State banks of the smaller type, and insurance companies; but I am not willing to have the great, big city banks monopolize the funds of this organization. In other words, I am not willing to have the big banks of my city absorb the funds which ought to go out into the country sections of my State. That is what I have in mind.

Mr. BLAINE. Mr. President, the Senator will recall that the maximum of a single individual loan is $20,000. I do not know anything about it, but does the Senator from New York assume, by way of illustration, that the Chase National Bank, for instance, or the National City Bank, or any of the large banks of his own city engage in loaning money on the smaller homes? Their field is quite another field, and naturally they are not engaged in the business of advancing money on separate individual homes if the total sum involved does not at the maximum exceed $20,000.

Mr. COPELAND. I would think that the home offices of those institutions would not do it, but there are plenty of banks in the city of New York and other big cities in my State under the control of the agencies mentioned by the Senator that do make such loans; and he need not think

that every home in New York City is a home that is worth in excess of $20,000. We are interested in this matter just as are the people in any city or community in Wisconsin.

Mr. BLAINE. Mr. President, if the Senator is correct in the statement, then by what rule of reason should those banks which are actually furnishing credit to home owners and actually engaged in that business be deprived of whatever benefits may be derived from this bill?

Mr. COPELAND. I do not——

Mr. BLAINE. Mr. President, just a moment. Let me put the question in this way: Why should the home owners who have borrowed their money from those institutions be deprived of any particular benefit or all the benefit which may come from this bill? Omit consideration of the banking institutions entirely. This bill is also for the benefit of the home owner. It is to permit institutions to have available credit, so that they, in turn, may make available credit and extensions on home mortgages to the home owner. Why deprive those home owners of whatever benefits may come from this bill?

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. BLAINE. I yield the floor, and will let the Senator answer the question in his own time.

The VICE PRESIDENT. The Senator from New York is recognized in his own right.

Mr. COPELAND. Mr. President, I do not think J. P. Morgan loans much money on little homes; but, if I am correctly advised, the National City Bank, the biggest bank in the world, has a bureau devoted to this kind of loans on small mortgages.

I wish the Senator and every Senator had read the hearings in the House. It is perfectly outrageous to learn how the home owners of America are being exploited and prostituted by the various lending institutions of this country. If I desired to go into business with no conscience to restrain me, I would go into the home-loan business. I would try in the first place to make demand loans, as they do in some States, where actually the mortgage can be foreclosed on demand. If I could not get that provision, I would have one year fixed by law, so that every year the mortgagor must come in to get a renewal.

I would say, "Yes, Mr. Jones; I will renew your mortgage. You will have to pay off a little bit on what you owe; and then, besides that, of course, we have various expenses, and you must pay a bonus;" or, if it is a new mortgage, "You must pay a commission and a premium."

Perhaps the mortgage is for $5,000; and the banker, out of the kindness of his heart, says, "I will charge you only $5,500." He puts $500 in his pocket as a part of the transaction. Then, at the end of another year, the poor fellow comes in, and he has to get another renewal, and he goes through a similar process.

All right; if you care to do that, Mr. President, go ahead and do it. I do not.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I do.

Mr. SMOOT. Does the Senator think there is any banking institution that does that kind of business? It is absolutely new to me. I have never heard of it. I do not think it is done. They may have required the payment of interest in advance, as they used to do years and years ago; but I will guarantee to the Senator that there is not one institution out of a million, and I do not think there are any left in the United States to-day, that treat the customer in that way.

Mr. COPELAND. My friend from Utah has been so sheltered and sequestered, surrounded by such good people, himself thinking only good thoughts, that he can not believe it is true that home owners in this country have been treated as they have. Unfortunately for me, I have not been so sheltered and sequestered. I know about what is going on, and how devious are the ways and how difficult it is to get money, and how much of a bonus has to be paid for it. I am against the system—heart and soul against it.

When I say that, I may bring down on my head the criticism and opposition of many persons in my own State. I do not care if I do. I try—I certainly am trying to-day—to represent the poor under man, the one Mr. Roosevelt has called the "forgotten man." I do not suppose he has any mortgage on that term; I want to do what the President of the United States proposed in his proclamation.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. COPELAND. Yes.

Mr. SMOOT. If the Senator took any other position than he has taken now, I would have no respect for him as a man.

Mr. COPELAND. I thank the Senator. I want the respect of the Senator from Utah in this matter and all other matters. If I can not stay in the United States Senate without being a dishonest, indecent citizen, I do not want to stay here until to-morrow night. That is my attitude.

On November 13, 1931, President Hoover made a statement on the proposed establishment of home-loan discount banks. He starts out by saying:

> I shall propose to Congress the establishment of a system of home-loan discount banks for four purposes.

What are those purposes?—

> 1. For the present emergency purpose of relieving the financial strains upon sound building and loan associations, savings banks deposit banks, and farm-loan banks that have been giving credit through the medium of small mortgage loans upon urban and farm properties used for homes, thereby to relieve pressure upon home and farm owners.

Mr. SMOOT. That is why I want State banks included.

Mr. COPELAND. Yes; and I am now in full agreement with the Senator. I was not familiar with that form of banking, which is different from the practice in our section.

The President goes on:

> 2. To put the various types of institutions loaning on mortgage in a position to assist in the revival of home construction in many parts of the country and with its resultant increase in employment.

I think we are agreed that, with conditions somewhat changed since this was written, that perhaps is not an important part of the bill—

> 3. To safeguard against the repetition of such experiences in the future.
>
> 4. For the long-view purpose of strengthening such institutions in the promotion of home ownership, particularly through the financial strength thus made available to building and loan associations.

Mr. Hoover had the vision, the "long-view" purpose. Mr. Hoover did not have in mind five years we have now determined as the limit of operation of the proposed law. To limit it to five years is not taking a long view.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I yield.

Mr. PITTMAN. Does not the Senator think the President should have had in view that it is just as bad, if not worse, for a man to lose a home than not to have the opportunity to build it? The main proposition is not to lose it in these times; and I say to the Senator that if it happens that a great many home builders have discounted with State banks the balance of the partial payments on building homes, and those State banks are now in a position where they can not carry the loans without aid, it would really be a disastrous thing for those people to lose their homes and what they already have put into them.

I say to you that in the country that I know that is the situation. The banks do not want to foreclose, but they are compelled to do so.

Mr. COPELAND. I agree with the Senator. Exactly the same condition prevails in my State. Where a borrower has been unfortunate enough to have a mortgage short in its term, one year or two or three years, when that mortgage has fallen due he has gone to the bank and met one of the

glass-eyed individuals I mentioned, or—to be more generous than that—an official who is operating under rules and regulations laid down by the board of directors to the effect that they do not desire to continue their loans; they want to make their loans liquid.

So, when this poor chap has gone to the bank, he has been told by the president of the bank or somebody else, "We can not extend your loan. You must pay it."

I have no doubt there are many banks in this country that could not say anything else and do right by their investors and depositors; but, on the other hand, there are lots of banks in this country that are crowded with money, but where the officials have hysteria to such an extent that they do not dare let out any money.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Ohio?

Mr. COPELAND. I yield.

Mr. FESS. If the Senator will examine any of the New York newspapers to-day and look over the bank statements, he will see that the statement he has just made is obviously correct.

Without naming any bank, I have just been looking at one, and I find the following:

Cash in vault and in Federal reserve bank, $180,581,711.67.

Due from banks and bankers, $121,737,827.

Or a total of $302,319,539.13.

Loans, discounts, and bankers acceptances, $696,620,610.

United States Government bonds and certificates, $253,201,185.

State and municipal bonds, $21,701,000.

A total in bonds of $386,843,619.

In other words, probably 65 per cent is liquid there, and yet you can not borrow any money. This is typical. This is a large bank; but in looking over the list, I find that it is so everywhere.

Mr. SMOOT. What are their deposits?

Mr. FESS. Their deposits are $1,214,266,592.

Mr. COPELAND. Mr. President, I thank the Senator from Ohio. He has given current proof of what I have been saying. The big banks of this country are crowded with money. The Senator from Virginia [Mr. GLASS], when he made his initial statement on the Glass bill, if I remember correctly—he is in the Chamber now—said that the banks had seven billions of eligible paper which had not been discounted. Is that right?

Mr. GLASS. Eight and a half billions.

Mr. COPELAND. Eight and a half billions of eligible paper which had not been discounted.

Mr. President, do not talk to me about where the blame lies for what is going on in America to-day. Money is like the blood of the human body. Unless the money is put into circulation, unless the money is supplied to carry on the functions of the country, of industry, of agriculture, of manufacturing, and all that sort of thing, if the money is not supplied you have anemia, ultimately an atrophy, and, pretty soon, death.

Mr. President, this country can not survive unless the banking forces of America are made to realize that the money they have on deposit is intrusted to them for the purpose of carrying on the industrial and agricultural life of America.

I am so impressed by these facts that I can not by my vote indorse any movement which seeks to give more money to these commercial banks to hide away in their coffers. When they discount the mortgages which they now have on hand, do Senators believe they are going to take that money and take on some other mortgages and help to relieve the distress of the people? They are not. They are going to put that money along with the rest of the gold they have and say, "Now we are 91 per cent liquid," instead of 80 per cent or whatever it is they have claimed.

Mr. President, everything we have done in this banking legislation has seemed to add more difficulty to the great troubles the people already have. The Federal reserve bank went into the open market to buy bonds, Government securities. The result was beneficial so far as the values of those securities are concerned. If I remember correctly, the 1933–1938's were down to $84. They are now $101 and a fraction. The theory of buying these securities was that that money would be given over to the banks and then put into circulation, and in that way relief would come. Did that happen? It did not. What happened was that they took that money to pay off their credits at the Federal reserve bank and to pay their correspondent banks in the country. The people did not get any benefit.

Mr. President, this is not a banking bill to help the big institutions. This is a measure which was intended by its author to help the little institutions, the cooperative institutions, the mutual institutions, those institutions which have not access to the wealth of the Nation through the Federal reserve system.

If Senators desire to extend the privileges of this measure so that these big institutions can have more money, which they take up as a sponge takes water, and then hide it away, I do not want to be a party to that.

I have generally been out of harmony with Mr. Hoover, but he had the vision in this matter, and we make a grievous mistake if we do not accept his program. As a Democrat I can say that, because I can in the same breath say that he borrowed it all from the Democrats, beginning with the Wilson administration. But we can not afford, if we are seeking to help the little chap, to include in this measure those institutions which can get money in other ways. I am content; I have done the best I could. If the Senate is unwilling to omit from the benefits of the measure those institutions which can get money otherwise, very well; it is a Senator's duty, if it is his conviction, to vote that way, but my duty lies in the line of my own conviction that such a vote would be a mistake.

Therefore, Mr. President, I shall be forced to vote against the bill.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on agreeing to the motion to reconsider, offered by the Senator from New York.

The motion was rejected.

Mr. WATSON. Mr. President, when the committee provided for the set-up contemplated by the bill, they desired to make provision that capital of $60,000,000 be furnished, $5,000,000 for each of 12 banks. Since that time the number of banks has been limited, by the action of the Senate, to four, but evidently the Senate wanted the same capitalistic set-up, so that when these banks are created and start to function they will have an abundance of capital with which to do business and not be handicapped. Inasmuch as the $60,000,000 of capital which we thought necessary, and which the department thought necessary, was to be distributed among 12 banks, $5,000,000 to each, and inasmuch as the number of banks has been limited to 4, I now move on page 6, line 10, to strike out "$5,000,000" and insert in lieu thereof "$15,000,000," so that each bank will have $15,000,000 of capital.

Mr. SMOOT. Of course, Mr. President, it will go to conference.

Mr. WATSON. Certainly.

Mr. GLASS. Mr. President, this is certainly an important question, and there ought to be a full attendance of the Senate when it is voted on. I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Caraway	George	Jones
Austin	Carey	Glass	Kean
Bailey	Cohen	Glenn	Kendrick
Barbour	Connally	Goldsborough	Keyes
Bingham	Coolidge	Gore	King
Black	Copeland	Hale	Lewis
Blaine	Costigan	Harrison	McGill
Borah	Couzens	Hastings	McKellar
Bratton	Dale	Hatfield	McNary
Brookhart	Davis	Hawes	Metcalf
Broussard	Dickinson	Hayden	Moses
Bulkley	Dill	Hebert	Norbeck
Bulow	Fess	Howell	Norris
Byrnes	Fletcher	Hull	Nye
Capper	Frazier	Johnson	Oddie

Patterson	Sheppard	Thomas, Idaho	Walcott
Pittman	Shipstead	Townsend	Walsh, Mass.
Reed	Shortridge	Trammell	Watson
Robinson, Ark.	Smoot	Tydings	White
Robinson, Ind.	Steiwer	Vandenberg	
Schall	Stephens	Wagner	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present. The clerk will state the amendment offered by the Senator from Indiana [Mr. WATSON].

The LEGISLATIVE CLERK. On page 6, line 10, the Senator from Indiana moves to strike out "$5,000,000" and insert in lieu thereof "$15,000,000," so as to read:

SEC. 6. (a) As soon as practicable after the enactment of this act, the board, with the approval of the Secretary of the Treasury, shall determine the minimum capital of each Federal home-loan bank, which shall be not less than $15,000,000.

The amendment was agreed to.

Mr. WATSON. Mr. President, I want to offer a pro forma amendment, on page 4, to strike out lines 6 and 7 and to insert a new heading, as follows:

Eligibility of members and nonmember borrowers.

The amendment was agreed to.

Mr. WATSON. On page 6, after line 5, I move to insert a heading, as follows:

Capital of Federal home-loan banks and subscriptions thereto.

The amendment was agreed to.

Mr. DILL. Mr. President, if I may have the attention of the Senator from Indiana, I would like to know the purpose of section 24 of the bill. I note that it provides for allowing new organizations or companies to be formed, which do not now exist, to have the advantage of the measure.

Mr. WATSON. That was fully discussed this morning. Perhaps the Senator was not present. The New York land bank and the Massachusetts state-wide land bank thought a provision of this kind essential. I think the Senator from New York [Mr. COPELAND] explained it. I thought everybody was satisfied. I do not know whether the Senator heard the discussion or not.

Mr. DILL. It seems to me that this contemplates an uncertain and indefinite type of membership in the organization. The Senator will recall that we had a similar provision in connection with the Federal land banks whereby we allowed joint-stock banks to be formed. They are the weakness of the Federal land-bank system to-day. They have done more to weaken the value of the bonds of the land banks than any other one thing. The indefinite language of this section, it seems to me, makes it a most undesirable provision. There may be some reason with which I am not familiar, but it seems to me like it is a kind of backdoor method of participating in the benefits of the organization that does not exist otherwise without the provisions.

Mr. WATSON. That was my view of it when I first read it. In fact, it looked to me as if somebody over in the House had offered the amendment and it was sort of stuck on without any really serious consideration. But when I investigated, as I did over in the House, I found that I was entirely mistaken. This is a State matter. It refers to organizations organized within the States. It is a State matter, but it is carefully safeguarded. It has about all of the regulatory provisions that are applicable to the original organization. I can not see that there is any objection to it. I do not know what objection the Senator finds to it.

Mr. DILL. My objection is that it is so indefinite and so uncertain and permits the organizing of new credit companies that do not now exist to take advantage of the bill. If it limited the provisions of the bill to existing corporations, that would be another matter; but the section provides for new organizations if, when they are organized, they have certain qualifications.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Michigan?

Mr. DILL. I yield.

Mr. COUZENS. May I also point out to the Senator that this section ought to come out of the bill for the reason that there is in subsection (b) no provision whatever as to the amount of stock that should be subscribed for. These associations may band themselves together to escape the other provisions of the law as to the amount of stock they should buy and leave it to the bureaucracy in Washington to determine the amount of stock they should subscribe for. That does not apply to any other membership in the system than this particular group.

Mr. DILL. I feel so strongly about it that I move to strike out section 24, beginning in line 23, page 37, and extending to the end of line 16, page 38.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

Mr. COUZENS. Mr. President, this provision is a sort of catch basin for any financial institution that may be organized in the future to be admitted to membership in the Federal home-loan bank without any provision at all as to the amount of stock they would be required to subscribe. Undoubtedly it will be found that all kinds of bucket shops and lending organizations would be able to join such an organization as would be permitted under this section to obtain loans from the banks without the same inhibitions and same qualifications that would be required for other members. I think it is obvious to those who know the origin of the provision that it was put in the bill for a specific purpose to take care of organizations that would otherwise not be eligible.

It seems to me, if the system is to work at all, if the system is to be what the proponents of the bill think it ought to be, then the membership should be very clearly defined and the qualifications for membership should be very clearly defined. This is wholly unnecessary for the functioning of the bank. I have a telegram with reference to the matter reading:

We believe section 24 should be stricken out, as it is uncertain and indefinite. We believe if left in it will permit groups to come into membership as a group that would not be eligible as individuals. As a group they would not have individual responsibility as would the association that became a member in its own name.

Therefore I believe there is every reason why the section should not be retained in the bill.

Mr. HEBERT. Mr. President, I can not agree with the Senator from Michigan when he says that all sorts of bucket shops will be permitted to join the home-loan banks. Because of the restrictions on page 38 they must comply with certain conditions precedent before they are admissible. First, they must be organized solely for the purpose of supplying credit to members. Secondly, their membership must be confined exclusively to building and loan associations which are already included in the measure, to savings and loan associations which are also included, to cooperative banks which are also included, and to homestead associations which are also included, or confined exclusively to savings banks which are also included in the bill.

Mr. COUZENS. Then what is the necessity for the provision?

Mr. HEBERT. The real reason I see for the provision is that there might be some very small building and loan association or cooperative bank or homestead association which could not by itself meet the requirements of the bill, but which, in conjunction with other building and loan associations or other credit associations, could well meet the requirements, and that association might want to join as members in the home-loan bank, but in and of themselves not being sufficiently large or not having sufficient funds to enable them to do so. Clearly that would be an advantage to the very small local building and loan associations and credit organizations.

Mr. COUZENS. But if the Senator really wants to include those by themselves and alone, why does not paragraph (b) cover them?

Mr. HEBERT. I was coming to that. As to paragraph (b), which permits these organizations to become members,

I can see no justification for permitting them to do so upon any other basis than the individual associations are permitted to join. In other words, an organization of this kind made up, as it may be, of several building and loan associations or several cooperative banks, ought to meet the same requirements that individual building and loan associations or cooperative banks are required to meet from borrowing members.

Mr. COUZENS. Then does the Senator propose to change section (b)?

Mr. HEBERT. So far as I am concerned, I think section (b) should be eliminated from the bill and supplanted by a provision that the organizations shall meet the same requirements as building and loan associations mentioned in section 4 of the bill.

Mr. COUZENS. If the Senator proposes such an amendment to section (b), I think perhaps we will get some light on the situation.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from New York?

Mr. HEBERT. I yield.

Mr. COPELAND. Is there not another reason for the clause in connection with the reading of subsection (e), on page 8?

If the law of the State under which an institution described in section 4 operates does not permit such institution to subscribe for stocks in the Federal home-loan bank * * * the board may permit such institution to obtain advances on the same terms and conditions and subject to the same limitations as members—

And so forth? It may well happen that there are a number of small institutions in the State where the State law does not permit subscriptions to stock. They may organize under section 24, and then in due time, as they grow older and stronger and the State laws are changed, they can participate as members.

Mr. HEBERT. There is another reason for that. The restrictions applicable to organizations which would participate in the activities of the home-loan banks under section 24 would not apply to individuals who form an organization. While the organization might contribute to or purchase stock in the home-loan bank, the individuals would not be doing so, and therefore would not be violating the law of the State under which they are organized. But, I repeat, I see no reason for permitting such organizations to become members of the home-loan banks without meeting the requirements fixed for individual companies.

Mr. COPELAND. I quite agree with the Senator.

Mr. HEBERT. In proper time I shall offer an amendment.

Mr. COPELAND. I can see no objection to leaving section 24 as it is, except that in line 5 the word "and" should be changed to "or."

Mr. HEBERT. Mr. President, I offer the following amendment.

The PRESIDING OFFICER. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. On page 38, lines 11, 12, and 13, strike out "the board shall determine the amount of stock which shall be subscribed by such an organization for the purpose of becoming a member," and in line 13, strike out the word "other," so as to make the paragraph read:

(b) In all respects, but subject to such additional rules and regulations as the board may provide, any such organization shall be a member for the purposes of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the motion of the Senator from Washington [Mr. DILL] to strike out section 24.

The amendment was rejected.

Mr. COPELAND. Mr. President, I want to make one last effort to improve the bill. On page 2, line 14, I propose to strike out the word "three" and insert the word "two," so it will read "a dwelling for not more than two families." I can see no reason why under a home-loan bill we should provide for what is in effect an apartment house or 3-family flat. I believe that a 2-family house is perfectly proper, the owner living in one and having the other carry him along; but when we go beyond a 2-family house I think we are going far beyond the intent of the bill.

Mr. WATSON. What about what we ordinarily call a 3-decker?

Mr. COPELAND. This would cut out the 3-decker.

Mr. WATSON. Ought that to be done?

Mr. COPELAND. I think it should be done. I believe the 3-decker is not a home within the meaning of the bill. I suggest that the Senator permit it to be changed and take it to conference because I have read the hearings and I know the effort that will be made on the part of the House to retain it. I believe the bill would be better if it were made to cover 2-family houses instead of 3-family houses.

Mr. HEBERT. Mr. President, I doubt the advisability of making the change. Within my knowledge there are many home owners who have built 3-family houses which are commonly known as 3-deckers. They are not 3-deckers in the full sense of the word because many 3-story houses are built to house more than three families, but the provision as it now stands in the bill would not permit any home to come within the borrowing privilege that would house more than three families. I think it is a pretty safe provision to have in the bill, and I really think it will assist many owners of such houses to be financed through a period of difficulty.

Mr. COPELAND. Mr. President, if the Senator will permit me, we might just as well say 4-family or 5-family houses. I know that in many communities the 3-decker is a common type of building, and that is the reason why I am not asking an ironclad declaration on our part that the bill should not include the 3-decker, but I do think that the amendment ought to be in conference in order that the matter may be given more consideration, because if we are going to permit loans on 3-deckers there will be great demand for money for that purpose. I would be tempted myself to try to obtain some money for that purpose because such buildings are profitable. But there are other types of buildings than 3-deckers; there are 4-deckers and 5-family houses and 6-family houses, which in some communities are common. To my mind, however, it is entirely aside from the purposes of the bill to discuss 3-family houses when we are talking about the individual home owner.

Mr. WATSON. We will let the amendment go to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. WATSON. Mr. President, I wish to offer a clarifying amendment. On page 29 the text recites:

SEC. 17. For the purposes of this act there shall be a board, to be known as the "Federal home-loan bank board," which shall consist of five citizens of the United States appointed by the President of the United States, not more than three of whom shall be members of the same political party, by and with the advice and consent of the Senate.

I want to shift that around so as to say what it means. So I offer an amendment, on page 29, in lines 16 to 18, to strike out "not more than three of whom shall be members of the same political party," and, after the period in line 19, to insert "Not more than three members of the board shall be members of the same political party."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. COPELAND. Mr. President, there are a number of clerical errors in numbering, and so on, which should be corrected. I presume the clerk has authority to make the necessary changes?

Mr. WATSON. Mr. President, I am going to ask unanimous consent that Mr. Watkins, the parliamentary clerk of the Senate, and Mr. O'Brien, of the Legislative Drafting Service of the House, shall be given authority to change and correct the cross references where they are incorrect.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRAZIER. Mr. President, I offer an amendment, on page 4, line 9, after the words "cooperative bank," to insert the words "mortgage loan company."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. McNARY. Mr. President, I think the attention of the chairman of the committee should be called to that amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 9, after the words "cooperative bank," it is proposed to insert the words "mortgage loan company," so as to read:

Association, cooperative bank, mortgage loan company, homestead association—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. COUZENS. I send an amendment to the desk and ask to have it read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, line 21, it is proposed to strike out "1 per cent" and insert "2 per cent."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. COUZENS. Mr. President, the amendment occurs in subsection (c) of section 6, which reads:

(c) The original stock subscription for each institution eligible to become a member under section 4 shall be an amount equal to 1 per cent of the aggregate of the unpaid principal of the subscriber's home-mortgage loans, but not less than $1,500.

It seems to me that subscriptions in the amount of 1 per cent are too low and that if the home-loan banks are going to be a real success we should encourage and require as much private capital to be invested in them as is reasonable. It seems to me that a 2 per cent subscription in the aggregate of the unpaid principal of the subscriber's home-mortgage loans is little enough to require, and I think that the amendment raising the subscription to 2 per cent ought to be adopted, unless there is some argument against it, and I understand from talking to some of the opponents of the bill there is no particular reason why the language should not be changed to read "2 per cent."

Mr. HEBERT. Mr. President, I suppose it is a matter of opinion as to what the percentage should be, but I am trying to visualize a building and loan association with outstanding mortgages of, say, $10,000,000. Such an organization would have to contribute in cash $200,000 to become a member of one of the proposed home-loan banks, and I apprehend that might be an impossible condition for them to meet.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from New York?

Mr. HEBERT. I yield.

Mr. COPELAND. It would not be impossible for the rich banks which have already been put in the bill to do so, but if it is really desired to kill the bill completely and make it impossible for the little, struggling building and loan associations to operate to make it 2 per cent, make it 5 per cent. The big banks will not care how much it is made; but, on the other hand, if it is really desired to serve the people, to help the small, mutual, cooperative organizations, leave it at 1 per cent.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan.

The amendment was rejected.

Mr. COUZENS. I send to the desk another amendment and ask that it may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, line 18, before the period, it is proposed to insert a colon and the following proviso:

Provided, That the Secretary of the Treasury shall not subscribe to more than 50 per cent of the minimum capital.

Mr. COUZENS. Mr. President, if the proposed home-loan banks are to be a success, everyone knows that there should be as much interest in them as possible through stock ownership on the part of the various organizations that are going to participate in the benefits. It seems to me that where private organizations are aided by the Government to the extent of a contribution of 50 per cent of the capital stock of the proposed system of home-loan banks, that is carrying the Government a long way.

We require in the Federal road act and in other Federal aid proposals the States to put up 50 per cent of the needs. In the case of many projects on which work is done by the Engineer Corps of the Army we require those benefiting by local improvements to put up 50 per cent of the cost of the improvements. The same policy is followed with respect to Federal road aid and with respect to the rehabilitation act and with respect to the mother pension act. So it seems to me that in this instance the minimum we should require is that the institutions which are to profit by this bill should put up 50 per cent of the capital.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. HEBERT. Mr. President, it may well be that a large number of the institutions that might otherwise take advantage of the provisions of this bill will be excluded if that requirement shall be imposed, because under existing conditions they might not have the necessary funds, at least immediately, with which to make a subscription in the amount that would be required under the Senator's amendment.

Mr. COUZENS. Mr. President, my amendment does not require the individual institution to put up 50 per cent, but if the proposed Federal home-loan banks are to work successfully there should be a great number of private organizations join the system.

Mr. HEBERT. I agree to that.

Mr. COUZENS. The greater the number of building and loan associations, savings banks, and other organizations mentioned in the bill which can be induced to become members of the home-loan bank system the more assurance there will be of its success.

The Senate has just declined to increase the subscription from 1 to 2 per cent, so we are left with the same basis of individual subscription as we were before. All this amendment would require would be that the organizers of these banks may get in every possible available organization that is eligible to membership. When they have done that, the members will contribute 50 per cent of the capital required, and the Federal Government will subscribe the other 50 per cent.

Mr. HEBERT. Mr. President, if the Senator will yield right there, I want to show him how his amendment is going to operate. If the Federal Treasury is limited to subscribe not more than 50 per cent, then the most that it can subscribe to the minimum capital would be $2,500,000. The minimum capital required is $5,000,000, and, therefore, the building and loan associations and other credit associations will be obliged to find $2,500,000 in cash.

Mr. WATSON. We have increased the requirement as to capital to $15,000,000.

Mr. HEBERT. Then, the argument would be all the stronger.

Mr. COUZENS. We have reduced the number of banks to four, and am I to understand that by dividing the United States into four home-loan bank districts the organizations becoming members can not subscribe for 50 per cent of the capital of a central bank?

Mr. HEBERT. Under normal conditions, I should say that would be very easily done, but we are not now living under normal conditions; there is an exigency, and the very thing we are trying to do is to provide funds for institutions which must become members of the home-loan banks before

they can secure money. If they have not the funds to contribute to the capital of the home-loan bank, it follows that the money will not be available to them, and the whole project, I think, will destroy itself.

Ordinarily, I would have no objection to the proposition advanced by the Senator; but under existing conditions, when cash is the thing that is lacking in all these building and loan associations, I fear the Senator is making it quite impossible to meet that requirement.

Mr. COUZENS. If what the Senator says in that respect is true, is not that also true of road building and all the other activities for which the Federal Government subscribes, where it requires a 50 per cent contribution?

Mr. HEBERT. The Senator will bear in mind that we have changed that requirement now; and under the last provision made for road building, the States are not required to contribute anything. The funds will be taken out of future allowances, as I recollect the provisions of the relief measure.

Mr. COUZENS. But the relief measure, of course, has not become a law. What I had in mind was the general authorization bill that went through some time ago, in which $75,000,000 per year was appropriated. In that act, of course, 50 per cent is required to be paid by the States. The emergency relief bill has not yet become a law.

Mr. HEBERT. Of course, it must be borne in mind that the States have taxing power and that these organizations do not.

Mr. COUZENS. In view of what the Senator has said and in view of the alleged scarcity of cash, I think the substitute I am going to propose later on will be more adaptable to the circumstances the Senator explains, because it will require these organizations to put up no cash at all to get relief.

In other words, the amendment I am going to propose provides, in part, as follows:

That the Reconstruction Finance Corporation is further authorized and empowered to make loans to any building and loan association, savings and loan association, cooperative bank, mortgage loan company, homestead association, insurance company, savings bank, trust company, State or National bank, or other banking organization, secured by first mortgages upon real estate in fee simple or under leasehold under a renewable lease for not less than 99 years, upon which there is located a dwelling for not more than two families. The aggregate amount of loans made under this act shall not exceed $400,000,000. Such loans shall be made under such terms and conditions, not inconsistent with the provisions of the Reconstruction Finance Corporation act, except as modified by this act, as the board of directors of the corporation shall determine. No such loan shall be made for an amount in excess of 60 per cent of the unpaid principal of the mortgages securing such loan or in excess of 40 per cent of the value of the real estate with respect to which such mortgages were given.

I will not read the rest of the proposed amendment; but under this proposal the building and loan associations and savings banks and other beneficiaries under this act will not be required to put up any capital at all. If the need for cash is so desperate as the Senator from Rhode Island states, then it seems to me this substitute will cover the ground much more effectively and give much more immediate relief than the setting up of the home-loan banks, even with the restricted amount of capital they will have.

Mr. COPELAND. Mr. President, I am very much inclined to vote for the amendment of the Senator if he will leave out the national banks and a lot of the other institutions that he has included; but so far as the pending bill is concerned it would be fatal to add the amendment suggested by the Senator from Michigan.

We want immediate help. We do not want to wait. It takes time for these little institutions to gather together the money they need to gather in order to furnish their share of the capital; but the Government can do that, and do it at once. They will come along with the money, but they can not do it as speedily as the Government can. I hope, for the sake of the emasculated, ruined bill, for the benefit of what is left of it, that this particular amendment will not be adopted.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. COUZENS].

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Reed
Austin	Couzens	Hull	Robinson, Ark.
Bailey	Dale	Johnson	Robinson, Ind.
Barbour	Davis	Jones	Schall
Bingham	Dickinson	Kean	Sheppard
Black	Dill	Kendrick	Shipstead
Blaine	Fess	Keyes	Shortridge
Borah	Fletcher	King	Smoot
Bratton	Frazier	Lewis	Steiwer
Brookhart	George	Long	Stephens
Broussard	Glass	McGill	Thomas, Idaho
Bulkley	Glenn	McKellar	Townsend
Bulow	Goldsborough	McNary	Trammell
Byrnes	Gore	Metcalf	Tydings
Capper	Hale	Moses	Vandenberg
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walcott
Cohen	Hatfield	Nye	Walsh, Mass.
Connally	Hawes	Oddie	Watson
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Pittman	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from Michigan [Mr. COUZENS], which will be stated.

The CHIEF CLERK. The Senator from Michigan offers the following amendment: On page 9, line 18, before the period, insert a colon and the following:

Provided, That the Secretary of the Treasury shall not subscribe for more than 50 per cent of the minimum capital.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan.

The amendment was rejected.

Mr. COUZENS. I offer another amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Michigan offers the following amendment:

On page 10, line 19, strike out the word "equals," and insert in lieu thereof the words "exceeds by 10 per cent."

Mr. WATSON. May the amendment be stated again?

The PRESIDING OFFICER. The amendment will be restated.

The Chief Clerk restated the amendment.

Mr. COUZENS. That would make subsection (g) on page 10 read:

After the amount of capital of a Federal home-loan bank paid in by members exceeds by 10 per cent the amount paid in by the Secretary of the Treasury under section (f)—

In other words, that requires that the members shall pay in 10 per cent in excess of the amount which is paid in by the Treasury Department before the banks can apply annually to the payment and retirement of the shares of the capital stock held by the United States 50 per cent of all sums thereafter paid in.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. COUZENS. Mr. President, I offer another amendment, which I send to the desk.

The PRESIDING OFFICER. The Senator from Michigan offers another amendment, which will be stated.

The CHIEF CLERK. On page 11, line 6, before the period, it is proposed to insert a colon and the following proviso:

Provided, That the cumulative dividends as provided in subsection (k) have been paid.

Mr. COUZENS. Mr. President, I withdraw that amendment temporarily, and send to the desk another one which should come first.

The PRESIDING OFFICER. The amendment is withdrawn. The clerk will state the next amendment.

The CHIEF CLERK. On page 12, line 19, it is proposed to strike out "2 per cent" and insert "4 per cent."

Mr. COUZENS. Mr. President, on page 12, line 16, subsection (k) reads:

(k) All stock of any Federal home-loan bank shall share in dividend distributions without preference, except that stock subscribed for by the United States shall be entitled to dividends at the rate of 2 per cent per annum, cumulative from the date of investment.

The amendment proposes to change that to 4 per cent.

Mr. President, we have had a lot of conflict here about the amount of interest that would be charged to World War veterans on their adjusted-compensation certificates. We have in the past insisted upon an interest rate running from 6 to 4½ per cent for money loaned by the Federal Government on adjusted-compensation certificates. When a bill was introduced to reduce the interest rate on outstanding loans made with adjusted-compensation certificates as security it went to the Committee on Finance. The Committee on Finance refused to reduce the rate from 4½ to 3 per cent. Upon the insistence of some of the members of the Finance Committee, the bill was reported to the Senate without recommendation.

Last week the bill was attached to another bill providing for a reduction of the interest rate charged to World War veterans from 4½ to 3 per cent. The Senator from Utah [Mr. SMOOT] bitterly complained that the reduction of 4½ per cent to 3 per cent over the period of time to expire before the adjusted-compensation certificates become due would cost the Government, I think he said, $400,000,000.

Mr. President, if the Senate and the Congress are so anxious to protect the Federal Government's money and to secure an adequate return on the money loaned to veterans they ought to adopt this amendment.

It seems inconceivable to me that the Reconstruction Finance Corporation should be charging the borrowers, no matter who they may be, all the way from 5½ to 6 per cent, as I understand it, and that we should now start out with a proposal to set up an entirely new system of banks and lend money to those banks at a return of 2 per cent. I think I have been very reasonable in proposing that the dividend rates on the Government stock should be 4 per cent instead of 2 per cent.

Mr. WATSON. Mr. President, I trust that this amendment will not be agreed to. We do not propose, under the pending bill, to lend the money of the United States for the purpose of getting interest. The object is not to invest money of the United States for the purpose of drawing dividends or receiving accretions of any kind. This is a proposition to have the United States Government help the home owner and we are simply proposing to use the money of the United States for that purpose. It would not have been proposed at all, even in the committee, that we should establish the system to make money. On the House side they were decidedly of the opinion that we would be justified in using the money of the United States, obtained from the Reconstruction Finance Corporation, for the purpose of financing home ownership; and that was the sole object of it all.

Mr. COUZENS. Mr. President, this 2 per cent provision is not a Senate amendment. It is a provision put in by the House.

Mr. WATSON. I read the debate in the House and I was confused between that and the debates we had in the committee; but it does not matter. The Federal land bank gets no dividends from the United States; but the provision is that dividends shall be paid to the United States Government on the money the United States Government furnishes; that 2 per cent interest shall be paid on the money of the Government which the home-loan bank uses. Now the Senator wants to make it almost prohibitive and so weigh it down, by so great a burden of dividend sharing by the Government, that the building and loan associations or other institutions may be shut out altogether. My own opinion is that this amendment should not by any manner of means be adopted. I thought we were very liberal when we proposed to make the rate 2 per cent on the Government money to be used in this enterprise. I trust that the amendment will not be agreed to.

Mr. COUZENS. Mr. President, I wonder how the Senator reconciles his statement just now, that we are being very liberal with ourselves when we require a 2 per cent dividend for money advanced to the home-loan banks, with the fact that we are being harsh with the World War veterans in demanding 4½ per cent interest on the money we loan to them, with adequate security?

Mr. President, the money we are proposing to put up, to the extent of $125,000,000, is not guaranteed in any respect. The $125,000,000 is being advanced by the Federal Government on an entirely speculative enterprise. The loans which are being made by the Reconstruction Finance Corporation are, in my judgment, very speculative loans. But I believe this is much more speculative than the loans being made by that corporation.

All this amendment provides is that if the banks themselves earn the money, the Federal Government shall get 4 per cent on its investment. If the banks do not earn, they, of course, can not pay.

Mr. HEBERT. Will the Senator yield right there?

Mr. COUZENS. I yield.

Mr. HEBERT. The Senator has just stated that if the bank earns the money, it shall pay 2 per cent. That is hardly so, as I read the paragraph (k) on page 12, because the dividends are cumulative, and ultimately they must pay 2 per cent, anyhow, under the provisions of the measure as it now stands.

Mr. COUZENS. That is true. Of course, we assume that the board of directors will not pay out dividends they do not earn. If they do not declare a dividend, we do not get anything, but if they do declare a dividend, we get what is provided.

Mr. HEBERT. All dividends are cumulative, and ultimately they must pay 2 per cent.

Mr. COUZENS. Certainly. We do not expect to put up the money and not share in the dividends.

Mr. HEBERT. No; but let me call the attention of the Senator to the wording of the measure. I read from line 17, page 12:

Except that stock subscribed for by the United States shall be entitled to dividends at a rate of 2 per cent per annum cumulative from the date of investment.

Mr. COUZENS. Of course, until the home-loan bank board declares a dividend we will not get anything, because a dividend must be declared.

When the Federal board in Washington, or the board of any of the four banks which are provided for, declares a dividend, it can not be paid, of course, until the Federal Government has received cumulatively 2 per cent on its investment. That is a perfectly reasonable thing. That happens in a preferred-stock issue of any corporation. All I am asking for is that whatever money the Government puts up should have a preferred status.

Mr. HEBERT. Mr. President, I have no quarrel with what the Senator says about the Government being entitled to dividends, but I do not read this section the way the Senator reads it. This section is specific, "the United States shall be entitled to dividends," and I read that to mean that the banks must pay the Government 2 per cent dividends, and that those dividends shall be cumulative.

Mr. COUZENS. Oh, no; the Senator must read the whole section together. The section provides that "All stock of any Federal home-loan bank shall share in dividend distributions without preference." Before there is any sharing in the distributions—and the money, of course, must be earned—the Government must receive dividends, not an interest rate, but dividends, at 2 per cent per annum, cumulative from the date of investment.

Mr. HEBERT. That is not the provision of the section. There is an exception to the first clause in that paragraph (k), and the exception provides that the United States shall be entitled to dividends.

Mr. COUZENS. Of course. How can they get dividends without the board declaring them?

Mr. HEBERT. The dividends need not be paid to the rest of the stockholders, but they must be paid to the United States as a stockholder.

Mr. COUZENS. Certainly, before they are paid to anybody else, that is true, but they can not be paid if they are not earned. That is the point I am trying to make. I want it assured that the money the Federal Government puts up receives cumulative interest or dividends. Certainly it will not be paid to the Federal Government unless it is earned, because it is called a dividend. It is not a fixed charge which must be paid whether the banks earn the money or not. It is a dividend, and, whenever the banks declare a dividend, before it can be paid to others the Federal Government must have its dividend paid at the rate of 2 per cent per annum, cumulative.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 12, line 19, to strike out "2 per cent" and insert "4 per cent."

The amendment was rejected.

Mr. VANDENBERG. Referring to the amendment which has just been defeated, may I ask the Senator a question for information? Suppose, for the sake of the argument, that the banking system has earned 5 per cent and is prepared to distribute it. Does the Government get only 2 per cent on its share while the private stockholders get 5 per cent?

Mr. COUZENS. I do not so interpret it. Of course, if everybody got 5 per cent, the Government would get 5 per cent; but the banks could not declare, for instance, a 1 per cent dividend without first paying the Federal Government 2 per cent.

Mr. VANDENBERG. Is the Senator sure that the Government would get 5 per cent, too, if there were a 5 per cent dividend?

Mr. COUZENS. Yes.

Mr. VANDENBERG. The Senator from Indiana says we are limited to 2 per cent.

Mr. COUZENS. The section provides, "All stock of any Federal home-loan bank shall share in dividend distributions without preference." Then there is an exception, that there shall be no sharing in these dividends "except that stock subscribed for by the United States shall be entitled to dividends at a rate of 2 per cent per annum cumulative from the date of investment."

Mr. VANDENBERG. Certainly we want to make it plain that the Government will get at least the same that others receive.

Mr. COUZENS. If the Senator from Indiana claims that is not the meaning of the section, then I want to amend the section so that the Federal Government would get the same that private subscribers would get.

Mr. WATSON. The section provides:

(k) All stock of any Federal home-loan bank shall share in dividend distributions without preference, except that stock subscribed for by the United States shall be entitled to dividends at a rate of 2 per cent per annum cumulative from the date of investment.

There is the exception.

Mr. VANDENBERG. Does the Senator from Indiana take the position that the Government dividend is limited to 2 per cent, regardless of what the dividend paid to the other stockholders is?

Mr. WATSON. That is my position.

Mr. VANDENBERG. I submit that to my colleague for consideration.

Mr. COUZENS. I want to have that provision amended, if that is the interpretation of the Senator from Indiana, because it certainly was not my interpretation.

Mr. HEBERT. Mr. President, it must be borne in mind that this 2 per cent dividend is cumulative. These organizations might go along for some time without declaring a dividend, but when they do, then 2 per cent must be paid to the Federal Government before any dividends can be paid to other stockholders.

Mr. COUZENS. Let us assume that the banks commence to function profitably right away, and if there is the demand which the Senator from Rhode Island and the Senator from Indiana seem to think there is, then I should say that the banks would commence to function rapidly and profitably. If in the first year of their activities they earned 5 per cent and then 6 per cent, and so on, I understand the interpretation of this section to be that under no circumstances can the Federal Government get more than 2 per cent.

Mr. WATSON. But let us suppose, if the Senator will yield, that in the first year they do not make any money, the second year they do not make any money, and the third year they do not make any money; then all the associations which have contributed get nothing, but in the meantime the 2 per cent of the Government is cumulative and must be paid ultimately.

Mr. COUZENS. I am quite agreeable to accepting the assumption of the Senator from Indiana. I assume just what he does, that the first year and the second year and the third year these banks will not be profitable.

Mr. WATSON. I have not assumed that at all.

Mr. COUZENS. That is the assumption the Senator just stated.

Mr. WATSON. No; I say, assuming that were the case, then the argument of the Senator as to the payment of dividends to the Government would be unfair, in my judgment, because the private subscribers would not get a dividend if the banks did not pay—it might be for a number of years—while in the meantime the interest of the Government is cumulative at the rate of 2 per cent a year, even though the banks do not make anything out of it. When they do make anything, the first thing they must do is to pay the dividends to the Government, and the others might not get anything. I want to say that I do not think that that is going to happen. My judgment is that these institutions are going to make money.

Mr. COUZENS. I shall offer an amendment to paragraph (k), providing that the minimum shall be 2 per cent and that, if any greater earnings accrue as a result of the organization of these banks, the Government shall share.

The amendment I am proposing now perhaps in part will clarify the controversy that has just arisen. It does not clarify the question of the distribution of dividends above 2 per cent, but it does require that the Government's dividend shall be paid before any other dividends are paid. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Michigan proposes on page 11, line 6, to insert before the period a comma and the following:

Provided, That cumulative dividends as provided in subsection (k) have been paid.

Mr. COUZENS. Section (k) provides that they shall be entitled to dividends. The provision requires that not only are they entitled to them but the dividends shall be paid. I think perhaps that clarifies the one phase of the controversy in which we were just engaged.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. WATSON. I have no objection to the amendment.

The amendment was agreed to.

Mr. COUZENS. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report the next amendment offered by the Senator from Michigan.

The CHIEF CLERK. On page 29, line 15, strike out "five" and insert in lieu thereof "three"; on page 29, line 17, strike out "three" and insert in lieu thereof "two"; in line 25, strike out, after the word "four," the words "years, one for five years, and one for six," so as to read:

FEDERAL HOME LOAN BANK BOARD

SEC. 17. For the purposes of this act there shall be a board, to be known as the Federal Home Loan Bank Board, which shall consist of three citizens of the United States appointed by the President of the United States, not more than two of whom shall be members of the same political party, by and with the advice and consent of the Senate. Each member shall devote his entire time to the business of the board. Before entering upon his duties

each of the members shall take an oath faithfully to discharge the duties of his office. The President of the United States shall designate one of the members of the board to serve for a term of two years, one for three years, and one for four years from the date of the enactment hereof, and thereafter the term of each member shall be six years from the date of the expiration of the term for which his predecessor was appointed.

Mr. COUZENS. Mr. President, section 17 provides for the Federal Home Loan Bank Board. The amendment would reduce the number of members of the board from five to three and also provide that the President of the United States shall designate one member to serve for a term of 2 years, one for 3 years, and one for 4 years. It eliminates the one member for 5 years and the one for 6 years. There will be three members of the board serving 2, 3, and 4 years, instead of five members serving 2, 3, 4, 5, and 6 years. The Senate has already agreed to reduce the number of banks from 12 to 4, and it seems to me it is quite adequate to have three members of the board rather than five.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

Mr. COUZENS. I now offer an amendment. On page 31, section 18, subsection (a), which reads, "There is hereby authorized to be appropriated the sum of not to exceed $500,000 for salaries, travel and subsistence expenses," and so forth, I propose to strike out "$500,000" and insert in lieu thereof "$200,000," because it is quite obvious that with the reduced number of banks and the reduced number of members of the board an appropriation of $200,000 is adequate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

Mr. COUZENS. With respect to paragraph (k), on page 12, there was a discussion recently had as to whether the Federal Government on its stock subscription would be entitled to the same dividend rate as other investors. To take care of the difference in interpretation that seems to exist between the Senator from Indiana [Mr. WATSON] and myself I propose the following amendment: After the word "investment," on page 12, line 20, add the words "and additional dividends equal to any dividend paid upon any other stock."

Mr. SMOOT. The object of that is so that the Government shall receive the 2 per cent per annum irrespective of whether they make 2½ per cent or 3 per cent; that is, they are to receive 6 per cent before any dividend can be paid to any other source over a period of three years. Is that the object?

Mr. COUZENS. Oh, no. The Senator was not here at the time, but the Senator from Indiana [Mr. WATSON] interpreted subsection (k) to provide that the maximum dividend which the Government would receive would be 2 per cent.

Mr. SMOOT. Yes; I heard that, and I think the wording bears out that construction.

Mr. COUZENS. Perhaps it does, and I am willing to admit that may be the proper construction; but I want this additional language added so if there are additional dividends paid to private investors the same additional amount shall be paid to the Federal Government to equal those dividends.

Mr. SMOOT. In other words, if they make 6 per cent, the Government would get 2 per cent, and of the remaining 4 per cent the Government would get one-half?

Mr. COUZENS. If the corporation pays 6 per cent, then in addition to the 2 per cent the Federal Government would get 4 per cent so as to equal the 6 per cent.

Mr. HEBERT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Rhode Island?

Mr. COUZENS. I yield.

Mr. HEBERT. What is going to happen, for instance, if no dividends are paid on the capital stock for a period of five years? Then the Federal Government gets 10 per cent, which it is entitled to receive under the provisions of the bill. How are we going to arrange the dividends to divide up the earnings between the Government and the other stockholders?

Mr. COUZENS. That is perfectly plain. Unless the private investor gets more than the Federal Government's cumulative dividends, then, of course, the Federal Government will get no more dividends. In other words, over a period of 10 years, if the banks were profitable, the Government would be assured of 20 per cent in that period. Suppose in the same period of time the bank paid 30 per cent, then the Government would be entitled to 30 per cent, or 10 per cent more than the 20 per cent.

Mr. COPELAND. The Senator does not need to worry over more than five years now.

Mr. COUZENS. That is true.

Mr. COPELAND. The Senator forgets this is a 5-year bill.

Mr. COUZENS. Yes; it is a 5-year bill, and it would be much better if it were a 5-month bill, as a matter of fact; but all this guarantees is that whatever private capital gets of the corporation, the Government will get an equal amount and no more.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on the amendment of the Senator from Michigan.

The amendment was agreed to.

Mr. COUZENS. Mr. President, I now send to the desk another amendment.

Mr. COPELAND. Mr. President, is this the Senator's substitute?

Mr. COUZENS. It is.

Mr. COPELAND. Would it not be well to make sure that all perfecting amendments are disposed of first?

Mr. COUZENS. The bill will probably not be disposed of to-night in view of the other amendments to be offered. I intend to ask that the bill be printed with all the amendments which have been agreed to, so Senators may see it to-morrow morning. There have been many amendments agreed to, and I think before it is finally passed, it ought to be printed with all the amendments made to it.

Mr. COPELAND. I think the Senator is right; because after Senators see what a bad bill it has been made, there may be some hope for the Senator's substitute.

Mr. WATSON. Mr. President, I am inclined to think that the suggestion of the Senator from New York is a timely one, because we want to know for what we are going to substitute the Senator's substitute. If we have attached too many amendments, we might want to substitute almost anything. Therefore let us perfect the bill before the Senator offers his substitute.

Mr. COUZENS. I thought we had disposed of all perfecting amendments. Of course, I understand some one intends offering the so-called Goldsborough bill as an amendment.

Mr. WATSON. Yes; I have heard of all sorts of amendments to be offered.

Mr. COUZENS. Then there is an amendment to be offered proposing to legalize 3.2 per cent beer, and another one providing a plan for refinancing the farmers; but they have nothing to do with the particular object of the bill, so I thought we ought to settle this provision before the others were offered and considered. However, I have no private opinion about how to proceed.

Mr. WATSON. It is satisfactory to me.

Mr. COPELAND. Will not the Senator consent, before he offers his amendment, to consider an amendment on page 2, line 13?

Mr. COUZENS. Yes; but let me offer my substitute first.

Mr. COPELAND. Very well.

Mr. COUZENS. I send to the desk a proposed substitute. Before it is read I want to invite attention to the fact that the substitute only proposes to strike out all of the bill after the enacting clause down to and including line 14 on page 39, in other words, sections 1 to 27, both inclusive.

The PRESIDING OFFICER. The clerk will report the substitute offered by the Senator from Michigan.

The CHIEF CLERK. The amendment proposed by the Senator from Michigan [Mr. COUZENS] as a substitute for the bill is to strike out sections 1 to 27, inclusive, and insert the following:

That the Reconstruction Finance Corporation is further authorized and empowered to make loans to any building and loan association, savings and loan association, cooperative bank, mortgage loan company, homestead association, insurance company, savings bank, trust company, State or national bank, or other banking organization, secured by first mortgages upon real estate in fee simple or under leasehold under a renewable lease for not less than 99 years, upon which there is located a dwelling for not more than two families. The aggregate amount of loans made under this act shall not exceed $400,000,000. Such loans shall be made under such terms and conditions, not inconsistent with the provisions of the Reconstruction Finance Corporation act, except as modified by this act, as the board of directors of the corporation shall determine. No such loan shall be made for an amount in excess of 60 per cent of the unpaid principal of the mortgages securing such loan or in excess of 40 per cent of the value of the real estate with respect to which such mortgages were given. No mortgage shall be accepted as security if at the time the loan by the corporation is made the value of the real estate with respect to which the mortgage was given exceeds $20,000. The board of directors of the corporation shall make such rules and regulations with respect to the deposit of additional mortgage security and the substitution of mortgage security as may be necessary for the proper maintenance of the security for such loans required under this act. In making loans under this act the corporation shall, so far as practicable, make such loans on such terms and to such institutions, as in the judgment of the board of directors of the corporation will bring about the greatest relief to the small-home owners of the continental United States.

SEC. 2. The corporation is authorized and empowered to create a home-loan division of the corporation which, under the direction of the board of directors and subject to such rules and regulations as the board may prescribe, shall administer this act.

SEC. 3. For the purposes of this act—

(a) The term "first mortgage" includes such classes of first liens as are commonly given to secure advances by institutions authorized to borrow under this act; and

(b) The term "unpaid principal" means the principal of the original loan secured by the mortgage less the sum of (1) payments made on such principal, and (2) in cases where shares of stock are pledged as security for the loan, the payments made on such shares or stock plus earnings or dividends apportioned thereto or credited thereon.

Mr. COPELAND. Mr. President, may I suggest to the Senator from Michigan that to have his substitute correspond exactly to the bill we have before us—on line 6, after the word "bank," he should insert "mortgage-loan company"?

Mr. COUZENS. That is true. I accept that as an amendment to my substitute.

Mr. COPELAND. That will make it identical.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Michigan explain just what he proposes to eliminate from the pending bill and what he attempts to substitute for it?

Mr. COUZENS. Certainly.

Mr. BLACK. Mr. President, will the Senator from Michigan yield for a question?

Mr. COUZENS. I yield.

Mr. BLACK. I should like to know if, after the substitute shall have been voted on, it will be in order to offer an amendment to the original bill if the substitute shall be voted down?

The PRESIDING OFFICER. It will be.

Mr. COUZENS. Mr. President, we have spent several days in considering this bill to establish Federal home-loan banks. May I say that this bill would never have been seriously considered by either House of Congress or by their committees if it had not been for the attractiveness of the word "home"? Everyone knows that "home" is a most attractive and inspiring word. No one—admittedly, at least—desires to do anything that would injure the home, but, rather, to encourage home building and home owning. The bill has been proposed as the result of a home-loan conference that was held in Washington some months ago.

Mr. WALSH of Massachusetts. Was it not a home loan bank conference?

Mr. COUZENS. No; as I remember, the President called a conference on home building. That conference was participated in, as the record shows, by representatives of insurance companies, building and loan associations, banks, and trust companies, and the inspiration was created by the President's announcement that the conference was to be for the purpose of encouraging home building and home owning, a perfectly laudable and desirable conference to hold. In reading the minutes of the conference, however, it is shown that there was developed a very wide difference of opinion as to how we should proceed to encourage home building and the acquirement of homes; but a peculiar thing is that a study of the proceedings of that home-loan conference shows that no substantial consideration was given to what has come to be known as second-mortgage money. Everyone knows that the workingman and the little home owner, of whom we have heard so much during the last few days, often desires to start a home when he has accumulated only $500 or $600. He may desire only a $5,000 home, and he pays down 10 per cent, and gives a mortgage for $2,500; but there are still $2,000 unprovided for. The $500 he pays down; $2,500 is secured on a first mortgage, with $2,000 yet unobtained. He has to get the $2,000 from some source and what does he do? The builder adds to the $2,000 in fixing the cost of the building, and then discounts the second mortgage on the land contract; so that, in fact, the home owner has to pay perhaps a thousand dollars more for his home than the real cost would justify. There is not available this so-called second-mortgage or land-contract money.

The result of this conference was a very divided opinion as to what, if anything, the Federal Government could do with respect to encouraging home building.

I want to say, in spite of my general criticism of this bill, that I am perhaps more heartily in favor of homes for industrial workers than anyone else can be, but I do insist that there is no provision in the pending measure and no plan submitted which provides any way for the home builder to secure the so-called second-mortgage or land-contract money.

Mr. FLETCHER. Mr. President, will the Senator from Michigan permit me to interrupt him just there?

Mr. COUZENS. Certainly.

Mr. FLETCHER. I observe that Mr. William J. Adams, a distinguished lawyer who was formerly speaker of the House of Representatives of Michigan and who has been connected with building and loan and other organizations, testified before the subcommittee. This is what he said:

I have examined the provisions in Senate bill 2959; and while I hesitate to criticize this bill, I must, in all fairness, say that it does not in any respect comply with the recommendations of the President, and I doubt if he has ever read it. There is not a dollar's worth of relief or help in this bill for the home owner.

I think the public has been misled about the general scope and purpose of this bill. The use of the word "home," as the Senator has pointed out, has made the bill very attractive, and much propaganda has gone out about it, but what I have read is the opinion of this distinguished and experienced gentleman as testified to before the committee.

Mr. COUZENS. That is entirely correct. I was a member of the subcommittee and heard the testimony submitted by most of the witnesses who appeared before it because I was very vitally interested in having the Federal Government do whatever it could do to encourage home building. This, however, is not a bill which in any sense of the word will enable the man to get a home who has not now got one.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. SHIPSTEAD. The Senator has told us that what we have been told the bill is the bill is not.

Mr. COUZENS. That is correct; for several days we have discussed that.

Mr. SHIPSTEAD. Will the Senator tell us now what the bill is?

Mr. COUZENS. If I may use an expression which at one time was quite frequently used on the Bowery, I would say it was a "hock shop," created by the Federal Government for the purpose of helping financial institutions which are temporarily in distress because of an excessive number of

home mortgages. Of course all the financial institutions which are beneficiaries under this bill do not own mortgages exclusively within the limit that is provided in this bill; in other words, many of the financial agencies which will be beneficiaries under the bill have mortgages on homes running all the way from $2,000 to fifty and a hundred thousand dollars. This bill of course proposes to take care only of mortgages on property that does not exceed a valuation of $20,000. In my judgment, that is too high; but the bill provides that the building shall not be more than a 3-family house. My substitute provides that it shall not be more than a 2-family house.

Mr. SHIPSTEAD. If the Senator will yield to another question; if a bank, for instance, has loaned its funds on long-term home mortgages and needs that money because its depositors are clamoring for their money, can that bank go to one of the proposed home-loan banks and get rid of its mortgages and secure the cash so that it may repay its depositors when they want their money?

Mr. COUZENS. It can if it comes within the classification of the bill and subscribes for the stock. It must first subscribe for stock equal to 1 per cent of its aggregate mortgages or if 1 per cent of the aggregate would not amount to $1,500 it can become a member by subscribing to $1,500 worth of stock. Then, it can not do anything until there has been organized a home-loan bank.

I wish to point out how misleading the statements concerning this bill are in so far as they relate to the prospects of affording immediate help. Nothing can be accomplished for the man who is now going to be sold out, who is now going to have his mortgage foreclosed because of the enormous machinery which has to be set up before a loan can be obtained. First, there has to be created the Federal Home Bank Board in Washington. The members of that board have to be selected and confirmed and office facilities have to be found for them and a bureaucracy set up and organized. After that has been accomplished the Washington board then selects locations where there may be established home-loan banks. After having done that, the subscription books are opened for the beneficiaries under the bill to subscribe for stock. After the stock has been subscribed by the banks or trust companies or building and loan associations which desire to subscribe to the stock, then the management of the individual home-loan bank is set up, and this is how it is set up under section 7:

SEC. 7. (a) The management of each Federal home loan-bank shall be vested in a board of 11 directors—

So, evidently it will be some months ahead before the home-loan bank gets going—

all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located.

The original proposal was for 12 banks, which meant that 12 locations would have to be selected by the Washington board, and then each one of the 12 banks would have to be set up in accordance with the plan provided and in the manner prescribed for the subscription of stock, and so on.

Further, as to the management of the banks, section (b) provides:

Two of such directors shall be appointed by the board—

That is, the board at Washington—

The terms of such directors shall expire one year and two years, respectively, from the end of the calendar year 1932, and their successors shall be appointed by the board for terms of three years.

Then section (c) provides:

(c) Nine of such directors, three of whom shall be known as class A directors, three of whom shall be known as class B directors, and three of whom shall be known as class C directors, shall be first appointed by the board, and shall serve until the end of the calendar year 1932.

At that point I may say that it is my opinion the date might as well be changed to 1933, because it is quite obvious that this system can not be in operation by the end of the calendar year 1932.

To continue, subsection (c) says:

Their successors shall be elected as provided in subsection (d), and of such successors first elected one of each such class shall serve for 1, 2, and 3 years, respectively. Thereafter all such directors shall serve for three years. Directors of classes A, B, and C, whether appointed or elected, shall be chosen from among persons connected with the home-financing business.

Subsection (d) provides:

The board shall divide all the members of each Federal home loan bank into three groups which shall be designated as Groups A, B, and C, which groups shall represent, respectively, and as fairly as may be, Group A, the large, Group B, the medium-sized, and Group C, the small members—

I do not know whether that refers to the stature of the members or not; but it continues—

the size of such members to be determined according to the aggregate unpaid principal of the member's home mortgage loans. The board may revise the membership of such groups from time to time. Of the directors elected as hereinafter provided, each class A director shall be an officer or director of a member in Group A, each class B director shall be an officer or director of a member in Group B, and each class C director shall be an officer or director of a member in Group C. Each member shall be entitled to nominate suitably qualified persons for election as directors of the class corresponding to the group to which such member belongs, and shall cast one vote for each director in its class. The directors of each class shall be nominated and elected in accordance with such rules and regulations as may be prescribed by the board.

Of course, you observe that before any of this can be done the Washington board has to be organized, and set up its organization, and write rules and regulations to carry out the provisions of section 7, which I think all will admit is a very complicated section.

Then subsection (e) says:

Any director appointed or elected as provided in this section to fill a vacancy shall hold office only until the expiration of the term of his predecessor.

Subsection (f):

The board shall designate one of the directors of each bank to be chairman, and one to be vice chairman, of the board of directors of such bank.

Then subsection (h) is where the nice, fat fees and salaries may be obtained. That subsection says:

Each bank may pay its directors reasonable compensation for the time required of them——

Mr. ASHURST. Mr. President, will the Senator suffer an interruption?

Mr. COUZENS. Certainly.

Mr. ASHURST. I confess to an abysmal ignorance as to this bill. The Senator from Michigan seems to be well posted regarding the same. I now ask him, if he will permit, what will be the cost to the Federal Treasury of the operation of this bill if it becomes a law?

Mr. COUZENS. It all depends, of course, on whether the home-loan banks are sufficiently patronized to make them profitable. If they are not sufficiently patronized and there is not sufficient private capital subscribed, of course all of the expenses will fall upon the taxpayers.

Mr. ASHURST. How much would that be?

Mr. COUZENS. In other words, the bill provides now that each of the Federal home loan banks shall have a capital of $15,000,000. There is no provision requiring anybody to subscribe to the stock of any of these banks. In other words, one bank or one building and loan association can subscribe stock to the extent of $1,500, or 1 per cent of its aggregate amount of loans, and the rest of the capital is to be supplied by the Federal Government. Of course that is probably an exaggerated assumption, but there is no provision prescribing the minimum amount that must be subscribed by private individuals or private corporations. So that if a bank starts, and the Federal Government should put $10,000,000, for instance, into one of the four banks, and private corporations should put in $100,000 or $1,000,000, if enough people bring their mortgages there to borrow on, it may be successful, but if not, all of the Government's capital would be eaten up in expenses of operation and maintenance, without any prospect at all of the Government's getting even 2 per cent on

its money, let alone a return of principal, which it may or may not get, dependent upon the success of the bill.

Mr. ASHURST. Will the Senator permit another interruption as follows: How many additional persons will be covered into the Government service—that is to say, how many additional persons will be placed upon the Federal pay roll by the passage of this bill?

Mr. COUZENS. There is no mention of the actual number of people that may be employed. What is provided in the bill is that the Federal Government shall advance $200,000 for the employment of the board of directors and the staff and the office, to be ultimately repaid to the Government if the home loan banks earn the money to do so.

Mr. ASHURST. If the Senator will further permit me, the reason I disclose this solicitude is that I am in a contrite frame of mind. A flood of criticism, not only from other parts of the Union but some from my own State, has poured over me, charging me with having voted to create not only the Federal Farm Board but every other board and commission created in the past 20 years. The charge is true. I can not escape, nor do I seek to soften, the force of the charge laid against me.

Now, I am seriously invited by men whom I regard as statesmen to vote to create another Federal agency, the expense of which the able Senator from Michigan says he does not know. The number of employees which the bill will put upon the Federal pay roll the able Senator from Michigan says he does not know.

For 20 or more years I have voted to create commissions, and I have not yet healed from the criticisms I received for voting for the Federal Farm Board. If a Senator thinks he may escape public flailing for his vote for the farm bill, let him look at my daily mail, and when he goes home he will find out how he stands with the people who are to pay for this reckless and relentless expenditure of half a billion dollars.

If the Senator will pardon me further, I should like to vote for some real home bank bill. The Senator from Michigan [Mr. COUZENS], who seldom rises to or rather who seldom sinks to what we call "eloquence," was eloquent this morning in his description of how alluring, attractive, engaging, and intriguing it is to go to our States and say, "I voted for the home bank bill." You catch voters by the thousands by saying, "I voted for a home bank bill." But I am through with that kind of business. Before I vote for a bank bill or any other kind of a Government agency or commission or vote to put the Government further into business to compete with the private citizens of the country I want to know how much it is going to cost the Government and how many persons are going to draw pay from the Federal Government.

Mr. WALSH of Massachusetts. Why not put in their names?

Mr. ASHURST. Yes; as the Senator from Massachusetts suggests, why not put in their names?

The Senator from Massachusetts also says, "Stop voting for prohibition." I am not afraid to meet that issue when it comes. I shall meet issues one at a time.

The able senior Senator from Indiana [Mr. WATSON] is in charge of this bill. Am I correct about that?

Mr. COUZENS. That is correct.

Mr. ASHURST. The senior Senator from Indiana and I agree—he reached this conclusion before I did—that the time has come to stop putting the Government further into business to compete with the citizen who must pay the taxes.

Mr. COUZENS. The Senator from Indiana has not reached that conclusion——

Mr. ASHURST. I understand that he is in charge of the bill.

Mr. COUZENS. Because the Senator from Indiana is now proposing one of the most direct steps in putting the Government into competition with private business.

Mr. ASHURST. I pay attention to what the Senator from Indiana says. I have found him to be a sound, careful legislator. Senators are quite likely to be voting for this bill because it is proposed by the Senator from Indiana; but no Senator here has told us how much it is going to cost the Government. No Senator has told us how many persons this bill will put upon the Federal pay roll; and, mark my words, it is next to impossible to jar anybody off the Federal pay roll after he is once on, and that includes Senators. [Laughter.]

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. ASHURST. I have not the floor. I have interrupted the Senator from Michigan all too long. I thank him for yielding to me.

Mr. COUZENS. Mr. President, I should like to say, that of course no one knows. No one knew when we started the Federal land banks how much capital was going to be required, nor how successful they were going to be. We do know that even since this Congress convened we have been required to appropriate another $125,000,000 out of the Treasury for capital investment in the Federal land banks. The maximum required in this bill is $125,000,000; but does anyone believe that if $125,000,000 is not enough they will not be back here another year for another $125,000,000?

Mr. ASHURST. They will not get it by my vote.

Mr. COUZENS. They are apparently going to get the first $125,000,000.

Mr. ASHURST. Not by my vote.

Mr. COUZENS. I understood that the Senator from Arizona was following the Senator from Indiana.

Mr. ASHURST. I am inclined to do so. I have paid some attention to his statesmanship.

Mr. COUZENS. That is what I am saying. If the Senator from Arizona wants to follow the Senator from Indiana, of course he will vote for $125,000,000 of Federal money to go into these home loan banks; and I want to say that this is by no means the finality of it. Undoubtedly in a few years they will be back for another $125,000,000; and in order to save the first $125,000,000 we will put in another $125,000,000, and so on down the line, because when we once start these things there is not any way of stopping them, as the Senator will note with respect to the Federal land banks and the Federal Farm Board.

Mr. SHIPSTEAD. Mr. President——

Mr. COUZENS. I yield.

Mr. SHIPSTEAD. I only interrupt the Senator to relieve the Senator from Arizona of his travail of soul in searching for the meaning of this bill. Before the Senator from Arizona came in, the Senator from Michigan explained, at least to my satisfaction, that it is not going to do the home owner any good, if I did not misunderstand the Senator.

Mr. COUZENS. Mr. President, going back to section 7, which provides for the organization of these Federal home-loan banks, I have drawn the attention of the Senate to the several subsections of that section; but subsection (h) provides as follows:

When the Senator has gotten through talking about a filibuster, which I assure him I am not engaged in, I will proceed.

Mr. WATSON. I am entirely willing for the Senator to proceed.

Mr. COUZENS. The Senator was delaying the procedure, because I could not make myself heard, and I am very anxious to hear my own voice.

Subsection (h) says:

Each bank may pay its directors—

Mind you, there are 11 of them—

reasonable compensation for the time required of them, and their necessary expenses, in the performance of their duties, in accordance with the resolutions adopted by such directors, subject to the approval of the board.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. COUZENS. I do.

Mr. BORAH. Do I understand that the salaries are to be fixed by the board?

Mr. COUZENS. Mr. President, under the original bill there were to be 88 directors. Under the provision of a minimum of eight banks there would have been 88 directors; and the directors themselves were to fix their compensation, subject to the approval of the Washington board. There is no limit on the salaries.

Mr. FLETCHER. And expenses.

Mr. COUZENS. There is no limit on the expenses.

Mr. WALSH of Massachusetts. Is there any limit on the amount of time these directors shall give to their duties?

Mr. COUZENS. Not at all. There is so far as the Washington board is concerned. I do not want to mislead the Senator.

Mr. WALSH of Massachusetts. I understand. So they can vote themselves a per diem or a yearly salary if they choose?

Mr. COUZENS. That is correct.

Mr. WATSON. No, Mr. President; the directors of the local home banks are simply to receive compensation and a per diem for the time they are engaged in service.

Mr. COUZENS. That is not in the bill, Mr. President.

Mr. WATSON. That is in the bill, but not for the Washington board. The members of the Washington board are to receive straight salaries.

Mr. COUZENS. There is nothing in the bill which would prescribe the per diem rate for these directors at all. The Senator from Indiana does not understand his own bill, because it provides in subdivision (h):

(h) Each bank may pay its directors reasonable compensation for the time required of them, and their necessary expenses, in the performance of their duties, in accordance with the resolutions adopted by such directors.

It is true, Mr. President, that whatever they vote for themselves has to be approved by the home-loan board in Washington; but any one of us who has been here long enough knows what these bureaucrats do when they once get started.

The substitute I have offered is short by comparison with the bill, because the substitute sets up no permanent organization. The organization is already here. We have the Reconstruction Finance Corporation organized. They have throughout the Nation 39 subagents, or boards, or groups, which initially pass upon the loans which are to be made by the Washington office. My view is that if a home-loan division is set up in the Reconstruction Finance Corporation they can proceed immediately the President signs the bill. They have 39 agencies set up throughout the country who can respond immediately to the request of the home office to know whether the agencies which are to be the beneficiaries under the bill are entitled to loans. The kind of loans they can obtain and the security for the loans which they are to make are specified in the substitute which I am proposing.

If in a year or in eight or nine months the Reconstruction Finance Corporation, operating the home-loan division, have not taken care of the needs, the Congress can, if it sees fit, set up a permanent organization. We have had no experience with this kind of a plan. No one has promised to subscribe to the stock of this bank. Some make an analogy between the home-loan bank system and the Federal reserve system. There is no possible analogy, because the Federal reserve system was set up for the purpose of handling all commerce. It was mandatory upon some 7,000 national banks to become members and to subscribe to stock, and it was also permissive for State banks to become members and to subscribe to stock. There is not a single word in the pending bill which would require any corporation to subscribe to the stock of the home-loan bank.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COUZENS. I yield for a question.

Mr. LONG. I wanted to suggest the absence of a quorum. Will the Senator permit me to suggest the absence of a quorum?

Mr. COUZENS. I think I had better finish, because I am charged with filibustering, and I do not want to give ground for the charge.

The PRESIDENT pro tempore. The Senator declines to yield for that purpose.

Mr. COUZENS. Mr. President, as I have said, some Senators have compared the proposed system with the Federal reserve system, and there is no comparison at all. There is no mandatory requirement that a dollar be put up by the home-loan bank. There has been a very great deal of propaganda urging the passage of this bill because of the attractiveness of its name. It is difficult to talk against the bill, because one seems to be talking against the home, especially the little home. I submit that there is not a single word in the bill which would mean any help to the little-home owner, but it has been used to stir up pathos and tears.

There is every provision for the financial agencies which are to be the beneficiaries under the measure to liquify their assets, to deposit their slow and frozen assets with a Government bank and secure cash.

It is stated that they in turn will lend to the little-home owner. It is stated that it will prevent them from foreclosing on the little-home owner who is unable to pay his interest and his principal. But there is not a single, solitary word in the bill which would require any one of the beneficiaries under the measure to pass one dollar on to the home owner, or to renew a single mortgage, or to decline or refuse to foreclose a single mortgage. As I said previously, there is not a single provision in the bill which would afford a man desirous of building a home a cent of second-mortgage money.

I venture to say that every person desiring a home who has 50 per cent in cash can get the other 50 per cent. If, however, he can not, because of the distressed conditions, get the balance, he could not get it under this bill, because, before any money can be obtained under this measure, the financial institution from whom he desires to borrow must first O. K. his loan, and then come to the Federal home-loan bank and get the cash. He could do all those things under my proposed substitute. Any man who has 50 per cent in cash and desires to build a home could get the balance under my substitute immediately, if his local institution were willing to take the risk of lending him 50 per cent, which could not be done under the pending bill, because the bill could not possibly operate, in my judgment, in less than a year, when we consider all the red tape and all the agencies which would have to be set up and all the rules and regulations which would have to be written. This plan could not be effective in helping the owner who is at present in distress. There would be no way, even if the pending bill were to begin to function to-morrow, for making it mandatory upon the financial institutions which are to be the beneficiaries under the bill to help a home owner.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. BLACK. As I understand the Senator, the title of this bill is altogether wrong. It is ostensibly a bill to create a Federal home-loan plan. That would leave the impression that money would be loaned to home owners. I understand from reading the bill that no money would be loaned to home owners.

Mr. COUZENS. The money to be loaned under the pending bill would be loaned to financial institutions upon mortgages on homes. So it takes some stretch of the imagination to say that the money to be provided under the bill would go to home owners.

Mr. BLACK. If the Senator will yield just a moment further, I would like to say that since the title of the bill seems to be entirely deceptive—and I do not know why it should be deceptive—I have written a title which I am going to offer as an amendment, and which I would like to read. I propose to make the title read as follows, if the Senate will adopt it before we finish with the consideration of the bill, so that the public will know what the measure is:

An act to create Federal banks, and to authorize the appropriation of money out of the Federal Treasury, raised by taxation from the taxpayers, and to lend such money to insurance companies, building and loan associations, homestead associations, and banks for the profit of such institutions.

Mr. BORAH. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Couzens	Howell	Robinson, Ark.
Bailey	Davis	Hull	Robinson, Ind.
Barbour	Dickinson	Johnson	Schall
Bingham	Dill	Jones	Sheppard
Black	Fess	Kean	Shipstead
Blaine	Fletcher	Kendrick	Smoot
Borah	Frazier	Keyes	Steiwer
Bratton	George	King	Thomas, Idaho
Bulkley	Glass	Lewis	Townsend
Bulow	Glenn	Long	Trammell
Byrnes	Goldsborough	McGill	Tydings
Capper	Gore	McKellar	Vandenberg
Caraway	Hale	McNary	Walcott
Carey	Harrison	Moses	Walsh, Mass.
Cohen	Hastings	Norris	Watson
Connally	Hatfield	Nye	White
Coolidge	Hawes	Oddie	
Copeland	Hayden	Patterson	
Costigan	Hebert	Reed	

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

Mr. COUZENS. Mr. President, I have endeavored to point out the intricacies and the difficulties of the bill and the length of time that will be absorbed in the organization of the proposed system of banks. I submit that no prompt relief can be had for the little-home owners under the provisions of the bill. The substitute which I have offered can become operative immediately, because the Reconstruction Finance Corporation is already operating and, as I said, has 39 agencies scattered throughout the United States ready to respond to any inquiry for information. The 39 agencies can respond to the demands of the home-loan division which it is proposed to set up in the Reconstruction Finance Corporation to operate and give the little-home owners relief.

Some question has been raised as to the length of time for which the Reconstruction Finance Corporation may lend money under the provisions of the law. Some have stated that the trouble with my substitute is that it will not be possible for these associations to borrow for any considerable length of time. I want to read section 4 of the Reconstruction Finance Corporation act:

> The corporation shall have succession for a period of 10 years from the date of the enactment hereof unless it is sooner dissolved by an act of Congress.

So there is plenty of time for the corporation to make prompt loans over a reasonable length of time to relieve the little-home owners. Then the act proceeds, in section 5, after describing the loans that may be made:

> Each such loan may be made for a period not exceeding three years.

Therefore I submit that under the proposed substitute there is not a single beneficiary under the pending bill who can not promptly or immediately obtain a loan from the Reconstruction Finance Corporation, and they would be able to get the loan for as long a period as three years. I believe there is no justification for any governmental agency's lending for a longer period than three years. It seems to me that the Reconstruction Finance Corporation act in itself provides adequate facilities for taking care of the little-home owners. The proposed substitute sets aside $400,000,000 to be used by a home-loan division of the Reconstruction Finance Corporation, and it could and undoubtedly would give immediate results, while the proposed bill would not. Therefore I hope the substitute may be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute proposed by the Senator from Michigan.

Mr. COPELAND. Mr. President, I confess I am greatly disappointed over the amendments which, in my opinion, have ruined the pending bill. To begin with, the time of its operation is limited to five years, which would do away with any hope of selling bonds. In the next place it is so all-inclusive a loaning institution that the funds, limited in amount, would be absorbed by banking institutions which now have access to the Reconstruction Finance Corporation. The substitute offered by the Senator from Michigan [Mr. COUZENS] has in it the defect I have just mentioned, the inclusion of the same banking institutions, which, in my opinion, ought not to have gone into the bill at all. But the substitute has this advantage. To begin with it makes available a larger sum of money, $400,000,000. It makes that money immediately available. The minute it becomes a law that money is available for the uses proposed.

I am not going to submit any extended remarks because I have already spent too much time in discussion of the pending measure; but, as contrasted with the bill, in my opinion, the Couzens substitute is infinitely superior. It will give instant relief. The home owners who are now demanding relief, who are seeking to have their mortgages extended, who are seeking money for refunding, who are seeking to save their homes can be served by the enactment of the substitute.

For my part, Mr. President, regretful as I am that the bill which we have discussed for three or four days has been ruined in the operations of the Senate, regretful as I am that I must take that position, I feel there is no course open for me except to cast my vote for the Couzens substitute. I do that not with great reluctance in view of the conclusion I have reached regarding the bill itself, because the proposal of the Senator from Michigan gives instant hope to those who are in need. It has not the permanent nature which I had hoped might be effected. It does not go on indefinitely in building up the cooperative mutual institutions; but at least it provides $400,000,000 which can be used to-morrow or next week for the relief of home owners in the country. I know it will be cheering to them to learn that there are funds available for their relief. So, Mr. President, I shall take pleasure, in view of the failure of the perfection of the pending bill, in voting for the substitute offered by the Senator from Michigan.

Mr. WATSON. Mr. President, I very greatly regret that the Senator from New York [Mr. COPELAND] has seen fit to abandon the bill to which he has given thought and attention and some support, simply because an amendment was adopted which he did not like. The bill is still here. Its purpose is intact. Its aim is unchanged. Its machinery has not been interfered with except in small part. There is no reason why the Senator from New York should now want to discard the bill for a proposal that in no way, except in a very minor particular, can at all take care of the existing situation.

What the Senator from Michigan [Mr. COUZENS] proposes is that $400,000,000 shall be taken from the Reconstruction Finance Corporation for the purpose of financing the home owners who are in distress at this time. To use an ordinary expression with which we are all familiar, and which is expressive because familiar, that is not "a drop in the bucket." Not one witness appeared before our committee to testify but said that at least $1,000,000,000 would be required to finance the homes that are in distress. The Commerce Department, as did nearly every witness who appeared before our committee, with full knowledge of the situation, stated that nothing less than $1,800,000,000 would suffice for the purpose. Four hundred million dollars? How many of the thousands and hundreds of thousands, aye, millions of homes in this country that are mortgaged and are about to be foreclosed and will be foreclosed if we do not provide funds for their retention and maintenance, will that sum care for? It will provide for but very few of those that require attention at the hands of the Congress.

The testimony was that building and loan associations and other associations of like character holding mortgages have been waiting for this legislation to ascertain whether they should foreclose, hoping the bill would pass and that they would be supplied with funds that would enable them to tide over those who are on the very verge of bankruptcy and about to have their homes sold over their heads under the hammer of the sheriff. Yet under these circumstances, with countless voices crying aloud for this aid, while they

ask for bread, we propose in the Senate of the United States to give them a stone and to supply but a tithe of the aid and assistance that is required if we are to do justice.

This is the Senate of the United States. We are supposed to meet the requirements of the hour and the demands of the day. Therefore, Senators, let us either kill this bill by direct frontal attack and vote it down, or else let us stay with it and vote it up. I hope the substitute of the Senator from Michigan will not be adopted.

Mr. COUZENS. Mr. President, I am sorry I am not able to make as good a stump speech as my good friend from Indiana [Mr. WATSON] who pleads so persuasively for $1,800,000,000 to loan the little home owner, when as a matter of fact this puny little bill that is pending before us appropriates only $125,000,000 and is dependent for the rest of the funds upon persons willing to subscribe privately for stock through a system of home-loan banks. Not a single witness appeared before the committee agreed to put up a single dollar to sustain the home-loan bank. Everyone begged and pleaded for Government money to help the little home owner—and what does the bill provide as introduced by the Senator from Indiana? It provides a puny little $125,000,000, and that without a single promise from a single private institution to subscribe another dollar's worth of stock. We are leaving all of those millions of little home owners, about whom the eloquent Senator from Indiana talks, high and dry without any immediate help whatsoever.

Let me also say, Mr. President, that there is not a single ray of hope anywhere that the securities to be issued by the Federal home-loan banks will bring forth a single buyer. Before the system of banks can be organized, before they can loan sufficient money to the little home owners, before they can get a dollar from the public, they have got to organize all these banks, make all these loans, pool the little home mortgages and offer securities for the public to buy. What kind of securities? Securities such as those of the Federal land banks which are now selling around $80. Those securities can not be sold under existing market conditions, and, if they can not be sold, where is the $1,800,000,000 to come from for which the Senator from Indiana pleads?

Mr. President, if this system shall be established I venture to say that there will not be $500,000,000 or $400,000,000 or $300,000,000 available for the little home owner for whom the Senator from Indiana is pleading. I am pleading for immediate help, and under the proposed substitute $400,000,000 will be immediately available. If by December, when we return here, that amount has proven to be inadequate, we can establish a home-loan bank system, if we want to, or we can extend the financing of the Reconstruction Finance Corporation. I want to go on record here and now that when we return here in December not $200,000,000 will have been raised for home-loaning purposes under the provisions of the bill advocated by the Senator from Indiana.

So, Mr. President, I plead for immediate help for the little home owner. I do not want to leave him suspended in the air by the proposal of the Senator from Indiana to market $1,800,000,000 of securities not guaranteed by the Government of the United States, and that in the face of the fact that the Reconstruction Finance Corporation dare not now issue its securities, even though they are guaranteed by the Federal Government. The Senator from Indiana asks the little home owners to rely upon the selling of securities to the extent of $1,800,000,000 not guaranteed by the Federal Government, while the Federal Government does not dare sell three-quarters of a billion dollars of Reconstruction Finance Corporation notes which are guaranteed by the Federal Government. So, Mr. President, if the Congress wants to do something, if it wants immediately to help the little home owners and prevent foreclosures, it will adopt the substitute, which can be made effective at once.

Mr. HEBERT. Mr. President, I hope the amendment proposed by the Senator from Michigan will not be adopted. I say that not because among the people whom I represent I know of any present need for assistance under the provisions of such a measure as that which we have been considering for two days; but I do know that there is pressing need in many sections of the country for the aid which a measure of this kind will provide.

Mr. President, the Senator from Michigan has stated that his amendment would provide $400,000,000 to be loaned to the home owners, but let us not be deluded into the hope that that money would be available to them immediately; far from it. I venture to say that greater delay would result from the adoption of the amendment of the Senator, so far as securing funds for the home owners are concerned, than would be occasioned by the organization of the banks contemplated by the pending bill.

Mr. COUZENS. Mr. President, will the Senator tell us why the money which my amendment proposes to provide would not be available immediately?

Mr. HEBERT. For the simple reason that many formalities must be complied with before anyone may obtain a loan from the Reconstruction Finance Corporation.

Mr. COUZENS. Are there any more formalities to be complied with in one case than in the other?

Mr. HEBERT. It is not merely a question of making a demand on that organization and having the money be forthcoming immediately. I have in mind, Mr. President, one of the institutions covered by the Reconstruction Finance Corporation act that happened to need some funds, and it was entitled to have funds loaned to it by the Reconstruction Finance Corporation, but it was weeks before it was able to make the proper application as required by that corporation before its application could even be considered. As the Senator from Indiana has observed, $400,000,000 is a mere drop in the bucket in proportion to the needs of the home owners at the present time, if we are not misled by the observations that have been made by those who are familiar with the situation among home owners throughout the country.

This bill will provide permanent machinery to carry on that work which is necessary to finance the little-home owners of the country, to protect them, to safeguard their homes, so that their homes may not be foreclosed and lost to them.

Mr. COUZENS. Mr. President, will the Senator from Rhode Island yield to me?

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Michigan?

Mr. HEBERT. I yield.

Mr. COUZENS. Would the Senator venture to estimate how long it would take to raise $1,800,000,000 suggested by the Senator from Indiana under the terms of the pending bill?

Mr. HEBERT. I would not want to venture to suggest how long it would take to raise that sum, but I may say to the Senator that $1,800,000,000 will not be necessary immediately; it is only in the course of time that such an amount will be needed. However, under the amendment proposed by the Senator from Michigan, $400,000,000 is the limit to which we may go, unless, of course, another amendment were adopted and additional sums were provided from the funds of the Reconstruction Finance Corporation.

Mr. COUZENS. Mr. President, will the Senator from Rhode Island yield further?

The VICE PRESIDENT. Does the Senator from Rhode Island yield further to the Senator from Michigan?

Mr. HEBERT. I do.

Mr. COUZENS. Would the Senator venture to say that under the pending bill $400,000,000 would be raised by December next?

Mr. HEBERT. I think more than that sum may be raised before December next under the provisions of the bill. I say that because the building and loan associations themselves have an interest in seeing to it that the corporations proposed under the bill shall be organized with the least possible delay. If they are going to perpetuate themselves they must be prepared to provide funds so that mortgages already held may be current. They must be in position to have funds to meet the demands which will be made upon them and which are being made upon them now.

I realize that in some States—and I am informed it is so in the State of Michigan—building and loan associations are amply protected by law against the demands of depositors, but that is not true in all States.

Mr. COUZENS. Mr. President, will the Senator from Rhode Island yield to me?

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Michigan?

Mr. HEBERT. I yield.

Mr. COUZENS. So long as the Senator has referred to Michigan, I want to say that every building and loan association in Michigan is pleading for this bill, because they misunderstand what it will accomplish.

Mr. HEBERT. Mr. President, if that be so, then I hope the Senator from Michigan will see fit to go along with us and help to pass the bill and satisfy the desires of his constituents. I really think much good will come from the passage of this measure. It will prepare the way for an organization which will function, and I hope for all time. It is true that we have amended the bill so as to provide that its activities shall terminate at the end of five years.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Louisiana?

Mr. HEBERT. I yield.

Mr. LONG. As I understand, the Senator is proposing that the handling of this money be placed under the Reconstruction Finance Corporation.

Mr. HEBERT. No; I am opposing the amendment proposed by the Senator from Michigan.

Mr. LONG. That is what the amendment provides, as I understand, namely, that it be put under the Reconstruction Finance Corporation.

Mr. HEBERT. I do not so understand. My understanding is that the Senator from Michigan has proposed a substitute which would provide for the advance of $400,000,000 by the Reconstruction Finance Corporation to relieve the needs of the home owner.

Mr. LONG. Those of us who have had experience with the Reconstruction Finance Corporation and who want to have passed a bill on this subject would rather have a new chance than to have it go under that corporation.

Mr. HEBERT. Mr. President, I revert to my original proposition that this bill will provide machinery for carrying on the work incident to the protection of the homes; it will be permanent; and while, I repeat, that the bill now provides that activities under it shall terminate at the end of five years, I firmly believe it will be so successful in its operation that at the end of that period the Congress will unanimously provide for its continuance thereafter indefinitely, because it is bound to serve a good purpose. Surely we are all disposed to do everything in our power to provide for the maintenance of American homes. I know the Senator from Michigan agrees with me on that point. We do not disagree as to the ends to be achieved, though we may disagree as to the means by which we are to achieve them. So I sincerely hope that the amendment proposed by the Senator from Michigan will not be adopted and that this bill will pass, because I can see a decided advantage in that course.

Mr. LONG. Mr. President, if we are going to have any home loan bill, we do not want it to go under the Reconstruction Finance Corporation at all. There are some features in this bill which I do not like, but if we are going to have a bill at all, we do not want it to be administered by the Reconstruction Finance Corporation. We certainly ought to have a chance for a breath of new life, and I think the amendment would destroy whatever virtue the bill has.

The VICE PRESIDENT. The question is on the amendment in the nature of a substitute offered by the Senator from Michigan.

Mr. COUZENS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. DICKINSON (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. HULL (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. HASTINGS]. Not knowing how he would vote, I withhold my vote.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON], and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. BLAINE (when Mr. LA FOLLETTE's name was called). I desire to announce that my colleague [Mr. LA FOLLETTE] is unavoidably absent. If present, he would vote "yea."

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. COSTIGAN (when Mr. NEELY's name was called). The junior Senator from West Virginia [Mr. NEELY] is unavoidably absent. I am authorized to say that if he were present he would vote "yea."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from Oklahoma [Mr. THOMAS], and therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I understand that if he were present he would vote in the same way that I shall vote. I therefore vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. HOWELL. I have a general pair with the junior Senator from West Virginia [Mr. NEELY]. I understand, however, that he would vote as I shall vote. I vote "yea."

Mr. DALE. Respecting my pair with the Senator from Alabama [Mr. BANKHEAD], I withhold my vote.

Mr. HATFIELD. I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. I am informed that he would vote as I intend to vote. I therefore feel at liberty to vote, and vote "nay."

Mr. THOMAS of Idaho. I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. BULKLEY (after having voted in the affirmative). Has the junior Senator from Wyoming [Mr. CAREY] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BULKLEY. Having a general pair with that Senator and not knowing how he would vote, I feel constrained to withdraw my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Montana [Mr. WALSH]; and

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Illinois [Mr. LEWIS].

Mr. SHEPPARD. I desire to announce that the Senator from North Carolina [Mr. MORRISON] is paired on this question with the Senator from West Virginia [Mr. NEELY].

The result was announced—yeas 34, nays 32, as follows:

YEAS—34

Ashurst	Coolidge	Gore	Nye
Bingham	Copeland	Hawes	Pittman
Black	Costigan	Hayden	Shipstead
Blaine	Couzens	Howell	Stephens
Bratton	Dill	Kendrick	Tydings
Bulow	Fletcher	Keyes	Wagner
Byrnes	Frazier	King	Walsh, Mass.
Caraway	George	McKellar	
Cohen	Glass	Norris	

NAYS—32

Austin	Fess	Long	Sheppard
Bailey	Glenn	McGill	Smoot
Barbour	Goldsborough	Moses	Steiwer
Borah	Hale	Norbeck	Townsend
Brookhart	Hatfield	Oddie	Trammell
Broussard	Hebert	Reed	Vandenberg
Capper	Johnson	Robinson, Ark.	Watson
Connally	Kean	Robinson, Ind.	White

NOT VOTING—30

Bankhead	Harrison	Metcalf	Thomas, Idaho
Barkley	Hastings	Morrison	Thomas, Okla.
Bulkley	Hull	Neely	Walcott
Carey	Jones	Patterson	Walsh, Mont.
Cutting	La Follette	Schall	Waterman
Dale	Lewis	Shortridge	Wheeler
Davis	Logan	Smith	
Dickinson	McNary	Swanson	

So Mr. COUZENS's amendment, in the nature of a substitute, was agreed to.

Mr. FRAZIER. Mr. President, I wish to offer as an amendment, to come after line 21, on page 39 of the original bill, an amendment to be known as Title II of the measure.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 39, after line 21, it is proposed to insert the following new title:

TITLE II

SECTION 1. It is hereby declared to be the policy of the Congress that the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm mortgages now existing may be liquidated and refinanced, through real-estate mortgages on the amortization plan, at 1½ per cent interest and 1½ per cent principal per annum, through the use of the machinery of the Federal farm loan system and the Federal reserve banking system.

SEC. 2. This title shall be known by the title "The farmers' farm relief act."

SEC. 3. The Federal Farm Loan Board is hereby authorized and directed to liquidate, refinance, and take up farm mortgages existing at the date this title takes effect by making real-estate loans, secured by first mortgages on farms, to an amount equal to 80 per cent of the fair value of such farms, through the use of the machinery of the Federal farm land banks and national farm loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this title with expedition. Such loans to be made at a rate of 1½ per cent interest and 1½ per cent principal per annum.

SEC. 4. The funds with which to liquidate, refinance, and take up existing farm mortgages shall be provided by the issuing of farm loan bonds by the Federal farm loan system through the Federal Farm Loan Board and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ per cent per annum and be secured by first mortgages on farms. These bonds, after delivery to the Federal Farm Loan Board, may by it be sold at par to any individual or corporation or to any State, National, or Federal reserve bank, domestic or foreign, or to the Treasurer of the United States. And it shall be the duty of the Federal reserve banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds. Such profits to include the franchise tax now paid to the United States.

SEC. 5. In case all of said farm-loan bonds are not readily purchased, then the Federal Farm Loan Board shall present the remainder to the Federal Reserve Board, and the Federal Reserve Board shall forthwith issue and deliver to the Federal Farm Loan Board Federal reserve notes, as now provided by law, to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve.

SEC. 6. The Federal Farm Loan Board and the Federal land banks shall turn over all payments of interest and principal on such farm-loan bonds, for which the Federal Reserve Board issues Federal reserve notes, to the Treasurer of the United States, and shall be by him kept and reinvested as a sinking fund in municipal or State bonds and in bonds of the United States Government, bearing interest at the rate of at least 3 per cent per annum.

SEC. 7. Whenever the amount of money actually in circulation in the United States shall exceed $75 per capita, then the Treasurer of the United States, by and with the advice and consent of the Federal Reserve Board and the President of the United States, may retire Federal reserve notes in an amount equal to the principal paid on farm-loan bonds, for which Federal reserve notes were issued, not to exceed 2 per cent in any one year, of the amount of Federal reserve notes so issued.

SEC. 8. There is hereby created a board of agriculture, consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States who are indebted and declare it to be their intention to take advantage of this title, such county or parish convention to be its own judge as to who are bona fide farmers and otherwise eligible to participate in its proceedings.

SEC. 9. The State delegates so elected shall meet at the State capital of their respective States and elect a member of the board of agriculture, who shall hold his office from the date of such election and for a period of two years from March 4 following, and who shall receive $15 per diem and necessary traveling expenses and subsistence while on official business, to be paid by the United States Government in the manner now provided for the payment of salaries of Members of Congress.

SEC. 10. The Federal Farm Loan Board is hereby authorized and directed to give public notice through the Federal land banks to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given at an early date after the passage of this act.

SEC. 11. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other and future conventions as they may deem necessary, and they shall at all times cooperate and assist the board of agriculture, the Federal Farm Loan Board, the Federal land banks, and national farm loan associations to liquidate and refinance farm mortgages.

SEC. 12. Immediately after their election the members of the Board of Agriculture, upon call of the Federal Farm Loan Board, shall meet at Washington, D. C., and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient in carrying out the purposes of this title. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said board, and who shall receive a salary of $7,500 per annum, and 5 cents per mile for necessary traveling expenses while on official business, to be paid by the United States Government in the manner now provided for the payment of salaries of Members of Congress.

SEC. 13. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages in their respective States. They shall cooperate with county or parish and State governments and with all farm and cooperative organizations within their respective States, to speedily bring about the liquidation and refinancing of farm mortgages.

SEC. 14. The executive committee of the Board of Agriculture shall counsel with and supervise the work of liquidating and refinancing farm mortgages by the Federal Farm Loan Board and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations, and with the agriculture colleges of the Nation, in order to bring about a just and speedy liquidation and refinancing of farm mortgages. They shall report any member of the farm-loan system or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this title to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

SEC. 15. The benefits of this title shall also extend to any farmer, or member of his family, who lost his farm through indebtedness or mortgage foreclosure since 1920, and who desires to purchase the farm lost or another farm. It shall also extend to any tenant, or member of his family, who desires to purchase a farm, provided he has lived on and operated a farm as a tenant for at least three years prior to the passage of this act.

SEC. 16. The executive committee of the Board of Agriculture shall have power in case of crop failures, and in other meritorious cases, to extend the time payments due on loans made under this title from time to time for a period not exceeding three years, provided that the mortgagor keeps up the payment of all taxes on the mortgaged property.

SEC. 17. This title shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Federal farm-loan system and the Federal reserve banking system shall apply as far as applicable in the carrying out of the provisions of this title, and all laws or parts of laws in conflict herewith are for the purpose of this title repealed. The persons charged with the duty of carrying out the provisions of this title are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

Mr. FRAZIER. Mr. President, this amendment is the farm refinancing bill which was introduced during the last Congress and introduced again last December. Hearings were held upon it, the Committee on Agriculture and Forestry considered it at some length, and made several amendments. The amendments which were made by that committee are included in the pending amendment.

The measure proposes to refinance the existing indebtedness under farm mortgages at a rate of 1½ per cent interest on the principal and 1½ per cent interest on the amortization plan. There are at the present time approximately $9,000,000,000 of farm mortgages. Many of those mortgages are being foreclosed, the farmers are losing their homes and

their land, are being forced off their land, in many cases after they have reached old age, through no fault of their own, but because of the existing general conditions.

The funds to be raised under this amendment are to be raised by the sale of real-estate bonds bearing 1½ per cent interest. In case the bonds can not be sold to the general public, the Federal Reserve Board shall take the bonds and issue Federal reserve notes, such as are now provided by law, for the face value of the real-estate bonds.

The bonds are to be held as security for the notes so issued. The farm bonds will draw 1½ per cent interest, which will cover all expenses of making the loans and pay for the paper and the printing of the Federal reserve notes.

Under the existing law the Federal reserve bank pays to the Government the cost of printing and of the paper which goes into the Federal reserve note, which amounts, according to the Secretary of the Treasury, to 7.7 mills per Federal reserve note.

There is a provision in this amendment, in section 7, that when the per capita circulation shall have reached $75, the bills may be retired at a rate not to exceed 2 per cent per annum. At the present time, or at the time of the last figures I have been able to get, the per capita circulation was about $45. An increase to $75, therefore, would be an increase of $30 per capita, or 66⅔ per cent. That would mean an increase of approximately three and a half billion dollars. In other words, the three and a half billion dollars of new money put into circulation under the provisions of this amendment would take care of the farm mortgages existing at the present time through a revolving fund which would be set up.

Under the provisions of this amendment a loan would be amortized in forty-six and a fraction years. At the end of the first year the payments on every 46 loans which have been made will provide money to start a new loan, so by careful consideration it is believed that the three and one-half billion dollars, which would increase the per capita circulation up to about $75, would be sufficient to set up a revolving fund that would take care of the existing farm-mortgage indebtedness.

When the point of $75 per capita is reached, then the bills can be retired at not to exceed 2 per cent per annum. That would prevent any undue deflation which might take place, such as did take place back in 1920. It will be remembered that at that time the deflation was brought on, deliberately, I believe, by the Federal Reserve Board, and the farmers' prices went down, the value of their land went down, and they lost billions upon billions in values. That was the start of the hard times with the farmers, putting millions of them out of business entirely.

The amendment also would set up an agricultural board, chosen by the farmers themselves, to help in the administration of the measure. The amendment provides that its provisions shall be administered through the Federal farm land bank and the Federal Reserve Board, but an agricultural board, composed of farmers themselves and chosen by the farmers, is to be set up in order that the farmers themselves may have something to say about the operation of the measure.

One of the great troubles in the past with so-called farm measures, such as the Federal farm land bank act, has been that the farmers have had nothing to say themselves about the loans, and the loans have been practically dictated by the buyers of the bonds. In many instances the buyers of the farm-loan bonds have practically dictated the terms of the loans and made them of almost no advantage to the farmers themselves.

During the discussion this morning the Senator from Indiana [Mr. WATSON] made the statement that the intermediate-credit banks and the farm-land banks are functioning successfully. Under the present system the intermediate-credit banks or the Federal farm-land banks, when there is a default in the payment of interest or in the payment of taxes or in the payment of the installments due, send out collectors and take chattel mortgages on any property the farmer may have to secure the loans or payments that are past due. I hold in my hand a copy of one of the chattel mortgages. This happens to be from the Federal Land Bank of Houston, Tex., but all of the Federal land banks, I understand, have adopted practically the same method. The chattel mortgage provides for 8 per cent interest on the notes which the chattel mortgage is given to secure. It also provides that the amortization note, payable to the Federal land bank, on which such semiannual installment or installments are further secured by the mortgage, is also secured by a deed of trust. The name of the trustee is given.

In other words, under this system the farmer not only gives a mortgage on his livestock or machinery or anything else he may have that is clear of mortgage at the time, in order to secure the land bank for his past-due installments or interest, but he turns over those notes to a trustee named by the bank and pays 8 per cent interest on the chattel-mortgage loan. In other words, under this system the farmer is tied hand and foot. There is no chance for him under the system ever to pay his installments and to pay the mortgage on his land. At present interest rates and at present prices he is receiving for farm products, there is no chance for the American farmer ever to get out from under his burden of indebtedness—no chance whatever.

Mr. President, I simply mention this chattel-mortgage matter to show that the present system is not working as it should and not as it was intended to work when the measure was passed by Congress. It is true that the Secretary of the Treasury and the Secretary of Agriculture were opposed to this measure when it was referred to them by the chairman of the Committee on Agriculture and Forestry of the Senate. It seems to be quite natural for any department to object to practically any new legislation which may be suggested, because it may involve a little extra work for the department or because they do not know how it will work out. Almost invariably they are opposed to any new legislation.

Mr. President, this measure has been given a good deal of consideration by various farmers throughout the United States. There have been six State legislatures that have gone on record favoring the legislation. The legislatures of the States of North Dakota, Minnesota, Montana, Nevada, Wisconsin, and Illinois have gone on record and memorialized Congress to pass the bill.

I have petitions signed by over 20,000 farmers approving the measure. I have hundreds of letters favoring it. I have several hundred resolutions adopted by various farm locals of the various farm organizations favoring the measure. The National Farmers' Union organization, at their national convention last fall, went on record favoring the measure, and when hearings were held last winter representatives of the Farmers' Union from various States came here and testified. The measure has not been officially put up to the national convention of either the grange or the bureau, but the leaders of those organizations and several of their officials have indorsed the measure. Many of the locals of the other farm organizations have indorsed it. I have a great many letters from members not only of the Farmers' Union but of the bureau and the grange indorsing it.

Mr. President, the adoption of the pending amendment would mean giving the farmer a chance to pay his mortgage indebtedness at a low rate of interest—1½ per cent. It would give the farmer a chance to pay off his loan over a long period of years—forty-six and a fraction years—at 1½ per cent on the amortization plan. It would mean new hope and new life for the American farmer. After all is said and done, the farmers of the United States produce the food products to feed our people. At present prices it is almost impossible for the American farmer to make ends meet, to continue to pay his interest, and to make the payments on his loans in order that he may continue to own his land. It is a most deplorable situation to realize that the farmers of the United States, who produce the food products to feed our people, are losing their homes.

When we have had farm legislation pending here, such as the McNary-Haugen bill and other farm measures, farmers from the Middle West and South and West have come here or sent representatives or written here favoring the legisla-

tion; but in those instances very few farmers in the East seemed to be interested. At the present time the situation is different.

At recent hearings farmers from the good old State of Pennsylvania came here and told us that they were just as hard up as other farmers. They said they want legislation of this kind enacted. Farmers from Virginia and various other Eastern States came before us. I have a great many letters from farmers in various States. I want to read just a few extracts from some of the letters.

I have a letter from North Dakota signed by the secretary of the National Farm Loan Association in a little town up there. He said their organization had adopted the following resolution:

Whereas the farmers of North Dakota and other agricultural States are in financial difficulties and in danger of losing their homes owing to the fact that they are not receiving a fair price for their commodities, only getting at our local market 6 cents per dozen for eggs, 11 cents a pound for butterfat, 42 cents per bushel for No. 1 spring wheat, 1½ cents a pound for hogs, 3½ cents a pound for lambs, and other prices on our commodities in proportion: Therefore be it

Resolved, That the two associations heretofore mentioned go on record as indorsing the proposed Frazier bill and urge its immediate passage, and that a copy of this resolution be sent to all our representatives in Congress.

I also have a letter from the president of the Indiana Farm Bureau and I want to read just a brief extract from this letter:

I want to assure you that Indiana farmers appreciate your effort in trying to alleviate this terrible condition that we have gotten into.

In my opinion there is nothing that will bring about the desired results except some plan of refinancing the tremendous debt that is hanging over our people and inflating the currency to the extent that commodity prices will advance. This country is in a precarious condition. I am fearful that some of our leadership in Washington fails to grasp the magnitude and the danger that is confronting us in the very near future unless something is done to forestall it.

As I said, this is signed by the president of the Indiana Farm Bureau. I think he is absolutely right. Many of our Members here do not seem to realize the condition of the farmers even in their own home States, farmers who have worked long hours and long years, the farmer and his wife and his family who have worked a generation, if you please, only to see their little savings eaten up, and the mortgage upon their property about to be foreclosed because they can not pay the interest due.

Under the present system there seems to be nothing but foreclosure and total loss of property ahead of the American farmer. The farmers have been leaving their farms during the past several years at the rate of about a million a year. It is true that some have gone back to the farms each year, but the number that have left the farms has far exceeded the number that have returned to the farms in recent years.

I have a letter signed by a banker in Texas, and I want to read just a sentence or two from it:

On the present basis not a single farm mortgage ever can be paid. I ask men that question every day. The most ignorant man in this country knows that. If good farm mortgages are not good credit, what will become of all other big credits?

He is in favor of the refinancing bill. If the mortgages on our cultivated farm lands that produce the food products of the Nation are not good credit, then we have no good credit in the Nation. After all is said and done the food products which grow upon the agricultural land are the necessary products we must have in order to live; and if the land that produces those food products is not sufficient security for Federal reserve notes, then we have no sufficient security in the Nation. The farmers of the Nation are entitled to a low rate of interest. They have been paying in general for years a higher rate of interest than they could possibly afford. They have been paying more than their share of the interest charges.

I have another letter from Indiana from which I quote as follows:

Times will never be any better until the farmers have lower interest and lower taxes and can have a buying power. With high taxes and high interest rates things will continue to go from bad to worse; but if they can get these lowered, they will then accumulate a buying power and we will see better times. Until then times will never get any better but will keep on going from bad to worse. I have said this and predicted it for the last 10 years.

He states:

When this country adjusted Italy's indebtedness to us, we gave her 65 years to pay.

He is in error there; it was 62 years.

And the interest rate was fixed at 2 per cent.

He is in error again. The interest rate was 1⅛ per cent.

Why charge the American farmer more?

Mr. President, that is the great question that is confronting us. Why charge the American farmer a higher rate of interest than we are charging foreign countries to whom our Government made loans during the war time? The Italian debt is a little over $2,000,000,000; according to the settlement, we reduced the rate of interest to 1⅛ per cent, and we gave them 62 years in which to pay the interest, and then cancel the debt.

Mr. President, the measure which I propose does nothing of that kind for the farmer. It does reduce the interest rate to 1½ per cent, and it also provides for the payments on the yearly amortization plan at the rate of 1½ per cent, thus paying off the indebtedness in 46 and a fraction years.

I have a letter from the State of Wisconsin, which is probably the greatest dairy State in the Nation. In the great dairy sections they have not until recently felt hard times as the farmers in other sections have felt them. This letter is written by a farm woman. She writes a very intelligent letter and knows what she is talking about. She states that she has written to other Members of Congress in Washington, and says:

I have watched the papers with great interest to see if your bill has passed, but I have not seen anything about it. I do hope it will pass before Congress adjourns, because if something doesn't happen to help us we will all be forced to leave our farms.

She further states:

I took out a loan for $4,500 14 years ago, and I have paid off so now it is less than $3,000. I never missed one payment of interest until this year. I have not been able to pay either taxes or interest now. We get 85 cents for 12 gallons of milk and have to pay 20 cents out of that for transportation.

Mr. President, think of that—65 cents for 12 gallons, or a hundred pounds of milk! That is what she says the producers are now getting in Wisconsin for their milk. She goes on to say:

We get from 10 to 12 cents a dozen for eggs.

Eggs are higher there than in North Dakota. She further says that on the farm they are milking 12 good cows, and that their milk check last month was $48. That was practically their total income. She also says she hires one man at $20 a month. On farms in Wisconsin $20 a month are apparently the wages paid this summer, and in some places they are less than that. I remember, as a small boy, away back in the early eighties, that the first man we hired for the season after we went to the Dakota Territory, as it was at that time, was paid $20 a month for eight months. We are back to those same conditions at the present time—paying farm laborers $20 a month. The writer of this letter says they pay their hired man $20 a month. That leaves out of the $48 milk check $28 with which to pay grocery and other bills. She has not been able to pay her interest or her taxes this year because of the general hard conditions and the low prices. She incloses a clipping from a farm newspaper in regard to the land banks and their methods of doing business. They are criticized in every farm locality all over the country because they are not functioning for the benefit of the farmers. The farm paper, the clipping from which she incloses, also mentions this same bill and commends it as being for the benefit of the farmers.

Here is a letter from a banker in the great agricultural State of Iowa.

I want to read a paragraph or two from his letter. He says:

> Up to this time the farmers have not had any definite relief from Congress. There has been some effort, and many bills introduced by our lawmakers concerning farm relief, but all have been a farce or were discarded by various committees. Right now we need the united efforts of all the Congressmen from every farming section. If your bill can be worked out, it would be the only farm relief needed. Its results would no doubt be far-reaching and a great boon to the country as a whole.

That is from a banker, Mr. President, living in the great agricultural State of Iowa, which has been held up as a shining example of diversified farming. They diversify more largely in Iowa than in any other State in the Union. I can remember, as a young man, when I was farming there was a slogan which used to go out from the agricultural college and from the Agricultural Department, "Raise more hogs; hogs are the mortgage lifters," and we were told that we should diversify more; we should not carry all our eggs in one basket; that if we could not make money on one product, wheat, for instance, we should raise hogs to sell and beef cattle to sell and sheep to sell, and so forth, and in that way, by diversification, we could get along better.

Mr. President, Iowa has been the great State to diversify. In Iowa the farmers raise more hogs than in any other State in the Union; they raise more corn than any other State in the Union; they are second in the number of beef cattle and, I think, third in milch cows, and also first in farm mortgages. Practically one-twelfth of all the farm mortgages in the United States are in the great State of Iowa, and the good people of that State brag or boast—perhaps "boast" is a better word, and I think they are entitled to boast about it—that they raise more food products according to their area in square miles than any other like area on the face of the globe. Yet they have one-twelfth of all the farm mortgages in the United States in that great agricultural State, which has diversified for years. Yes; they diversify; but because they raise more products and have lost on everything it did not help them much. They have lost on their hogs; they have lost on their corn; they have lost on the beef cattle they feed there and have lost on everything else they raise, just as the farmers of other States have lost. So the farmers of Iowa are going broke, as are the farmers of other States. This banker says that this bill will do something for the farmer, and I believe it will.

I have a letter here from Minnesota. I have just picked out a few letters from my files. I have a file of letters in my office in regard to this bill more than a foot high. The writer of this letter says:

> Is there any hope for the Frazier farm bill being brought before the Congress for consideration during this session? We farmers are getting tired of being sidetracked for indefinite periods of time. Our condition on the farms in the Northwest is steadily growing more serious. It is time that our pleas are heard. Congress has granted every request made by President Hoover to give relief to the banks, insurance companies, and big business. He seems to have forgotten his campaign pledges and promises to us farmers.

Mr. President, that seems to be the general sentiment expressed by farmers throughout the Nation, that they are being forgotten, except in campaign times when candidates want their votes.

Here is a letter from another banker in South Dakota, who lives in a very good agricultural section, where I have visited and know well the conditions. I wish to read a paragraph or two from his letter. He says:

> I anticipate that your bill will be branded as unwarranted credit inflated by certain financial interests with as much vision as had Marie Antoinette prior to the French Revolution. In this connection I should like to review briefly my observations as a country banker covering a period of the past 15 years.
>
> We may pass hurriedly over the credit-inflation incident to the war period and commence with Harding's declaration for a "courageous deflation of the currency and credit."

That reference is to Governor Harding, of the Federal Reserve Board, in 1920.

Mr. GORE. The reference, I think, is to President Harding.

Mr. FRAZIER. No; it is to Governor Harding of the Federal Reserve Board.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield further to the Senator from Oklahoma?

Mr. FRAZIER. I am glad to yield to the Senator.

Mr. GORE. It may be that both Governor Harding of the Federal Reserve Board and President Harding of the United States were in favor of "courageous deflation," but the Republican platform adopted at Chicago in 1920 declared in favor of intelligent and courageous deflation. Senator Lodge, in notifying Mr. Harding of his nomination, declared in favor of deflation; Mr. Harding, in his speech of acceptance, declared in favor of deflation; and Mr. Coolidge, in his speech of acceptance, declared in favor of deflation, although he added the very clever and quaint remark that it was "easier said than done."

Mr. FRAZIER. That may be true; but W. P. G. Harding, it will be recalled, was governor of the Federal Reserve Board in 1920, before President Harding was nominated or elected, and the deflation started in 1920 during the Democratic administration, during the administration and control of the Federal Reserve Board by members appointed by the Democratic President. It is true that deflation kept up after the Republicans came into power—and I am not holding any brief for them at all—but it started during the Democratic administration in 1920.

The writer of the letter goes on to say:

> I have no particular quarrel with the deflation policy necessarily inaugurated at that time, but as a farmer with a lifetime savings of my family invested in farm lands I do have a real grievance with the policy of reconstruction then put into operation through the agencies of the War Finance Corporation and the Federal reserve banks. These two most potent agencies changed the economic aspect of the agricultural sections of the land to such an extent as to bring ruin and disaster, first to the farming industry and now to the industrialist. As a result of the efforts of these agencies to establish inflation in industry and continue deflation in agriculture over a period of years we have witnessed the introduction of peasantry in the United States.

He says, further:

> The upsetting of an economic relationship between agriculture and industry which had continued for more than 200 years was too violent an operation for either section to long survive. The reserve bank authorities will deny the responsibility for this condition, but I will refer you to any country banker as to the effect on his institution and the psychological reaction on his customers when farm lands lost their value because the only "paper" acceptable for rediscount was paper backed with "liquid" assets.

Mr. President, of course that is the case, and any banker in any farm community will admit that that was the situation.

This banker states that this deflation first struck the farmers and then the industries. That is my opinion exactly. The purchasing power of the farmers was lost entirely. Because of the deflation, because of the low prices of their products, their purchasing power was destroyed. The result was that the millions of people in the farm districts and those depending upon them lost their purchasing power too, and that these people in the farm communities and agricultural States could not buy the necessities that they wanted to buy. They could not buy the factory products. The result was that the factories and mills throughout the Nation closed down, and men and women were turned out of these mills and factories by the millions, if you please, and are now the army of unemployed.

We have been trying to bolster up the situation, we have been trying to do away with this depression, by starting at the top and loaning money to banks and insurance companies and railroads. That method, in my opinion, has been all wrong. We must start down at the bottom. We must restore the purchasing power of the agricultural class. Give them a purchasing power and they will soon commence to buy; the demand for manufactured products will immediately increase; mills and factories will reopen, and men and women will be placed in employment, and the situation will continue to improve. Until something is done for the farmers, however, there is mighty little chance of getting away from this depression, because, after all, the

farmers are the ones who produce the food products to feed the Nation. Theirs is the one industry upon which the welfare of every other industry depends.

I want to read another paragraph from this South Dakota farmer. He says:

> Your bill will bring new credit direct to the people, where it can be made effective.

Mr. President, that has been one trouble with the loans that have been made through the Reconstruction Finance Corporation. While billions or hundreds of millions of dollars have been loaned, that money has not gone into circulation. It has gone to pay off some old debts, or to pay off some cheap bonds or stocks, or something of the kind. It has gone into vaults somewhere, and not into circulation.

Continuing the letter:

> The confidence created by the restoration of values to farm lands would be so great as to turn the tide and start the country once more on a period of prosperity. Every emergency measure so far passed by Congress can only accomplish one of two things: Postpone the failure of the beneficiary by new credit on the theory that economic recovery will finally save him, or distribute the losses already apparent from the beneficiary to the Government.

Mr. President, in my opinion, that is mighty good common sense. It is a logical argument. It is made by a country banker in the agricultural State of South Dakota.

He closes with this sentence:

> You should have the support of every Member of Congress from an agricultural State for your bill; and if high finance were not blind with greed, they should put it over for you.

Mr. McNARY. Mr. President, is it the desire of the Senator from North Dakota to conclude to-night?

Mr. FRAZIER. It will take me some little time yet.

Mr. McNARY. Then, Mr. President, I move that the Senate take a recess until 10 o'clock to-morrow.

Mr. CAREY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Wyoming?

Mr. McNARY. Yes.

Mr. CAREY. I desire to enter a motion to reconsider the vote agreeing to the amendment of the Senator from Michigan [Mr. COUZENS] as a substitute for sections 1 to 27 of the bill, H. R. 12280.

The PRESIDENT pro tempore. That motion will be entered.

Mr. HALE. Mr. President——

Mr. McNARY. I yield to the Senator from Maine.

Mr. HALE. Out of order, from the Committee on Naval Affairs, I ask leave to report back favorably certain nominations for the Executive Calendar.

The PRESIDENT pro tempore. May the Chair call the attention of the Senator from Maine, in the absence of the Senator from Arkansas, to his statement with reference to nominations?

Mr. McNARY. I think the Senator from Arkansas stated a few days ago that he did not desire to have any executive business transacted while the Senate was in legislative session. Therefore, I suggest that the Senator from Maine withhold the report of these nominations. We will have an executive session to-morrow.

Mr. HALE. Very well.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 3154. An act authorizing the conveyance of certain lands to the city of Fallon, Nev.;

H. R. 96. An act to punish the sending through the mails of certain threatening communications;

H. R. 437. An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon for the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes;

H. R. 461. An act to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921;

H. R. 1228. An act to adjudicate the claims of Knud O. Flakne and Alfred Sollom, homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 1230. An act for the relief of Chase E. Mulinex;

H. R. 2161. An act for the relief of Nelson E. Frissell;

H. R. 2841. An act for the relief of the owners of the steamship *Exmoor;*

H. R. 3414. An act for the relief of Ellen N. Nolan;

H. R. 3604. An act for the relief of Same Giacalone and Same Ingrande;

H. R. 4230. An act for the relief of Genevieve M. Heberle;

H. R. 5242. An act for the relief of D. Emmett Hamilton;

H. R. 5651. An act to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use;

H. R. 5820. An act for the relief of J. H. Wallace;

H. R. 5922. An act for the relief of W. A. Peters;

H. R. 6337. An act for the relief of Capt. Chester G. Mayo;

H. R. 6797. An act for the relief of Samuel Weinstein;

H. R. 6855. An act for the relief of Sam Echols;

H. R. 7449. An act for the relief of the estate of Jacob D. Hanson;

H. R. 7656. An act for the relief of William R. Nolan;

H. R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum,* for damage to said vessel;

H. R. 7912. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 8754. An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes;

H. R. 8817. An act to provide for fees for entry of a publication as second-class matter, and for other purposes;

S. J. Res. 148. Joint resolution to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes; and

H. J. Res. 455. Joint resolution making an appropriation for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932.

RECESS

Mr. McNARY. I renew my motion that the Senate take a recess until to-morrow at 10 o'clock a. m.

Mr. LONG. Mr. President, in order that we may bring up the resolution that was presented to-day by the Senator from Nebraska [Mr. NORRIS], and another one that I understand is ahead of that, instead of a recess, as a substitute motion, I move that the Senate adjourn until to-morrow at 10 o'clock a. m.

The PRESIDENT pro tempore. That motion takes precedence.

Mr. McNARY. Mr. President, let me say to the Senator that it is the usual practice, though not the unbroken one, to recess during the consideration of the unfinished business. It is desired to conclude the consideration of this bill to-morrow. Following that we will have an adjournment. In view of that fact, I ask the Senator to consent to a recess to-night, in order to finish this bill to-morrow; and then we will have an adjournment on the following day.

Mr. LONG. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to; and (at 5 o'clock and 37 minutes p. m.) the Senate took a recess until to-morrow, Thursday, July 7, 1932, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 6, 1932

The House met at 12 o'clock noon.

The Rev. E. A. LeMoine, of St. Columba's Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, in this assembly of representatives of a great nation, we recognize Thee alone as our sovereign Lord, and thank Thee for all the loving kindness which Thou hast manifested toward this land and people. We beseech Thee to continue Thy goodness toward us, that the heritage received from our fathers may not only be preserved but enriched and transmitted to generations to come. To this end we pray that the people of these United States may be guided and assisted in all their legitimate enterprises, especially their representatives, so that by wise legislation and faithful administration the rights of the people may be protected and our Nation ever keep on the path of its divine destiny—to lead, inspire, and help a needy world. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 455. Joint resolution making an appropriation for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932.

The message also announced that the Senate recedes from its amendment No. 77 to the bill (H. R. 7912) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the joint resolution (S. J. Res. 148), "joint resolution to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes."

The message also announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10600) entitled "An act to exempt from the quota husbands of American citizens."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10494) entitled "An act to provide a postage charge on notices to publishers regarding undeliverable second-class matter," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ODDIE, Mr. MOSES, Mr. DALE, Mr. MCKELLAR, and Mr. TRAMMELL to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10246) entitled "An act to fix the fees to be charged for the issue of domestic money orders," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ODDIE, Mr. MOSES, Mr. DALE, Mr. MCKELLAR, and Mr. TRAMMELL to be conferees on the part of the Senate.

RELIEF LEGISLATION

Mr. CRISP. Mr. Speaker, I ask unanimous consent to have until midnight to-night to file a conference report upon the relief measure.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for not exceeding 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker, I am sure every Member of this House is anxious to have some relief measure passed to aid in economic recovery and to provide for those unfortunate citizens who are in need of the necessaries of life. For eight days the conferees representing the House and the Senate have striven to reach an agreement, giving and taking and trying to get a bill that we hoped would meet the approval of the President, the Senate, and the House, because we wanted relief legislation. The conferees had three equations to consider with that purpose in view, to wit, the views of the Executive to get his approval, the views of the Senate, and the views of the House. We worked diligently and the night before last we did reach a compromise agreement and I was granted permission to have until midnight last night to file that report. It was the intention of those in control of the House to call up that report to-day. However, about 2 o'clock yesterday afternoon the President of the United States invited the Speaker, the House conferees on the relief measure, the minority leader the gentleman from New York [Mr. SNELL], and the gentleman from Oregon [Mr. HAWLEY] to meet at a conference at the White House yesterday afternoon. He likewise invited the Senate conferees on the bill and Senator GLASS, Senator ROBINSON, Senator HARRISON, Senator REED, Senator MCNARY, Senator WATSON, and Senator NORBECK, and I think they constitute the gentlemen representing the Senate. Senator BROOKHART was also invited. Also, the Secretary of the Treasury was present, as was Governor Meyer of the Federal Reserve Board, Mr. Jones and Mr. McCarthy, directors of the Reconstruction Finance Corporation. We were in conference from 6 o'clock until 8.30 o'clock last night and we could reach no agreement. The President said that he would not approve the bill that the conferees had agreed upon, and I requested his specific permission to make that statement on the floor of the House to-day. He readily gave it. Therefore, we know that if the agreement the conferees have reached should pass both branches of Congress and go to him, he would veto it. I am not going to discuss that agreement now, because it is unnecessary to do so. I shall probably do it to-morrow, and that is why I asked the House to meet at 11 o'clock, so that we could consider that. All of the gentlemen present at that conference were anxious to see if it were possible to further compromise the measure so as to obtain affirmative action by Congress and Executive approval, because, I repeat, we feel and know some relief measure must be enacted to meet this situation that confronts the country that we all love.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. CRISP. I do not want to be discourteous, but I shall ask the gentleman to wait until I have concluded my statement.

With that thought uppermost in the hearts of all of us, it was finally agreed that we would have a further conference between the President and representatives of each branch of the Congress to see if some compromise could be agreed upon. That was agreed to by all of those gentlemen present. Therefore I did not present the report last night. Had I presented it, the conferees would have lost control of it. Therefore it was held out to see if any agreement could be reached that would insure the passage of some relief legislation. The Speaker, the majority leader [Mr. RAINEY], and the minority leader [Mr. SNELL] were agreed upon as representatives of the House, and Senators ROBINSON, NORBECK, and WAGNER were appointed to represent the Senate. They met with the President this morning at 9 o'clock and were with him for some time. I was not present. I do not know what understanding was had at that conference. The Speaker of the House, who is the head of the House, is desirous of advising you as to his views of the situation and what took place at the conference this morning. Therefore, Mr. Speaker, I ask unanimous consent that the Speaker of the House, the gentleman from Texas, Mr. GARNER, be permitted to address the House for 20 minutes.

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection?

Mr. GOLDSBOROUGH. Mr. Speaker, before the gentleman leaves the floor, will he yield to me for a question——

Mr. CRISP. Yes.

Mr. GOLDSBOROUGH. To ask the distinguished gentleman from Georgia whether or not he knows of any precedent for interference by the Executive with the legislative branch of the Government during the progress of legislation through the two bodies of Congress?

Mr. CRISP. I do not know, but I would not say that it has not been done.

Of course my friend will understand the President has a right to advise with Congress, through formal message, I grant, but the President of the United States must sign this bill or his veto must be overridden by a two-thirds vote, and when the President of the United States invites Members of both branches of Congress to confer with him on a matter vital to the country, of course we readily attended the conference.

Mr. GOLDSBOROUGH. There is no criticism of that from my standpoint, but I do think it is extremely unusual for the President to deliberately take it upon himself to notify Congress in advance of legislation that he will veto their action, and attempt to coerce them into doing what he thinks is wise. Congress has its responsibilty, and if it does not please him, he has his responsibility.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GARNER. Mr. Speaker, I asked the gentleman from Georgia [Mr. CRISP] to make this request in order that I might outline to the membership of the House the events occurring at the White House yesterday and to-day.

As suggested by the gentleman from Maryland [Mr. GOLDSBOROUGH] it has not been customary, since I have been a Member of Congress, for the President to summon Members of the House, of both parties, to a conference at the White House to discuss legislation that had been agreed upon by conferees of the two Houses. As suggested by the gentleman from Georgia [Mr. CRISP], when the President of the United States invites membership of the House to the Executive Office for the purpose of discussing the welfare of the Union, I do not see how it is possible that we could refuse. In fact, I think it is quite proper for Members to respond in that particular. However, I do not think it quite in keeping with the Constitution or the thought of the makers of the Constitution, as they fixed the relation between the Executive and the legislative branches of the Government, for the President of the United States to wait, as he did, until a conference report was completed and signed by the members of the conference, then secure a copy of it and, before that conference report was filed in the House of Representatives, summon the conferees to the Executive Mansion for the purpose of telling them how they should correct their work. It ought not to be done; and I, on this floor, protest against it. [Applause.]

In compliance with that request we went to the White House at 6 o'clock yesterday afternoon. The gentlemen named by the gentleman from Georgia attended that conference. The President, as stated by the gentleman from Georgia, said he could not sign a bill embracing legislation contained in that conference report. The idea was conveyed that he desired to confer with these gentlemen who were summoned to the White House, with a view of arriving at a mutual understanding, if possible, as to what the legislation should contain.

We discussed the matter for two and one-half hours and, in a spirit of compromise, more or less arrived at a conclusion as to two titles of the relief measure. Not being able to arrive at a final conclusion, Senator REED, of Pennsylvania, suggested that we have another conference this morning, composed of a smaller number, as stated to you by the gentleman from Georgia.

We went to the White House this morning at 9 o'clock and resumed the discussion of the bill. Title I, if you will remember, as passed by the House, contained $100,000,000 for the President to do with as he saw fit—give it away, loan it, or otherwise use it for distressed and suffering Americans, as he deemed proper. The Senate passed a bill carrying $300,000,000 to be loaned to States for similar purposes. In adjusting the differences between the House and Senate—and I think I am at liberty to say what the conferees agreed upon—the conferees agreed to embrace both proposals—to carry the $100,000,000 for the President of the United States and the $200,000,000 to be loaned to the States, through their governors, as originally provided in what is known as the Wagner bill. This morning, at the suggestion of the President, a very happy solution, it seems to me, was arrived at with respect to Title I. In substance, it was that the Reconstruction Finance Corporation should have $300,000,000 specifically allocated for loans to States or to municipalities that might be designated, limiting the amount to any one State to 15 per cent of the appropriation.

That seemed to meet every emergency. In other words, to illustrate, if there be a State whose constitution would not permit the governor to borrow money, but some city or municipality in that State were suffering by virtue of economic conditions, the governor could certify to the Reconstruction Finance Corporation that such city was in need, and the Reconstruction Finance Corporation could loan direct to that city, which seemed to meet the major problems of emergency appropriations.

For the present I will pass Title II for the purpose of telling you what the conference this morning virtually agreed upon. When I said to one of the conferees this morning that the House had surrendered 75 per cent of its position he upbraided me by saying that Title I was not a surrender, and I agreed with him in so far as the object and the possibility of relief were concerned, but maintained that the House did surrender the principle that where the President of the United States found people were suffering for food, clothing, or housing, and were dying, he had the right to meet that situation and should have a reservoir of resources from which to meet it. [Applause.] This principle is not now contained in this relief measure. However, believing the President's suggestion would at least improve the situation throughout the country, and this being one of the principal points involved, we were willing to yield. But we did yield a principle and, therefore, the House did surrender on the principle involved in Title I.

In Title III the House of Representatives passed what I believe to be a constructive effort toward the Federal Government giving employment to the people of this country.

I believed in Title III although it was severely criticized. I believed the money would be spent honestly and wisely. I believed it would be expended to the advantage of all the people of the United States; that benefits to them would be derived from the construction and in future use of their public buildings, of their rivers and harbors, flood-control work, and Army housing. Therefore I urged its consideration and adoption.

In the Senate a different program was provided. Under the Senate proposal $1,500,000,000 was added to the funds of the Reconstruction Finance Corporation for the purpose of permitting cities and municipalities to borrow money for so-called self-liquidating activities. The Senate bill also provided about $500,000,000 for public works without itemizing them.

When the conferees reached this Title III my information is that in trying to arrive at a conclusion and to avoid a presidential veto, they decided they would put nothing in the bill except that which Congress had authorized and the President of the United States had approved, so that the "pork barrel" gentlemen of this country who wanted to refer to it as such, if they did refer to it as a "pork barrel" measure, would have to refer to the President of the United States as the head of the "pork barrel" advocates, because it conformed to his ideas. [Applause.]

So the conferees provided for $322,000,000 of mandatory expenditures for projects such as they outlined, the details of which will be given you to-morrow by the gentleman from Georgia [Mr. CRISP].

The President did not want this expenditure. In frankness, it should be said he was opposed to the expenditure of a single dollar toward giving employment to the American people in this way. But, in the spirit of compromise, and after he was told by the Senators present there would be no hope of passing a bill through the Senate that did not at least carry the road provision of the Senate—$120,000,000 of loans to the States—the President finally said he would agree to that.

Then the query came as to the $202,000,000 for additional public works as agreed upon in conference. The President was unwilling that Congress should make it mandatory that this work go forward. The President raised his objection on the ground, as I understand it, that we were not able to finance these public works. After a lengthy discussion last night, and finally this morning after a couple of hours, the suggestion was made, and I repeat, in a spirit of compromise only, because it did not meet the approval either of the conferees on the part of the House or the conferees on the part of the Senate, but only to try to reach an agreement to get some kind of legislation without a veto, it was agreed that the $202,000,000 provided in the conference committee report should be expended when the Secretary of the Treasury of the United States said the Government was prepared to finance it. I may say to the gentleman from New York [Mr. SNELL] I believe this is a correct statement. I do not remember the exact language that is to go in the provision, but in substance the $202,000,000 outside of the road fund of $120,000,000 was to be left to the administration to expend when and at such places as it saw proper. I might add, as the administration saw proper to use it.

A surrender, yes. In order to get legislation I made this surrender. It was gall to me. I did not feel like coming back and looking you in the face after I had made such a surrender.

Then we came to Title II, and here is where we differ. When you Republicans meet in your conference this afternoon at 4 o'clock I want you to discuss it heart to heart among yourselves.

This is the issue: Title II has for its purpose the lending of $3,500,000,000 to the people of the United States.

That is the difference between the President and myself—and let it be said that I was the one who contended with him. My friend RAINEY joined me. I think we were the only two who held out for the principles involved in Title II, and here is what it is, gentlemen: Originally, back in January, I believe it was, we passed what is known as the Reconstruction Finance Corporation act. Remember, we passed that bill at the urgent request of the President of the United States to take the place of a private corporation created by the bankers of this country to do the same thing that the Reconstruction Finance Corporation is doing, except that the former had no limitations on what it could loan money for. We passed that act although we were hesitant about it. We knew we were launching into a field that could not be defended under the principles of the Constitution of the United States. But this country was in the throes of desperation economically, and the result is we took it as the President wanted it, hoping and believing it would tend to restore confidence and prosperity in this country.

The Reconstruction Finance Corporation has been functioning now some four months. It has probably been of great benefit to the country. Nobody can tell, nobody knows, how many banks would have their doors closed to-day were it not for the activities of that corporation. [Applause.] However, no one can actually tell what it has accomplished. I think it has been of benefit to the country; that it has kept many corporations, mortgage companies, and other large corporations from going into the hands of receivers; but, gentlemen, it has not brought about the results we hoped for. Nobody can stand in this Chamber and say that the results of the work of that corporation or any other acts of this Congress since it has been here have had the results we hoped for in January and February.

I undertake to say now, and I have the President's authority for it, that this country is in worse shape than it has ever been in all its history. I heard him say last night in reply to my question in which I asked: "Do you believe that the appropriation of $332,000,000 will bring on a panic?" He said he was afraid of it. He said it might and that it would be a shock to the country.

But, on the other hand, it may be that this prophecy of Mr. Hoover may be as inaccurate as those made in the past, and when he looks for a panic around the corner it will be good times instead of a panic. [Applause.]

The issue between the President and the Congress is this: We are going to broaden the base of this corporation. It is said the railroads, the insurance companies, the joint-stock land banks, banks of all kinds, and other corporate interests have been wonderfully benefited. We now propose in the House of Representatives to add $1,500,000,000 to the funds of that corporation; and we propose to say that from now henceforth there shall be no class legislation and no class borrowers, but that the whole people of the United States are going to share in the benefits of any legislation this Congress may pass. [Applause.]

How can you gentlemen sit here and have your taxpayers put up $3,500,000,000 and then say to a citizen in your State or to a private corporation in your State that wants to borrow money, with adequate security, and who intends by the borrowing of that money to put labor to work—how can you say that this Reconstruction Finance Corporation ought not to make the loan? How can you say that it is more important in this Nation that the New York Central Railroad should meet the interest on its bonds in July and August of this year than it is to prevent the forced sale of 500,000 farms and homes in this Republic? [Applause.]

[Here the gavel fell.]

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 15 additional minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GARNER. I am obliged to the gentleman. I said to the President this morning, as I said to him last night, "I am through with class legislation." [Applause.] "You want to provide this $3,500,000,000 and you want to lend it to the railroads, the insurance companies, the mortgage companies, and similar interests." The answer was, "Why, all the people will get a benefit out of it." My friends, it is too high. The drippings do not reach down to the earth. [Applause.]

I want these seven men who control this corporation to have the right to say that this money is placed into their keeping by all the taxpayers of the United States. The railroad companies, the banks, and the insurance companies do not pay all the taxes in this country, so why should you go out and gather from all the taxpayers $3,500,000,000, then say we have got to take care of certain interests and let them have the benefit of this wholesome policy and leave out all the balance?

Is there any reason for it? Who can give me a reason why, if anyone with adequate security desires to borrow $1,000,000 and he can put 500 men at work with that $1,000,000, with the Government safely secured, he should not have that loan? You can not say, gentlemen, that he can borrow money anywhere else. The New York Central Railroad Co. represented the highest type of security in the United States prior to this depression. The Pennsylvania Railroad Co. has borrowed $27,500,000 and is paying 6 per cent interest on it when they formerly were able to sell their 4 per cent bonds at a premium. That being so, you can not say that anyone, if he has good security, can find somebody to lend him the money. If the Pennsylvania Railroad Co. and the New York Central Railroad Co. can not find a market in which to sell their securities, but have to go to this corporation, how can you expect the ordinary man, although he has ample security, to find a place in which to borrow money for his activities? Gentlemen, it is impossible.

You have relieved 4,000 banks, and properly so. Those banks borrowed money from the Reconstruction Finance

Corporation in order to stay open, but they have loaned little, if any, of this money to their customers.

There is no place in which to borrow money in this country. Then why should you say, I repeat, that with $3,500,000,000 available for the Reconstruction Finance Corporation you are going to announce, "This is our special clientele. Here are the particular people we are going to serve. We collect the money from all the people of the United States, but no individual, no private corporation can borrow money except these particular people we want to serve"?

Why should you not loan to a private corporation if it has adequate security? Why should you not loan to that corporation in order to carry on its business and give employment to labor? Somebody ought to answer that. I yield for an answer. I have not found a man yet who can answer it. It can not be answered. [Applause.]

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. GARNER. In just a moment. Let me make this statement.

I do not want to be partisan. I said to the President this morning when we were talking about it, "Mr. President, if I wanted to be partisan, if I wanted to talk partisanship, if I wanted to talk politics [laughter], I might say, and truthfully say, that as between the Democratic Party, in legislation of this type, and the Republican Party, the contrast is outstanding like the blazing sun in the heavens."

During war time we created, under a Democratic administration, what was known as the War Finance Corporation. Some of you will remember it. What did this War Finance Corporation do? We gave them a large part of the taxpayers' money. What for? To lend to any human being on earth that the War Finance Corporation thought ought to have it.

That was under a Democratic administration, legislating for all the people of the United States.

What happened under the Republican administration in 1921? The War Finance Corporation was revived and its life was extended, but, just like the Republican organization has always done, it cut out the people and held to the special interests. [Applause.] There is your contrast, as clear as the noonday sun—a Democratic administration legislating for the whole Republic; a Republican administration legislating for certain special classes.

Now, you Republicans propose to do that in this bill. You propose to increase the capital of this corporation to $3,500,000,000 from $2,000,000,000. Now, in doing so I plead with you to let all the people have some drippings from this wonderful banking institution. Do not keep it just for a few. Let the whole people have just a little consideration with respect to their own money.

This is the only difference between the President and the Congress. Finally, at the conference this morning they said, "There is no use waiting any longer." And I said, "Not with me, Mr. President. There is a principle involved in this that I will not surrender." [Applause.] "I will not surrender the principle that we ought to legislate for all the people rather than for a preferential class."

And, my friends, this preferential class is in no position now to deny you the right to legislate for all the people.

The President can sign this bill. The President should sign the bill for this reason: The rules and regulations of the board of directors will control the loans and the responsibility will be with them. We hope to put in the conference report a direction that the loans shall be made under such rules and regulations as the board of directors may prescribe.

Now, on the Democratic side you may say, and some of you on the Republican side may think, that we ought not to trust this board with such a stupendous sum or with such broad, discretionary powers.

My friends, if you are going to take that position, then there is only one consistent thing for you to do, and that is to say that these seven men can not be trusted either with respect to their wisdom or their patriotism, and then you ought to repeal the law. [Applause.] You ought not to put this trust in the hands of men that you are not willing to give an opportunity to serve all the people, the same as you give them the opportunity to serve a certain class. If you can not trust them to lend to an individual or to a private corporation, why did you trust them to lend to the particular class enumerated in the present law? I say that if you can trust them to lend to one and to exercise discretion in that particular, you can trust them to lend to all.

I believe this is the safe thing to do. I believe it will be helpful to the country. I believe it will restore confidence even in the banks, because the people will know they have one place where they can get some money to keep from being closed out by those they owe, if they have adequate security.

Mr. CRISP. Will the gentleman yield?

Mr. GARNER. I yield to my friend from Georgia.

Mr. CRISP. I agree thoroughly with the statement of the Speaker as to making all eligible to borrow, and I have stood out in conference for that principle. The House won out, and the conferees agreed to it, and it is in the report on which we reached an agreement.

I now rise to ask the Speaker whether the conferees are advised by him, in view of what took place at the White House this morning, about which, of course, I know nothing except what the Speaker has so ably told the House, to change that conference report as outlined in your address as to Title I and Title III and keep Title II without any limitation as to who may be eligible to borrow from this corporation.

Mr. GARNER. Mr. Speaker, in reply to the gentleman from Georgia, let me say, as I said a moment ago, the surrender of a part of Title III was gall and wormwood to me. I wanted to give an opportunity to the people of the United States for employment through Government activities. But, if I had my way, in order to make a clean-cut issue with the President of the United States on a principle so far-reaching that I believe the American people would respond to it in a moment, I would suggest that you accept the President's suggestion touching Titles I and III and maintain your position with reference to Title II. [Applause.]

I make the suggestion for two reasons: First, because I want to get some legislation. I believe you have got to have some reservoir of relief, Federal in its nature. I want to see the legislation passed, and, therefore, I am willing to make the concession. I am willing to make a surrender, and then I would like to give the assurance that Congress desires to serve the whole people of the United States, while the President says, "I will take my select clientele or you will take nothing in the way of relief." [Applause.]

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, I have listened with much interest to the Democratic candidate for Vice President's speech of acceptance for that nomination. [Laughter and applause.] I am at a little disadvantage, because I have no prepared speech along that line.

The gentleman from Texas says that he is opposed to class legislation. I want to say, and I say it without fear of successful contradiction, that the gentleman from Texas in his speech here to-day has made more direct appeal for class distinction and class discrimination than has been made in any other speech made on the floor of this House in this session. [Applause.] If the distinguished Speaker of this House ever made a demagogic appeal, he made that appeal here to-day. [Applause.]

The gentleman from New York fully appreciates the fact that we have some very important and serious legislation before us. He fully appreciates the fact that every individual in this House, and, in fact, I think in the whole country, is looking forward for some definite action. I hope that action will come at an early date.

Let us look at the exact situation that confronts us. The House of Representatives has a Democratic majority. The

Senate has a nominal Republican majority, and the Chief Executive is Republican.

Now, it is absolutely a positive fact that if we ever reach any legislative agreement whatever it must necessarily be the result of compromise between these three individual bodies. It can be nothing else. The Republicans are proceeding along that line and are perfectly willing to meet half way on any proposition for relief.

Now, some gentleman raises the question of the President's right to ask us down to talk this matter over. To me the President is entitled to praise for doing that. [Applause.] He showed that he was willing to compromise in any way in order to accomplish the results that the people of this country want accomplished. [Applause.]

The gentleman from Texas [Mr. GARNER] in his statement said that this was an issue between the President of the United States and the Congress. I say that it is not an issue between the President and the Congress but is an issue between the President of the United States and the Democratic vice-presidential nominee. That is the real issue. During this entire conference down there, there was a general disposition to get together and come to some agreement, and inasmuch as the gentleman from Texas has entered into that discussion which was had at the White House, I am going to enter into it a little further. I did not intend to refer to it. If it had not been for the gentleman from Texas we would have reached an agreement last night or this morning. [Applause on the Republican side.] The whole issue on this agreement revolves around this one proposition of whether the United States is going to go into the banking business and set up a superbanking organization in every State, county, and town in the United States. There is the whole difference in the matter now before us. It is whether you are going to do that or not. Every member of the Reconstruction Finance Corporation said that it was positively impossible to carry it out and do what they were directed under the provisions of the bill. His own Democratic members substantiated that statement yesterday afternoon, and he insisted upon asking them. He said that the Democrats could carry it out, but they did not agree with him or his position.

As far as the agreement is concerned, the Chief Executive was perfectly willing to make a compromise on Title I and give practically what the House and Senate bill asked for. There was a little difference, and when we got all through, even the gentleman from Texas [Mr. GARNER] himself said that he thought that perhaps is better than the original Title I. Therefore, there is no question there. The administration was also quite willing to make a reasonable agreement in regard to Title III, and when the gentleman from Texas says that he yielded on Title III, of course he yielded on the pork-barrel portion of Title III, because the country has not supported him on that proposition. [Applause on the Republican side.] The only question at issue is Title II, and if the gentleman from Texas [Mr. GARNER] had been willing to yield just a little on that one proposition we would have reported back here to-day to you and to the country at large a unanimous agreement, and I maintain that that one thing would have gone farther toward relieving the general situation in the country than any other one proposition that we have had before us during the present session.

Let us get back to this Reconstruction Finance Corporation proposition. It has not done everything that everybody expected, but I want to know where anybody has made any suggestion for anything that would do any better than the Reconstruction Finance Corporation has done. Certainly no Democrat has made any such suggestion.

Mr. KELLER rose.

Mr. SNELL. I can not yield at the present time.

Mr. KELLER. I could answer the gentleman.

Mr. SNELL. The gentleman will have to do that in his own time. The Reconstruction Finance Corporation has loaned money to 5,000 local banks throughout the country, mostly banks in small communities. Has not that been a benefit to the individuals living in those communities? When you save a bank in a local community from going broke and closing its doors, do you not do something for the individuals of that community? [Applause on the Republican side.] This organization has done it in countless cases. Who owns the railroads; who owns the life-insurance companies; who has the life-insurance policies that have been protected by protecting and making these loans? Nine-tenths of the men right in this audience are among the owners. When you protected the railroads and protected the bonds that were owned by the life-insurance and the fire-insurance and other companies throughout the United States you protected the individual citizens and the individuals' savings, and no man can successfully contradict that. [Applause on Republican side.]

The question now is, What are we going to do with it all? I maintain that if we had been allowed to go along and the Speaker of the House had joined with his other conferees—and I am sure the Senate was willing to come to an agreement and the other conferees were willing to come to an agreement—we would have reached an agreement by now; but the gentleman from Texas would not yield a single iota on this one thing of loaning to every individual man in the United States. [Applause on Democratic side.] Oh, that is all right, gentlemen; if you want to set up a superbanking organization controlled by the Government and doing all the banking operations there are, you want a capital of twenty-five billions instead of one and one-half billions. Furthermore, the Reconstruction Finance Corporation directors say that it is absolutely impossible to do that at the present time. And I doubt the gentleman from Texas expects to do it; he simply is making a play and is going to fool them when they come to borrow the money. There is the whole situation. It is a question of whether we are going to put through a proposition here which it is absolutely impossible to administer, and everyone admits it. This is a proposition that smells like pork, but the poor fellow with no security will find the barrel empty.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Not at the present time. The general proposition made by Senator ROBINSON I shall quote in full. The gentleman from Texas referred to it in a limited way. This provided for $300,000,000 to be loaned on the basis of relief and need of the different States, not over 15 per cent to any one State, and the governor of any State might designate any municipality to participate in that fund from his State. So far as Title II is concerned, the general provisions of the Wagner bill are to be adopted, and the base is to be widened so as to include all financial institutions. We could have gone probably still farther toward meeting the proposition of the Speaker, but he definitely said that he would not yield one single iota, and then is when the conference broke up. Title III of the Robinson proposition was that we would take practically the $322,000,000 provided for in the present bill, and the last $200,000,000, as the gentleman from Texas has said, would depend on the ability of the Government to finance those operations.

There is not a single thing in connection with the whole proposition from the standpoint of the President but that is absolutely sound and economic and based on need and for relief of unemployment.

When the gentleman says the President is not willing to relieve unemployment it is an absolute mistake, and it is not a statement of fact. [Applause.] There was not a single thing that came up throughout that entire conference that would lead anyone to believe that the President was not just as much interested as the gentleman from Texas is, and that he is not willing to go just as far, but he does not want to set up something that is absolutely impossible to administer and put up another superbanking organization throughout the United States, and that is where the difference of opinion is between them. We are willing to go just as far as anybody will. We want to get relief, and we propose to have it before we adjourn the Congress. We stand for relief based on need, not equal distribution of pork; and wherever possible we want to lend money, not give it away. [Applause.]

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Speaker, I have listened with surprise and regret to the speech just made on the floor by the minority leader. I had hoped that on this question of relief there would be no partisanship. [Laughter.] I had hoped that on this question of relief the man who stood on this floor and championed the cause of the common people as against millionaires and railroads and banks, would not be charged with being a demagogue. I listened to the derisive applause on the Republican side of this Chamber whenever we say there should be no partisanship in this debate. We know now there must be. We know now that not the masses of the Republican Party but the leaders of the Republican Party are lined up with the great interests, with the great banks, with the railroad systems of this country. [Applause.]

Mr. SCHAFER. Will the gentleman yield?

Mr. RAINEY. No; not now. Later I will.

The Republican leaders now occupy the position they have always occupied [applause]; and if you keep on occupying that position, you will be running true to form.

Now, we have created a bank. The minority leader said we ought not to do it, but we have created a superbank, and we have done it at the suggestion of the President of the United States. It is the greatest bank in this world. It is the greatest bank the world ever saw, but under Republican leadership it functions only in the interest of the railroads and the big banks. We want to make it function in favor of everybody. [Applause.] We have followed the leadership of the President of the United States so far in this Congress. We voted for what he wanted us to vote for. He came here representing that a crisis was approaching, and it was, and it is not passed yet. It is still coming. The remedy, he said, was to finance the big banks and the railroads, and we let him do it. Now when he comes here and says that the individual, the municipality, the corporations, public and private and quasi-public, are not entitled to the same recognition, we have reached now and forever the parting of the ways. [Applause.]

I had hoped to avoid partisanship in this debate, but you gentlemen have presented it. You have injected it by charging that the speech made here by the great Speaker of this House in favor of all the people of the United States is a speech made by a demagogue. That demagogue, gentlemen, after next March, will be presiding over the Upper House of this Congress. [Applause.]

The conferees on this bill thought that in drafting this bill they had met fairly the objections of the President. We provided for his self-liquidating enterprises. We made them preferential to other enterprises, if there are any such. I know of none. I do not know where they can be found; but if he can find them, if his board can find them, they have preference in this bill.

They always call attention—and that is the only reason for this argument—to the fact that the Holland Tunnel is paying; but there are five crossings from New Jersey into New York, and every one of them has failed financially except that one tunnel. That one tunnel is carrying all of them now. When you hold them down to a declaration as to what real, constructive program they propose, they always call attention to the Holland Tunnel and say, "We are going to build another one." That will not make more people go into New York either over or under the Hudson. It will take business away from the Holland Tunnel. That is about ar far as they ever get with their propositions which will be self-liquidating. But we have given them preference in this bill. If they can find them, they are entitled to priority over other enterprises.

Now, I have heard the "pork-barrel" charge made against this bill until I am tired of hearing it. All economists are agreed on the proposition that you must expedite public works in times of depression and retard them in times of prosperity. There is no question about that.

Eighty-six per cent of the money spent on rivers and harbors goes to labor. Seventy-five per cent of the money expended on roads goes to labor. Eighty per cent of the money expended on public buildings goes to labor.

Now, may I read, especially to my Republican friends, from a book which made its appearance during the last campaign and which is called "The New Day"? It contains the campaign speeches of the President of the United States, prophesying the new day. The new day is here. [Laughter.] Let me read to you what he said in his speeches about public works. I am reading from one of his campaign speeches:

> In my speech of acceptance I outlined our national programs of productive public works, including the development of water resources, public roads, and the construction of public buildings. In that speech I pointed out that these projects would require pay rolls of $1,000,000,000 within the next four years.
>
> I therefore recommend so far as practical this work should be carried on in such a way as to take up the slack of occasional unemployment.

Now, what has happened since the President expressed himself as being in favor of taking up the slack of occasional unemployment? Eight million more men are out of employment; that is all. Unemployment is no longer occasional, it is habitual; and as soon as it gets to be a permanent part of the economic policies of this Nation under Republican control the President comes out and denounces these perfectly sane propositions in harmony with all the economic utterances of all the writers on this subject—denounces them as "pork barrels."

[Here the gavel fell.]

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois be given 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. SCHAFER. Mr. Speaker, reserving the right to object, on yesterday we had a full afternoon before us. This morning the Speaker of the House, by unanimous consent, addressed the House, although yesterday he issued instructions to the Speaker pro tempore——

Mr. O'CONNOR. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The regular order is demanded. The regular order is: Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. RAINEY. I yield to the gentleman from Wisconsin.

Mr. SCHAFER. If public-building work is necessary, then why did not the Democrat-controlled House make provision in the appropriation bills for carrying out the public-building work already authorized, plans for which buildings are already drawn and sites for them already selected, instead of waiting until the House is ready to adjourn and then demagoguing on the floor of the House now?

Mr. RAINEY. That is what we are trying to do. That is what is in this bill. If the gentleman is in harmony with this utterance of the President, why does he object to it?

Mr. SCHAFER. The Democrats have controlled the House for six months.

Mr. RAINEY. We have been compelled to pass these supply bills and to take care of the finances of this great Government of ours, and we are trying to take care of a Republican deficit of nearly $3,000,000,000 incurred in one year. [Applause.]

Oh, you gentlemen who belong to the President's party have made a record unequaled by any party in the history of this or any other country. At the present time as the result of the maladministration of three Republican administrations 10,000,000 men walk the streets of our cities and roam our countrysides, out of employment. As a result of the maladministration of three Republican administrations half of our factories are closed. This did not happen under any Democratic administration to which you call attention.

Under Republican administrations this Nation, richest in resources of all the nations of the world, this Nation finds itself prostrate. This Nation now has more unemployed than there are in all the nations of Europe outside of Russia, where, of course, there is no unemployment at the present time. This Nation at the present time has the biggest deficit any country in this world ever had.

Who is responsible for it? After three Republican administrations you can not charge any of this to the Democrats.

This country at the present time contains more unhappy people than all the rest of the world, and yet you expect people to rally around the banners of Republican leadership and plunge still farther into this depression.

We have created a great bank, a superbank, and at the present time, as a result of the present administration and those which followed the Wilson administration, banks can not make loans to perfectly solvent individuals and corporations. Banks have got to keep their deposits liquid on account of the fear and the incompetency which have prevailed during three Republican administrations. Banks can not make loans when loans ought to be made and when people are entitled to loans, but you have a superbank here which is authorized to make loans only to railroads, banks, and insurance companies. All over this country are corporations and individuals anxious to resume work, anxious to do their part to bring about a restoration of confidence in the United States. They need money to do it with, and they can not get it from the banks, and you know it. This is the only place where they can get it.

Why should we simply permit the very rich to obtain these loans? They can not start any wheels of industry moving. The banks can not do it. The insurance companies can not do it. It must be done, if it is done at all, by the ordinary business man, by the ordinary corporation, and you have barred them; the gates are closed to them.

All the Democrats are trying to do in this bill, and we thought most of you were in harmony with it, is to take steps to bring back the prosperity in this country which has been destroyed by the administration which will draw to a close on the 4th of next March and by the administrations which have immediately preceded it. [Applause.]

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I think it would be very much better to discuss the merits of the conference report when the conference report is actually before us. I understand from the gentleman from Georgia that he expects to file the statement for the managers on the part of the House so the conference report will actually be up to-morrow.

At that time I shall hope to discuss its merits more in detail; but I do wish to make one distinct reference to the statement made at the close of the address of the Speaker of the House. He said the President said he wanted to loan to "a selected clientele." Those words were put in the mouth of the President of the United States by the Speaker of the House. I attended the conference last night and the Speaker endeavored to have the President use those words, but he did not do so. He said he did not like that sort of a description. He definitely and positively did not use those words which the Speaker said he used. That I want to state very distinctly.

There is one other statement that ought to be in the minds of the Members of the House, and that is the fact that the Speaker and his assistant, my friend Mr. RAINEY, have endeavored to prove to the House that they are the ones compromising on Titles I and III in the bill. Why, I and III, Mr. Speaker, are no more acceptable in degree to the President of the United States than Title II; but he was willing and offered and did go a long way in compromising on I and III, provided he could get an agreement on II. Therefore he is not offering a definite compromise on I and III except in an effort to secure a complete compromise. The Speaker of the House is the only outstanding man to refuse to in any way try to secure an agreement upon that.

Now, just one other thought. Several statements have been made relative to the report of the conferees. I am pleased to say to my colleagues that I was the one conferee who did not sign the report. [Applause.]

What has occurred since the report was presented yesterday or agreed to yesterday morning has confirmed my conviction that I was right in not signing that report. It was not an agreed-upon report. The Senators did not want to sign the report but they were in the position that unless they signed it the House would not agree to anything. That was the situation which the Senate conferees faced, and, therefore, there are seven signatures out of eight members of the conferees on the report. It was a compromise report, and I for one never expected that the bill as compromised would meet the approval of the Chief Executive.

He did the right and proper thing, in a crisis like this, in calling in a group of men to visit him last night and this morning. At that time he laid the important facts directly before the House and Senate Members. [Applause.] Instead of being criticized for extending that invitation he should be praised by every Member of Congress. [Applause.] It was the manly thing to do. It was the patriotic thing to do, and I for one am glad he did it. [Applause.]

[Here the gavel fell.]

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I will not object if it is on the subject which has just been discussed and only that subject.

Mr. SCHAFER. I will discuss the subject which has been brought out and discuss taxation, and things like that.

Mr. O'CONNOR. Mr. Speaker, I object.

Mr. SNELL. I hope the gentleman will not object. We have been generous and everybody has had an opportunity to speak.

Mr. O'CONNOR. I will not object if it is on the question of the conference report with reference to the relief bill.

Mr. SNELL. Why should the gentleman object if it is on something else? We have not objected to Members on that side making any statements at any time. We have nothing else to do this afternoon.

Mr. O'CONNOR. I understand there is quite a lot of business to be done.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes on the subject of relief.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to address the Chair for one minute.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object——

Mr. SCHAFER. Mr. Speaker, I demand the regular order. We have important business to attend to, as the gentleman has stated.

The SPEAKER pro tempore. The Chair will state to the gentleman from Kansas that the Chair can not recognize him to put a request to address the Chair. If the gentleman desires to ask unanimous consent to address the House, the Chair will be pleased to put that request.

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to address the House for one minute.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I shall not object if it is on the subject that has been discussed this morning.

Mr. SCHAFER. Regular order, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none, and the gentleman from Kansas is recognized for one minute.

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object.

Mr. SCHAFER. Regular order.

The SPEAKER pro tempore. If the gentleman will be in order the Chair will state that the Chair put the request of the gentleman from Kansas, the regular order was demanded and the Chair heard no objection. The gentleman from Kansas is recognized for one minute.

Mr. McGUGIN. Mr. Speaker, the conduct of the Democratic majority under the demands of the Speaker and the majority leader, and carried out by the gentleman from New York [Mr. O'CONNOR], has made this House a star chamber during the last two days. The Democratic leadership has placed a censorship upon Republicans by Mr. O'CONNOR withholding consent except that Republicans agree to speak upon subjects agreeable to the Democratic leadership. This is an abuse of the unanimous-consent privilege. I am going to sit on this floor and from this time until the end of the session no Democrat does anything by unanimous consent until the Democratic leadership changes its arbitrary conduct in this matter and lifts its censorship of remarks by Republican Members.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes on the relief situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LaGUARDIA. Mr. Speaker, from the first day of this session I have made every human effort to call the attention of the House to the seriousness of the economic situation in this country. Even during the session of the last Congress I pointed out that we were headed toward an economic catastrophe. The situation is far more serious than some realize, and far more serious than the President's advisers understand or are willing to tell him.

I am very sorry to see that the question of relieving human misery has taken a political aspect. There can be no compromise with hunger. [Applause.] If the President does not realize this now, accept a relief plan of heroic and gigantic size, he will unleash a tempest that will cost thousands of lives and hundreds of millions of dollars and write a page of everlasting shame in the history of our country.

Misery, unemployment, hunger exist all over the country. My colleagues need go no farther than a few blocks from the National Capitol to see human beings degraded to the extent of publicly sleeping in makeshift hovels and kennels and living off scraps of donated food. My God—that condition must not be permitted to continue.

I am sorry the Speaker of the House compromised to the extent he did, because $100,000,000 is absolutely necessary for immediate and direct relief. [Applause.] Three hundred million dollars now to be lent to the States will only prolong the agony for another generation in legislating on the repayment of these loans, which naturally will never be paid. Why quibble about it? Why—how useless and utterly inane to be punctilious on form—in this hour of despair. It is not a loan; it is direct relief.

Gentlemen, we are not going to permit American citizens to starve to death, no matter what Congress does, no matter what the President does. It is human instinct to preserve life and for the head of the family to preserve the helpless ones under his protection. This is stating the situation in parliamentary language. Must I speak plainer?

The administration talks about quotations of bonds. What quotations will there be of these bonds if a catastrophe happens in this country? Is it not to laugh when we hear argument about creating a superbank? Gentlemen, you have done that. The Reconstruction Finance Corporation is a superbank. I voted against it and we predicted exactly what would happen, and here it is now. Yes—here it is now.

The gentleman from New York [Mr. SNELL] was correct when he stated, Has not the Reconstruction Finance Corporation aided railroads and thereby aided the bondholders? True. The gentleman from New York was correct when he stated, Has not your Reconstruction Finance Corporation aided banks, and thereby the depositors? True. All we now ask is that you afford the same relief to those millions of unfortunate Americans who do not own any bonds, who have no honest savings in dishonest banks—nothing more than that.

Mr. SEIBERLING. Will the gentleman yield?

Mr. LaGUARDIA. In a moment.

Gentlemen, ours is a constitutional Government. We have our responsibilities, just the same as the Executive. I say cut out these conferences, let us assume our responsibilities, let us pass adequate, immediate relief measures and put it up to the President. If he is so badly advised as to veto such a measure, the Constitution leaves the last say with Congress. [Applause.]

After all, the genius of our Government is based on direct representation. We know the needs in our respective sections of the country. We come here and represent the collective thought of the country. We will have to face the unemployed and the hungry in our homes. We will look them in the face and not talk about platitudes to a radio "mike." I do not fear any danger of a veto. If there should be a veto, then Congress can exercise its prerogative under the Constitution and provide relief.

I now yield to the gentleman from Ohio.

Mr. SEIBERLING. Will the gentleman explain how the Speaker's plan would help the unemployed laboring men who have no security?

Mr. LaGUARDIA. I am speaking for immediate, direct, substantial, and ample relief. I do not care whose plan it is.

Mr. SEIBERLING. I would like the gentleman to answer that question.

Mr. LaGUARDIA. I say that at least under Title III of the bill, designated a pork barrel bill, which in this dark hour is really a bread basket bill, there would be created immediate demand for materials—steel, stone, iron, wood, paint, cement, and labor—which must go into every building. [Applause.]

That is not my idea. That is contained in the recommendation of the President's own unemployment committee. Let me read it; it is brief:

The President's Organization of Unemployment Relief, 1734 New York Avenue, Washington, D. C.

It makes several recommendations under date of October 27, 1931. Here it is:

RECOMMENDATION NO. 6—PUBLIC WORKS

The committee urges that nothing be omitted to make immediately available new additional employment represented by public work already authorized and appropriated for but delayed or blocked by removable legal obstacles and supervisory red tape.

Conclusions: Next to expansion of industry, private and public, the most extensive source of immediately available additional employment is to be found in the various types of public works, already authorized and in many cases already appropriated for.

There is hardly a State and few industrial districts which have not in abeyance extensive programs of public improvement and for which in many cases all the preliminary authority and financing have been completed. These projects remain dormant, however, because of obstacles usually describable by the term "red tape." In some cases it is only the requirement, entirely justified in ordinary circumstances, that a certain period elapse between initial proposal and final approval; in others it comprises a too meticulous reading of statutory limitations which, again, are plausible and desirable only under normal condition; in still others the delay results from interference by partisan or otherwise specially interested groups who take advantage of slow legal processes in the raising of minor or inconsequential points to compel adoption of their selfish views.

The multiplied effect of immediate distribution of the employment bound up in these projects upon the urgent program for relief during this winter, the committee feels, justifies its reiterated recommendation that purposeful action be taken to cut through the technicalities which hold them bound.

The committee believes support should be given every proper effort to expedite Federal construction.

In the case of projects—Federal, State, and municipal—already authorized, in order to permit and insure earliest possible decisions upon questions which prevent or delay actual construction operations, it may be necessary to ask that Executive orders be issued, relieving bureau chiefs and subordinates from strict application of rules and regulations now restricting initiative and inducing, if not compelling, unnecessary time-consuming routine.

Contractors on Government operations should recast their labor schedule to permit staggered employment in the journeyman and laborer classifications, and to seek in their turn similar action by

subcontractors, both at the building site and in the shop where materials under those contracts are being prepared. It is recognized that supervisory and foremanship forces can not be so staggered or rotated, but the application of that principle to other classifications seems entirely feasible and completely certain of material result. This is directed also to the attention of governors of the several States and of municipal authorities as equally applicable to public work under their jurisdiction.

The Associated General Contractors of America, the employers' associations in large cities, and trade associations generally which have contact with the construction industry can be expected to assist willingly and effectively.

The American Federation of Labor, whose indorsement already has been given in some cases where the principle was involved, also can be expected to support this plan for increasing work opportunity.

As in the cases of most of the separate suggestions in this report, we have here again an opportunity not only for immediate and practical relief of the current effects of depression, but at the same time an opportunity to contribute to the permanent foundation of a constructive restoration of prosperity.

The actual provision of new employment through release of public works must have a healthy repercussion upon the program for resumption of normal buying. The psychological effect upon wide working groups to that end can not be anything but healthful and helpful.

It will be seen the President's committee gave the matter of public works as a partial solution to the present financial crisis and unemployment situation a great deal of study and consideration. They went into the question thoroughly and as it will be seen from the report that I have just read, they went into every phase of Federal public works: Planning, legislating, appropriating, general contractors, supervision, labor, and labor conditions. The recommendation was accepted as sound by the whole country, including the President. When the relief bill was before the House, I referred to and read several statements made by the President urging the extension of public works as a relief measure. That is all that Title III of the House bill does. Every item in it has heretofore been authorized. Title III simply follows the recommendation of the President's own committee. This committee finds that an extensive public-works program would stimulate industry and employment.

Mr. PATTERSON. Will the gentleman yield?

Mr. LaGUARDIA. For a question.

Mr. PATTERSON. No longer than yesterday the President was asking for the continuation of this employment commission.

Mr. LaGUARDIA. Exactly; as the committee makes such sound recommendations, I hope Congress will appropriate funds for it.

Mr. MICHENER. Title III is not in controversy; the President and the conferees have agreed on it.

Mr. LaGUARDIA. I do not care what agreement has been reached. I am arguing for an extensive public-works program. It is nothing short of disgraceful to retard, limit, and thwart this program by a cruel limitation subjecting it to the whims of the stock ticker. That is the administration plan. The bonds of the Government that must be sustained through the suffering and starvation of unemployed people can not be sustained very long. It is far better that we proceed with a building program to relieve the situation and save the country, though they may go down a few points, than to cater to a selfish, short-sighted, greedy few and have the value of the bonds go down entirely.

Mr. CELLER. Will the gentleman yield?

Mr. LaGUARDIA. Yes; briefly.

Mr. CELLER. I am in touch with the banks on this question of whether the Reconstruction Finance Corporation, in making loans to individuals and private corporations, and they do not object to it. I wonder where the objection comes, and what the President's objections are.

Mr. LaGUARDIA. There is some objection to broadening the base of the Reconstruction Finance Corporation. But that condition can only come when one changes position on the fundamental question. No man who voted for the creation of the Reconstruction Finance Corporation and the President who signed the bill can consistently, properly, and decently object to broadening the base.

Why, gentlemen, only a few days ago a loan was made to one institution for $80,000,000; and if loans of that magnitude are made, it will only take 43 more and it would dispense with the entire capital and borrowing power of that corporation.

Mr. GRIFFIN. Will the gentleman from New York give us the name of that bank or institution which obtained a loan of $80,000,000?

Mr. CELLER. It was the Central Republic Bank.

Mr. SEIBERLING. Will the gentleman yield?

Mr. LaGUARDIA. For a question.

Mr. SEIBERLING. Will the gentleman from New York tell us how Title II, the Speaker's plan, will help the laboring man out of employment and who has no security?

Mr. LaGUARDIA. Anything that will create work will aid the unemployed. Every Member must consult his own conscience and not a political spokesman in voting an adequate relief measure. If what is done here within the next few days is not sufficient to meet the situation, we will be back here, before we plan and rewrite more than the Reconstruction Finance Corporation law, yes, indeed, we will be writing many of the fundamental laws.

Do you not see the difference between the Speaker's plan and the existing law? Under the existing law they only help the corpse—the dead man. It takes care of defaulted bonds and shaky securities and permits the Reconstruction Finance Corporation to loan on them or to rediscount them. It does not help any new venture. It simply prolongs the final adjustment. Under the House bill and the Speaker's plan, as I understand it, loans may be made to new ventures; not to bad, lost, and dead ventures but to new projects which will require material and labor. A new project at least must have life, promise, and hope translated into a complete plan ready of immediate execution. That is the difference. I defy any man from the President of the United States down to assert that the collateral, bonds or other security, accepted by the Reconstruction Finance Corporation is worth a hundred cents on the dollar. They are not, or anything like it, and everybody knows it. The hundreds of millions of dollars loaned to date by the Reconstruction Finance Corporation has not put a single man to work. It certainly has not decreased unemployment. If public funds are to be used for live interest on dead bonds, surely there can be no objection to using part of these funds for live projects which would immediately put men to work.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. LaGUARDIA. Yes, briefly.

Mr. JOHNSON of Washington. I would like to put up a theoretical case to the gentleman. Let us assume that a country grocer who owns his building and has some collateral besides wants to borrow $10,000.

Mr. LaGUARDIA. On what collateral?

Mr. JOHNSON of Washington. On his real estate, his building, his railroad stock, or his South American bonds, or whatever he has. He wants to borrow from this proposed broadened-base scheme, so that he can go to the wholesaler and replenish his stock of groceries. But the wholesaler desires to stock up also, and he wants to go to the manufacturer for goods. So he wants to borrow $50,000 or $100,000 in order that he can go to the factory and buy whatever it is that he wants. Where is all the real money coming from to carry on that sort of endless spiral?

Mr. LaGUARDIA. The answer is simple. The gentleman's hypothesis simply reverses the present system of the Reconstruction Finance Corporation. The gentleman starts at the bottom and works up, while the present system starts at the top and, according to its sponsors, percolates to the bottom. Yet these so-called statesmen and economists boast and seem to be satisfied that some poor hungry American may get some of the drippings. That is the difference. My answer to the gentleman is this: I say that originally had we never passed a Reconstruction Finance Corporation law, the gentleman's question would have been a difficult one to answer; but when railroad bonds that have been defaulted or are about to be defaulted on interest are accepted or refinanced, as well as when securities that are so permanently frozen as to have no liquidity or of such low market value that no

bank could hold them as assets and remain in a solvent condition, then it is quite proper when we are on the very brink of ruin, and I use that word advisedly, to provide some latitude in loaning money to the individual who wants to hold his business and wants to put new life in his business. I go further. I say that if it was proper to loan to the railroad bondholders—and that is the law—if it was proper to loan to the banks on that kind of security that I have described, then we must find some means of loaning to the farmer, to remove the mortgage from his farm and to relieve distress in the cities. [Applause.]

Mr. COLTON. Mr. Speaker, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. COLTON. Would the gentleman broaden the base of the Reconstruction Finance Corporation sufficiently or to such an extent that the present directors of the finance corporation say it would not be workable and could not be put into effect?

Mr. LaGUARDIA. I would broaden it so as to give the same degree of relief to every citizen under like circumstances.

Mr. COLTON. But it has been represented here this morning that the directors of the finance corporation say that they can not put this plan the gentleman is advocating into operation.

Mr. LaGUARDIA. That has always been said every time any measure is suggested that does not satisfy a small privileged class in this country.

Mr. COLTON. But you are advocating putting into operation a plan which this board says can not be done. Would you not have to create a new agency?

Mr. LaGUARDIA. I am not impressed with anything the present make-up of the Reconstruction Finance Corporation may say. Surely, to date they have failed to show any streak of genius. Anybody can loan on doubtful security or give money away as they have been doing. What is there so difficult about making smaller loans? I want to say to the Republic, I want to preserve American freedom. I do not want my country to come out of this crisis with just two classes of people; one a small property-owning class, and the other an impoverished mass of workers and tenant peasants at the mercy of the other class. No, I refuse to see the American people dragged down to a state of economic serfdom and forced to pay the whole cost of the dishonesty and blunders of the financiers who have brought this ruin to our country. [Applause.] With all of this, with the best relief bill we can pass, with hundreds and hundreds of millions of dollars which we will be compelled to appropriate for direct relief before we are through this crisis, I repeat, they are all palliatives—all first aid and necessary temporary treatment to a suffering and, I fear, incurable economic system. We must look ahead. We must profit by the mistakes of the past. We must be courageous. We must prepare ahead of time for an economic readjustment that is inevitable. We must do it by legislation and constitutional changes in a peaceful, constructive manner, rather than have it forced upon us out of chaos and disorder. Economic security is the corollary to political freedom. We have the freedom but not that security. Present machines, present means of production are inconsistent with old theories of profits. We must alleviate the suffering now, we must also look forward and legislate for future, permanent security of our country and our people. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON

Mr. BYRNS. Mr. Speaker, by direction of the Committee on Appropriations I present the following House Joint Resolution 461, making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations in relief of distress, which I send to the desk, and ask unanimous consent for its present consideration.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent for the present consideration of House Joint Resolution 461, which the Clerk will report.

The Clerk read as follows:

House Joint Resolution 461

Resolved, etc., That to enable the Federal Farm Board to carry into effect the provisions of the public resolution entitled "Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress," approved July 5, 1932, such sums as may be necessary during the fiscal year ending June 30, 1933, are hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used only for the purposes specified in subdivisions (a), (b), and (c) of section 3 of such public resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. COCHRAN of Missouri. Mr. Speaker, I reserve the right to object to ask why is there not a proviso in the resolution to require the Federal Farm Board to utilize what funds it may have on hand at this time? If it has any funds, they should be used before we let the board go to the Treasury and get more money.

Mr. BYRNS. For the simple reason that the Federal Farm Board advises the Committee on Appropriations that it has no funds, and that unless this resolution is passed it can not carry out the provisions of the law and deliver this wheat and cotton to the Red Cross.

Mr. COCHRAN of Missouri. In that respect is it not a fact that when the independent offices appropriation bill was under consideration by the gentleman's committee, the Farm Board practically covered up the fact that it had an unexpended balance of over $2,000,000 for administering the act, did not let the committee know that, and it was not discovered until after the bill got to the Senate?

Mr. BYRNS. I do not think it was covered up. All I know about that is that it had about $2,000,000 which had not been expended out of previous appropriations. That was for administration purposes. This is not for administration purposes, and it might take $50,000,000 to carry this out. You can not tell.

Mr. COCHRAN of Missouri. Fifty million dollars to turn over 45,000,000 bushels of grain and 500,000 bales of cotton?

Mr. BYRNS. It might. It might take less or it might take more. The gentleman understands that under the bill passed the other day the Federal Farm Board was directed to turn over to the Red Cross 45,000,000 bushels of wheat and 500,000 bales of cotton at current market prices.

That can not all be turned over in one day. The president of the Farm Board stated to the committee this morning that if the order was ready now and the Red Cross notified the Farm Board that it was ready to take all the wheat and all the cotton provided for in the act, it would require three months to comply with it. This is to be paid for at current prices when it is delivered.

Mr. COCHRAN of Missouri. Can the gentleman inform the House as to what the president of the Farm Board said with reference to any outstanding indebtedness that might be held against this wheat and cotton to be turned over? I understand this money is solely to pay the loans, and not a cent will find its way to the revolving fund.

Mr. BYRNS. Yes; he gave some information about that.

Mr. COCHRAN of Missouri. About what was the amount of it?

Mr. BYRNS. A hearing was held this morning, and therefore the hearing has not yet been printed, but it will be printed. Incidentally I want to suggest to all the Members of the House that we conducted a hearing for one hour and a half this morning. Mr. Stone is a very able man, and in the course of that hearing he had a great deal to say about what the Farm Board was trying to do. I believe every Member of this House would be interested in reading those hearings when they are printed.

My recollection is that he said that the indebtedness on the wheat amounts to something like 35 or 37 cents per bushel and on cotton about $18 a bale.

Mr. COCHRAN of Missouri. Why not appropriate the amount of money to cover the indebtedness and end it there?

Mr. BYRNS. Because the act provides otherwise. We followed the exact wording of the act in making this appropriation, and the act provides to the contrary. The act provides that the Red Cross shall make the distribution; that all indebtedness to commercial institutions and intermediate-credit banks for loans advanced shall be paid; that the net equity of the owner of the wheat and cotton shall be compensated for on the current market price.

Mr. SABATH. Mr. Speaker, in view of the fact that the gentleman from Kansas [Mr. McGUGIN] has objected to the unanimous consent, I think this is all out of order.

Mr. McGUGIN. I reserved the right to object.

Mr. BYRNS. I hope the gentleman will not object, this wheat and cotton is to be made available for distribution to the needy. It is for those who are hungry.

Mr. McGUGIN. I reserve the right to object.

Mr. BYRNS. I will say to the gentleman that the president of the Farm Board said that unless this bill is passed, it will not be possible to comply with the terms of the act. Therefore, it will not be possible for the Red Cross to receive this wheat and cotton.

Mr. COCHRAN of Missouri. In other words, it is evident then from what the members of the Farm Board told the committee, that the $500,000,000 which Congress has given to the Farm Board is gone, is outstanding, no part of that great amount of money is available now to handle this law.

Mr. BYRNS. Well, I do not know. He said they did not have the money. He was asked if there was any equity, and, of course, no one knows whether there will be any equity in it or not, but if there is any equity as to what would be done with the money, and he said it would go to pay the debts of the Farm Board.

Mr. STAFFORD. There is no question that there is no equity as far as the great bulk of the cotton purchased is concerned, because from the testimony before the special committee to investigate the Government in business activities, it was stated that loans were made on cotton above even current prices then, which were 12 cents a pound, and to-day cotton is selling for 5 and 6 cents.

Will the gentleman modify his request that this resolution be considered in Committee of the Whole House on the state of the Union as a privileged resolution, so that we may have general debate on it?

Mr. BYRNS. Why not consider it in the House?

Mr. STAFFORD. There are Members who would like to discuss various matters on the state of the Union. This is an appropriation measure, and this is one of the opportunities where Members of the House might be given a limited time. The gentleman can restrict the time of general debate. I think that is a reasonable request.

Mr. BYRNS. I will say to the gentleman, if he will permit, that we are anxious to close business and get away from here.

Mr. STAFFORD. This bill could be passed by half past 3 this afternoon.

Mr. BYRNS. If we would do as the gentleman suggests, we could not do it.

Mr. STAFFORD. We could close general debate in one hour.

Mr. BYRNS. Well, I have one hour under the rules, and I am willing to yield.

Mr. STAFFORD. Will the gentleman yield to the gentleman from Kansas?

Mr. BYRNS. Well, I am going to yield to some gentlemen to discuss this bill first.

Mr. STAFFORD. Will the gentleman yield 30 minutes of his time to some other Member to yield?

Mr. BYRNS. No. I could not do that. The gentleman has a right to object. But if the gentleman desires to put himself in the attitude of objecting to this wheat and cotton being turned over to the Red Cross for the relief of the needy, of course, the gentleman is at perfect liberty to do so.

Mr. STAFFORD. It would take then the regular course of going through the Committee of the Whole House on the state of the Union and would not meet the demand of the gentleman from New York [Mr. O'CONNOR], who is trying to foreclose debate on the Republican side.

The SPEAKER pro tempore. The bill that comes up under unanimous consent for consideration, if the request is granted, comes up under the 5-minute rule of the House, and there is not one hour to be yielded to anybody.

Is there objection to the request of the gentleman from Tennessee?

Mr. McGUGIN. Reserving the right to object——

Mr. STAFFORD. Reserving the right to object, if it comes up under the 5-minute rule, then the debate will be confined to the amendment that is pending before the House and not under the rules of the House under general debate?

The SPEAKER pro tempore. That is correct.

Mr. McGUGIN. Mr. Speaker, reserving the right to object, as I understand, the bill which the gentleman has in mind is a bill which was passed a few days ago over the protest of the Members from the wheat district, protesting against this wheat being exchanged for other commodities. Is that not the bill?

Mr. BYRNS. I do not know.

Mr. McGUGIN. I object to the consideration of the bill, Mr. Speaker.

Mr. CELLER. Will the gentleman withhold that? This bill provides that in the exchange a preference shall be given by the Red Cross to all foods that are made of wheat.

Mr. McGUGIN. I regard the preference as so much bunk. We asked that you take this on the same basis as cotton and you would not do it. If I can stop this bill, I am going to do it. I object.

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on the question of relief legislation.

Mr. O'CONNOR. I object.

Mr. SNELL. Will the gentleman yield for a question?

Mr. O'CONNOR. I yield for a question.

Mr. SNELL. What is going to be the policy of the majority side? Is the policy going to be one of not allowing anyone on this side to make any speeches? We might just as well understand it. If you want us to go along and help pass this legislation and be fairly good-natured, we on this side want to make a few speeches, and we may indulge a little in politics; you have done it and no one has made any objection. I would like to know what the policy of the majority side is going to be. Is it to allow no one on this side to have an opportunity to speak when there is no special business before the House?

Mr. BYRNS. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. BYRNS. Does not the gentleman think we ought to take this step, which involves the question of relief to people, some of whom are actually starving to-day?

Mr. SNELL. I am for the gentleman's bill; I would like to see it passed to-day.

Mr. BYRNS. Ought we not to pass this bill at once without a lot of political debate and send it to the Senate, so it can be promptly disposed of?

I have no objection to political debate, but I do not want this bill held up while we talk politics.

Mr. SNELL. That part is all right. I agree with the gentleman. I want to help him with his bill, but I would like to know what the policy is going to be before we proceed farther.

Mr. O'CONNOR. I was acting on my individual responsibility when I objected.

Mr. SNELL. I do not care whose responsibility the gentleman acted upon, I would like to find out the policy.

Mr. O'CONNOR. The gentleman knows the bill before Congress now is the relief bill.

Mr. SNELL. It is not before Congress yet.

Mr. O'CONNOR. It will be before us before long, and I know of nothing more important that is to be taken up.

Mr. SNELL. That is all right, but your own Speaker started this talk here to-day.

Mr. O'CONNOR. That was on the relief bill, and if the gentleman will say to me that he is going to confine his remarks to the conference report on the relief bill, I shall not object.

Mr. SCHAFER. I shall confine my remarks to the relief bill and shall not go any farther away from the relief bill than did the Speaker of the House and the gentleman from Illinois [Mr. RAINEY].

Mr. O'CONNOR. I have no objection.

Mr. BYRNS. Will the gentleman from New York yield?

Mr. SNELL. I yield.

Mr. BYRNS. I would like to know the attitude of the gentleman, and particularly the attitude of the gentleman from Kansas. Merely because there has been a lot of political debate, and merely because somebody wants to talk politics, whether upon that side or this side, are we to refuse to pass a bill which means relief to the poor and needy throughout the United States?

Mr. SNELL. Let me say in reply to the gentleman: I am just as much interested in passing his resolution as he is.

There are other ways of bringing the bill up than by unanimous consent. The gentleman can bring in a rule on the floor of the House in 15 minutes, and we will help pass the bill.

Mr. SCHAFER. I will help the gentleman.

Mr. BYRNS. Why not consent to it now? We can pass the bill before we could get a rule.

Mr. SNELL. Let me say to the gentleman from Tennessee that, despite the fact objection has been heard, as far as the minority is concerned as an organization, we are for the gentleman's bill. [Applause.]

Mr. BYRNS. I would like to call the attention of the House to the fact the objection comes from the gentleman's side.

Mr. SNELL. That is all right. I can not control every individual man any more than the gentleman can control the gentleman from New York [Mr. O'CONNOR] and keep him from objecting to the request of somebody over here.

Mr. McGUGIN. Mr. Speaker, a parliamentary inquiry.

Mr. DYER. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The regular order is, Is there objection to the request of the gentleman from Tennessee for the present consideration of the bill?

Mr. McGUGIN. Mr. Speaker, I object.

Mr. SCHAFER. Mr. Speaker——

Mr. DYER. Mr. Speaker, the gentleman from Wisconsin asked permission to address the House for 15 minutes, and the objection was withdrawn.

TO EXEMPT FROM QUOTA HUSBANDS OF AMERICAN CITIZENS

Mr. DICKSTEIN. Mr. Speaker, I present a conference report on the bill (H. R. 10600) to exempt from the quota husbands of American citizens, for printing in the RECORD.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10600) to exempt from the quota husbands of American citizens having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Strike out the language of the Senate amendment and insert "and, in the case of husbands of citizens, prior to July 1, 1932"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the language of the Senate amendment and insert "or who are the husbands of citizens of the United States by marriages occurring on or after July 1, 1932"; and the Senate agree to the same.

SAMUEL DICKSTEIN,
MARTIN DIES,
VINCENT L. PALMISANO,
ALBERT JOHNSON,
Managers on the part of the House.

DAVID A. REED,
HIRAM W. JOHNSON,
ROYAL S. COPELAND,
H. D. HATFIELD,
WILLIAM H. KING,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10600) to exempt from the quota husbands of American citizens, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Senate amendment No. 1 simply makes necessary corrections in punctuation between the word "United" and the word *"Provided,"* in line 7, on page 1 of the bill.

Senate amendment No. 2 added the words "and prior to July 1, 1932," after the word "visa," in line 8, on page 1 of the bill. This had the effect of amending present existing law so that alien wives and alien husbands would be granted nonquota status only when their marriage to citizens of the United States occurred prior to July 1, 1932. In conference the Senate amendment was further amended so that the amendment agreed upon reads "and, in the case of husbands of citizens, prior to July 1, 1932." The effect of this perfected amendment is to leave undisturbed the present provision of law by which wives of citizens of the United States are given nonquota status regardless of the date of their marriage, and to grant nonquota status to husbands who, prior to July 1, 1932, have married citizens of the United States. Under present law husbands were given nonquota status only when they were married to citizen wives prior to June 1, 1928.

Section 2 of the bill provides amendments in the present law to coordinate with any amendments in the present law proposed by section 1 of the bill. Therefore, Senate amendment No. 3 was amended to conform with the objects effected by the above amendments to Senate amendment No. 2. Since wives of citizens of the United States will continue to enjoy nonquota status under section 1 of this bill, the conference amendment eliminates from Senate amendment No. 3 all reference to wives of citizens of the United States. As now amended, section 2 of the bill provides, first, preference status within the quotas to husbands who marry citizens of the United States on or after July 1, 1932.

In its present form, as agreed upon in conference, this bill, H. R. 10600, will not disturb the provisions of present existing law whereby nonquota status is accorded to unmarried children under 21 years of age of citizens of the United States and to wives of citizens of the United States, and it will not disturb the provisions of existing law whereby first-preference status within the quotas is accorded to fathers or mothers of citizens of the United States.

The only change in the present law effected by this bill in its present form, as agreed upon in conference, is to change the date from June 1, 1928, to July 1, 1932, before which an alien husband must have married a citizen of the United States in order for the husband to be classed as a nonquota immigrant. Under existing law, if the marriage occurred between June 1, 1928, and July 1, 1932, the alien husband

would only be granted first-preference status within the quota, whereas marriage between those dates would, under this bill as agreed upon, provide nonquota status to the alien husband.

SAMUEL DICKSTEIN,
MARTIN DIES,
VINCENT L. PALMISANO,
ALBERT JOHNSON,
Managers on the part of the House.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H. R. 10600) which has already been unanimously agreed to by the Senate.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent for the present consideration of a conference report, which the Clerk will report.

The Clerk read the title of the bill.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think the orderly procedure would be to have the report read subject to objection.

The SPEAKER pro tempore. Without objection, the Clerk will read the report.

The Clerk read the report.

The SPEAKER pro tempore (Mr. ROGERS). Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like the gentleman from New York to explain the conference agreement.

Mr. DICKSTEIN. This bill as it passed the House exempted from the quota husbands of American citizens. The Senate amended the bill so as to take the permanent exemption away, but fixed the exemption up to July 1, 1932. In other words, all husbands who were married prior to July 1, 1932, may come in without reference to the quota. The Senate cuts it short by making the dead line July 1, 1932. It does nothing more, and it takes care of about 110 or 115 American women who were married two or three years ago and who are unable to bring their husbands here. The Senate conferees and the House conferees who were present were unanimous in the adoption of the report. I was willing to accept it in view of the fact that I desired to clean up the bills reported by our committee pending before the House.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. COOPER of Ohio. Do American citizens go abroad and marry these men?

Mr. DICKSTEIN. These marriages took place in the United States; at least most of them. These marriages took place two or three years ago.

Mr. COOPER of Ohio. Under what conditions were the aliens here?

Mr. DICKSTEIN. Some of them were here as students, some as professors in colleges, and some as tourists. They have all been investigated by both departments and they have been found to be legitimate. They have to comply with all the requirements of the law. They must be physically fit, morally fit, and fit otherwise for admission.

Mr. COOPER of Ohio. Does not this leave the door open for others to come here in the future?

Mr. DICKSTEIN. It does not. Those who marry in the future must stay in the line under the preference. They have no place in this bill.

Mr. STAFFORD. As I understand the legislative situation, it is this: The House passed a bill, without limiting the time, granting preferential admissions to husbands of wives who were American citizens. The committee on conference only grants that privilege to those husbands whose marriages occurred prior to July 1, 1932.

Mr. DICKSTEIN. That is right.

Mr. STAFFORD. So the Senate amendment is more restrictive?

Mr. DICKSTEIN. Absolutely restrictive in the strongest terms.

Mr. DYER. In other words, they must have been married prior to July 1, 1932?

Mr. DICKSTEIN. That is right.

Mr. DYER. And those married hereafter are out?

Mr. DICKSTEIN. That is correct. Those who marry after July 1, 1932, must come within the quota restrictions.

The SPEAKER pro tempore. Is there objection?

Mr. GREEN. Mr. Speaker, reserving the right to object, as I understand it, this is what was known among restrictionists as the unemployed husbands bill, which permits American women to marry foreigners and bring those foreigners to America. I have opposed this bill all along. I notice my name does not appear among the conferees. I do not understand why and I do not know why I was not a conferee. I would like to know about that. I understand the gentleman from Ohio [Mr. JENKINS] was not at the conference, although he was a conferee. His name is not on the conference report.

Mr. DYER. This is only doing for American women who are citizens of the United States what you are doing under existing law for men who are American citizens. It is trying to equalize the situation as to American citizens who are women. Men who are American citizens have had this privilege for a long time.

Mr. DICKSTEIN. Let me say that Senator REED, who is a restrictionist on a par with the gentleman from Florida, has given this matter most careful study. My friend from Ohio [Mr. JENKINS] could not attend the conference because of some unforeseen railroad accident. Nine conferees out of ten have unanimously agreed to the conference report. The House bill gave a larger preference in that the House bill permitted a complete exemption permanently. However, the Senate and the House conferees finally agreed that the dead line be July 1, 1932. It only takes care of those women who believed they had a right to marry and bring in their husbands. They have American children who have never seen their fathers. They all must comply with the law, and it is purely a restrictionist measure. I am pretty sure everyone will be willing to support such a humanitarian proposition. Of course, I can bring up the conference report to-morrow under the regular rule.

Mr. GREEN. Why were these conferees designated as they were? Why was I not included among the conferees? If objection is made to-day, this conference report will automatically come up to-morrow?

Mr. DICKSTEIN. Yes.

Mr. GREEN. Then, let it come up to-morrow.

Mr. SABATH. We will have an important matter before the House to-morrow, so let us consider it to-day. This is more restrictive than the bill which passed the House.

The SPEAKER pro tempore. Is there objection?

Mr. GREEN. For the time being I shall object.

RUSSELL N. BOARDMAN AND JOHN L. POLANDO

Mr. GAMBRILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7939) to authorize the presentation of a distinguished-service medal to Russell N. Boardman and John L. Polando, with two Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 4, strike out "service medal" and insert "flying cross."

Page 1, after line 8, insert:

"That the President is authorized to award, in the name of Congress, gold medals of appropriate design to Wiley Post, pilot, and Harold Gatty, navigator, in recognition of their achievement in making an airplane flight around the world in 8 days, 15 hours, and 50 minutes, thus not only eclipsing in time all previous world flights but also, by their intrepid courage, remarkable endurance, and matchless skill, materially advancing the science of aerial navigation.

"SEC. 2. The Secretary of the Treasury shall cause duplicates in bronze of such medal to be coined and sold, under such regulations as he may prescribe, at a price to cover the cost thereof (including labor)."

Amend the title so as to read: "An act to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando, and for other purposes."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, we are departing very far, indeed, in the authoriza-

tion of the decoration of a medal when we agree to have the Secretary of the Treasury have duplicates in bronze of such medal coined and sold to cover the cost of the coinage. This is the very principle in a measure that the present President of the United States vetoed some time ago. The gentleman should not ask unanimous consent to have us agree to this character of provision, which is something unheard of in the history of the Congress.

Mr. GOSS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. GOSS. Mr. Speaker, when this bill was before the House I offered an amendment that in place of the distinguished flying cross we award the distinguished service medal on the understanding it was the desire at that time of the War Department to hold the distinguished flying cross to men in the service. However, since that time I have had other conferences with the Assistant Secretary of War, Mr. Davison, and it is the purpose of the Assistant Secretary of War, in certain cases, to award a special medal, which is to be stricken off in rare cases, such as the achievement of Post and Gatty. On the other hand, the Amelia Earhart Putnam award, as well as this one coming back from the Senate, recommends the distinguished-flying cross, which, I understand, is in accord with the new policy of the Assistant Secretary of War, Mr. Davison.

Mr. STAFFORD. The gentleman has said nothing in reply to my criticism, which is fundamental. Section 2 recognizes a principle which the President of the United States has negatived in a veto message.

Mr. GOSS. Yes.

Mr. STAFFORD. Let me call the attention of the House to a policy here which has not been recognized in any of these bills before, and for one I shall certainly not allow this policy to be recognized in the closing days of the Congress. Let me call attention to what is proposed by section 2:

SEC. 2. The Secretary of the Treasury shall cause duplicates in bronze of such medal to be coined and sold, under such regulations as he may prescribe, at a price to cover the cost thereof (including labor).

Never before have we recognized this policy, and for one I do not intend to send this bill to the White House with the probability of a veto because of this provision, and I therefore object.

TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Treasury and Post Office appropriation bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THATCHER. Mr. Speaker, I desire to call attention to certain phases of the appropriation finally carried for domestic air mail activities for the ensuing fiscal year. The total is $19,460,000 and is included in the 1933 supply bill for the Treasury and Post Office Departments.

The total asked by the Post Office Department officials was $20,000,000. The Bureau of the Budget scaled this to $19,000,000, and this sum was carried in the bill as it passed the House Appropriations Committee and the House, although the Postmaster General and the Second Assistant indicated that $19,000,000 would prove insufficient to carry on the existing air service in adequate manner for the next fiscal year; also, that certain night-flying service, for which lighting has been or is being completed, could not be inaugurated or maintained as had been contemplated. One of these night services is that from Nashville, Tenn., to Dallas and Fort Worth, Tex., over the Cleveland-Louisville-Nashville-Memphis-Little Rock-Dallas-Fort Worth route. The Department of Commerce under current appropriations is now completing the necessary lighting for the Nashville-Dallas-Fort Worth section of this route; and when the same is completed, the entire route from Cleveland to Fort Worth will be lighted as will also the contacting air mail route from Fort Worth to Los Angeles and San Diego, Calif.

This route from Cleveland to Fort Worth is one of the most popular and satisfactory of all the air mail routes of the country. It pierces the heart of the great Southwest and, with its connections at Fort Worth, it constitutes the short air route from the Cleveland region to all the great Southwest, including southern California. I was active in aiding in the presentation of the claims in behalf of the establishment of this entire route and for its lighting. I feel, therefore, that I am pretty well acquainted with the importance of the route and the need for night service over it. Day service is now provided from Cleveland to Fort Worth. Night service should also be provided; and if the additional $1,000,000 originally asked for by the Post Office Department had been granted, night service would have been assured. An effort was made by certain Members of the Congress, including myself, to procure the appropriation of the additional million to take care of this night-flying service and the establishment of certain other desirable and needed air mail lines to traverse certain important sections of the country not now taken care of. One of the new routes thus in mind was that proposed to be extended from Washington or Richmond through West Virginia and Kentucky to Louisville, and thence to Evansville, Ind., with connection at Louisville with the Cleveland-Louisville-Nashville-Fort Worth route, already described, and which is favorably regarded by the Post Office Department.

Night-flying service theretofore maintained on the route between Salt Lake City and San Diego was discontinued by the Post Office Department some months ago, with continuance of the day service. Local influences sought to bring about—as was perfectly natural—the restoration of this night service, and, as I understand, with able assistance at the Capitol, were able to procure a Budget estimate therefor, and provision by the Senate was made for same. In addition, but as I am advised, without Budget estimate to cover it, there was written into the bill by the Senate, language providing for the establishment of an air mail route between Charlotte, N. C., Columbia, S. C., and Augusta, Ga. The language added by the Senate, under the item "For the inland transportation of mail by aircraft," is as follows:

For the inland transportation of mail by aircraft, under contract as authorized by law, and for the incidental expenses thereof, including not to exceed $30,000 for supervisory officials and clerks at air mail transfer points, and not to exceed $41,780 for personal services in the District of Columbia and incidental and travel expenses, $19,460,000: *Provided*, That $375,000 of said sum shall be expended in resuming night air mail service between Salt Lake City, Utah, and San Diego, Calif.: *Provided further*, That $85,000 of said sum shall be expended for establishing air mail service between Charlotte, N. C., Columbia, S. C., and Augusta, Ga.

By the Senate, the figures "$19,000,000," carried in the bill as it passed the House, were stricken out and there were inserted in lieu thereof the figures "$19,460,000," and there was also added by the Senate all of the language of the provisos.

ACTION OF CONFEREES

As one of the House conferees on this measure, and joined in by all the other House conferees, I was unwilling to accept the language thus earmarking the additional funds, $460,000, carried in this item. The House conferees proposed that this additional sum be carried in the item, but that the language of the provisos be stricken out, so that there would be no earmarking of these funds. To this the Senate conferees agreed, and the bill was accordingly reported back to the two Houses, and in this form passed by the two Houses and became a law.

The House conferees were mindful of the fact that however meritorious the two services mentioned in the indicated Senate language might be, there were other services of the country equally as desirable. They believed that the policy which has heretofore prevailed to be the wise one, viz, to appropriate the total deemed necessary for air mail purposes, and then to leave its allocation and expenditure to the administrative officers charged with the duty and responsibility under the law to establish and operate the air mail routes of the country. Any other system, I believe, would soon degenerate into one of "pork-barrel" character, and would prove as objectionable as the old method of mak-

ing congressional appropriations for river and harbor purposes.

Believing that certain additional services should be established but that the officials of the Post Office Department, as has been the case heretofore, should investigate and determine where these should be, I was glad to vote for the additional funds carried under this item, but was not willing to take from these officials the discretion vested in them by law for the determination of how and where the same should be expended.

In presenting the conference report to the House the distinguished chairman of the Appropriations Committee clearly stated that the purpose of striking out the indicated language from this item was to remove therefrom all earmarking of it, thus leaving the officials of the Post Office Department free to determine how the additional funds would be expended.

Thus the matter rests, and it is accordingly expected that the administrative officers involved will consider fully and fairly the merits of all suggested routes and services and that they will be governed only by considerations of what may seem best and most desirable, thus dealing with the whole subject in de novo form. This is the way, as I understand it, these officials wish to deal with it; and the language of the item as finally agreed on in conference and approved by the two Houses gives to them complete freedom and discretion in the premises.

UNEMPLOYMENT RELIEF

Mr. HORR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HORR. Mr. Speaker, I favor an immediate and direct relief measure, and I have favored it for a long time. On April 14 last I told this House that we would either pass a bill giving employment or we would be paying a dole in some form or manner. Many of you thought I was unduly alarmed and radical in my thought. Now you have direct relief thrust upon you just as I prophesied. It is here, and you must meet it.

We spent months and months balancing the Budget, and what have we to show for it? Will anyone say positively that the Budget is balanced? The relief measures should have come first in legislation, as I told you months ago. And it must come before we adjourn.

I have voted for every kind of relief. The Garner bill with its "pork barrel", as you term it, and, of course, we knew the Senate would take out this pork, at least had some relief. I am willing and seek the privilege to vote for any measure that will help care for our unemployed. I have waited for seven long months for some bill to emanate from our leaders and the President, but all we hear is economy and Budget balancing. I want to follow the leader if the leader has something to offer. I shall vote for any reasonably sound measure. But to the leaders of my party from the President down I ask for some program of relief to the unemployed.

I introduced a bill to put many of these unemployed on small acreage, but to date it has received scant consideration.

Gentlemen, we think we realize the condition that this country is in, but I fear we have not grasped the magnitude of the situation. You certainly realize that our cities and towns are bankrupt; that men and women and babies are near starvation. I would that you had realized this in the beginning. Had you done so, 25,000 veterans would not be encamped here at the Capital. Direct relief must be given and given now.

I do not know what will be the fate of the relief bill, but I believe I am safe in making this prophecy, that if Congress fails to pass a relief measure for the unemployed, or if the President vetoes this bill after it is passed, that the November elections will show that those who failed to vote for this bill, be he Congressman or President, that his services as a public servant will soon come to an end.

I feel that wrong advice has been given as to the situation, and that men whose financial means are sufficient to keep them from feeling the pangs of hunger, and whose incomes, although depleted, are sufficient to keep food in their homes, clothes for themselves and family, and the family car in commission, have had too close contact with our leaders, and that these leaders have forgotten the poor who can not maintain lobbies and appear before our committees.

TAXATION

These men of means fear that taxation will result from giving, and it is true that any money appropriated for relief will have to be raised by taxation, but may I ask of you—Mr. Business Man and Mr. Man of Industry—How much money have you been paying to "depression" in the past three years? Had Government levied a tax against your industry equivalent to the amount of your losses during that time you, of a right, would have risen in revolt. Do you want this to continue or are you willing to permit of appropriations to put these men to work? Where are your markets for your industry? Gone, because the men who buy are out of work and can not buy your product. Do you, Mr. Business Man, want this to continue?

We have tried relief by granting financial aid to industry through the Reconstruction Finance Corporation. Did it bring the relief you desired or expected? Did it open up bank credit so you could borrow? No! No; you know this was not the result. If you had the credit, have you a place to sell? No; the man who buys is out of employment and his wage, upon which you depend for market, is gone. Put these men to work, and if you are taxed you can pay that tax out of the profits of your industry rather than out of the assets or your private fortune.

You complain of taxation, and I do not blame you. But may I ask when do you complain? When you get your tax receipt? Look at your next tax statement and do not blame the Federal Government for all your tax trouble. Your tax receipts are for State, County, and City taxes, assessments, and so forth. Only a very few pay Federal taxes, and most of you who do pay should be happy that you have an income in these distressed days. The import tax is paid by the consumer ultimately.

You home owners, farmers, and smaller business men, when you receive your next tax statement, note carefully that not one cent goes to the Federal Government, and if the Federal Government could run without one cent of cost, your tax statements would show the same. It is the men with big incomes, who have been sending out this propaganda, who would have us tax you through indirect methods so as to relieve them.

Do not think I am not in favor of reducing expenditures in government. I have spoken many times against the needless bureaus, commissions, and departments. These parasites of government should in many instances be abolished. Many of these bureaus are the outgrowth of innocent appearing commissions that have built up huge organizations employing hundreds of men and women. Only a few accomplish a real purpose other than giving employment to a great army. Buildings house hundreds of printed reports that are never read and upon which no action has ever been taken. Economy? Yes; it can and should be effected, and I am looking forward to the day when the President will furnish a list of these needless semifunctions of government to Congress so that they may be discontinued by law. On account of their multiplicity Congress can never determine the necessary.

PROHIBITION

While we are all looking for relief from tax burden and assistance for industry and the unemployed, and means for raising revenue, may we turn to Prohibition, the Eighteenth Amendment and the Volstead Act. Since the Democratic Party has declared for repeal and the Republican something akin to repeal it is well to analyze the subject from the viewpoint of cost and loss to the Government during the trial of this "noble experiment." Also the loss sustained by States, Municipalities, Labor, and so forth. I submit the following:

Cost to date (1920 to 1931, inclusive)

Cost of enacting prohibition (Senate investigation of Anti-Saloon legal record)	$67,000,000
Loss of revenue to the Government	$10,988,000,000
Loss of revenue to cities and States	$9,100,000,000
Loss to farmers, labor, cost extra police, deputies, juries, penal institutions, appropriations for enforcement	$7,800,000,000
	$27,955,000,000

The estimated deficit of the Federal Government is around $3,000,000,000. If the Government had this $10,988,000,000 that has been thrown away in a useless attempt to enforce an impossible law, the United States Treasury would have a surplus of over $7,000,000,000, instead of a deficit of over $3,000,000,000. These figures are derived from pre-Volstead consumption and population.

Does the country realize that the Federal Government spends $52,786,202 to enforce its laws and that $34,828,550 of this amount is for the attempted enforcement of the liquor law—65 per cent of money appropriated for all Federal law enforcement goes to try to enforce liquor laws?

Some say, "It is not liquor we want but bread." Did it ever occur to you how much "bread" could be bought with the billions thrown away in the attempt to enforce the liquor laws—and at that they are not enforced, as you and I well know?

Better to give this money to the needy than to racketeers like Al Capone, whose income United States Attorney George E. Q. Johnson of Chicago estimated at $1,641,979 a year.

I have never been able to understand why the farmers do not realize the immense markets they lost through the enactment of this law. In 1920, when brewing and distilling stopped, the industry was using 40,000,000 bushels of corn, 60,000,000 bushels of barley, and tons and tons of hops yearly.

I admit we argue that liquor is as much in evidence as ever and call your attention to the fact that $2,848,000,000 is spent for liquor each year by the people of the United States; the wholesale value of all the automobiles sold in the United States is less than the amount spent for liquor, to wit, $2,793,000,000. I quote John D. Rockefeller, jr., eminent churchman, formerly an outstanding dry, and one of the largest contributors to the Anti-Saloon League, as to the increase—

> That drinking has generally increased; that the speak-easy has replaced the saloon not only unit for unit but probably twofold, if not threefold.

Naturally the farmer inquires if the production of liquor is as great, are not these markets still open to us? The answer is that sugar and blackstrap molasses, imported from outside the United States, is now being used as a substitute for grain.

What have we accomplished, not considering the loss in dollars? Can we argue that the youth has not been corrupted? Read the Wickersham report, a commission appointed by President Hoover, and I quote:

> Votes in colleges show an attitude of hostility and contempt for the law.

There is a reason for such outstanding educators as Dr. John Grier Hibben, of Princeton University, Dr. Ernest Hopkins, president of Dartmouth, Dr. Nicholas Murray Butler, president of Columbia University, and many other educators opposing the so-called Prohibition law.

Before prohibition, no fraternity houses were ever padlocked as they were at the University of Michigan, nor was liquor permitted in the homes of the students. Dean Earl J. Miller, of the University of California, stated:

> It is impossible to enforce prohibition among college men.

I could quote many, many more had I the time to do so.

Leading men of industry are now advocating repeal. I have already mentioned John D. Rockefeller, jr.; Samuel M. Vauclain, head of the Baldwin Locomotive Works; Alfred Sloan, jr., head of General Motors; Gen. W. W. Atterbury, president of the Pennsylvania Railroad system, have all spoken against prohibition as it is. Even Henry Ford has failed to raise his voice in favor of prohibition since he established a factory in Ireland, and no one presumes Ireland to be dry.

Prohibition has failed, and I am submitting a compilation entitled—

BROKEN PROMISES

(Extracts from a leaflet issued by the Women's Organization for National Prohibition Reform)

On the night of January 16, 1920, a service of thanksgiving was held in the First Congregational Church of Washington, D. C. William Jennings Bryan was there, as was Wayne B. Wheeler, Andrew Volstead, and Senator SHEPPARD. They were rendering gratitude to Heaven, doubtless in all sincerity, for what they believed to be a great step forward in temperance, the ratification of the eighteenth amendment.

At the same time, in Norfolk, Va., Billy Sunday, conducting a revival, preached the funeral service of John Barleycorn.

In New York the Anti-Saloon League was prophesying in these unmistakable words: "At 1 minute past 12 to-morrow morning a new nation will be born. To-night John Barleycorn makes his last will and testament. Now for an era of clear thinking and clean living!"

Let us take the promised millennium bit by bit and see how history has squared with prophecy.

PROMISE

Saloons: "The 150,000 saloons which daily tempt youth, debauch the weak, and impoverish those of moderate income will be closed." (Prohibition Ratification Handbook.)

Drunkenness: "Drunkenness will be reduced more than 65 per cent in the first year." (Prohibition Ratification Handbook.)

Liquor supply: "We shall see that it (i. e., liquor as a beverage) is not manufactured. Nor sold, nor given away, nor hauled in anything on the surface of the earth or under the earth or in the air." (J. F. Kramer, first Prohibition Commissioner.)

Drinking: "The amendment now framed destroys the traffic in intoxicating liquors. With that object accomplished, use will cease and purchase will cease." (Senator SHEPPARD.)

Crime: "Crime will be reduced at least one-half." (Prohibition Ratification Handbook.)

Alcoholic insanity: "The constantly increasing cost to taxpayers for saloon-made convicts, insane, imbecile, and delinquent will be stopped." (Prohibition Ratification Handbook.)

Political corruption: "Liquor is a corrupter of politics; the United States will be made safe for democracy" through "removal of the liquor menace to clean politics." (Prohibition Ratification Handbook.)

Cost: "I think $5,000,000 a year * * * to enforce this law would be ample; and if the liquor dealers suddenly become law-abiding, it can be reduced when the need disappears." (Wayne B. Wheeler, former superintendent Anti-Saloon League.)

PERFORMANCE

Speak-easies: "Estimated number of speak-easies is three times the number of saloons before prohibition, and in some large centers of population the proportion is even greater." (J. J. Forrester, research expert with the Wickersham Commission.)

Drunkenness: "The 1929 alcoholism death rate is nearly six times as high as that of 1920, the first year of national prohibition." (Metropolitan Life Insurance Co.)

"Since 1920 there has been a continuous increase, so that in 1929 we treated more patients for liquor addiction than in any year since 1896, with the exception of 1906 and 1907." (Official report of the Keeley Cure.)

Liquor supply: "The Federal Prohibition Department during the year ending June 30, 1930, seized over 39,000,000 gallons of spirits, wine and malt liquors, 700 per cent more than in the first year of prohibition, * * *," etc.

Drinking: "Kansas is wetter than at any time since 1884." (Representative J. R. Burton.)

Crime (you'll find statistics elsewhere in the issue): "The operation of the national prohibition act has also thrown a greatly increased burden upon the Federal penal institutions, which seems bound to increase with any effective increase in enforcement." (Wickersham Report, Sec. III, 8.)

Alcoholic insanity: "Alcoholics in detention institutes have apparently increased." (Wickersham Report, statement of William S. Kenyon.)

Political corruption: (We blush to recount or quote. See Wickersham Report, especially Sec. III, 1.)

Cost: "When to the direct appropriations for enforcement is added the loss of State and Federal revenue the debit against the taxpayer is over $950,000,000 a year" (one hundred and ninety times as much as W. B. W.'s estimate). (John C. Gebhart, Cost of Prohibition and Your Income Tax.)

And dry Congressmen will not tax beer and liquor, but Congress voted a tax on "wort" from which only one product can be made, to wit, beer. A tax was placed on "grape concentrate" from which wine is made and on "malt hops" from which "home-brew" is made. Would it not be better to tax the manufactured product, thereby producing revenue amounting to approximately $1,365,000,000 a year? Can you account for the mentality of a dry Congressman who will vote for a tax on "wort" and who thinks it wrong to vote a tax on beer?

Time will not permit of more along these lines. However, I want to warn the people of the country against the "dry politician" in office or who is seeking office, who suddenly, purely for the sake of getting a political job, is willing to run "on the platform" or "who is willing to be guided by what the people want."

No man of principle will sacrifice his thought to vote for that which in his heart he believes is wrong.

No man of courage and principle who accepted a "dry indorsement" in the last campaign will run on a "wet" or "moist" ticket this fall. Neither should a "dry" at heart be asked or permitted, if he is willing to sacrifice principle, to go to the National Capitol to vote contrary to his convictions.

Would you hire a man or woman to work for you in another capacity who was not heart and soul in sympathy with you and your business? Of course you would not. Apply the same principle to your hired man in Washington.

Congress is now in session. Both parties have adopted platforms and both declare for a change. If the dry Senator or Congressman is running on either platform, Republican or Democrat, at this session of Congress—now—he should show his sincerity and pass the legislation necessary for submitting the question to the States. If he, Senator or Congressman, does not do it now, do not believe him when he says he will do it after his election. He can not maintain that he is running on the platform of his party if he overlooks this opportunity now open. The platforms have declared and the opportunity is here.

As for myself, I was elected two years ago as one opposed to the eighteenth amendment. I favored repeal at a time when politicians were afraid to make known their positions and I am still of the opinion that the Eighteenth Amendment should be repealed, and until then, the Volstead Act should be amended.

I favor the return of liquor regulation to the States and Federal assistance to the States that desire the continuation of the dry law.

Do not permit the candidates this fall for national office to straddle this issue, in their heart they are either in favor of or against Prohibition. Demand that they tell you, yes or no.

It also may be interesting to ask of each candidate how long he has been of his present opinion, and if he is now running contrary to former indorsements. [Applause.]

SEQUOIA NATIONAL PARK

Mr. SWING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. SWING. Mr. Speaker, under leave to extend my remarks in the RECORD I herewith include the addresses made by Members of Congress in the Sequoia National Park, July 6, 1931, on the occasion of naming three *Sequoia gigantea*, one for General Vandever, who introduced and secured the passage of the bill creating the Sequoia National Park; one for Hon. HENRY E. BARBOUR, who introduced and secured the passage of the bill which doubled the park area; and one for the Indian chief Sequoyah, after whom the park was named.

They are as follows:

Hon. FRANK MURPHY, of Ohio, chairman. When we came into this wonderful national park we were promised a number of surprises, and we have been getting them, much to our pleasure and delight. This meeting, here in the heart of these magnificent trees, is to be, I understand, another surprise. Our colleague Mr. SWING and the Park Service have planned the program, and I will therefore call upon Mr. SWING to make a statement of what we may expect.

Hon. PHILIP D. SWING, of California. Mr. Chairman, colleagues, members of the Park Service, and friends, we have met here on this occasion to honor two Members of Congress who have had most to do with enacting legislation which made this great park what it is to-day and to praise that Indian chieftain for whom the area is named and of whose life and accomplishments the gentleman from Oklahoma, Mr. HASTINGS, will presently speak.

In 1890 Gen. William Vandever, representing the congressional district which embraced this area, introduced and had enacted into law a bill setting aside as a national park the tract of land on which were situated the principal groves of big trees. It was recognized then that some of the finest natural scenic wonders had been left out of the original boundaries. Years later Representative HENRY E. BARBOUR took up the work where General Vandever left off and introduced a bill to add the eastern half, commonly known as the Kern River country.

I happen to know a good deal about the fight that Congressman BARBOUR had to make to get final action upon this bill. I was myself personally interested in the enlargement of the park, as my district joins it on the east. I was the California member on the Public Lands Committee, which had jurisdiction of the bill, and I finally was privileged to report it on behalf of that committee. There were many divergent and conflicting interests which had to be dealt with and reconciled which called for statesmanship of the highest order, tireless energy, great patience, and determination to finally win success. In a way Mr. BARBOUR's fight was comparable to the Boulder Dam fight. His victory came only after weeks and months—yes, and years—of the hardest kind of work. The results will prove of tremendous benefit to the people of the State and Nation through all the years to come.

Legislative work, even of this magnitude and importance, seldom brings any lasting recognition or reward. What we do is soon forgotten, while our best efforts are entered upon the pages of history unhonored and unsung. It is the fate of legislators to have bills introduced and sponsored by them and fought through, sometimes against great opposition, recorded on the statute books anonymously. Legislative accomplishments—even of greatest benefit to the people and the country—fall like autumn leaves, soon to decay and lose their identity, but enrich the while the common earth beneath.

For this reason it seems most fortunate that we should honor our colleague while living and take steps to perpetuate some record of his fine work. Colonel White, superintendent of this park, has selected these two fine sequoias to be named after the legislative sponsors of this park, General Vandever and Representative BARBOUR.

Like this tree, HENRY BARBOUR's life has been straight and true, his ability has lifted him to high places, and his character and personality give him a distinction that marks him among his fellows. We are to-day proud to be able to participate in this ceremony in his honor, and to name this giant sequoia the Henry E. Barbour.

Hon. EDWARD T. TAYLOR, of Colorado. Superintendent White, fellow Members of Congress, and ladies and gentlemen, I am proud to be here to-day in this wonderful Sequoia National Park. It is a sublime inspiration to meet here under these wonderful trees, the oldest living things in the world, and probably the oldest things that ever have lived upon this planet. Some scientists say that some of these trees are 6,000 years old. This is a historic occasion. I wish it were possible for the entire population of the United States to read the eloquent addresses which we have heard on this occasion. It would be an inspiration to the people of our country, and it would have a tendency to make better citizens. Our people would be more proud of our country and our institutions.

I consider it very appropriate to name two of these outstanding Sequoias, one for General Vandever, who sponsored the legislation which created this magnificent national park, and the other for our beloved colleague HENRY E. BARBOUR, who introduced and successfully put through Congress the bill which doubled the area. I hope that, as the years go by, the people of our country will more often pay tributes of this kind to deserving people before they pass away. Dedication exercises of this kind not only encourage patriotism and devotion to our country, but they are an inspiration to the youth. And carrying out that thought, I want to say to the Director of the National Park Service and to Superintendent White of this park and to all those who have taken a part in bringing about the creation of this park and its splendid development up to the present time, that Colorado is proud of you, and we glory in your success. I know I speak the sentiments not only of Colorado and of all the thousands of people who have visited this marvelous park during recent years, but more especially the sentiments of the membership of the Interior Department Appropriations Committee, when I congratulate California and the National Park Service in having as its superintendent a man with the exceptional personality, energy, vision, enthusiasm, ability, and ideal national-park instinct of Colonel White.

I feel that this audience and the public generally will be interested to know a little inside history of our committee. When our committee had considered all the items recommended by the Bureau of the Budget and the Department of the Interior for this park for the next fiscal year, and we had practically completed the hearing on this park, we asked Colonel White to tell us confidentially if there was anything else that he and the park really needed. We told him not to feel any restraint by recommendations that had been heretofore made, but to give us his candid judgment. And he explained to us so earnestly and convincingly and appealingly the needs of the park on some four or five quite important matters, involving many thousands of dollars, that we felt that a park that was so fortunate as to have a man of his character and enthusiasm deserved those items—and we granted them to him. And I can say that there

are many improvements that you people see here in this visit to the park that are actually due to the personality of Colonel White. I predict that our national parks are in future years going to become one of the greatest glories of our beloved country, and that this park, by reason of these wonderful trees that have no counterparts in the world, will become one of the most renowned sights of this hemisphere.

Hon. DON B. COLTON, of Utah. I want to join with those who have preceded me in praising the men who made the successful fight in Congress for the legislation preserving for posterity this matchless tract of natural wonders. I am glad, too, that this merited recognition has come to our distinguished colleague HENRY BARBOUR during his lifetime. He is one of the able and most useful Members of Congress. Too frequently a public man must die before his work is appreciated. California and the Nation owe a deep debt of gratitude to the men who made this great park a reality.

I can appreciate to-day more than ever before the inspiration which prompted one to write that the groves were God's first temples.

I have always been interested in this State, because my grandfather was one of the pioneers. He came here in 1847. It is a pleasure to support and assist legislation enabling the better administration of the parks.

Mr. Albright gets what he does before the committees of Congress because we believe in him. We have the utmost confidence in him. He is an able official and loves these parks.

More than ever before in my life I have to-day caught the vision of America. I know of no better place than in our national parks to catch the true spirit and inspiration of this great country. This Nation is bigger and better because of the people who visit Sequoia National Park.

We get strength from these everlasting hills. We get inspiration from these magnificent trees. The finer things of life are uppermost in our minds in the presence of the infinite that we find in such places.

If all the Nation could visit these parks, I would not be afraid of the future. I can join to-day with others who have repeated the words of our national anthem:

"Then conquer we must, for our cause it is just.
And this be our motto, 'In God is our trust!'"

Hon. BURTON L. FRENCH, of Idaho. Mr. Chairman, the dedicatory exercises of the regular program have been so complete, so beautiful, that no other word need be uttered. Even so, my hero worship for that fine Cherokee Indian chieftain of 100 years ago, Sequoyah, and my admiration for our present-day chieftain, our colleague HENRY E. BARBOUR, are so constant that I find it easy to yield to the graciousness of our chairman in making brief response.

These trees, these rugged mountains, the canopy of sky above us—nature in all her loveliness—truly this is God's temple. To me the most gripping thing in all our national parks is life. Here we are in the presence of life that has existed upon our earth through the centuries.

The stately tree whose shade falls all about us was defying the elements when American liberties were born and a great Nation created. Yonder tree was rearing its noble column when the new world was given to the populations of the old. At our right is a tree that was lifting its arms heavenward when Christ trod this earth and lived his blameless and inspiring life. To our left stands a tree, venerable as years go, green with life, powerful in its every line, majestic, heroic in its proportions, like the column of some mighty temple, which, if it could speak and tell the story of the world that has been written since first its leaves were warmed by the rising sun, would repeat tales and activities of humankind that would have relation to events that occurred before the first line of definite human history was written. Surely we are in awesome presence!

A tribute of gratitude is made to the great Sequoyah when we dedicate to his memory a growing tree, and a fitting tribute is paid to our colleague when we let his name rest upon another tree in this splendid park. The tree dedicated to Sequoyah stands in recognition of one of the most outstanding contributions of a member of the Indian race. That record is complete. The tree that we dedicate to HARRY BARBOUR stands in part for services that our distinguished colleague has performed and in part as an expression of our faith in the man and the life that he is living to-day.

It is the wish of those who have part in these services that the influence of our colleague may live on, adding to the wealth of the things worth while in manner exemplified by the ruggedness and stateliness of the tree that bears his name.

Mr. MURPHY. This is truly a wonderful opportunity that has come to us to-day to participate in this interesting ceremony.

We have with us a man whose soul dreams of beauty, a man who sees nothing but that which is beautiful. I want him to talk to us now. Mr. Albright.

Director HORACE M. ALBRIGHT, National Park Service. After such an introduction, I fear anything I may say will be more or less in the nature of an anticlimax. I have been so thrilled with the talks I have heard that I have not collected any ideas for my own.

I did not realize that we were going into such a beautiful grove to-day, and I have derived as much pleasure from being here as any of you who may not have seen the sequoias before. I am particularly glad to have this group here, since we have had so many discussions concerning the enlargement of Sequoia National Park. Standing in the midst of these big trees, I am sure you realize why we in the Park Service feel so strongly the importance of that extension.

I was born about a hundred miles in air line from here, as Colonel White makes it in an airplane—he always travels that way if possible. As a boy I rode these mountain passes in the high country back of Sequoia National Park and in Yosemite National Park. The reason that I did not become a mining engineer or lawyer was that I spent too large a part of my early life roaming the high Sierra country. Now, as director, in handling problems concerning these two parks, I have to lean over backward in making my decisions so as not to unduly favor them.

Former Director Mather loved Sequoia and Yosemite National Parks more than any of the others. He, too, knew them long before entering on his public career. Many times I have heard him say what he said to Mr. BARBOUR. He took his first official action as director in purchasing the Tioga Road into Yosemite Park. His first trip as director, on which I accompanied him, was in 1915, when he got together a group of celebrated writers, artists, and men high in Government life and conducted the biggest pack-train party ever taken into the Sierras from Sequoia National Park to the Yosemite. In that party were Fred C. Gillette, Emerson Hough, Horace McFarland, Gilbert Grosvenor, and quite a few Californians, including Col. George W. Stewart and Ben Maddox, and a pioneer, Ty Sing, of the United States Geological Survey.

When it came to the matter of working out our problem of the elimination of private holdings, again it was one of these parks upon which Mr. Mather first focused his attention. Round Meadow in Giant Forest and hundreds of acres in the heart of the park were owned by people in the valley who hoped to sell the timber. Mr. Mather undertook to buy the property. He went back to Washington and told his story, and the next winter Congress appropriated $50,000—the valuation of the timber given him—to buy the property. Then, however, it was found that for various reasons the price had been boosted an additional $25,000. Congress had adjourned, and no more money was to be obtained from that source, at least at the time. The National Geographic Society, urged by Doctor Grosvenor, gave the additional $25,000, and Mr. Mather acquired the Giant Forest.

Then an amusing situation arose. Having been trained in a California law school, I thought that a California-style deed was all that was necessary for the transfer of the property. Fortunately we had Franklin Lane as Secretary of the Interior, and he said he would accept the California-sale deed. The disbursing officer of the department refused to accept such a deed, however, and the Comptroller General also refused to accept it. We paid for the land through the Yosemite disbursing officer and paid for it through the California-style deed, but we had all kinds of trouble. Some interested people were hoping that we would not exercise the option even after we had obtained it.

After this start Mr. Mather proceeded to clean up the private holdings in Sequoia Park. He put up $55,000 out of his own pocket. He induced men like Doheny to contribute to the fund, and many tracts were acquired. Nevertheless there still remain a few private holdings, some of which it is important that we acquire.

At this ceremony in honor of Representative BARBOUR I also want to pay a tribute to the other men in Congress who have supported us in our park legislation. Certainly Mr. BARBOUR deserves the homage we are paying him to-day, for he has worked hard for Sequoia National Park. I think I realize more than most people how hard our congressional friends do work. When I was superintendent of Yellowstone I had an opportunity to meet many Members of Congress who came to the park, and to see how seriously they took their inspection trips. I have lived in Washington long enough to realize that they have to work hard and fight many battles, and that their hardest work is done before and after sessions of Congress.

With all the work with which they are confronted, Members of Congress have taken time to study our park matters carefully and have supported us in our park legislation. During the past two years we have had wonderful support, with 42 acts of legislation affecting the parks having been passed.

The Appropriations Committee has been generous to the National Park Service. For a while we felt that road money was coming very slowly, for it took the Bureau of the Budget several years to realize that we should have several millions to spend on highway improvements. Now, we feel that the parks are getting pretty well set for the development they should have. We want to get our existing roads and trails rounded out. We do not plan to open a great deal of new country. We merely want good, safe roads—wide, oiled, parapetted, and protected—and a few new roads to connect up our present system.

I want you to know that the Park Service also enjoys the cooperation of the neighboring communities. We have had some opposition, of course, but I really think it surprising that we have not had more, because I understand the local point of view. In fact, the service has great sympathy for the local people and tries to work with them. As conservationists, I do not think we can be accused of being arbitrary.

Take the case of the Kings Canyon extension. We naturally want this superb area given national-park status, but we also realize that the people who are here to-day to talk over the project have a problem of water that must be worked out. They want the Kings region in a park as much as we do, but feel they must safeguard the solution of their own problem first.

The Park Service knows that California can not live or progress without water. We do not want to make any move without having a full understanding of the question. It may take two or three years to reach a full understanding, and, on the other hand, we may arrive at one here to-day. At any rate, when the Kings Canyon country does eventually come under the supervision of the National Park Service, there won't be much left in California to bring into the national-park system. I am sorry that the congressional committee here to-day can not see the Kings Canyon country.

In conclusion, I just want to say now that I hope you are enjoying your stay in Sequoia. It is the quietest, most restful place we have been.

Mr. MURPHY. It is now my privilege to introduce our colleague [HENRY E. BARBOUR], whom we all love and respect and to-day take particular pleasure in honoring. It is needless for me to say to those who serve with him in Congress that Mr. BARBOUR is one of the most valuable Members in the House. His success in connection with this park is only one of the many fine things that he has done for his district, his State, and the Nation. I am sure California appreciates him as we do and recognizes that in him it possesses a valued and trusted public servant whose place any other would have great difficulty in filling.

Hon. HENRY E. BARBOUR, of California. It is very difficult for me to find words to express my appreciation of what has taken place here to-day. Colonel White indicated to me some time ago that there were going to be some surprises when we visited Sequoia National Park. And I have found that practically every time I visit this park I find something surprising.

I can not express my appreciation and feelings. I felt when I listened to PHIL SWING, FRANK MURPHY, and the others who have spoken, that I was being given altogether too much credit for the enlarging of Sequoia National Park.

When I first went to Congress I found that a bill to enlarge Sequoia National Park had been introduced in 1916 by Senator Phelan and Congressman Kent. That bill was not enacted into law and our old friend Arthur Elston introduced a bill in 1917. That bill did not receive favorable consideration, either. In 1920 I introduced the first bill which contemplated taking in the Kern and Kings Canyons. That bill met with some opposition and it was the overcoming of that opposition which brought about the enlargement of the park. I was only one of many who worked to that end. I can remember when PHIL SWING first arrived in Washington. He was in favor of the bill to enlarge Sequoia National Park, and he was always a loyal supporter. FRANK MURPHY, ED TAYLOR, and DON COLTON always favored the bills. I remember that Congressman HASTINGS favored the enlargement of Sequoia Park, and the only thing in disagreement was the proposed change in the name. As I sat here listening to these talks to-day, I thought how fitting it is that Mr. HASTINGS is here on this occasion. You will remember that it was proposed to change the name of Sequoia National Park to Roosevelt National Park. I have since talked this over with many people, and all are glad that the name Sequoia was retained. They feel that nothing would be added to the glory of Theodore Roosevelt by giving his name to Sequoia National Park and nothing should be detracted from the name and fame of Sequoyah by such change of name.

There are others who helped in this legislation. There was opposition to be met in various parts of the country, and our late friend, Director Stephen T. Mather, ably assisted by Horace M. Albright, now Director of National Parks, would see a group here and another there in various parts of the country and explain the situation to them. Colonel White also had a large part in bringing about a friendly understanding. I believe that practically all opposition has long since been allayed, and everybody agrees that the enlargement was one of the best things that has happened to the park.

I do not know of any honor which could have been conferred upon me which I would appreciate more than this to-day. Sequoia National Park is my favorite park. I have not visited all of the parks, but I have visited several. I remember a statement which Stephen T. Mather once made, which seemed most fitting in describing Sequoia National Park. He said that he considered Sequoia the gem of the national-park group, and I believe that fittingly describes this beautiful and inspiring national park.

As for this noble tree which is to be named for me, I want to say that this is one of the proudest moments of my life. I would quote what Mitlah said in the play last night about being guided by these trees: "They are tall, they are straight, they point toward Heaven, and henceforth his conduct would be guided by those trees." That is a fitting rule that I may live by, if I have not in the past, and a fitting rule which we can all adopt. I appreciate this great honor, but words seem futile and feeble on an occasion like this. I shall try to live from now on so there will never be any occasion to consider changing the name of this tree, and my guide through life shall be these trees, as suggested so beautifully in the pageant Ersa. To all of you who have had a part in this occasion I thank you from the bottom of my heart.

Hon. W. W. HASTINGS, of Oklahoma: Ladies and gentlemen, these majestic redwood trees were named for a Cherokee Indian of gigantic intellect, Sequoyah.

I have been introduced as being of part Cherokee Indian blood. I know you will pardon me and it will explain some of my enthusiasm in behalf of this park if I remind you that Sequoyah lived in my district in Oklahoma. One of the counties in my district is named Sequoyah. The old log house that he occupied somewhat over a century ago is still standing and in a good state of preservation.

In the judgment of the educators of the world, Sequoyah possessed one of the greatest intellects of the century in which he lived. He was born about 1770 in the red hills of north Georgia. Remember that was before the Declaration of Independence, prior to the Revolutionary War, and before our Constitution was formed. It was at a time when we had little and very primitive communication.

Born of a full-blood Cherokee mother and a father who was a German trader, he never saw his father. He never learned to read or write the English language. Sequoyah grew up to young manhood without learning to speak the English language. During the years of his young manhood his attention was invited to letters passing from one to another, which he called "talking leaves," and that challenged his native ability, which resulted in his undertaking to do for the Indians what Cadmus had done for the English.

Stoically and with persistent effort, Sequoyah invented an alphabet for the Cherokee Indians. He began in about the year 1809 by tracing his characters on bark and stone, until finally the Cherokee alphabet, consisting of 86 characters, was finished in about the year 1821. Each letter of this remarkable alphabet represents an elementary sound.

To illustrate, my home town of Tahlequah was spelled with three letters, or a character for each syllable. Cherokee Indians immediately learned to read it, because all they had to do was to know the letters and pronounce them in succession.

Many of the Cherokee Indians became distinguished scholars and the invention of the Cherokee alphabet was of the greatest importance in their educational and moral development and was an achievement comparable to the invention of the English alphabet.

In the Cherokee language one does not have to learn to spell. Pronounce the characters in their order and you both read and spell. The invention of this alphabet had not only a beneficial influence upon the Cherokee people but upon the other associated Indian tribes in general.

On February 21, 1828, there was established a newspaper at New Echota in north Georgia, called the Phoenix. It was published both in English and in Cherokee, so that members of the tribe who did not understand English could keep advised with reference to current events. It enabled the missionaries to have tracts, hymns, and the New Testament and other literature translated into the Cherokee language, which resulted in a wonderful intellectual advancement and spiritual awakening which was reflected upon the members of the adjacent tribes—the Creeks, Seminoles, Choctaws, and Chickasaws—who with the Cherokees were afterwards known as the Five Civilized Tribes.

The first constitution that was ever adopted by an Indian tribe was in 1828 by the Cherokees.

After removing west, as Sequoyah did soon thereafter, he was selected as a delegate of his tribe to represent them in the Nation's Capital.

Congress made an appropriation in his behalf and money was also provided for the newspaper in north Georgia. His great achievement was recognized by the Cherokees and he was given the only literary pension ever given by the tribe.

The Cherokees adopted a written constitution in 1828, removed west of the Mississippi in two divisions, reunited, and readopted their constitution in 1839. The Cherokee Tribe had its own governor, a legislature, and its own judiciary. This continued up until a few years before statehood in Oklahoma, which was November 16, 1907.

The citizens of Oklahoma attempted to honor Sequoyah by naming the State for him. In 1905 the people in the Indian Territory part of Oklahoma assembled at Muskogee and delegates wrote a constitution naming the State Sequoyah in honor of the inventor of the Cherokee alphabet. This constitution was ratified by a popular vote but was not accepted by the President of the United States. In 1906 a constitutional convention was called for both the Oklahoma and the Indian Territories, pursuant to an act of Congress, which resulted in a constitution being formed and the State was named Oklahoma, meaning the home of the red men.

Just a word more about Sequoyah. He moved West and settled in the Indian Territory in that part now Sequoyah County. He lived there for a number of years and later went to Washington to represent the Cherokee Tribe as a delegate, where he met members of Indian tribes from all parts of the United States.

He had heard of members of his own tribe going westward and he cherished a dream of inventing a universal language by means of which all the members of the approximately 200 Indian tribes throughout the United States might communicate with each other.

He set out from the Indian Territory, perhaps in about 1843, in an ox cart with one lone companion. He journeyed west and southwest and tradition has it that in some lonely cave, perhaps on the lower reaches of the Colorado River, or it may be that among these gigantic trees in the splendid State of California, he fell sick of a fever and died, and his place of burial is unknown.

I am glad to be here on this occasion and briefly engage your attention in reviewing something of the history of one of the greatest of American Indians.

I am glad to know that these trees were named for one who rendered such great service to his tribe and that they are being preserved in this splendid park. It is a pleasure to do what I can in Congress to perpetuate this park and to join with others in enlarg-

ing it. Additional improvements should be made for the convenience of the millions of the citizens of our Nation who will in the future be attracted to this area of great scenic beauty, and it should be made a playground for all of the people of America.

SOCIALIST PARTY PLATFORM, 1932

Mr. KVALE. Mr. Speaker, I wish to prefer a unanimous-consent request and pending that to address the House for one minute.

The SPEAKER pro tempore. The gentleman from Minnesota asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, regularly in presidential election years the two major political parties insert their political platforms in the CONGRESSIONAL RECORD. I have been requested by a member of the Socialist Party to ask unanimous consent to insert the platform of that party in the RECORD.

Without passing judgment upon it, I think as a matter of fairness this request should be granted, and I therefore ask unanimous consent, Mr. Speaker, to extend my remarks by inserting in the Appendix of the CONGRESSIONAL RECORD a copy of the present Socialist Party platform.

Mr. SCHAFER. Reserving the right to object, Mr. Speaker, does the gentleman approve of that platform?

Mr. KVALE. I pass judgment in no way upon it, neither indorsing nor condemning it.

Mr. LAGUARDIA. I will say that I think it is a very good platform.

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, up to the present moment no member of the majority or the minority of the House has asked unanimous consent to insert in the RECORD the platform of the Democratic or the Republican Party.

Mr. KVALE. One has already appeared, and there is an arrangement whereby the other will appear.

Mr. STAFFORD. If that is the fact, I have no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the platform of the Socialist Party for the campaign of 1932.

We are facing a breakdown of the capitalist system. This situation the Socialist Party has long predicted. In the last campaign it warned the people of the increasing insecurity in American life and urged a program of action which, if adopted, would have saved millions from their present tragic plight.

To-day in every city of the United States jobless men and women by the thousands are fighting the grim battle against want and starvation while factories stand idle and food rots on the ground. Millions of wage earners and salaried workers are hunting in vain for jobs while other millions are only partly employed.

Unemployment and poverty are inevitable products of the present system. Under capitalism the few own our industries. The many do the work. The wage earners and farmers are compelled to give a large part of the product of their labor to the few. The many in the factories, mines, shops, offices, and on the farms obtain but a scanty income and are able to buy back only a part of the goods that can be produced in such abundance by our mass industries.

Goods pile up. Factories close. Men and women are discharged. The Nation is thrown into a panic. In a country with natural resources, machinery, and trained labor sufficient to provide security and plenty for all, masses of people are destitute.

Capitalism spells not only widespread economic disaster but class strife. It likewise carries with it an ever-present threat of international war. The struggle of the capitalist class to find world markets and investment areas for their surplus goods and capital was a prime cause of the World War. It is to-day fostering those policies of militarism and imperialism which, if unchecked, lead to another world conflict.

From the poverty, insecurity, unemployment, the economic collapse, the wastes, and the wars of our present capitalistic order only the united efforts of workers and farmers, organized in unions and cooperatives and, above all, in a political party of their own, can save the Nation.

The Republican and Democratic Parties, both controlled by the great industrialists and financiers, have no plan or program to rescue us from the present collapse. In this crisis their chief purpose and desire has been to help the railroads, banks, insurance companies, and other capitalist interests.

The Socialist Party is to-day the one democratic party of the workers whose program would remove the causes of class struggles, class antagonisms, and social evils inherent in the capitalist system.

It proposes to transfer the principal industries of the country from private ownership and autocratic, cruelly inefficient management to social ownership and democratic control. Only by these means will it be possible to organize our industrial life on a basis of planned and steady operation, without periodic breakdowns and disastrous crises.

It proposes the following measures:

UNEMPLOYMENT AND LABOR LEGISLATION

1. A Federal appropriation of $5,000,000,000 for immediate relief for those in need, to supplement State and local appropriations.
2. A Federal appropriation of $5,000,000,000 for public works and roads, reforestation, slum clearance, and decent homes for the workers, by Federal Government, States, and cities.
3. Legislation providing for the acquisition of land, buildings, and equipment necessary to put the unemployed to work producing food, fuel, and clothing and for the erection of houses for their own use.
4. The 6-hour day and the 5-day week without a reduction of wages.
5. A comprehensive and efficient system of free public employment agencies.
6. A compulsory system of unemployment compensation with adequate benefits, based on contributions by the Government and by employers.
7. Old-age pensions for men and women 60 years of age and over.
8. Health and maternity insurance.
9. Improved systems of workmen's compensation and accident insurance.
10. The abolition of child labor.
11. Government aid to farmers and small-home owners to protect them against mortgage foreclosures and a moratorium on sales for nonpayment of taxes by destitute farmers and unemployed workers.
12. Adequate minimum wage laws.

SOCIAL OWNERSHIP

1. Public ownership and democratic control of mines, forests, oil, and power resources; public utilities dealing with light and power, transportation and communication, and of all other basic industries.
2. The operation of these publicly owned industries by boards of administration on which the wageworker, the consumer, and the technician are adequately represented; the recognition in each industry of the principles of collective bargaining and civil service.

BANKING

Socialization of our credit and currency system and the establishment of a unified banking system, beginning with the complete governmental acquisition of the Federal reserve banks and the extension of the services of the postal savings banks to cover all departments of the banking business and the transference of this department of the post office to a Government-owned banking corporation.

TAXATION

1. Steeply increased inheritance taxes and income taxes on the higher incomes and estates of both corporations and individuals.
2. A constitutional amendment authorizing the taxation of all Government securities.

AGRICULTURE

Many of the foregoing measures for socializing the power, banking, and other industries, for raising living standards among the city workers, etc., would greatly benefit the farming population.

As special measures for agricultural upbuilding we propose:

1. The reduction of tax burdens by a shift from taxes on farm property to taxes on incomes, inheritances, excess profits, and other similar forms of taxation.
2. Increased Federal and State subsidies to road building and educational and social services for rural communities.
3. The creation of a Federal marketing agency for the purchase and marketing of agricultural products.
4. The acquisition by bona fide cooperative societies and by governmental agencies of grain elevators, stockyards, packing houses, and warehouses and the conduct of these services on a nonprofit basis. The encouragement of farmers' cooperative societies and of consumers' cooperatives in the cities, with a view of eliminating the middleman.
5. The socialization of Federal land banks and the extension by these banks of long-term credit to farmers at low rates of interest.
6. Social insurance against losses due to adverse weather conditions.
7. The creation of national, regional, and State land utilization boards for the purpose of discovering the best uses of the farming land of the country, in view of the joint needs of agriculture, industry, recreation, water supply, reforestation, etc., and to prepare the way for agricultural planning on a national and, ultimately, on a world scale.

CONSTITUTIONAL CHANGES

1. Proportional representation.
2. Direct election of the President and Vice President.
3. The initiative and referendum.
4. An amendment to the Constitution to make constitutional amendments less cumbersome.
5. Abolition of the power of the Supreme Court to pass upon the constitutionality of legislation enacted by Congress.
6. The passage of the Socialist Party's proposed workers' rights amendment to the Constitution empowering Congress to establish

national systems of unemployment, health and accident insurance and old age pensions, to abolish child labor, establish and take over enterprises in manufacture, commerce, transportation, banking, public utilities, and other business and industries to be owned and operated by the Government and, generally, for the social and economic welfare of the workers of the United States.

(The plank dealing with prohibition has been submitted to a referendum of the party membership.)

CIVIL LIBERTIES

1. Federal legislation to enforce the first amendment to the Constitution so as to guarantee freedom of speech, press, and assembly, and to penalize officials who interfere with the civil rights of citizens.

2. The abolition of injunctions in labor disputes, the outlawing of "yellow-dog" contracts and the passing of laws enforcing the rights of workers to organize into unions.

3. The immediate repeal of the espionage law and other repressive legislation, and the restoration of civil and political rights to those unjustly convicted under wartime laws.

4. Legislation protecting aliens from being excluded from this country or from citizenship or from being deported on account of their political, social, or economic beliefs, or on account of activities engaged in by them which are not illegal for citizens.

5. Modification of the immigration laws to permit the reuniting of families and to offer a refuge to those fleeing from political or religious persecution.

THE NEGRO

The enforcement of constitutional guarantees of economic, political, and legal equality for the Negro.

The enactment and enforcement of drastic antilynching laws.

INTERNATIONAL RELATIONS

While the Socialist Party is opposed to all war, it believes that there can be no permanent peace until socialism is established internationally. In the meanwhile, we will support all measures that promise to promote good will and friendship among the nations of the world, including:

1. The reduction of armaments, leading to the goal of total disarmament by international agreement, if possible; but, if that is not possible, by setting an example ourselves. Soldiers, sailors, and workers unemployed by reason of disarmament to be absorbed, where desired, in a program of public works, to be financed in part by the savings due to disarmament. The abolition of conscription, of military training camps, and the Reserve Officers' Training Corps.

2. The recognition of the Soviet Union and the encouragement of trade and industrial relations with that country.

3. The cancellation of war debts due from the allied governments as part of a program for wiping out war debts and reparations, provided that such cancellation does not release money for armaments but promotes disarmament.

4. The entrance of the United States into the World Court.

5. The entrance of the United States into the League of Nations under conditions which will make it an effective instrument for world peace and renewed cooperation with the working-class parties abroad to the end that the league may be transformed from a league of imperialist powers to a democratic assemblage representative of the aspirations of the common people of the world.

6. The creation of international economic organizations on which labor is adequately represented, to deal with problems of raw material, investments, money, credit, tariffs, and living standards from the viewpoint of the welfare of the masses throughout the world.

7. The abandonment of every degree of military intervention by the United States in the affairs of other countries. The immediate withdrawal of military forces from Haiti and Nicaragua.

8. The withdrawal of United States military and naval forces from China and the relinquishment of American extraterritorial privileges.

9. The complete independence of the Philippines and the negotiation of treaties with other nations safeguarding the sovereignty of these islands.

10. Prohibition of the sales of munitions to foreign powers.

Committed to this constructive program, the Socialist Party calls upon the Nation's workers and upon all fair-minded and progressive citizens to unite with it in a mighty movement against the present drift into social disaster and in behalf of sanity, justice, peace, and freedom.

DEMOCRATIC ACCOUNTABILITY

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. GAVAGAN and Mr. POLK objected.

Mr. STAFFORD. Mr. Speaker, I thought we had an understanding whereby the gentleman from Wisconsin was to speak for 15 minutes on the relief bill. We can cause disturbance here very quickly by making a point of no quorum.

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on relief legislation.

Mr. GAVAGAN. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman from Wisconsin [Mr. SCHAFER] whether in his remarks he wishes to offer an apology for the Republican platform on the eighteenth amendment.

Mr. SCHAFER. In answer I will say that if anybody offers an apology for not carrying out a platform, the Democrats will offer that apology because they declared for immediate modification of the Volstead Act, and they have control of the House and they have the Speaker of the House.

The SPEAKER pro tempore (Mr. WOODRUM). The gentleman from Wisconsin asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. GAVAGAN. Further reserving the right to object, I want to know if the gentleman is going to explain the double-dealing, double-faced Republican platform?

Mr. SCHAFER. I will answer the gentleman's question if I am granted permission to speak.

The SPEAKER pro tempore. The regular order has been demanded. Is there objection?

Mr. GAVAGAN. Under the ruling of the Chair, I withdraw my reservation, but I hope the gentleman will answer my question.

Mr. SCHAFER. Mr. Speaker and Members of the House, I did not intend to take up much of the time of the House in these closing days of the session, because I believed that we had a great deal of legislation pending that should be enacted. But day after day the Democratic leaders admit that they have brought out all the legislation that the Democratic majority is capable of bringing out, and are ready to adjourn at an early date. So I have asked for this 10 minutes, which you have so kindly granted me by unanimous consent. I did it particularly because when the Speaker of the House took the floor this afternoon by unanimous consent, no Republican asked the Speaker to indicate just what he would talk about, and no Republican made any such request when an extension in his time was asked for. When the Democratic leader [Mr. RAINEY] asked to speak by unanimous consent, no one tried to put the handcuffs on him and limit the scope of his address. The Speaker of the House to-day made a political acceptance speech for his Vice President candidacy on the Democratic ticket, and has brought before the House some things that need an answer.

He talked about the misrule of the Republican Party, about the financial condition of the Treasury, and about the maladministration of the Republican Party leaders. The distinguished leader of the Democrats [Mr. RAINEY] followed him, and again reiterated that the only salvation for the American people and the American Nation is to put the Democrats in power.

The people of the country want action and not merely promises from the Democrats. Your Democratic President, the late Woodrow Wilson, promised to keep the Nation out of war, and after he was elected he followed the whip crack of war profiteers and international bankers and drove us into the World War.

Prior to our entrance into said war our national debt was approximately $1,000,000,000. In 1919, under the Democratic administration, our national debt had reached the stupenduous staggering sum of over twenty-nine and one-half billion dollars.

In your recent convention you Democrats promised to reduce expenditures of the Federal Government $1,000,000,000 a year.

Now, the total annual expenditure for the Government is approximately $4,200,000,000. About two billions of that is accounted for in interest and sinking-fund payments on the Democratic war debt and the care of veterans, their widows, orphans, and dependents of that war. Over one billion is for the Army and Navy and for public buildings and works, much of which is expended in the Democratic Southland.

Your platform also promises various forms of relief which will cost many billions of dollars each year.

Now, are you going to cut one billion off of the Federal Government appropriations? I yield to the gentleman from Massachusetts to tell me where he is going to make that cut.

I yield to any Democrat to say where you will reduce the expenditures of the Federal Government $1,000,000,000 a year.

I hear no reply. In your platform you advocate Federal taxation according to the ability to pay. You have a majority in the House of Representatives, you have a majority on the Ways and Means Committee. Under the Constitution tax legislation must originate in the House. Your Democratic Ways and Means Committee and leaders advocated the sales tax. I yield to any Democratic Member to tell why they believe that the sales tax—the tax plan of the Democratic majority of this House which was supported by those best able to pay—squares with a tax according to the ability to pay as promised in your platform.

Mr. GLOVER. Does not the gentleman think that the Republican soup needs a little thickening up? [Laughter.]

Mr. SCHAFER. Oh, the gentleman can not answer, and therefore he makes a facetious interruption. I yielded for a reply to my question and not for a facetious interruption. No gentleman in this House can defend the sales tax brought to the floor by a Democratic majority and the Democratic leaders as a method of taxation according to ability to pay. The Speaker of the House had a "pork-barrel" building bill. The county of Milwaukee pays about one-half of the Federal taxes in the State of Wisconsin, and the State of Wisconsin pays more Federal taxes than some six or seven of the dry Democratic States below Mason and Dixon's line pay. In the name of unemployment relief, are you Democrats going into the campaign in Milwaukee and say to the taxpayers of Milwaukee County that they should be called upon to pay millions and millions of dollars in Federal taxation in order to relieve unemployment in that county with a $50,000 "pork-barrel" post office for St. Francis, this little post office being the only Federal public-works construction for Milwaukee County under the Garner Democratic "pork-barrel" bill. If you Democrats are sincere, if you want relief, if your Speaker wants some real relief, you have a way to grant it immediately. You have pledged in your convention every Democratic candidate for Congress to support immediate modification of the Volstead Act. Immediate does not mean six months from now, it does not mean a year from now, it does not mean two years from now. If you would modify the Volstead Act immediately and permit the manufacture and sale of wholesome beer, then in 30 days you would put over 30,000 men to work in the city of Milwaukee alone, and you would put hundreds of thousands of men to work in the Nation. You would put them to work without taking the taxpayers' money like that "pork-barrel" building program would.

You would at the same time be putting about half a billion dollars annually into the Federal Treasury under an excise tax. Such excise tax would not be burdensome except to the gangsters, bootleggers, and racketeers because the total drink bill of the American people would be reduced. This additional revenue would partially pay the interest and the sinking fund on the stupendous and burdensome national debt which the Democratic Party placed upon the shoulders of the American taxpayer and which is now causing him much misery and despair.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER. In just one moment. The gentleman from Illinois [Mr. RAINEY], the Democratic leader, to-day condemned the Reconstruction Finance Corporation. Mr. RAINEY signed the report against the soldiers' bonus bill, and if you read that report signed by Mr. RAINEY, you will find that there has been no one in or out of Congress who defended the Reconstruction Finance Corporation in a more capable manner or more vociferously than Mr. RAINEY did in his recent report against the bonus bill for the relief of the soldiers who fought in the war conducted by the last Democratic administration. Yet he stands on the floor of the House to-day and attacks that Reconstruction Finance Corporation. Oh, you say, put the Democrats in power, and you will solve the unemployment and financial problems of the Nation. Why, the master minds of the Democratic Party for a number of years have been centered on the question of solving the financial problems confronting the Democratic Party itself, and up to this time with all of the brains of Democracy, no solution from a financial standpoint has been found to lift the mortgage that Mr. Raskob holds on the party. [Laughter and applause on the Republican side.] Then comes Mr. McAdoo, the crown prince of the Wilson-keep-us-out-of-war administration, the Secretary of the Treasury under President Wilson, who helped open wide the floodgates of the taxpayers' money at the behest of the international bankers and greedy war profiteers. He is the master mind who really selected your present candidates for the Presidency and Vice Presidency. He is the man who made possible Mr. Roosevelt's nomination. Your standard bearer, Mr. Roosevelt, who also was high in the councils of the Wilson-keep-us-out-of-war administration, indicated in his acceptance speech that the spirit of Woodrow Wilson, and not Roosevelt, leads the hosts of Democracy in the forthcoming campaign. Wisconsin has spoken on Mr. Wilson's leadership in the past, and I suggest to the lady in the gallery who said, "Wait until November," that Woodrow Wilson's promises and policies almost annihilated the Democratic Party in the State of Wisconsin—such as the promises to keep us out of war, and then at the behest of the international bankers and war profiteers driving us into the World War, which is mainly responsible for the burden of taxation under which the American people are now staggering.

Yet one of the biggest he-horses of the Woodrow Wilson administration, the former Secretary of the Treasury, Mr. McAdoo, who threw open the taxpayers' Treasury to foreign nations and war profiteers, is the man who selected your candidate for President and your candidate for Vice President. Say what you want, the convention record conclusively shows that he ran away with it. He is the man, this same big he-horse of the Wilson administration, who led the forces of bigotry and intolerance and the forces of prohibition fanaticism in the Madison Square Garden convention of the Democratic Party in 1924. Now, if your Democratic Speaker is sincere, if you Democrats are sincere, act immediately, which is before adjournment. Do not call the doctor a year after the patient dies and has been buried. Get your Speaker to make an eloquent speech for a change in the Volstead Act and get your Democratic majority, including your drys from the Southern States, many of whom went to Chicago and renounced their dry faith at the convention baptism, to bring Volstead Act legislation before the House for consideration at this session. You know as well as I do that if that legislation is brought to the floor of the House for a vote immediately, by an overwhelming majority the House would vote to modify the Volstead Act, unless the wet baptism of many dry Democrats of this House at the Chicago convention failed to wash away the sins of prohibition.

Mr. FITZPATRICK. And what would the President do?

Mr. SCHAFER. He would sign it, in my humble judgment. [Laughter and applause.] He is not a political trimmer as your presidential candidates have been—people who kept us out of war before election and drove us into war after election; people who promise everything to everyone in order to get votes and who do not carry out the promise. [Applause on the Republican side.]

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

Mr. MILLARD. On what subject?

Mr. BLACK. Just to compliment the gentleman from Wisconsin [Mr. SCHAFER].

Mr. McGUGIN. Mr. Speaker, reserving the right to object, I ask the gentleman from New York whether that means that the censorship is raised?

Mr. BLACK. Yes; he will raise it.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker and gentlemen of the House, the gentleman from Wisconsin [Mr. SCHAFER] has become the political bodyguard of Herbert Hoover and Bishop Cannon. [Laughter.] The great Milwaukee bull of Bashan has taken as a political soul mate the camel of the Sahara and points dry. He can talk louder than anybody in the country except Doc CROWTHER when the Doc is talking about the tariff. No matter how loudly he talks on the beer question he can not be heard by his dry chieftain in the White House, for the dry chieftain sits in a desiccated chamber entirely insulated from wet arguments.

The gentleman has become quite an authority on ancient history. He gave us a speech of 10 minutes on political ancient history, and no matter how much I love him and no matter how much he helps me on the Committee on Claims, which, by the way, is the only functioning relief institution in the country to-day [laughter and applause], I want to say to my friend from Milwaukee that he will soon be political ancient history if he goes out to Milwaukee to defend Herbert Hoover and Bishop Cannon and their funny political platform. [Laughter and applause.]

I yield back the balance of my time.

MR. LAMBERTSON'S REPLY TO MR. STRONG

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, on Thursday of last week I said a few words objecting to the blanket rule of extending remarks. The next day I was answered in a very personal manner by a colleague from Kansas who is opposing me in the Republican primary, and I had made no personal reference to him or anybody else in my remarks. I hope the gentleman is present, but I do not see him. I sent for him and told his office that I thought I would be able to speak soon and that I wanted him present.

Now, there are two or three little things in the remarks of the gentleman which I am sorry to have to bring up here. I importuned him and protested that he should not bring our primary fight onto the floor of this House, and I told him I would be glad to meet him in joint debate out in Kansas at his own county seat or any place else after the close of this session. But he said he would not meet me there. He said, "I will meet you here." The gentleman left the inference that I was objecting to a custom that I took advantage of two years ago of extension of remarks on a blanket proposition after the close of the session. I extended my remarks then only on the consent of the gentleman from Oregon [Mr. HAWLEY] on the tariff bill, which was asked for and granted on the 14th of June. I put my remarks in the basket on the 26th of June. They were not printed until the 7th of July, but my remarks were not extended after the close of the session.

The other inference left by the gentleman from Kansas is that I objected after the Speaker had asked for it and after the minority leader had asked for it. The facts are that I withdrew my objection at the close of my remarks, as the RECORD shows, and it was the gentleman from Wisconsin [Mr. SCHAFER] who objected. But the gentleman throws down to me the gauntlet of economy. I pick it up. I did not want to say one word without his being here, but he is not here, and I fear I will not have another chance. I challenge him now that I am willing to resign from this contest in the first district of Kansas if I can not go to the Committee on Appropriations and prove that I voted less money from the Public Treasury in this session of Congress than he has [applause], provided he will resign if I prove my contention. I am willing to let the eminently fair and well-qualified judge and fellow Republican, William Tyler Page, be the referee in this affair. [Applause.] I wanted Mr. STRONG to be here to answer this proposition, whether he will take it up or turn it down.

I am sorry to have extended our little contest here on the floor of this House, but my colleague brought it here. I did not do it. I apologize for even extending it, but since my colleague has raised the point of economy purposely to carry back to the campaign, I challenge him that I will resign my seat before night if William Tyler Page looks up the record and says that I voted more money out of the Treasury than he in this session of Congress. [Applause.]

RUSSELL N. BOARDMAN AND JOHN L. POLANDO

Mr. GAMBRILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7939) to authorize the presentation of a distinguished-service medal to Russell N. Boardman and John L. Polando, and consider the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. STAFFORD. Reserving the right to object, the gentleman from Maryland [Mr. GAMBRILL], as well as the gentleman from Connecticut [Mr. GOSS], was deeply interested in providing recognition for Messrs. Wiley Post and Harold Gatty and Russell Boardman and John Polando, and have agreed virtually to have the distinguished-flying cross conferred upon those gentlemen, and have the obnoxious and objectionable section 2 eliminated. When the bill is presented for consideration I will offer a motion to concur in the Senate amendment with an amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER pro tempore. The Clerk will read the first Senate amendment.

The Clerk read as follows:

Page 1, line 4, strike out the words "service medal" and insert "flying cross."

The Senate amendment was concurred in.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Page 1, after line 8, insert:

"That the President is authorized to award, in the name of Congress, gold medals of appropriate design to Wiley Post, pilot, and Harold Gatty, navigator, in recognition of their achievement in making an airplane flight around the world in 8 days, 15 hours, and 50 minutes, thus not only eclipsing in time all previous world flights but also, by their intrepid courage, remarkable endurance, and matchless skill, materially advancing the science of aerial navigation.

"SEC. 2. The Secretary of the Treasury shall cause duplicates in bronze of such medals to be coined and sold, under such regulations as he may prescribe, at a price to cover the cost thereof (including labor)."

Mr. STAFFORD. Mr. Speaker, I offer a motion as a substitute.

The Clerk read as follows:

Mr. STAFFORD moves to concur in the Senate amendment No. 2, with an amendment as follows: In lieu of the matter contained in the Senate amendment insert a comma and the words "and also a distinguished flying cross to Wiley Post, pilot, and Harold Gatty, navigator, in recognition of their achievement in making an airplane flight around the world in 8 days, 15 hours, and 50 minutes, thus not only eclipsing in time all previous world flights but also, by their intrepid courage, remarkable endurance, and matchless skill, materially advancing the science of aerial navigation."

Mr. STAFFORD. Mr. Speaker, the bill under consideration is H. R. 7939, to confer a distinguished-service medal upon Russell N. Boardman, of Brookline, Mass., and John L. Polando, of Lynn, Mass., for their distinguished flight from the United States to Istanbul, Turkey.

The Senate, as the House notes, amended the bill to confer the distinguished flying cross. This amendment has been adopted, but it has been generally accepted that this amendment conferring the distinguished-flying cross upon these two men confers the same character of distinction which the House conferred upon Mrs. Amelia Earhart Putnam.

The Senate further amended the bill by providing recognition of the flight of Wiley Post, pilot, and Harold Gatty, who circumnavigated the world by airship about a year ago.

Most, if not all, of the Members of the House will remember the flight of these intrepid navigators of the air. These two aviators were recently here in the House and presented officially to the membership of the House.

The Senate bill, to which I took exception, provided that a gold medal of appropriate design should be conferred upon them and further provided, which I thought was very obnoxious to the practice of the House, that duplicates in bronze should be cast and sold to pay the expense.

The Members of the House remember that about the beginning of the last Congress President Hoover called attention to the practice of authorizing coins to be struck off in commemoration of some anniversary and having the various municipalities privileged to sell duplicates to pay the expense of the commemoration. At that time there were five or six bills on the calendar conferring this privilege upon respective municipalities, many of worth. The President pointed out that this was commercializing to an extreme the commemoration of these various celebrations, and the House overwhelmingly supported the veto. Since that time no bill carrying the proviso authorizing municipalities to sell bronze duplicates of coins has been considered in the House.

I strenuously objected to section 2 of the bill which would have revived that practice, because I felt quite certain if this bill were presented to the President with such a proviso he would certainly veto it for that very reason. So, after conference with the gentleman from Maryland [Mr. GAMBRILL], who is deeply interested in conferring due recognition upon these intrepid warriors of the air, Messrs. Wiley Post and Harold Gatty, and after further conference with the gentleman from Connecticut [Mr. GOSS], who is likewise deeply interested, it was agreed that we should confer upon them no higher recognition than the House recognized in the bill conferring honor upon Mrs. Amelia Earhart Putnam, the distinguished-flying cross.

Mr. GAMBRILL. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. GAMBRILL. I may say to the gentleman from Wisconsin this bill was sponsored by the distinguished gentleman from Massachusetts [Mr. CONNERY], who is home owing to the death of his mother.

Mr. STAFFORD. I well recall now the deep interest our colleague, the gentleman from Massachusetts [Mr. CONNERY], has taken in this legislation. Not only that, but I know the deep interest my friend, the gentleman from Connecticut [Mr. GOSS], a Member of the Committee on Military Affairs, took in putting through the Committee on Military Affairs a bill to confer upon Messrs. Post and Gatty appropriate recognition.

When this bill reached the Senate it had the active support and cooperation of Senator BINGHAM, of Connecticut.

Mr. GOSS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. GOSS. I thank the gentleman from Wisconsin for allowing this bill to come up with these amendments. May I say, in protection of Mr. CONNERY, that I had agreed with him in case the Amelia Earhart Putnam bill came back from the Senate conferring upon her the distinguished-flying cross I would do my part at least to obtain the same recognition for the distinguished flyers of Massachusetts, and I wish to take this opportunity of thanking the gentleman from Wisconsin for his cooperation in making this possible.

Mr. STAFFORD. Mr. Speaker, the distinguished minority representative of the Banking and Currency Committee wishes to be recognized. I ask unanimous consent in my time that the gentleman from Pennsylvania [Mr. MCFADDEN] may have 20 minutes to address the House after consideration of this bill.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that at the conclusion of the consideration of the pending bill the gentleman from Pennsylvania [Mr. MCFADDEN] may address the House for 20 minutes. Is there objection?

Mr. LANKFORD of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LANKFORD of Virginia. I want to ask the Speaker this question: Is it permissible at this time to move to instruct the conferees on the War Department appropriation bill to bring that bill back to the House for action?

The SPEAKER pro tempore. That is not in order at the present time.

Mr. STAFFORD. Mr. Speaker, I move the previous question on the adoption of the motion to concur in the Senate amendment with an amendment.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Wisconsin to concur in the Senate amendment with an amendment.

The motion was agreed to.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to have the title amended so as to incorporate the names of Post and Gatty.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

INTERNATIONAL FINANCES

Mr. STAFFORD. Mr. Speaker, I now renew my request that the gentleman from Pennsylvania [Mr. MCFADDEN] may have 20 minutes in which to address the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin that the gentleman from Pennsylvania may address the House for 20 minutes?

There was no objection.

Mr. MCFADDEN. Mr. Speaker, before taking up the thread of my remarks, I desire to advert briefly to the extraordinary news which has come in the last few days from the conference at Lausanne.

The Allies offer to cancel all German reparation obligations, in substitution of which Germany is to assume an obligation for the payment of negotiable bonds for $1,000,000,000. As Germany's total liability under the Young plan was $27,000,000,000, this offer of the Allies represents a reduction in reparation claims of 96 per cent—96 per cent of the Young plan demands and 97 per cent of the demands of the treaty of Versailles and the London ultimatum.

Notwithstanding this bewildering display of allied generosity, the Germans do not seem to be impressed by it. They reply that the allied demand for the payment of $1,000,000,000 by Germany is unreasonable. They think that $500,000,000 is enough, payable in 10 annual installments. They do not propose to sign bonds for $1,000,000,000 in order that the Allies may commercialize them in the United States and elsewhere outside of Europe. Indeed, there appears to be a question whether the Von Papen cabinet has not gone beyond its powers in offering to assume a liability to the Allies of even $500,000,000. The Germans are not impressed by an offer to cancel 97 per cent of the war reparations. They want them canceled 100 per cent. At any rate, 96 per cent of the Young plan reparations are a thing of the past.

Yet it was only three years ago that Mr. J. P. Morgan, Mr. Thomas Lamont, and Mr. Owen Young, possessing the sublimated wisdom of the American banking world, sat as members of the Young committee at Paris and brought forth the Young plan. They estimated Germany's capacity to pay at $27,000,000,000. Of this sum they thought that about $3,000,000,000 might be raised at once for the benefit of the allied treasuries by the sale of negotiable reparation bonds, which, of course, if they were to benefit the allied treasuries, would have to be sold outside of Europe. As these bonds were to be eligible for sale in the United States, presumably Mr. Morgan and Mr. Lamont and Mr. Young felt sure of Germany's capacity to meet the coupon payments, for they would not want to see American purchasers holding defaulted bonds.

It was only three years ago that President Hoover congratulated these gentlemen upon the excellence of the Young committee's work. It was only two years ago that this body was induced to concur in an agreement with Germany intended to facilitate the Young plan. And it was less than one year ago that this administration made a treaty agreement with France to exempt the negotiable

reparation bonds of the Young plan from the operation of the Hoover moratorium.

And now this sudden revelation comes from Lausanne that all those billions in German reparation bonds were a figment of the imagination, that the $3,000,000,000 worth of negotiable Young plan reparation bonds which this administration was helping the international bankers to sell in the United States were based upon a foundation of reality thinner than gossamer. With the announcement that Germany can not and will not pay any more reparations, an allied asset—a liquid asset—of billions vanishes overnight.

Mr. Speaker, the curtain is being rung down upon a human opera bouffe which has been regaling the gods of Olympus for 13 years; a Gargantuan farce in politics and finance is coming to an end; a world status quo, based upon universal fraud, is crumbling.

But this régime has wronged and victimized the American people. They have been made to accept Europe's fraudulent asset as a reality and to accept it as good collateral for the loans of billions which they have been induced to make abroad. It destroyed the sense of genuine value and made them the victims of the fantastic credit operations which ended in 1929.

The men in power in this country to-day, in government and in finance, are wholly identified with an outworn and ridiculous concept, whose absurdities are being revealed at Lausanne to-day. Lausanne, I think, will give us in this body much food for thought, and I have deemed it important to advert to these proceedings in opening my remarks.

I will return now to a discussion of the policies which in the past have involved us in the reparations controversy.

Mr. Speaker, when the fate of the Nation seems to be at stake, as it does to-day, not as a result of disasters in war where the exigencies of the moment impose their decisions, but as a result of economic and financial calamity falling upon it in a period of peace; merely to accept the conditions and to meet the exigencies of the moment with measures designed to give temporary relief from intolerable burdens is not enough. The root of the trouble also must be sought and eradicated.

It is well for us to bear this in mind because of matters that have been here under discussion to-day. We must recognize the fact that during all of this session of Congress we have been dealing with results and not fundamental causes. Until we begin to deal with fundamental causes we will have this calamity increasing.

This national calamity—a calamity which did not visit us until 10 years after the war ended—has a definable cause; it did not merely happen, and it did not arise from some sudden, blighting misfortune. Its magnitude, and its unexpected advent, are proof that powerful and unseen forces must have long been at work undermining our national foundations.

Inasmuch as the blow has fallen upon our economic, financial, and industrial structure, and inasmuch as such a structure is peculiarly the product of the minds of men, we are justified in concluding that man-made policies are responsible for what has happened. We must ascertain what these policies have been, and who are the men who conceived and executed them. If we find that they have brought our Nation to the brink of disaster, we ought to abandon the policies and discard the leadership which is responsible. Nor ought their control of great wealth or the prestige of their names protect them; to permit them to escape responsibility and continue in authority would be only to court new disaster.

There is but little of purely domestic origin which needs to be taken into consideration; intelligent control and administration of domestic relationships has never been difficult. It is admittedly in the field of foreign contacts that the causes of the depression are to be sought.

If deleterious foreign influences have been so powerful that it was beyond human strength and wisdom to protect our Nation from them, then criticism of our leadership since the war would be unjustified. But it is difficult to believe that foreign influences could be so strong or our own powers of defense so weak. In size, numbers, resources, and wealth we have few, if any rivals; we are peculiarly well-defended from foreign attack, and if we chose to dispense entirely with foreign markets outside the western hemisphere, we could go upon our accustomed way without privation or inconvenience.

It is our contacts with the several States of Europe which present the difficulties and which in recent years have become extremely involved; indeed, at the present moment, they are so involved and menacing that our own fate seems to hang upon what takes place there.

Yet the war left them all exhausted, bankrupt, and prostrate, and that remains their condition to-day. Is it possible, if our Government is intelligent and patriotic, and our influential citizenship loyal, that the policies of European States, individually or collectively, can threaten and menace our safety or our prosperity?

Mr. Speaker, I do not believe so. After the war ended we seemed to have terminated unnecessary political contacts with Europe, as was the general desire; we had no treaty burdens to bear, our national debt was an internal debt and bearable, the debts which the allies owed us would not have become a source of embarrassment to us even if it became necessary to reduce or cancel some of them. When the allied States, after considerable delay, owing to their embargoes on the shipment of gold which caused our temporary depression in 1920, settled their very large trade balances by shipping gold, our gold stock rose to a figure which was adequate to support our large credit structure and which by the year 1924 stood at $4,000,000,000. By that year our national position had become impregnable; the patriotic motive alone was needed to keep it so. The war had not weakened us, and we emerged from it subject to none of the ills which fall upon a war-exhausted state. We were in no wise dependent upon the course of events in Europe.

Yet, to-day, relations with Europe have palsied our industrial life, the billions of dollars which American citizens, after 1924, were induced to invest in European bonds are lost or imperiled; we live in a nightmare of hazards involving allied debts and German war reparations and of questions of war and peace in Europe. Representatives of our most powerful banking group spend their time at the World Bank in Switzerland, and only the other day its American president, Gates McGarrah, assured the peoples of Europe by radio that "any hope that a single country may achieve prosperity apart from the rest of the world is indeed based on insecure foundations"—a philosophy which the statesmen of Europe are megaphoning to us in stentorian tones. If this be true, the prospects for our children are dark indeed, for we may be assured the foreigner will not deal gently with them.

How did all this come about a full decade after the war, during which no cloud seemed to darken our skies?

Mr. Speaker, ever since the war ended there has been defection within our gates. It originated with our most influential group, and it was inspired by a purpose to dominate and control our Government for seditious purposes. This group controlled our network of banks, and an unsuspecting public has permitted it to seize and use our instrumentalities of government. It has reached out and seized control of news agencies and publishing houses and it has falsified history ever since the war, in order that it might dominate public opinion in America. I am speaking of the international bankers of New York and of their agents in Washington.

Through their influence over the Executive, our Government, with the exception of President Coolidge's elective term, has followed a policy of "going along with Europe," although this was never the mandate of the elections. This policy of going along with Europe has, by insidious and invisible steps, carried a reluctant and bewildered people into the toils of an international intrigue against them which is swindling them on a national scale, confusing their judgment by false versions of history, and bringing menace to their very institutions. It has only been due to the intervention of Congress from time to time that the progress of our dissolution has not been more rapid.

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McFADDEN. Not since the treaty of Versailles in 1919 has our national policy been conceived or initiated by the duly constituted agencies of Government at Washington. During the peace conference at Paris a usurpation of the functions of the Executive took place which gave control over that office to the international bankers of New York. There they allied themselves with the governments of Europe to impose and maintain the treaty of Versailles and to extend its operation to America. In pursuance of this alliance they established control over successive administrations in Washington after the war.

Let us verify the facts. The preliminary peace agreement with Germany had strictly limited the amount of reparations; there had been no conquest. Unless the United States, therefore, would share the Allies' war costs, the full financial burdens of the war would fall upon them; they could not shift them to Germany.

They therefore proposed that the principle of "financial unity" be adopted, under which America would pool her resources with those of allied Europe. André Tardieu, in 1920, wrote an article explaining this, reference to which may be found in Senate Document 86, Sixty-seventh Congress, second session.

When it was understood that President Wilson had no intention of adopting this principle in the war settlement, it became the allied purpose to bring it about notwithstanding his opposition. They conceived the plan of imposing a financial penalty upon Germany large enough to pay their war costs and of inducing the American people to pay them this sum in cash by purchasing from them reparation bonds which Germany would be compelled to issue to them for the amount of the penalty. This, by different means, would effectually create the financial unity to which President Wilson would not agree. As President Wilson had to be maneuvered into this arrangement against his will, the peace conference necessarily became the center of a gigantic intrigue.

The first step was a secret meeting of the Supreme War Council held in London in December, 1918, where the Allies bound each other to repudiate the peace agreement with Germany, to blockade her by land and sea until by the pressure of starvation a conquest was attained, and then by a united front at Paris to compel President Wilson to concur in imposing the heavy financial penalty.

Three steps were immediately taken to initiate this plan. A general election was instantly called in England in which the coalition government was reelected upon a promise to make Germany pay; the British Navy was dispatched secretly to the Baltic to blockade the German coast, and the armistice commission, under General Foch, was directed to exclude food from Germany by land and assume exclusive control over diplomatic contacts with the German Government. These measures, in the course of a few months, would compel Germany to accept the heavy financial penalty.

By February the Peace Conference was under way in the midst of an emotional pandemonium purposely fanned to confuse and bewilder the issues, and centering itself about the structure of a league of nations. It was then that the Reparations Commission was created and assembled in secrecy, indeed in profound stealth; and it was in its secret purlieus that the American banking power deliberately violated the instructions of President Wilson, destroyed his power of leadership, and usurped the functions of our Executive office.

Bernard M. Baruch and Norman H. Davis became the financial advisers of the American delegation. They sat silent while the legal adviser of the American delegation, acting under instructions of President Wilson, reminded the European members of the Reparations Commission that the agreement of November 4 with Germany constituted a limitation upon the right to impose penalties, and that all concerned were bound in honor to abide by it.

They listened with approval to the denials of the allied lawyers that it constituted such a limitation. Then they sent a wireless message to President Wilson, who was on his way to the United States for a temporary absence, informing him that the commission was in deadlock and asking for instructions. They received instructions in reply to maintain their position, and if necessary to make it public. They violated these instructions, preserved the utmost secrecy, and joined in the allied purpose of imposing a $33,000,000,000 indemnity upon the enemy. Here the bankers consummated a secret alliance with the allied governments for purposes hostile to those of the Government of the United States.

So rapidly thereafter did the Reparations Commission work that upon his return in March, President Wilson was confronted with a fait accompli, and the control of events was no longer in his power. He became a broken man. A new treaty of conquest had been substituted for the peace agreement and only awaited the collapse of Germany by starvation to be put into effect.

Herbert Hoover had preceded President Wilson to Europe to take charge of food relief there, and was later made a member of the supreme economic council. Before President Wilson's arrival he was informed by the supreme war council that he might distribute food to Austria and the liberated regions, but not to Germany. He rightly protested against this, as a part of the agreement made by President Wilson with Germany included written promises of immediate food relief. When it became evident in January that the conquest of Germany by starvation was a part of the allied plans, he wrote a letter of protest to President Wilson, transmitting his resignation and pointing to the fact that the honor of the United States was involved in keeping the agreement with Germany.

In another communication he insisted that the United States must withdraw from every peace conference commission, sever its contacts with the Allies, and go home.

Thanks, however, to the powerful initiative of Baruch, Davis, and Lamont, the other view was made to prevail; the protests of Mr. Hoover could not stay the sweep of events; he was persuaded to withdraw his resignation and thereafter to cooperate in the settlements which were being made.

By the end of March the intolerable pressure of starvation in Germany brought surrender and the admission of conquest. It only remained for the Germans to turn over their gold stocks and their negotiable securities to peace conference representatives and to sign a blank obligation for continuing liability in any sums which the Peace Conference might fix.

This business was transacted at what was known as the Brussels convention, to which the Germans came with a trainload of gold and of securities representing title to mining and dockage rights, phosphate and bauxite deposits, and railways and industrial plants all over the world. Here all the convertible wealth of the German people was yielded up, and a blank bond of unlimited liability signed in exchange for the promise of the immediate shipment of food supplies.

Herbert Hoover was the chairman of the American delegation in this conference, and Thomas W. Lamont, of J. P. Morgan & Co., was one of its leading members. The dispositions effected here formed the basis of the clauses in the treaty of Versailles, reciting the reparation liabilities of Germany. The four horsemen of Versailles had written a new treaty and substituted it for the peace agreement made by President Wilson.

The treaty provided that May 1, 1921, should be the date upon which the Reparations Commission should announce the sum total of the reparations and Germany should sign negotiable bonds for the amount. A year before this date the Senate had refused to ratify the treaty, thereby declining to pool the resources of the United States with those of Europe. A new administration with a mandate to maintain isolation as its foreign policy came into power on March 4, 1921. Mr. Charles E. Hughes was appointed Secretary of State, Mr. Andrew W. Mellon Secretary of the Treasury, and Mr. Herbert Hoover Secretary of Commerce. But the international bankers of New York were in alliance with the allied governments and, notwithstanding the action of the Senate, it was their mission to make a market for the disposal of the reparation bonds on the western shores of the Atlantic.

Simultaneously with the inauguration of President Harding the Allies summoned the Germans to London to hear the report of the Reparations Commission and to sign the bonds. The amount was fixed at $33,000,000,000, funded in gold-bearer bonds, and divided among the allied governments in accordance with the Spa percentages.

In March the Germans refused the terms and defied the Allies; in April the question was referred to Secretary Hughes for settlement. He did not inform the parties that the question was purely a European one in which the United States could not intervene and he did not sound out American opinion before acting. He decided it in favor of the allied demands.

This treaty settlement is known as the London ultimatum. Its acceptance by Germany was not made under the compulsion of allied military power; it was under compulsion of an economic necessity that at no matter what cost the door should be kept open for loans from America, which would make the continuance of life in Germany possible.

There was now an asset in allied Europe of $33,000,000,000 which had not existed before Secretary Hughes's vigorous action. It remained only to convert it into ready cash.

A short time later Mr. Andrew W. Mellon, Secretary of the Treasury, drafted the following bill, which he requested Congress to pass:

> The Secretary of the Treasury, with the approval of the President, is authorized to refund or convert and extend the time of payment of principal or interest, or both, of any obligations of any foreign government arising out of the war into bonds or obligations of such, or of any other foreign government, and from time to time to receive bonds or obligations of any foreign government in substitution, and to adjust by bonds or obligations and accept securities therefor.

This bill did not receive the approval of Congress, which some time later created the Debt Funding Commission, instructed to deal with each debtor separately and take only its own obligations.

If Congress had passed the bill, the combined effect of these two acts of our State and Treasury Departments would have been entirely to destroy the isolation of the United States and to realize the "financial unity" demanded, as stated by André Tardieu at the time of the peace conference.

The action by Secretary Hughes constituted an official recognition by the United States of the authenticity of German reparation bonds for $33,000,000,000. The bill drawn by Secretary Mellon would have authorized the acceptance of the German reparation bonds by the United States Treasury in substitution for the obligations of the allied governments which it held. The two acts together would have constituted ratification by the United States Government of the reparation settlements of the treaty of Versailles.

Here is demonstration that the international bankers of New York who had usurped the authority of the President of the United States in the peace conference had perpetuated their power over the Executive Office in 1921. The Congress alone had stood in their way. The existence of a European asset of $33,000,000,000 had depended wholly upon whether the United States Government would officially recognize the face value of the negotiable reparation gold bonds. The bonds could have no possible reality as between the Allies and the Germans alone, for every European financier knew that Germany did not have the economic and financial power to sustain them. But if their face value were recognized by the United States Government, they could be sold outside of Europe, bringing in vast receipts of gold; and this had been effected by the act of the Executive alone. The question of their subsequent value to private purchasers was regarded as a matter of minor importance.

The Allies lost no time in creating the tangible evidences of this asset; as a first offering reparation gold bonds for $13,000,000,000 were engraved and made ready for distribution by November, 1921. Aristide Briand accorded an interview to the American press which discloses the beneficent function which these bonds were expected to serve:

> The supreme council looks forward to the time when German reparation bonds will be so distributed throughout the world as to amount practically to an international loan.
>
> The bonds will become an acceptable investment and can be used in trade and commerce so as to facilitate international transactions. They can be used as currency. The fact that they are interest bearing will add to their effectiveness as a medium.
>
> They could be used to pay international trade balances and would have an extremely healthful influence upon exchanges, tending to restore economic stability among all the commercial nations.
>
> Inasmuch as America is the largest potential purchaser of these bonds, the attitude of America toward their value will have the most important effect.
>
> The French Army will be the real force behind them. The more widely the bonds are scattered, the more force will be brought upon Germany to pay.

This interview, to anticipate a moment, furnishes the key to an understanding of the Dawes plan of 1924, the Locarno treaty of 1925, the Thoiry agreement of 1926, the Geneva decision of 1928, and the Young plan of 1929.

The furious controversy between the Germans and the Allies which characterized the London ultimatum was continued through 1922, and little in the way of monetary reparations was coming out of Germany. President Harding had refused an urgent request of J. P. Morgan and Elihu Root to open Wall Street to the sale of the bonds. This prompted Secretary Hughes to further complicate our relations with Europe by advising in the New Haven address that the question of Germany's capacity to pay be referred to great economic experts in whom all the world had confidence. These, being the international bankers of New York, Mr. Owen D. Young and the English banker, Reginald McKenna, were placed at the head of committees whose work produced the Dawes plan of 1924. This marks the moment when our deep and unnecessary entanglements with Europe's controversies began.

But the French had no intentions of leaving a new settlement to peaceful negotiations with the Germans. While the Dawes committees were at work they proceeded to invade and occupy the Ruhr and, by means of this coercion, forced the Germans to agree to the mortgaging of their national railway system as security for the new reparation bonds which the Dawes committees would bring into existence. Chastened by the ravages of the Ruhr invasion, the Germans agreed at London to the immediate issuance of Dawes-plan bonds for $4,000,000,000, their total liability remaining at $33,000,000,000.

In 1924 then, which year as I have stated marked the rise of the United States to a position of political, financial, and economic independence and impregnability, it was brought to the attention of the American people, through the Dawes plan, that out of their asset of $33,000,000,000 the allied governments were desirous of marketing $4,000,000,000 worth of the bonds at once. Thanks to the stamp of authenticity which our State Department put upon them and to the flood of propaganda which the international bankers loosed in their behalf, the illusion took hold of the American public that Europe's credit capacity was measured by billions of dollars. This illusion explains the readiness with which the American public parted with its money for European bond issues between 1925 and 1929.

The talk for years of billions in German reparation bonds had created an entirely false opinion in the United States of Europe's credit power. The truth was that each succeeding year following the war was disclosing more clearly the state of bankruptcy of the nations of Europe. French finances were desperate, the public accounts were being juggled, and the franc fell steadily from 8 cents in 1919 to 4 cents in 1924 and to 2 cents in 1926. There was no gold in England outside of the bank, and the pound was far below par and had been so since the war. The German currency was entirely worthless until it was reorganized through a gold loan under the Dawes plan. Unrestricted importation into Europe of goods and commodities from America had to be paid for, and by 1924 when the gold stock of the United States reached $4,000,000,000, the European nations had been drained of their remaining gold. Their real credit power in 1924 was exceedingly small. But the combined influence of the State Department, the Treasury Department, the Commerce Department, and the international bankers of New York had deluded the American public, and local bankers throughout the country, into the belief that billions of dollars might be safely invested in Europe.

Incidentally, the Dawes plan did not take the direction intended and never went into real effect. It was a Hughes measure, not a Coolidge measure. President Coolidge did not owe his election in 1924 to the bankers and was not amenable to their purposes. The impecunious condition of Germany was visible to him, and the selling of billions in German reparation bonds on the American market did not appeal to him. Gates McGarrah made strenuous efforts through the Treasury Department to move him, but White House approval for the sale of the bonds was not forthcoming. The real purpose of the plan, therefore, had to be postponed until another President was inaugurated.

But in the meantime the enjoyment of a credit of billions in the United States, established by the creation of the German reparation bonds, was too alluring a prospect to be delayed longer. A few months after the Dawes plan, in order to take advantage of its psychological results, England, with the aid of the New York bankers, reestablished the pound at par; Poincaire, in 1926, began the reorganization of French finances and the revaluation of the gold franc at a figure fixed in 1928 at a little under 4 cents, and moved to the ratification of the Mellon-Berenger agreement. The reestablishment of the gold basis in Europe and the $4,000,000,000 credit power established in America by the Dawes plan were utilized to pour into the United States that vast assortment of European bonds the sale of which artificially stimulated Europe's buying power here, artificially stimulated our export markets, artificially expanded the credit of the Federal reserve system, and ushered in the period of speculative mania which culminated in the great financial debacle.

World trade, which is now so depressed, was carried on in large volume between 1924 and 1929. It was an artificial and unhealthy economic development, because it was carried on with borrowed money, all derived from the sale of bonds in the United States. The United States became, as it were, the financial power house from which world energy was derived. But as the interest charges on the loans mounted higher the capacity of the foreigner to borrow grew less, the sale of the bonds slackened, the energy of the power house died out, and with it the activities in international trade came to an end.

The European statesmen—always with the aid of the New York bankers—had devised a plan to forestall this event and to prolong the world's prosperity derived from its credit power in the United States. Under the magic influence of the Dawes plan a credit power of $4,000,000,000 had motivated the machine for four years. As this credit power waned it was to be reestablished by again bringing forth the Dawes plan. No Dawes-plan bonds had yet been sold in the United States, only municipal and industrial bonds, most of them German, out of the receipts from which Germany had been paying annual reparations to the Allies. As in this way Germany was successfully meeting her annual reparation payments, it was argued by the allied statesmen that there ought now to be a market in America for the $4,000,000,000 worth of Dawes-plan bonds.

It was after Mr. Hoover was nominated for President that the European nations and Japan convened for the Geneva decision; if the American market could now be opened to the German-reparation bonds and Europe could realize all or a part of $4,000,000,000 from their sale here, the energy of the failing American power house would be renewed, world trade would go on uninterruptedly, and world prosperity be continued.

In 1930 I outlined to this House the beginning of the Stresemann policy in 1921. Its central theme was the reconciliation of France and Germany by what Stresemann regarded as the only possible means—mutual profit to France and Germany at the expense of America. Germany would not impede the sale of the reparation bonds in America, provided she was given a substantial share in the receipts. Briand, for France, whole-heartedly entered into the plan; the treaty of Locarno in 1925 was the first step, and in 1926 Briand and Stresemann sealed the bargain by the secret agreement at Thoiry. In 1927 Poincaré discreetly introduced the policy into the French election campaign, and in 1928 the Geneva decision incorporated the agreement in a general European and Japanese treaty settlement. They chose Owen D. Young, J. P. Morgan, and Thomas W. Lamont to revamp the Dawes plan and to finally and definitely set it working in America.

The Young committee assembled in Paris February 8, 1929, demanding from Germany negotiable reparation bonds for $3,250,000,000 and fixing her total reparation debt at $27,000,000,000. The Germans made it plain that they would accept no such terms. There was polite discussion but no action until after March 4. Then the polite discussions were replaced by an ultimatum, and in April the committee dealt Germany a knock-out blow. Unholy dreams of power characterized its motive and economic frightfulness its method. It attacked the gold mark with the ruthless purpose of destroying it, and with the certainty of success for the reason that the Reichsbank's gold reserve was gold borrowed from the international bankers. By the end of April a hundred million dollars in gold, and more, had been shipped from Berlin, the mark was tottering, and the Nation in terror. Mercy was shown only when the German delegates signed the terms and the blood-raw peace of 1919 had been vindicated.

The Young committee, when it took this action, knew that Americans had invested more than a billion dollars in German securities which the reparation settlements of the Young plan would make worthless.

The report of the Young committee was highly praised by our State Department, and Mr. Young was warmly congratulated by President Hoover. In order to facilitate the committee's efforts, our Government negotiated a special agreement with Germany harmonizing the modality of German payments for the cost of our Army of Occupation with those of the Young plan. This agreement, you will recall, was ratified by this House in 1930.

In 1930, also, the Young-plan reparation bonds were posted for sale in Wall Street; they were posted as easily and with as little opposition from our State Department as the British, French, Italian, Belgian, and Japanese delegates to the conference of the Geneva decision could have hoped in 1928.

Hope, under the Stresemann policy, had long been deferred, but had never been given up. The $13,000,000,000 in London-ultimatum bonds had had to be consigned eventually to the flames of an official furnace, probably the useless Dawes-plan bonds were also destroyed in this way, but in 1930, through the faithful agency of J. P. Morgan & Co., the Young-plan bonds were being offered in New York for good American dollars.

But fate is not uniformly kind. It smiled upon the four horsemen when then Secretary Hughes recognized a European asset of $33,000,000,000 in German-reparation bonds, but frowned when President Harding denied the urgent appeal of J. P. Morgan and Elihu Root to permit their sale here; it smiled upon them when then Secretary Hughes facilitated the making of a Dawes plan, but its fickle mood changed when President Coolidge blocked the sale of the bonds in the United States. Again it smiled when the Dawes-plan propaganda paved the way for a $4,000,000,000 trade credit in America; but it dealt them a cruel blow when it burst the bubble of prosperity in 1929, six months before the Young-plan bonds could be gotten ready for the American investor. The American power house stood idle, and there were none to buy the Young-plan bonds.

Mr. Speaker, I have recounted here, at the risk perhaps of some tedium, the successive steps in an unfolding world policy conceived and persistently carried forward by a coalition of European Governments and the American banking power for the reconstruction of the greatness of Europe.

Its motives, its methods, its connection with, and its responsibility for our developing dissolution are disclosed. Certain names connected with it have recurred with undeviating regularity as the record unfolded. In this policy we find the root of the trouble which, at the beginning of my remarks, I said ought to be eradicated. This is the definable cause of the depression, and these are the men. It is they who assert that we can not be prosperous apart from the rest of the world.

To-day the American banking power dominates all our instrumentalities of government, makes decisions for us in foreign policy, and exercises uncontrolled power over our purse. By the Franco-American agreement of last July they saved the Young plan, by which, notwithstanding its present desuetude, they intend to tie us to the kite of French imperialism and to make of our Federal reserve system a branch of the World Bank at Basel.

Unlimited credit here for years, obtained for the foreigner by false pretenses, has given the central banks of Europe vast stocks of gold which had been earned by the American people, whose strong boxes became loaded and clogged with worthless European paper; and, notwithstanding this, they propose to invite them to part with $3,000,000,000 more for Young-plan reparation bonds.

More than a year ago I introduced a bill which would have effectually prevented the dumping of these bonds here. If it had been passed, there would have been no Franco-American agreement last July. It would have brought to an end the reparations intrigue in Europe, because the reparations controversy will end when it is known that negotiable reparation bonds can not be sold in the United States. These bonds must be burned; and when they are burned, it must be without any reference to the debts the allied Governments owe to the United States.

Mr. Speaker, the intolerable and inexcusable complications of our relations with Europe, the shameful swindling of the American people in its behalf, the deceptions practiced upon our public opinion, and the devastation created in our economic life will not be ended, but they will go on to a tragic conclusion, if power remains in the hands of those who wield it to-day, and who have wielded it continuously since the armistice regardless of which political party held office.

The masters of our destinies remain in private life, but insinuate their agents into our highest political offices and control the conduct of our Government through them. Even now, at our recent political conventions, they have expressed hope to perpetuate their power over our Executive Office and to keep their agents at the head of our State and Treasury Departments.

Yet at the peace conference at Paris their seditious practices overthrew our President, took our Government from the control of the people, and dedicated our country to exploitation by the foreigner. The peace that they made with the enemy was the most shameful betrayal in history, and bad faith and ruthlessness have characterized their every move since then. It is against the intolerable yoke of their treachery, greed, and hate that the German people are rising en masse to-day.

The achievements of the swindler in private finance have been carried to greater heights since the war than ever before, and perhaps they attained their culmination in the career of Ivar Kreuger. The moral philosophy which conceived the treaty of Versailles was the same as that of Ivar Kreuger, but the conception of the part which the negotiable reparation bonds were to play in the relations of nations makes the plans and methods of the match king look like petty pilfering.

If our country is to be saved, the leadership of the Ivar Kreugers of 1919, perpetuated until now, must come to an end. It will come to an end when new men are placed in power who are nationalists and patriots, who have no connection with American banking leadership, and whose administration will sweep that leadership into financial oblivion forever. [Applause.]

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT

Mr. O'CONNOR. By direction of the Committee on Rules, I present a privileged report from that committee for printing under the rule.

The Clerk read as follows:

House Resolution 280

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 461, a resolution "Making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress."

That after general debate, which shall be confined to the resolution and shall continue not to exceed 10 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Appropriations, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment the committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution.

The SPEAKER pro tempore. Is there objection?

Mr. McGUGIN. Mr. Speaker, reserving the right to object, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. McGUGIN. If this matter comes up to-day, will the gentleman yield 5 or 10 minutes' time for a discussion of the matter by the opposition?

Mr. O'CONNOR. The resolution provides for 10 minutes' general debate, 5 minutes on a side. The resolution will be read for amendment, and the gentlemen might move to strike out the last word.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk again read the resolution (H. Res. 280).

The resolution was agreed to.

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 461, making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 461, with Mr. McCORMACK in the chair.

The Clerk read the title of the House joint resolution.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the first reading of the resolution be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Chairman, will the gentleman from Indiana use his time?

Mr. WOOD of Indiana. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, in the first instance, I want to get clearly before the House the grounds of my objection when this matter came up under a request for unanimous consent. It was unfortunate that this matter came up on this day, when I had previously stated I was going to object to unanimous-consent requests from the Democratic side until the Garner-Tammany censorship was lifted. This situation had nothing whatever to do with my objection to this bill.

Here is my objection to this bill: In the first instance, we passed a bill here providing for the Farm Board to give wheat and cotton to the Red Cross. We provided in that bill, by an amendment, that cotton could not be exchanged for anything except goods made from cotton. We of the Wheat Belt asked for an amendment that wheat could not be exchanged for anything except food made from wheat. We were defeated.

Obviously there was a legislative combination here between the southern Democrats and the New York City Democrats and the city Republicans. They wanted to use our wheat, not to feed their people wheat but to exchange for other food products. When that happens you have made wheat worse than useless, and as the wheat market goes down more and more, no one will be to blame quite so much as this Congress. Since the action of this House on this bill about three weeks ago the price of wheat has been going down.

Let it be known that nobody from the Wheat Belt has any objection to the wheat of the Farm Board being used to feed the poor. What we are objecting to is wheat being used not to feed the poor but to be exchanged for other things.

Let us see what happens: When this bill was brought in to-day, we find we can not carry out the terms of the bill providing for giving Farm Board wheat to the Red Cross without appropriating money to pay the Farm Board because the Farm Board does not own any wheat free of debt so that it can meet the requirements of the bill. Now, in this bill we are considering to-day we are called upon to make an appropriation and this is an appropriation which means the buying of wheat. To feed the people? No; buying wheat to give to the Red Cross and then the Red Cross is to exchange it for other things. We have just refused to give the Farm Board $40,000,000 in the relief bill and now we have a blanket appropriation for the Farm Board to pay for this wheat. Do not think you are doing anything else because this is exactly what you are doing by this bill. There is no limitation on it. You pay the market price of the wheat and you are taking it from the Farm Board and you are taking money out of the Federal Treasury to do it. The money goes to the Farm Board. This is an appropriation for the Farm Board with no specified limit.

If the Government of the United States is going into the business of appropriating money to buy food for the people, then, for God's sake, let us have the decency to do it openly and aboveboard. If they want coffee, let us buy coffee and give it to them. If they want bananas, let us buy bananas and give to them. If they want sugar, then give it to them. Let us not do the deceitful thing of going around the bush in buying the Farm Board wheat and giving it to the Red Cross to be swapped for other things. This is exactly what you are doing by this resolution; and if I had the power to stop this wrong upon the wheat industry of the country, I would do it. To-day I withheld unanimous consent for consideration of this bill. The Rules Committee got around my objection by bringing in this special rule. I stopped it as long as I could. I only wish I could have stopped it forever. [Applause.]

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. OLIVER of Alabama. It is but fair to say that the action of the Senate and also the approval of the President were required to pass the bill which the gentleman condemns.

Mr. McGUGIN. Most assuredly. That was required, and there is no question about it. The gentleman from New York [Mr. CELLER] told the whole story. I am not condemning the Democrats alone. I say city Republicans and city Democrats lined up with southern Democrats for the cotton amendment and sold the wheat farmer down the river.

Why did you not do for wheat what you did for cotton? Why do you provide that cotton must be exchanged exclusively for clothes made from cotton and then in the next breath say that it is all right to trade wheat for whetstones or what not? This was a sell-out of the Wheat Belt by a combination of Southern Democrats and Tammany Democrats, together with some city Republicans.

Mr. BYRNS. Mr. Chairman, I yield myself five minutes.

Mr. Chairman, there seems to be quite a difference between my good friend from Kansas and the head of the Farm Board, who was asked the question this morning, whether or not this would have any injurious effect upon the wheat producer. He was very positive in his statement that it would not.

If these 45,000,000 bushels of wheat are taken by the Red Cross, it will leave only 28,000,000 bushels in the hands of the Federal Farm Board, and will remove the menace which many think exists and which it is claimed by some has served to hold down the price of wheat on account of the fact that the Farm Board has a great supply on hand.

Mr. McGUGIN. Will the gentleman yield?

Mr. BYRNS. Very briefly. I want to explain this resolution. The gentleman has had five minutes.

Mr. McGUGIN. I do not want to interrupt the gentleman, but will the gentleman explain to the House wherein the wheat is removed from the market when you are providing that it can be traded and swapped around without being consumed?

Mr. BYRNS. Here is the proposition in a nutshell. I do not know how the Red Cross will distribute this wheat, but suppose the Red Cross turns 100 pounds of flour over to a family—and, of course, this is going to be processed—why not permit the person to whom it is turned over for the purpose of feeding his children to go to make exchange for something else to eat or something in addition to the flour turned over to him? This is the whole proposition, and I think we can trust the Red Cross to see to it that proper restrictions are thrown around the distribution of this wheat.

It is necessary to appropriate this money. I did not think there was much opposition to the law which was passed. The Committee on Appropriations has made this recommendation in pursuance of that mandate from Congress. The gentleman says that all the Representatives of the wheat districts are opposed to it.

He may be correct; I was under the impression that it had a pretty general support all over the country. It may be that these Representatives from the city districts voted for it, and it may be that some southern Democrats voted for it; but I dare say if you had had a roll call, you would have found as many western Representatives of the wheat-growing districts voting for it as there were Members from the South.

Mr. McFADDEN. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. McFADDEN. I am concerned with what the gentleman from Kansas [Mr. McGUGIN] said, that we are appropriating money to buy the wheat to give to the Red Cross.

Mr. BYRNS. We are buying wheat under the terms of the law, which provides for the purchase of the grain at market prices on the day of delivery.

Mr. McFADDEN. And we are buying the wheat?

Mr. BYRNS. It is nothing more nor less than the purchase of wheat and cotton held by the grain and cotton stabilization organizations at market prices.

Mr. McFADDEN. We are not appropriating for wheat already paid for.

Mr. BYRNS. No. Probably the greater portion of the money will be used for the purpose of paying liens that exist on cotton and grain, either held by commercial institutions or intermediate-credit banks.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. STRONG of Kansas. The money will be used to liquidate the loans of the Farm Board on wheat.

Mr. BYRNS. Yes. We are buying it from the Grain Stabilization Corporation and Cotton Stabilization Corporation, organized by the Farm Board.

Mr. STRONG of Kansas. And the appropriation does not contemplate buying it outside of these organizations?

Mr. BYRNS. No; it is bought from the two corporations.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. OLIVER of Alabama. That the House may not take seriously the statement made by the gentleman from Kansas [Mr. McGUGIN], who undertook to condemn the legislation in such bitter language, the best answer is that there is some degree of intelligence left in the Senate, and the number of Senators who represent the grain districts of the West, as far as I know, did not find the fault that the gentleman from Kansas has seemed to point out in the bill.

Mr. BYRNS. Not at all. I dare say that there are very few Members on the floor who entertain the views of the gentleman from Kansas.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. I will.

Mr. STAFFORD. The gentleman gave very informative facts as to the balance of wheat that would be under the control of the Farm Board after the 45,000,000 bushels of wheat called for in this bill have been distributed. Can the

gentleman give us information as to the balance of cotton under the control of the stabilization organization after the 500,000 bales have been disposed of?

Mr. BYRNS. They will have about 800,000 bales of cotton left after this amount is turned over to the Red Cross.

Mr. STAFFORD. Can the gentleman give us any idea as to the cost to the Farm Board for the negotiation for 40,000,000 bushels authorized under the first law?

Mr. BYRNS. No; I can not. The Farm Board started in on the program of stabilizing the price of wheat, I think, last October, and continued up until June.

Mr. STAFFORD. It was long before October.

Mr. BYRNS. The price fixed was 81 cents in the Chicago market; but, of course, if those in the market bid more than 81 cents, they got the wheat. The Government bought the wheat at varying prices.

Mr. STAFFORD. What was the price paid for cotton?

Mr. BYRNS. Sixteen cents was the stabilizing price fixed. The Government purchased at different prices up to that fixed price.

[Here the gavel fell.]

The Clerk read as follows:

Resolved, etc., That to enable the Federal Farm Board to carry into effect the provisions of the public resolution entitled "Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress," approved July 5, 1932, such sums as may be necessary during the fiscal year ending June 30, 1933, are hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used only for the purposes specified in subdivisions (a), (b), and (c) of section 3 of such public resolution.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word. I do not believe there is another Member in the House who can subscribe to the objections raised against this bill originally and the appropriations now before us by the gentleman from Kansas [Mr. McGUGIN.] When the first wheat bill was passed delivering for distribution to the needy 40,000,000 bushels of wheat to the Red Cross, we had hopes that some of it might be available for the distressed people in the cities. Not one bushel was used in New York City, and the same is true, I believe, of the other large cities of the country. A great deal of it was used for feed. There was a provision in it that it might be processed, and I explained at the time that the facilities in the big cities were such that we could not bake in the tenement houses owing to the high cost of fuel. The House then considered the second bill providing the 45,000,000 bushels and the 500,000 bales of cotton. Hearings were held in the Department of Agriculture and hearings were held in the Committee on Rules. The plight of the cities was explained, and the necessity of providing the machinery whereby this wheat could be converted into food was not denied. The Red Cross urged the passage of this bill. I consulted with Senators from the Wheat Belt, and I consulted with many of my colleagues here from the Wheat Belt, and everyone knows that where we have a surplus of wheat, no matter what you do with it, if you can remove that surplus it all inures to the benefit of the wheat raiser. You can not get away from that. Do you know what would happen? This is what we are seeking to prevent, owing to our interest in the wheat farmer.

The city would demand their share of the flour or wheat, and they would have the right to it. It would be distributed to needy families, and they in turn would peddle it for a pittance. That is what we were trying to avoid; that is what the Gibson committee in New York is trying to avoid—the distribution of this flour, knowing that it could not be used in the city as such, and its being dumped on the market. There is sufficient protection in this bill to first convert the flour into food containing wheat products, and then, if necessary, to exchange for other food. There can be no objection to that in a critical period like this. The fact that 45,000,000 bushels of wheat are going to be removed ought to be a source of comfort to every intelligent Representative from the wheat district, because as long as that wheat is there it is a constant menace to the price of wheat.

We did the same thing with China. I have a letter to read to this House, which I shall put into the RECORD, if I may. We sold wheat to China a few months ago on credit, with a distinct understanding that it had to be used in China in the flood districts. Within two months China made a request to be permitted to sell some of that wheat in order to buy other food, and the Farm Board granted that request. I submit there is no reason for the indignation displayed by the gentleman from Kansas [Mr. McGUGIN] in a measure of this kind.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the amendment.

Mr. BYRNS. Mr. Chairman, if the gentleman will yield, I ask unanimous consent that all debate upon this bill close in 15 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, this bill is one of the concluding chapters of the fiasco of the Government's attempt by legislation to fix prices. The first act of the Hoover administration was the socialistic endeavor to try to control the price of wheat and cotton by legislative practices. Five hundred million dollars has already been appropriated by Congress on this unheard of policy, and not 1 cent is available to-day to carry out the worthy purpose of getting rid of some of the surplus wheat and surplus cotton for the use and benefit of the needy. The members of the defunct Farm Board come to the doors of Congress and say that $40,000,000 will be required to pay for the charges on the wheat and on the cotton that is needed for relief. Though the Government owns the wheat and cotton, storage and other charges are eating off its head. Recently, before the special congressional committee appointed to determine the intrusion of Government into business, it was testified that the Cotton Stabilization Corporation loaned money to the various credit associations at prices higher than the current cotton price, then 12 cents or more, when the prevailing price was 11 cents, and now we are called upon to pay the market price, 5 cents, and the difference, 7 cents, to release some of this cotton that was hypothecated under this socialistic pipe dream of the farmers, North and South. If there ever was an instance where again it is called to the attention that Government intrusion in private affairs in an attempt to run counter to the fundamental law of supply and demand is weak, faulty, and hopeless, here we have the evidence.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes; I yield to the strongest advocate of this outrageous, socialistic policy, the gentleman from Kansas, who is contesting now with his colleague [Mr. LAMBERTSON].

Mr. STRONG of Kansas. Do not talk too much.

Mr. STAFFORD. The gentleman talks too much. I decline to yield. I have had too much of these gratuitous flings from the gentleman from Kansas.

Now, here is a resolution unheard of in the history of legislation, without any limit on amount that may be expended for this purpose. The enacting bill does not place any time limit within which these 500,000 bales of cotton may be purchased or the 45,000,000 bushels of wheat may be purchased, but we grant here unlimited control, in these piping times, to wipe out this combined Democratic and Republican socialistic fiasco which has proven a flat failure.

I wish to emphasize again that every time the Government attempts to intrude itself into business, whether it is the Alaska Railroad, whether it is grain stabilization or cotton stablization, whether it is the lumber business, or Government operation of the railroads as in war times, or what not, it has cost the Government hundreds of millions of dollars of the taxpayers' money.

Mr. GILCHRIST. How about loaning the banks of Milwaukee?

Mr. STAFFORD. The gentleman from Iowa asks how about loaning the banks of Milwaukee. The banks of Wisconsin are sound. They are not like those of Iowa. The report of the Reconstruction Finance Corporation of April 1 shows that they came to the rescue of 91 banks and 5 insurance companies in Iowa. Only one bank in Wisconsin and no insurance companies called for relief. We are sound. If the banks of Iowa have not been properly supervised, that is the fault of the people of Iowa and not the fault of the people of Wisconsin. We are on a sound basis.

Mr. GILCHRIST. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GILCHRIST. I asked the gentleman upon what principle he differentiated the Wheat Stabilization Corporation and loaning money to banks, as far as the Government's entering into trade is concerned. Just so far as Government in business is concerned, what is the distinction?

Mr. STAFFORD. The attempt to purchase all the surplus wheat and cotton to bolster prices was a speculative gamble that was doomed to fail from the start. It was not business, it was pure speculation. Trying to lift the price by the Government's bootstraps was a chimerical proposal. The other is loaning money on good security by creating a superbank following well-recognized business principles where it is expected little or no money will be lost to the Government. Five hundred million has already been lost of the taxpayers' money in this visionary project of the agrarian uplifters. Fifty million dollars more here. If we keep up this practice it will continue more and more to bankrupt the Government. Let us end this foolish and fantastic policy of toying with the people's money to carry out grandiose ideas.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. McGUGIN. Mr. Chairman, it seems to be utterly impossible, no matter how clearly we may express ourselves, to make some Members understand that we from the Wheat Belt have no objection to wheat owned by the Farm Board being used to feed the people of this country, but we want the wheat fed. We have no objection to the Red Cross taking this wheat and exchanging it for flour, for bread, for macaroni, for Cream of Wheat, for cereals, or anything made from wheat. We do think that since the wheat is being taken, we have the right to be benefited by the consumption of wheat. I agree with the gentleman from New York [Mr. LAGUARDIA] that if we take this wheat and dispose of it and get it out of the way, it will benefit the wheat market of this country, but under this bill it is not being disposed of. We are not getting rid of it when Congress directs the Red Cross to take it out and swap it around.

Let me illustrate. Suppose you are a wholesale grocer and suppose I am a miller. I come to you and say, "I want to sell you a carload of flour." You will say to me, "McGUGIN, I do not want to buy your flour and pay you cash for it. I have some beans and some coffee and some bananas and some salt upon which I have made a profit. I can trade them to the Red Cross and I can trade them at my terms, because the Red Cross did not pay anything for this wheat." A child can understand that this condition destroys the market value of wheat.

That is the objection we have to this bill. We have no objection to using the wheat. There is no body in this country who would rather see all the surplus wheat consumed by the people of this country immediately than the people of the Wheat Belt.

We should like to see it consumed before to-morrow night, but we should rather have it in the hands of the Farm Board than to have it out on the curbstone, using it as fiat money. That is the objection we have made to this bill. We supported the first bill. There are only two men in this House who voted against giving the first 40,000,000 bushels of wheat away. I refer to the Capper bill. That idea first came to this Congress from the senior Senator from my State, Senator CAPPER. He introduced his bill last December. It provided for the giving of 40,000,000 bushels of wheat to the Red Cross to be given to the people. It never occurred to him or anyone else from our part of the country that the people of the cities could not bake bread. If they can not, we have no objection to the flour being exchanged for such foods as they can consume, provided those foods are made from wheat. We are entitled to the consumption of the wheat. The idea I am trying to convey is that it is not right to stand here and say that we from the Wheat Belt are willing to see people starve rather than to see wheat taken from the Farm Board. That is not true. We want the people to eat this wheat. We do not want them to trade it for this, that, and the other thing.

Mr. HORR. Will the gentleman yield?

Mr. McGUGIN. No; I can not yield. My time is limited. That has been our position on these bills. To-day wheat is selling in the Northwest for 18 cents a bushel. Let me say to the membership of this House that if wheat continues at that price and lower, where there is one person to-day in the cities who are in destitution there will be many more a year from to-day.

You are not going to restore the people of this country to prosperity, or even to the place where they can enjoy the necessities of life, while commodity prices are down to their present low level, and no one is to-day arbitrarily doing so much to drive farm prices down to a still lower level as the Congress when it decrees by law that the wheat shall be taken away from the Farm Board for exchange and not for consumption.

[Here the gavel fell.]

Mr. GLOVER. Mr. Chairman, I did not think when I came to this Congress I would ever see the spectacle we have before us just at this moment.

We have in these United States now, according to the Department of Labor, 10,000,000 men out of employment. This means that 40,000,000 people out of 120,000,000 have no means of getting bread, and to-day we see a man standing on the floor of this House, as the gentleman from Kansas did, willing to deny bread to the babies and mothers of this country because of a little technicality that does not suit him.

Mr. Chairman, have we come to the point that we have lost our feeling for humanity?

It is true, as the gentleman said, that a Senator introduced a bill in the Senate for the giving of 5,000,000 bushels of wheat for the purpose of relieving a certain section from a drought they had suffered last year, as we had in my section two years ago. That bill came to my committee, the Committee on Agriculture. The committee enlarged the bill, on my motion, and after striking out everything after the enacting clause placed in the bill a provision for the distribution of 40,000,000 bushels of wheat, and made its provisions applicable to the United States. I had the pleasure of offering this amendment to the bill. The bill passed the House with only two votes against it. This bill has done more good to the United States than the $2,000,000,000 reconstruction bill has done.

Mr. CELLER. Will the gentleman yield?

Mr. GLOVER. I yield.

Mr. CELLER. I may say to the gentleman from Arkansas and to the Members of Congress that the junior Senator from Kansas is in favor of this bill, every word of it. I spoke to him about it and he said he would support it, and he did support it.

Mr. GLOVER. Just why the gentleman from Kansas would object to a hungry man who has been given four 25-pound sacks of flour, trading one of them for a bucket of lard to make biscuits I can not understand.

Mr. McGUGIN. Will the gentleman yield for a question?

Mr. GLOVER. No. I can not understand the gentleman's reasoning.

Mr. McGUGIN. Will the gentleman yield for a question?

Mr. GLOVER. No.

Mr. McGUGIN. Will the gentleman not even yield for a question about cotton?

Mr. GLOVER. Here we have this spectacle: We have wheat belonging to this rich, glorious Government of ours. The wheat is paid for. It is true there is a little lien against it. The wheat is in the elevators and it is costing 13½ cents a bushel to keep it there. In two and a half years the cost of carrying this wheat has eaten up its value. Yet, the gentleman from Kansas would allow the weevils to eat it and let the hungry children starve. Is that the gentleman's doctrine? It is not mine; it is not mine.

Another argument used here has been to the effect that the eating of 85,000,000 bushels of wheat by the poor people who could not buy it would hurt the price of wheat. A man who has no more reason or judgment than to advance such an argument ought to further inform himself. I am not convinced that the destruction by eating of 85,000,000 bushels of wheat is going to hurt the wheat market. Getting rid of this wheat is exactly what they are hollering for.

If you want to get rid of your surplus wheat, give it to the poor, let them eat it. Give your surplus wheat to the poor and it will help your wheat price. Now, because some fellow up there has a little wheat, the gentleman objects.

Then we came to cotton. I do not know whether the gentleman ever saw it grow. I doubt if he knows whether it grows on stalks or on trees. He evidently does not know much about it. He is objecting because cotton happened to get into this bill and here we are to-day with 10,500,000 bales of cotton lying in warehouses, and here is an opportunity to get rid of part of it by giving it to people who need clothing and something to keep poor people from shivering in the cold during the coming winter. It is proposed to take 500,000 bales of this cotton and manufacture it into goods or trade it for blankets and clothing for these poor children, but the gentleman from Kansas would let them go naked and let them go hungry.

The gentleman from Arkansas does not subscribe to such a doctrine. [Applause.]

[Here the gavel fell.]

Mr. McGUGIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McGUGIN: Page 1, line 12, at the end of line 12, add thereto:

"*Provided*, That none of the wheat purchased by any of the money appropriated herein shall be exchanged for any other article except for food principally made from wheat."

Mr. LaGUARDIA. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LaGUARDIA. It is a limitation on the wheat and not on the money.

Mr. CELLER. Mr. Chairman, I make the further point of order that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Kansas desire to be heard on the point of order?

Mr. McGUGIN. It is a limitation on the manner in which the money shall be spent that is appropriated in this resolution.

The CHAIRMAN (Mr. McCORMACK). The limitation would run to the original act and not to the pending House joint resolution. The Chair sustains the point of order.

Mr. McGUGIN. Mr. Chairman, I would like to offer the following verbal amendment:

Provided, That none of the money appropriated herein shall be expended for any wheat which is thereafter exchanged for anything other than food made principally from wheat.

Mr. CELLER. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. CELLER. I make the point of order that the amendment offered by the gentleman from Kansas is purely legislation engrafted upon an appropriation bill, that it is not germane to the bill and, therefore, is out of order.

Mr. BYRNS. It is amendatory of the original act and not of this resolution.

The CHAIRMAN. Will the gentleman from Kansas kindly state again what his amendment is?

Mr. BYRNS. Mr. Chairman, I insist that the amendment ought to be in writing and read from the Clerk's desk.

The CHAIRMAN. The gentleman from Tennessee is absolutely correct. The Chair was construing the present situation liberally, but the Chair is prepared to rule on the point of order. Does the gentleman insist upon his point of order that the amendment should be in writing?

Mr. BYRNS. I do.

The CHAIRMAN. The Chair sustains the point of order. Under the rule the committee rises.

Accordingly the committee rose; and Mr. WOODRUM having assumed the chair as Speaker pro tempore, Mr. McCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee has had under consideration House Joint Resolution 461, making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, and, pursuant to House Resolution 280, he reported the House joint resolution back to the House.

The SPEAKER pro tempore. Under the rule the previous question is ordered on the House joint resolution to final passage.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BYRNS, a motion to reconsider the vote by which the House joint resolution was passed was laid on the table.

FEES TO BE CHARGED FOR THE ISSUE OF DOMESTIC MONEY ORDERS

Mr. MEAD. Mr. Speaker, I present a conference report on the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders for printing under the rule.

POSTAGE CHARGE ON NOTICES TO PUBLISHERS REGARDING UNDELIVERABLE SECOND-CLASS MATTER

Mr. MEAD. Mr. Speaker, I present a conference report on the bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter for printing under the rule.

WASHINGTON—THE EVERYDAY MAN

Mr. TURPIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BLOOM] may have permission to extend his remarks in the RECORD by inserting an address, delivered at Wilkes-Barre, Pa., on June 30, on George Washington.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLOOM. Mr. Speaker, under leave granted, I insert the following address by myself at Wilkes-Barre, Pa., June 30, 1932:

ADDRESS OF HON. SOL BLOOM, ASSOCIATE DIRECTOR UNITED STATES GEORGE WASHINGTON BICENTENNIAL COMMISSION, BEFORE THE KIWANIS CLUB AND OTHER CIVIC GROUPS, WILKES-BARRE, PA., JUNE 30, 1932

If George Washington were alive to-day, I have no doubt he would be a proud member of such a splendid group as is assembled here. For George Washington not only qualified for the high standards of citizenship which you maintain, but he was the kind of man who would be interested in the advancement of all movements for good citizenship.

It may surprise you to know that George Washington, even in the simple times in which he lived, was a member of several important organizations devoted to the encouragement of knowledge, of culture, and better understanding among men.

It is of George Washington, the man, that I would speak to you to-day. When I say man I mean our kind of man—the citizen, the business man, the friend and associate of other business men. For George Washington was always a seeker after knowledge and a seeker after the mature opinions of other men, upon all kinds of subjects.

As an engineer he did not possess highly technical knowledge, but he was always anxious to learn and was an intelligent listener; and, what is more, he was an intelligent questioner. As a farmer he was perhaps the best authority on general farming problems of his day. But even so, he conducted a busy correspondence with other farmers here and abroad and was ever alert to learn from their experience.

As a business man, interested in several lines of industry, such as agriculture, shipping, banking, and real estate, he was happy to meet with other men devoted to these lines of industry, which moved him to discuss mutual problems in a congenial atmosphere of confidence and esteem.

It is this man of business, of the common affairs of life, rather than the heroic Washington in his highly dramatic moments, that I would speak to you to-day. It is difficult for us to imagine from mere reading of history a man of Washington's transcendent personality, sitting with other men, discussing commonplace affairs. Yet we have many instances, most of them cited by Washington in his own writings, where he spent evenings and other times snatched from his busy life, to visit with friends and neighbors and to talk of things in which they were all interested. Not only that, but Washington did not intrude his opinions unless they were asked for, and he was so great that he did not hesitate to acknowledge wisdom in other people and, more than that, to ask advice.

So that we are justified in imagining George Washington here among us, foregathered for good fellowship, for a better understanding, and for the benefits which arise from such splendid organizations as are represented here.

George Washington was a man of so many varied interests, so many qualities of manhood, that he was always at home in any group of people. Quiet, dignified, serene, he yet possessed all the human qualities which are summed up in the word "amiable." He was dignified without austerity, quiet without smug self-complacency, and wise without egotism. He was in the best sense of the word a good fellow, although he possessed a natural reserve which seldom bent to hilarity or demonstration.

It is comforting to think of Washington in the common denominator of a citizen. As much as we may stand in awe of his superlative military exploits, as much as we may applaud those supreme qualities of statesmanship that made him an outstanding historical figure for all time, we may yet picture George Washington sitting among us, a fine figure of a man and neighbor, a business man, a substantial citizen, interested in the things in which we are interested, promoting the things which we are promoting, and not too great to be attracted to things of comparatively small concern.

There is one Washington who was in command at the Battle of Yorktown, but the same Washington who basked in the applause of the world was not too great or too dignified to spend a night trying to save the life of one of his favorite dogs.

We are now in the midst of the celebration of the two hundredth anniversary of the birth of this man. Throughout the entire world honors are being paid to his memory. The United States George Washington Bicentennial Commission was established by Congress to organize and inspire these honors to George Washington in every town, village, and hamlet, in every church, school, fraternal, and business organization throughout the Nation.

In the work of this commission, of which I have the honor to be associate director, we have had a group of competent historians delving into every phase of his remarkable life. No other American has had such a keen study made of his every act.

The strong light of investigation has been turned upon every scrap of his voluminous correspondence. We have gone wherever possible to the original sources, and it has been one of the chief objects of our commission to establish a truthful record of that life, free from unsubstantiated tradition, free from prejudice and persistent errors, so that the American people in years to come will have an authentic account of its greatest citizen.

While it is true that a major part of this record is devoted to superlative achievements connected with the winning of our independence and the founding of our Nation, yet I have been struck by the great number of references to George Washington's home life, to his neighborhood life, to his interest in the humbler affairs of those about him. If George Washington had not been the great leader of the Revolution, if his hand had not guided the framing of the Constitution, if he had not been the first President of the United States, he would still have been an outstanding citizen.

It was doubtless pleasant for him to receive the merited applause of his fellow countrymen, but it was equally pleasant for him to shake the hand of his neighbor and wish him well. George Washington, the man, comprehends all of his qualities and all of his character and all of his achievements. But in the vast range of his illustrious career, that which would please him most for us to remember would be that he was George Washington, the farmer of Mount Vernon. That was his pride, his recreation, his place of peace.

There, in his home, surrounded by his family and by his many friends of near-by Virginia, he spent his best but all too brief hours. There we would have gone to meet George Washington upon terms of association represented by the citizens of this community, and I believe firmly that George Washington would have taken pride in such an exhibition of confidence and esteem among his own kind.

You, who live in this historic valley look back upon a history that is filled with tragedy and with glorious achievement.

Here, in this part of Pennsylvania and upon your northern border, were fought some of the bitterest Indian wars in colonial and early national history.

Following a long controversy over the possession of the lands in this region one of the most notable incidents of the revolutionary period occurred. On July 3, 1778, the Indians under Brant and the Tory Rangers under Maj. John Butler, who had descended upon the valley the first of the month, being certain that Pennsylvania would offer no protection, defeated a motley militia of 400 Connecticut men under Zebulon Butler, near Kingston, in which three-fourths of the defenders were killed or captured and subsequently massacred. The British forces swept through the valley, leaving such a scene of devastation and of murder that this so-called Wyoming massacre seems to-day the supreme horror of the Revolution.

It was in a way the turning point of the Indian-Tory frontier raids, for the next year George Washington sent the famous expedition under Sullivan that mobilized on the Susquehanna, just above the northern boundary of Pennsylvania, and totally devastated the Iroquois country. This did not entirely end Indian raiding, especially in the Mohawk Valley, but the Iroquois were never able to regain their power.

This is merely an incident in the long list of tragic events that held the stage in this historic region. But we know that George Washington, ever alert for danger and ever mindful of the safety of frontier America, did not hesitate when the time came to strike vigorously and effectively to end the series of horrors enacted here. Timothy Pickering, as commissioner to effect reconciliation between the warring sections in the valley, had been Adjutant General and quartermaster during the Revolution, and later was to be Washington's Postmaster General, Secretary of War, and Secretary of State.

So that Wilkes-Barre may proudly take its place in the glorious history of a tragic epoch.

In these events we see Washington, both as a commander and as a far-seeing statesman, using force to bring peace, using wisdom to establish prosperity.

It is appropriate that in this community and in this place, citizens should pause to give thought to the men who not only brought security to your forebears here, but whose influence for peace, for liberty, and opportunity, extends throughout the Nation and the world.

I am happy for the opportunity of joining with you here upon this occasion. It is an opportunity to take personal part in one of the many local events that carry out the spirit and purpose of the great celebration in honor of the two hundredth anniversary of the birth of George Washington.

To-day the world rings with tributes to George Washington. To-day he is acclaimed as the leader in that great school of thought, which has overthrown tyranny and instituted human liberty throughout the earth.

The real monument to George Washington is not that superb shaft which rises in the midst of the beautiful park in the National Capital. To-day the monument to George Washington is not represented by statues, by busts, by paintings, by thousands of books, and other material memorials. The monument to Washington that will stand for all time is the monument in the hearts and minds of his people. Its physical expresson is our own United States. American sentiment of admiration and of gratitude is the very soul of America itself. But beyond our national boundaries, into the far corners of the world, the effects of his work have brought freedom and a new conception of human relationship among men.

To-day in 67 countries of the world we find enthusiastic participants in this great celebration. Do these millions of people in foreign countries pay tribute to Washington as a general? Do they honor him as our President? Do they find in him qualities of exclusive Americanism in which they are not interested?

No; this world-wide tribute to the memory of George Washington goes far deeper than that. He is honored because he has brought liberty to the world. Because he understood the common man and because his great heart responded to the yearnings of the downtrodden and the oppressed.

Never in the history of civilization have so many nations united to honor the hero of a foreign land. And that feeling of reverence and respect is due to those qualities in George Washington's life and character which we are discussing here, the qualities of the man himself.

The United States has responded to this great sentiment in a way that is in many respects marvelous. In a time of uncertainty and of doubt and amid the clouds which are about us we may well turn to the calm, masterful, confident leadership of George Washington.

He knew the distress of his country, both in war and in peace. He knew what suffering meant to those about him. He faced problems as great as those which we face to-day, but never for a moment did he doubt that under God our Nation would survive. If we to-day could turn to the immortal lessons which George Washington has left us, if we could be guided by those precepts which have lasted through all our history as a nation, if we could, with the same courage and confidence, press forward with faith in God and a righteous cause, our troubles would vanish and doubts would be dispelled.

George Washington lived a life that was filled with difficulties. Seldom had he a moment that was not heavy with anxiety, not for himself but for his beloved country. Yes, George Washington know not only the troubles of foreign tyranny, not only the poverty and misery of his own people, but he knew the hearts of men. He felt the sufferings of others, and had he been of less inflexible fiber his own great heart would have burst with anguish. But he knew the responsibility that lay upon him. He knew the faith that was placed in him, and he knew that his own courage, his own dependence upon divine guidance would be reflected in the courage and faith of those about him.

We catch glimpses of the human George Washington all through his career. To those who think of him only as an austere commander, let me refer to that hour of anguish during the Battle of Long Island, when George Washington veiled with his cloak the tears that streamed from his eyes at sight of his soldiers being ruthlessly bayoneted by the British redcoats. Let me refer to those heart-breaking scenes at Valley Forge when the commander was not too dignified, not too austere, to fall upon his knees and pray to the God of us all for help for his suffering troops. And it must be remembered that George Washington never neglected an opportunity of acknowledging his dependence upon Almighty God.

His was a heart full of love for humanity, but when stern duty compelled he went forward knowing that only by such a course could he justify the cause of American freedom.

I believe that George Washington was our greatest American.

I believe that without his guidance and his sure knowledge of men our freedom could not have been achieved.

I believe that without his religious faith and dependence upon the God of all mercy and power he could not have led us through those terrible years of suffering and of sacrifice.

I believe that the spirit of George Washington is with us to-day, silently pleading that we forsake all selfishness, all insincerity, all political and moral dishonesty.

I believe that if we as a people would study the teachings of George Washington and try to understand the philosophy of his life that we would be enabled to follow that spiritual leadership out of the maze of trouble into which we as Americans find ourselves.

For George Washington, the man, the friend, the citizen, left us an immortal legacy of advice which is a sure and safe guide in our national life.

Lift up your eyes, fellow Americans. Look upon the glory of your country. Have faith, have courage, and be strong. That is the spiritual message that comes from George Washington—the man who sits with us in unseen counsel here to-day.

EXTENSION OF REMARKS

Mr. COCHRAN of Missouri. Mr. Speaker, I have received a letter from the Organized Reserves, written on the eve of a primary, asking my views with reference to appropriations for the Army. I ask unanimous consent to print that letter in the RECORD together with my answer.

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, there was sent to me a letter that emanated from the Reserve Officers' Association here in Washington, that was sent to the leading reserve officers of my district, which tabulated the votes of the respective members of the Wisconsin delegation on the War Department appropriation bill. This letter, I take it, was for the purpose of propaganda and also for the ulterior purpose, perhaps, of advising the members of the Reserve Officers' Association to take action against Members who did not vote as the Reserve Officers' Association here in Washington thought the Members of Congress should vote.

Mr. COCHRAN of Missouri. If the gentleman will permit me to put my answer in the RECORD, he will know how to answer communications of this character.

Mr. STAFFORD. I have no objection to the gentleman putting his answer in the RECORD, but I do object to featuring this Reserve Officers' Association here in Washington that is trying by ulterior motives to backfire upon Members of the House who vote their convictions regardless of the penalty of bloc minority opposition.

Mr. COCHRAN of Missouri. Why not be fair with the reserve officers and print their letter as well as my answer?

Mr. STAFFORD. I have no objection to the gentleman's letter, but I have to the other.

Mr. COCHRAN of Missouri. I would not put my letter alone in the RECORD, because it would not be fair to the reserve officers. I want the people to understand what the reserve officers have in mind as well as understanding my own views.

Mr. STAFFORD. For the time being I object to the former.

SOLDIERS' ADJUSTED-SERVICE CERTIFICATES

Mr. AYRES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the payment of the bonus.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. AYRES. Mr. Speaker, I am satisfied that the so-called bonus bill received as much serious thought as any other measure that has been before the Congress this session. I received thousands of letters requesting me to support the Patman bill, H. R. 1. That measure, of course, was deserted by its author fairly early in the contest, as it called for raising two and one-half billion dollars by a bond issue. It will be remembered that the American Legion in their national convention at Detroit last fall went on record opposing this measure. Likewise the American Legion of the State of Kansas at their State convention last fall, held in Wichita, Kans., went on record opposing it.

As I said, Mr. PATMAN deserted his bill, H. R. 1, and at once fostered another measure, which proposed to raise the required amount of money to finance this bonus payment in what was, I must say, an unusual if not novel way: Not by taxation, not by borrowing, but by issuing Treasury notes. It was the thought that Mr. PATMAN adopted this scheme to get supporters for his measure from among those who favored currency expansion even to the extent of resorting to financial reform or monetary experimentation. In other words, the solders' bonus bill was being used as a vehicle for a financial scheme which, it was claimed, would restore price levels. So far as I know, there was not a single outstanding economist in this country who did not say that the passage of the Patman bill in all probability would make already bad conditions even worse.

Many of the letters received by me urging the cash payment of the bonus contained complaints that Congress had voted to relieve European countries from their annual debt payment to this country of $252,000,000; that we had voted to give financial aid to the railroads, insurance companies, and the banks throughout the country; and that now it was time for Congress to help the veterans. My answer was that I did not vote to relieve the European countries from the payment of the $252,000,000 due us, nor did I vote for the Reconstruction Finance Corporation measure. I also stated that I was morally certain that I was right in voting against the suspension of the annual debt payments of those European countries, but may have been mistaken as to my vote against the Reconstruction Finance Corporation. But, be that as it may, with over 10,000,000 out of employment, composed of veterans and nonveterans, I could not bring myself to vote for a measure calling for $2,400,000,000 to relieve only 13 per cent of the unemployed, many but temporarily, and thus close the door for relief to the remaining 87 per cent. That is to say, it was impossible for this Government, already broke, to undertake to finance in a sound way a general relief measure of $2,000,000,000 or over, if it should in the first place finance a special relief measure, such as the bonus measure, entailing an outlay of $2,400,000,000.

I want it understood that I am not finding fault with those of the World War veterans who are making their demand at this time for the cash payment of their adjusted-compensation certificates, even though they are not due until 1945. I believe they have been misinformed. They have been misguided, used, and misused. They have been badly advised. No language of my own could as effectively demonstrate this as that used by a World War veteran Congressman, Representative SIMMONS, of Nebraska, who said:

> Demagogues on the floor of this House and elsewhere have repeatedly told the veteran he is not being well treated; that the Government owes him money; and that he should have it. Here are the figures, authenticated, based on facts, that our Government now is doing more for its veterans than all of the nations named in that list combined. Gentlemen, when you go back to your veterans and to your taxpayers, take these figures with you. Tell them the facts of the loyalty, the generosity, and the fairness of your Government and mine toward the veteran. Then, again, may I say to my comrades among the veterans, as I did briefly yesterday, that this table ought to tell the veterans themselves to stop in their demands upon the Treasury. When the taxpayers of the country find out the sums that Congress has paid and the amount that is being incessantly and constantly demanded by minority groups within the veterans, and by those nonveterans who curry political favor from veterans, the situation may develop in this country again that developed following the Revolutionary and Civil Wars, when the Nation demanded and secured a purging of the pension rolls. Gentlemen, study those figures before you vote.

In view of what Mr. SIMMONS said, it might be well at this time to analyze the figures he spoke of and see whether or not the World War veteran of this country has been well treated by his Government; that is, see whether or not there

is any foundation for the statement made by certain individuals, who are desirous of courting favor with a certain class of veterans, that our veterans are not being treated as well as the veterans of other nations. A comparison of authentic reports will show that the United States leads the whole world in caring for its veterans of the World War. In fact, the outlay for veteran relief in this country is as much, or practically so, as all of the other principal nations combined, and that notwithstanding the fact that the number of men mobilized and the casualties suffered are far less than those of such other nations engaged in the World War. Reliable statistics show as follows:

Country	Men mobilized	Dead and wounded	This year's relief bill
Germany	13,000,000	6,111,862	$298,690,000
France	8,410,000	5,623,000	286,722,000
Great Britain	6,600,000	3,000,000	174,802,060
Italy	5,615,000	1,597,000	69,853,300
Canada	619,636	232,045	61,123,000
United States	4,355,000	360,300	860,000,000

It can be seen from this table that the other five countries combined mobilized 34,244,636 men to our 4,355,000, or almost nine times as many. The other five nations had 16,563,907 dead and wounded to our 360,300, or over forty-five times as many as we had. It can be seen further that the combined annual relief bill for the veterans of these five nations amounts to $891,190,360, compared to our annual expenditures for veterans' relief of $860,000,000, which is only $31,000,000 less than the combined amount of the other five countries. It can be seen that on the basis of our total mobilized men we are now paying $180 per capita per year to our veterans; that on the basis of our battle casualties, killed and wounded, we are now paying $2,387 annually per capita to our veterans, which is ten times as much as our neighbor Canada is paying, and Canada pays four times as much as Great Britain. These figures do not include loans and payments on adjusted-service certificates.

It must be understood that these comparisons are made for one purpose and only one, and that is to refute the statement of the demagogues to the effect that the veterans of the World War in this country are being mistreated. At the same time these comparative figures will let the veterans in this country, as well as the general public, know that this Government has done, and is doing, its part by its veterans.

It might be of interest to outline as briefly as possible the history of veteran legislation from the very day this country entered the war. At the very beginning, in 1917, Congress took into consideration the fate of the families of the soldiers. Instead of leaving the wife of a soldier to depend entirely upon her own efforts while her soldier-husband was away, it provided that the wife of a private soldier should be paid the sum of $15 by the Government in addition to the $15 allotted by the soldier, and in case there were children or dependent parents, they were likewise cared for.

Life insurance was made available to all soldiers at peacetime rates, the Government assuming the responsibility for the added cost due to the hazards of military service. As is well known, the insurance provided that if a soldier died the beneficiary received the insurance; and if he were totally disabled, it provided a monthly income. Other acts were passed at that time providing that, regardless of whether the soldier took out insurance, a compensation was to be given for disability; and in case of death the widow and orphans of a soldier were to receive monthly allowances. Acts have been passed by Congress providing for complete medical care and hospitalization of veterans and hundreds of millions of dollars have been provided for the rehabilitation of disabled veterans. I could call attention to many more acts passed at the very beginning of the war to care for the soldier and for his dependents. This is as it should have been. He and his dependents were entitled to this care. I merely mention these matters to show that nothing was overlooked by the Government.

The compensation provided for disability is now being paid to more than 300,000, in various amounts, according to the disability of the veteran. There are at this time 63,694 veterans' wives, as well as 112,074 veterans' children, and over 6,500 parents of veterans, all receiving compensation. The records show that at this time death compensation is being paid to 22,000 widows, to 33,500 children, and to over 84,152 parents of veterans of the World War. The most recent figures obtainable from the Veterans' Administration show that the total disbursements up to February, 1932, for some of the benefits just mentioned are as follows:

For vocational rehabilitation	$644,943,410
For war-risk insurance payments	1,456,970,750
For disability and death compensation	1,969,242,643
For disability allowance	70,247,979
For emergency officers' retirement act	34,749,670
A total of	4,176,154,452

As already stated, I recount these things to show that this Government has been liberal indeed in taking care of the disabled veterans and the dependents of veterans of the World War.

I am not going into detail and relate the many acts that have been passed by Congress within the past six or seven years liberalizing the laws pertaining to service-connected disability. These are too numerous and relatively of less importance than others, but they have brought the grand total of benefits to world war veterans and their dependents to over six and one-half billion dollars. The main question now agitating the public mind, as well as that of some of the veterans, is what is known as the payment of the adjusted-compensation certificates. No doubt it would prove interesting as well as informative to outline briefly the history of this legislation. I feel that it would be far better to use the statement of Representative ROYAL JOHNSON, of South Dakota, who for years was chairman of the World War Veterans' Committee of the House of Representatives and who is a World War veteran with a wonderful record, having been seriously wounded in action. In a speech made by him at the time the Patman bill was being considered in the House he said:

> For a clear understanding of the answers perhaps the best method would be to read the law and see what the Government promised. We all concede that the Government ought to keep its promise, but nine-tenths of the service men and others now demanding payment have not gone back to the original promise found in the original law of May 19, 1924. I am going to give it to you, and here it is: * * *
>
> The law—and I voted for it as a Member of Congress—said and promised only that every man should secure a dollar a day for service on this side of the water and $1.25 a day for every day overseas; that the soldier who served on this side could not secure more than $500 and the one who served overseas could not secure over $625. That was the only promise ever made by Congress. Moreover, that was what was requested by the service men.
>
> That being the case, anyone who asks more than that is doing so simply because he happened to have been in the service and is hard up to-day and feels that he should be given a gratuity or gift or bonus of whatever amount of money he can secure in addition to the promise originally made. I think every one of you, whether service men or not, will agree with me on that.

I believe it is safe to say that three-fourths, if not nine-tenths, of the membership of Congress voted for the passage of the adjusted-compensation measure upon the grounds that it was in the nature of an endowment-insurance policy, payable either to the veteran's beneficiary, in case of death, or to the veteran should he live to the date it became due in 1945. It was specifically understood by all, and was entirely satisfactory to all, that each veteran would receive not the cash but an adjusted-compensation certificate, which is nothing more nor less than a promise on the part of this Government to pay the amount of the face value of that certificate to the veteran in 1945, and not before that date.

It has been called—and properly so—a paid-up endowment insurance policy, to mature in 20 years from the date of issuance. For illustration: If a veteran had been in service long enough so that his dollar a day for home service amounted to the maximum allowed of $500, he would receive an adjusted-service certificate for $1,250; and if his dollar and a quarter a day for foreign service totaled $625, which was the maximum, the Government considered that amount an insurance premium and agreed to pay him $1,577.50 in 1945. That was a sacred contract on the part of the Government and just as sacred on the part of the veteran.

In order to meet the payment of these obligations in 1945 the Government at once began creating a sinking fund. No sooner had there accumulated some $700,000,000 in this fund than the agitators began advocating a partial payment, or rather a loan of 50 per cent—not of the value of the certificate at the time the loan was made—but of the face value of the certificate in 1945. Congress acceded to this demand. Again it was understood that this would end the demands until 1945. But no sooner had these loans been made and spent until the agitators began the demand to pay the full amount of the certificate as of 1945, or 13 years before due.

The Patman bill provided that the Government should pay to any veteran to whom an adjusted-service certificate had been issued, upon application by such veteran, the amount of the face of the certificate as computed under section 501 of the original act. This meant that the Government should pay the face value of the certificate as of 1945. If Mr. PATMAN had omitted the words "as computed in accordance with section 501," there would not have been any opposition to speak of to his bill. It would have been passed almost unanimously and probably would have met the approval of the President. In fact, Representative LEA, of California, introduced a bill, H. R. 1130, which would have given every veteran certificate holder the option of cashing his certificate at any time for its cash value at the time presented for payment. That is to say, if the veteran wanted to cash his certificate now, or at any future date, at its cash value, all good and well. That was fair and just to the veteran and as well to the Government, or rather to the taxpayer who has to foot this expense. There were bills introduced by other Representatives similar to the Lea bill. A large majority of both branches of Congress would have been glad to have voted for something of this kind, but that did not meet with the approval of the agitator in and out of Congress. With this kind of a measure it would, of course, have been impossible to have poisoned the minds of a certain group of veterans against their Government, and especially against some Congressmen and Senators. It is a well-known fact that an agitator can not tolerate anything that might frustrate his plans even though to do so may be to the advantage of those he seeks to help.

To have passed the Patman bill would have meant the payment of $2,400,000,000 to less than 4 per cent of the population of this country and would not have solved a single problem with which Congress has had to deal. No jobs would have been created; no steady employment provided. Relief must come from the revival of industry. In that way only will permanent jobs be created and more permanent jobs will create a larger, constant demand for commodities, which is bound to be reflected in an upturn throughout the Nation. The passage of this legislation meant for the Government at this time of distress to assume a burden of $1,353,000,000 in excess of what the Government now owes on these adjusted-service certificates. This $1,353,000,000, which is not due and payable until 1945, represents an added burden of $11.30 for each man, woman, and child in the United States, for the benefit of less than 4 per cent of the population, inasmuch as not to exceed one-half of the certificate holders are demanding the cash payment of their certificates. The serious question is, Do the 96 per cent of the already overburdened people want to assume this additional burden at this time? If so, then those of us who felt that such was not their desire evidently were mistaken.

Referring again to the bill providing for the veteran to cash his certificate at any time at its then present cash value, to make it plain what this measure provided we will take for illustration three certificates at their face value in 1945. Certificate No. 1, we will say, of $1,500 face value in 1945, would have a present cash value of about $943.83; certificate No. 2, with a face value in 1945 of $1,000, would have a present cash value of $623.22; certificate No. 3, with a face value in 1945 of $500, would have a present cash value of $311.61. As stated before, a large number of Congressmen wanted to vote for a measure to allow the payment of the present cash value of these certificates. That would have been fair, and no doubt would have been satisfactory to the veterans if they had not been misled.

As an illustration of what the veterans are asking, let us take a purchaser of a United States bond, we will say, for $1,000, and for which he pays $1,000. It provides a 4 per cent interest rate for 25 years. There are 25 coupons attached to the bond for $40 each, or, all told, $1,000 in interest. Now on the face of the bond the United States has agreed to pay the holder $2,000, notwithstanding he gave only $1,000 for it. Then suppose that after the purchaser had held this bond for about four years he would suddenly conclude that he wanted his $2,000, or the face value of his bond 21 years hence; and he should say to the Government, "I hold your obligation for $2,000. I want the cash on it for its face value." In all probability he would be told that his bond for $2,000 was not due for about 21 years, but that he had some coupons due to the amount of $160 which would be paid, but he would have to wait until it was due before he could get the face value of $2,000. However, if the Government had been in a condition to have paid this bonus on the adjusted-service certificates at this time, even though it was not due, I would have been only too glad to have voted for it.

We have been worrying how the Government can bring relief to between eight and ten million unemployed. It was impossible to pass legislation looking to that end if we should pass the bonus bill calling for $2,400,000,000. It goes without saying that if only the veterans were unemployed it would have been an easy matter to have solved our difficulty by passing the so-called bonus bill. Statistics show that of the unemployed only about 13 per cent are veterans. The question is, Would it have been fair and just to all distressed and unemployed to have taken the smallest group of the vast army of unemployed and singled them out to the detriment of the rest? Many of us put in long hours and many days studying this question, endeavoring to find some generally equitable solution. There was no such solution under the conditions that confronted us.

As to the Patman bill, there was but one conclusion that could be reached, and that was that its passage would mean intensifying unemployment. It meant destroying our only means of attempting to relieve the distressed millions of starving men, women, and children. I can not bring myself to believe that any veteran entertained the least desire that this be done. I believe when he has had the time and the opportunity to study this situation and inform himself as to the probable results he will be fair enough to say that he was misinformed and under the circumstances it would have been unfair to have passed the bonus measure. I have that confidence in the fairness of the veterans. Having talked with some of them here in Washington, I know what the fair-minded veteran wants even more than the cash for his adjusted-compensation certificate, and that is a job. He wants work. That is what many of us wanted to make possible.

I have the greatest admiration for our veterans. I have sincere sympathy for the disabled veterans, also for the able-bodied unemployed veterans. That, however, does not justify me in singling out the group which constitutes only 13 per cent of the unemployed American citizens and bestowing upon them a bounty for the purpose of relieving temporarily their distress, and thus making it impossible to relieve their neighbors who are also suffering from the same cause—that of unemployment. Again I say I do not believe that the average veteran would ask that this be done.

The determination of his position upon the question of whether or not the cash payment should have been made in full on these certificates was a difficult matter for the individual Congressman. That is to say, he would be damned if he did, and he would be damned if he did not. That, however, did not relieve him from doing his plain duty to his country as a whole. When a Representative allows his desire to be returned to Congress to shape his course in a crisis such as we are experiencing at this time, the sooner he does retire from Congress the better it will be for his district and the Nation.

I feel sure that the veterans of all wars in my congressional district know that in the past I have voted for all veteran relief legislation. Even though I questioned some of it, I resolved the doubt in favor of the veteran. In addition to this, I have devoted more of my time to the individual problems of the veterans and to the problems of their dependents than I have to any other requests that have been brought to my attention. This I have done willingly and gladly. It has been my desire at all times to render real service to them. However, notwithstanding that fact, I, like others, have been warned that my vote against the Patman bill will mean my defeat for reelection to Congress. This may be; but if I had voted for this measure believing, as I did, that it would have worked a great injury to the Nation and to the people as a whole, it would have been very evident that I feared ballots more than the veterans feared bullets during the war.

I feel that my vote was for the best interests of the country and, in fact, for the best interests of the veterans themselves, and I am willing to abide by the good judgment of my constituency.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 465. An act for the relief of William H. Holmes; to the Committee on Claims.

S. 1738. An act for the relief of Catterina Pollino; to the Committee on Claims.

S. 2283. An act for the relief of Otto Christian; to the Committee on Military Affairs.

S. 2774. An act to amend an act to increase the efficiency of the Veterinary Corps of the Regular Army; to the Committee on Military Affairs.

S. 3633. An act for the relief of the State of New Mexico; to the Committee on the Judiciary.

S. 4068. An act to authorize the award of a decoration for distinguished service to Harry H. Horton, formerly private (first class), Medical Detachment, One hundred and forty-eighth Field Artillery, American Expeditionary Forces, in the World War; to the Committee on Military Affairs.

S. 4909. An act for the relief of A. Y. Martin; to the Committee on Claims.

S. J. Res. 127. A joint resolution authorizing appropriations for the maintenance by the United States of membership in the International Council of Scientic Unions; to the Committee on Foreign Affairs.

S. J. Res. 179. A joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Tisheng Yen, a citizen of China; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 96. An act to punish the sending through the mails of certain threatening communications;

H. R. 437. An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon for the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes;

H. R. 461. An act to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921;

H. R. 1228. An act to adjudicate the claims of Knud O. Flakne and Alfred Sollom, homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 1230. An act for the relief of Chase E. Mulinex;

H. R. 2161. An act for the relief of Nelson E. Frissell;

H. R. 2841. An act for the relief of the owners of the steamship *Exmoor;*

H. R. 3414. An act for the relief of Ellen N. Nolan;

H. R. 3604. An act for the relief of Same Giacalone and Same Ingrande;

H. R. 4230. An act for the relief of Genevieve M. Heberle;

H. R. 5242. An act for the relief of D. Emmett Hamilton;

H. R. 5651. An act to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use;

H. R. 5820. An act for the relief of J. H. Wallace;

H. R. 5922. An act for the relief of W. A. Peters;

H. R. 6337. An act for the relief of Capt. Chester G. Mayo;

H. R. 6797. An act for the relief of Samuel Weinstein;

H. R. 6855. An act for the relief of Sam Echols;

H. R. 7449. An act for the relief of the estate of Jacob D. Hanson;

H. R. 7656. An act for the relief of William R. Nolan;

H. R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum,* for damage to said vessel;

H. R. 7912. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 8754. An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes;

H. R. 8817. An act to provide for fees for entry of a publication as second-class matter, and for other purposes; and

H. J. Res. 455. Joint resolution making an appropriation for the payment of pages for the Senate and House of Representatives from July 1 to July 15, 1932.

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 3154. An act authorizing the conveyance of certain lands to the city of Fallon, Nev.; and

S. J. Res. 148. Joint resolution to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3811. An act for the relief of Lela B. Smith;

H. R. 8766. An act to amend the sixth exception in section 3 of the immigration act of 1924 with reference to nonimmigrant status of certain aliens;

H. R. 9699. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes; and

H. J. Res. 418. Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

EXTENSION OF REMARKS

THE RED MENACE IN AMERICA

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks, I include the following:

Within the last few weeks there has lain encamped almost at the doors of the National Capitol in Washington an army of thousands of men drawn from all parts of the country. It has been an army among which men, and women, too, moved and sought to foment a spirit that ultimately would result in overthrow of the American Government.

Yet probably 95 per cent of the men in this army were loyal to the United States and had proved their loyalty and devotion by placing their lives at the disposal of their country in time of war. Most of them had been duped by communist agitators—who did

not reveal themselves as such—to come to Washington with the promise of immediate cash payment of the remainder of adjusted-service compensation, the "bonus."

Back of the camp, in shadowy outline that few could glimpse, was a sinister red figure—revolutionary communism. The men in the camp were but its pawns in a desperate game whose moves encompass the world and are directed from the executive chambers of the Soviet in Moscow. The loyal American veterans encamped in Washington were unknowingly the dupes of a few men in far-away Russia who seek to extend their dominion over the entire world, as they have already established it over a supine body of 150,000,000 people in their own land.

I am not an alarmist. I do not anticipate or predict any "communist revolution" in the United States at dawn to-morrow, or a month, or a year, or many years hence. But to-day and every day thousands of men and women are working as agents of an international organization to bring about the ultimate overthrow of our Government.

That statement is based on incontrovertible facts. It can be sustained by exact, absolute proof.

It is easy for those who pride themselves on their "liberalism" and who prate about the unquestionable need of preserving free speech and a free press to dismiss the facts with the careless, care-free statement, "Oh, this is just another red scare!" But the real facts of a real situation refuse to be so dismissed, and sooner or later force themselves upon public attention when ugly and dangerous potentialities for harm become menacing.

NO DANGER IN NEAR FUTURE

These very people who are most interested as "liberals" in preserving the great guaranties of liberty contained in our Constitution should be most concerned with the growth of communist activity. Under communism as it exists to-day in Soviet Russia there is no free press, there is no freedom of speech and opinion, and there are no "rights of liberty" of the individual. Instead there is a vast and absolute despotism, unparalleled and unprecedented.

And working with the discontent, misery, and unhappiness produced by subnormal business and employment the agents of world revolution are striving as never before to destroy our republican form of government.

I repeat that there is no danger in the near future of a communist-inspired revolution in the United States. The forces of loyalty in this country are sufficient quickly to "liquidate" any seditious force. But there are more ways of undermining the national structure than merely armed revolt. There is the method of economic undermining, long practiced by communism. Already the United States has suffered severe losses through soviet trade warfare. And while those losses may be most easily measured in terms of hundreds of millions of dollars, they should be seen and understood in terms of thousands of American citizens deprived of needed work in our factories and additional thousands of American farmers deprived of markets for their products. Of that phase of the attack upon us I shall say more later.

Let us revert for the moment to the encampment of veterans in Washington. I have said that they were the unknowing dupes of communists. Certainly I would not question the loyalty of the overwhelming majority of the men of the "bonus expeditionary force." I served in France with some of these men. I know that love of their country still fills their hearts, despite anxiety and misfortune, hunger and want. But they were the unwitting victims of an organization that, operating on American soil, has its roots in Moscow.

Consider how the march was organized, how the groups had their inception in various parts of the country.

More than a year ago, as chairman of the special committee of the House of Representatives appointed to investigate communist activities in the United States, I reported that one of the subsidiary communist organizations was the Workers' Ex-Servicemen's League. The fact that it is a communist organization was not made known by its organizers to the veterans who were asked to become members and to march upon Washington. Consider how cleverly the organization works. On May 27 it widely distributed a letter bearing at the top the name, "Workers' Ex-Servicemen's League," telling of the planned march upon Washington and holding out this promise:

"During our stay in Washington we are looking forward to making arrangements with the proper committees both in the Senate and House of Representatives so that Congress will vote for the immediate cash payment of the bonus before it adjourns."

What words of hope those were to thousands of men—"immediate cash payment of the bonus!"

Next day the Workers' Ex-Servicemen's League sent out another letter, cleverly using the names of other and reputable veterans' organizations, with which it had absolutely no connection, to further its own ends. In this letter it announced that "our delegation of more than 1,000 war veterans will leave New York City on June 4 for Washington. We demand the immediate cash payment of the bonus. Veterans are being elected at mass meetings throughout the city. These include all war veterans, members of the American Legion posts, Veterans of Foreign Wars, Disabled American War Veterans, etc." Not a word about the Communist Party—yet the letter was signed by "Joint Committee, Workers' Ex-Servicemen's League, National Provisional Bonus March Committee," and the names E. Levin, Joseph Singer, Harold Nelson, Michael McTeague, James Ford, and Samuel J. Stember.

NO WAY TO IDENTIFY SPONSORS

How were veterans generally to know that E. Levin is editor of the Daily Worker, published in New York as the central organ of the Communist Party of the United States, a section of the Communist International? How were they to know that James Ford is the official colored nominee of the Communist Party for vice president of the United States? Most of the veterans had never heard of, much less read, the Daily Worker. They had no way of identifying sponsors of the march with the communist organization. They were led to believe, by the deceptive phrasing of the letters, that the sponsors were the American Legion and other veterans' organizations.

The same tactics were employed throughout the country. From Detroit has come the official statement of the officers of the American Legion, Spanish War Veterans, Veterans of Foreign Wars and Disabled American Veterans, that none of those organizations was connected in any way with the march on Washington. They state that it was promoted by the Workers' Ex-Servicemen's League, communist organization, "whose object is not so much to obtain the payment of the so-called bonus as it is to proselyte veterans into membership in the communist veterans' group." The other veterans' organizations call attention to the fact that the Workers' Ex-Servicemen's League has denied its communist affiliations, knowing that to reveal them would immediately eliminate their chances of obtaining membership from that great group of veterans who, while unemployed and destitute, nevertheless are loyal to the United States.

But the truth of the communist affiliation is revealed in a communication issued by the Communist Party of America, district 7, Detroit, in which announcement was made of the impending visit to the Detroit area of Walter Trumbull, a communist organizer for the Workers' Ex-Service Men's League, and all communist party workers were instructed to assist in promoting the meetings of this group. Further evidence of the communist affiliation of the league is found in the Daily Worker of June 3, 1932, reporting parts of speeches made by delegates to the party's nominating convention. There Secretary Stember, of the Workers' Ex-Service Men's League, is quoted as saying:

"The Communist Party program was taken up, thoroughly discussed, and adopted by the war veterans of the Workers' Ex-Service Men's League."

EDITORIAL REFERS TO BONUS EXPEDITIONARY FORCE

In its leading editorial on June 10 the Daily Worker refers to the "Bonus Expeditionary Force" march on Washington as "a new high point in the radicalization of the masses," and states that "the Communist Party of the United States supports the bonus marchers with all forces at its disposal."

The Bonus Expeditionary Force at Washington has made a remarkable record for observance of law and order and is to be commended accordingly. That, however, does not change the fact that the march to Washington from the big industrial centers, such as Detroit, Chicago, Cleveland, Pittsburgh, New York, and Philadelphia, was inspired largely by the Workers' Ex-Service Men's League.

It is only fair to state that the commander of the Bonus Expeditionary Force, Walter W. Waters, of Oregon, very evidently is not in sympathy with communist activities.

From coast to coast, and particularly in industrial centers hard hit by unemployment, communist workers are incessantly busy sowing seeds of discord and strife that they hope may blossom into armed revolt against the Government of the United States in years to come. The inner ruling group of the communist organization in America is small, probably not over a dozen men, who in turn report and receive instructions from the Communist International at Moscow. But we know that there are between 500,000 and 600,000 communists and sympathizers in the United States. They have a dozen daily newspapers, all but one of which are printed in foreign languages, for 70 per cent of the communists are aliens. Probably 20 per cent more are foreign born, but naturalized, and the remaining 10 per cent are native-born Americans.

In Seattle only recently they organized a demonstration of 30,000 people before the city hall, with 12,000 in a parade that preceded it. In New York City 20,000 attended one meeting and thousands of others were barred from the hall on account of lack of space. This was for the purpose of welcoming back from jail William Z. Foster, communist candidate for President, who had been confined for unlawful assembly following a riot in New York.

FOSTER'S TESTIMONY RECALLED

In his testimony before the House committee, of which I was chairman, Foster, head of the Communist Party in America, made quite clear the fact that the revolution which they are working to produce is not to be a "peaceful" one. His testimony, which is in print in the official records, was startling in its frankness. The Communist Party, he said, is opposed absolutely to our republican form of government; they do not expect to gain control by "peaceful capturing of ready-made bourgeois state machinery by means of a parliamentary majority," but instead anticipate "a desperate and frantic struggle," with suppression of the present ruling class "by the stern violence of the proletariat (workers)."

He also made it clear that the policies of the party in America are a part of the policies of the Third Internationale of the Communist Party in Moscow, that "the more advanced workers" in this country look upon the Soviet Union as their country and the Soviet red flag as their flag, owing "no allegiance to any capitalist flag."

Furthermore, Foster himself confirmed the charge that one of the objects of communists is to destroy all religions. He said:

"Our party considers religion to be opium of the people, as Karl Marx has stated, and we carry on propaganda for the liquidation of these prejudices among the workers."

What a contrast this affords at a time when we are celebrating the anniversary of the birth of our own Nation, with the words of the Declaration of Independence, in the very first sentence of which devout reference is made to "the laws of nature and of nature's God."

With no sense of responsibility or obligation to God, it is only natural that the communists should take every dishonorable and unfair advantage of their fellow men in a time of distress to further the aims and ambitions of the rulers in Soviet Russia. Throughout the United States in cheap lodging houses, in parks where men congregate, even in gospel missions, they are preying upon the unfortunate with promises of "liquidation" of the property of the well-to-do and its distribution among their listeners.

CANVASS HOMES OF POOR

They are making house-to-house canvasses in the poorer districts of the cities, soliciting affiliation with all kinds of disguised communist subsidiary organizations. They are enrolling in labor unions merely for the purpose of stirring up dissension and then creating their own outlaw labor organizations as adjuncts of the Communist Party. They recognize the American Federation of Labor as one of the strongest foes of communism and are constantly seeking to destroy its power and effectiveness.

The constant work of propaganda and organization has borne fruit. Recently in only 15 counties out of 58 in California, communists secured 29,263 signatures to put their candidates on the ballot, although but 15,000 were required. The Daily Worker reports that 15,000 wildly enthusiastic persons attended the communist convention in Chicago on May 29 this year.

It should be borne in mind that there were probably not more than 30,000 communists in all Russia when they took charge. They took advantage of a condition of demoralization occasioned by a weak "provisional" government following the Czar's abdication, the defeat of the army on the battle front and the help of thousands of deserters from the army and navy. Their organization was highly concentrated and struck quickly at the vital spots to gain control almost overnight of a nation of 150,000,000 people, who were deluded with promises and are kept in subjection by means of a terroristic system of secret police that eclipses anything the Czar ever maintained.

A large part of the product of these people's toil is made into an artificial "surplus" by the simple process of government confiscation. Then it is sold at prices below the cost of production in the world's markets, so that gold may be brought into Russia or credits established for the purchase in other countries of machinery, etc., with which further to demolish and demoralize other nations' industries.

PRACTICAL ACTION IMPERATIVE

Practical steps in defense of American rights and ideals are imperative. Resistance must be organized to meet the constant stream of propaganda, well financed, for so-called Russian recognition—that is, the resumption of official relations with a government that is carrying on secret warfare against our own and every other. The immigration laws must be strengthened so that our officials may deport not only anarchists but also alien communists—such foreigners, as has been shown, constituting probably 70 per cent of the party in America. As this is written the House of Representatives has passed Representative DIES's bill to so strengthen the immigration laws and a favorable report of the bill has been made to the Senate by its Immigration Committee. The bill will not prevent peaceful and lawful furtherance of the idea of "community ownership" of all productive property, but it will authorize the deportation from the United States of aliens whose purpose is the overthrow of our Government by force or violence.

A further necessary step for the protection of American Government and civilization is the barring from our shores of the products of forced and convict labor in Soviet Russia.

There is need, above all, for a renewal of faith by all American citizens in the basic principles of our form of Government, which for more than a century and a half has safeguarded our rights and liberties. The need of to-day is not for a new form of government imported from Russia but a greater participation in our Government by American citizens with faith and hope and courage to face and deal with problems, duties, and tasks.

Let those who are not of America, and do not like it, get out!

Mr. HARE. Mr. Speaker, much has been said within the past 60 days with reference to reducing governmental expenditures and the burden of taxation. The mails of Members of Congress have been flooded with requests and suggestions for reducing expenses incident to the operation of the Federal Government. Propaganda from various sources have led the public to believe that the only thing necessary to increase business, afford employment, and restore prosperity is to reduce Government expenditures at least a billion dollars. Many have asserted that with a reduction of expenditures to this amount the Budget would be balanced and business in the country would be restored. There can be no doubt but what the Government, like a successful business man, should adjust its expenditures so as to come within its revenues, and Congress should make proper revisions and see that this is done. However, I am convinced that the burdened taxpayer to-day is not financially distressed primarily because of his contributions in the way of taxes to the Federal Government. As a matter of fact, the burden resulting from taxes paid to the Federal Government is extremely small as compared with those paid to the great manufacturing interests as result of tariff laws.

In going through a great number of requests coming to me for the past two months from men insisting on reduction in governmental expenditures, I find practically 100 per cent of them are beneficiaries of some provision of the tariff law. They write appealingly and pathetically in behalf of the downtrodden taxpayer because of the amount of taxes he pays the Government, but they never even suggest that he be relieved in any way whatsoever of the enormous tax exacted of him annually in the way of a tariff for the benefit of the great captains of industry. In other words, they are saying to Congress that it should reduce expenditures so as to relieve the taxpayer of the amount he is required to pay the Federal Government but they are unwilling to suggest that the taxes of these same overburdened taxpayers that come into the Treasury of the interests they represent should in any way be reduced.

Mr. Charles M. Schwab, president of the Bethlehem Steel Corporation, insists that governmental expenditures be reduced so that the taxpayers may meet their obligations. He says in a recent statement:

The Federal Budget must be balanced, and in view of the vastly depleted ability of the public to pay, it must be balanced chiefly through the measure of reduced expenditures.

Now, Mr. Schwab's corporation is the beneficiary of a very high tariff rate, and everyone who buys any of its products pays an enormous tax as a result of a tariff duty, but he does not suggest a reduction of the tariff on steel so that the burdens of the people may be relieved, nor does he intimate or suggest a reduction of the tariff in any way so that the people may be able to pay Federal or State taxes. On the contrary, he insists that the Federal expenditures be reduced, presumably, so the people may then be able to purchase the products of the steel corporation and pay the tax or tariff equivalent into its treasury. Only a few weeks ago I was called upon by the farmers of my district to go to the Treasury Department and protest against the imposition of a tariff on ammonium sulphate that had been asked for by the steel corporations and others. It was alleged they were asking for a tariff of about $10 per ton, which would mean that the farmer who uses 2½ tons of this fertilizer constituent would be called upon to increase his tariff tax $25 per annum in this particular item alone. It will be noted that while Mr. Schwab is suggesting to Congress a reduction in governmental expenditures he, or the interests he represents, is at the same time asking the Treasury Department to place a further tax on the farmer-taxpayer by levying a tariff of $10 per ton on fertilizers.

Of course, he and others similarly situated are trying to divert the attention of the public from the real cause of this depression and have the people believe that the taxes they pay toward the support of their Government are responsible for their inability to meet their obligations. He and other high protectionists know that the American people have been bled white during the past few years from excessively high tariffs, and he is afraid they may find it out before the next general election. Consequently they have been propagandizing the people into the belief that all the trouble is due to Government expenses. Do not misunderstand me to say that such expenditures are not out of proportion to the people's ability to pay. They are, and expenses must be reduced; but simply reducing expenditures will not relieve the burdened taxpayer or give employment to the idle to such an extent they will know it. As a matter of fact, Congress by its action at this session has already

reduced governmental expenditures to the extent of $750,000,000 as compared with last year, but we still have the unemployed, and conditions are growing worse every day.

Even President Hoover a few weeks ago sent out an S O S call to the American people asking them to write their Congressmen insisting upon a reduction in governmental expenditures, indicating that the taxes were becoming so burdensome the people could not afford to pay, but he was unwilling to say where the reduction should be made.

If the President had been so keenly interested in the welfare of the people, he could have suggested a reduction in tariff rates and thereby reduced their taxes to a very great extent. Or he could have signed the Democratic tariff bill sent to him a few weeks ago and thereby proceeded to reduce the burden of taxes being carried by the American people, but instead he said, in effect, by his veto of the bill that he was unwilling to decrease the burden of taxation when the taxes are being collected by the favored interests of the country, and proved by his action that he had rather have his Government suffer for lack of revenues than to have such interests suffer any reduction in their incomes by the lowering of tariff rates.

TARIFF TAXES PAID MANUFACTURERS EXCEED THOSE PAID THE GOVERNMENT

The tax paid by the American people to the manufacturing interests, exclusive of the amount paid to the Government on imports, runs into billions of dollars annually. Many people have an idea that the only tariff they pay is that collected on imports or manufactured goods coming into the United States, when really more taxes are paid to American manufacturers as result of the tariff law than are paid into the Treasury of the United States. The Secretary of the Treasury reports that the income from the tax on tariff duties actually paid on imports last year amounted to approximately $378,300,000. That is, the American consumer paid into the Treasury in the way of tariff duties the sum of $378,300,000. That is a large sum of money, but it is hardly a "drop in the bucket" compared with the amount these same people paid into the treasuries of manufacturing enterprises as a result of the same tariff system. Where they have paid "millions" to the United States they have paid "billions" to manufacturers.

In the CONGRESSIONAL RECORD of November 7, 1929, page 5298, a statement appears as coming from the chairman of the Fair Tariff League, dated October 31, 1929, which says:

Pennsylvania manufacturers gain annually from the present tariff $1,376,000,000—

Saying that this tariff costs consumers at retail approximately $2,752,000,000 annually.

Think of it! It is almost inconceivable that the manufacturers of this one State alone are receiving revenues as the result of our tariff system nearly four times as much as the Government collects in the way of import duties.

In the same report the chairman of the league says the State of New Jersey gets $713,000,000 out of the tariff annually, costing the consumers $1,426,000,000. He states further that Massachusetts gets more than New Jersey and New York more than Pennsylvania. According to his figures the manufacturers in these four States alone collect upwards of $4,300,000,000 annually as beneficiaries of our tariff system, the cost to consumers being estimated at more than $8,300,000,000, which is about twenty-two times as much as was paid into the United States Treasury last year in the way of duties on imports. That is, the manufacturers of these four States cost the consuming public in the way of indirect taxes twenty-two times as much as 120,000,000 people paid in the way of tariff duties toward the support of their Government.

The point I am making is the beneficiaries of our tariff laws are insisting on a drastic reduction of governmental expenditures upon the pretext that the American people may be able to pay their municipal, county, State, and Federal taxes, but they are unwilling to suggest that the tariff taxes be reduced so that their ability to pay governmental taxes may be increased. They have propagandized the country to such an extent many people believe that their burdens would be relieved by a drastic reduction in State and Federal expenses. I can not emphasize too strongly that there must be "drastic" reductions in county, State, and Federal expenses before their budgets will be permanently balanced, but I want to emphasize further that these reductions alone are not going to relieve the people of their burden of taxation. This burden will be relieved only by a "drastic" reduction in tariff rates; because, as we have shown, the burden arising from taxes does not come so much from those paid the Federal Government as those paid into the treasuries of our manufacturers.

REPRESENTATIVE FAMILY PAYS UPWARD OF $150 TARIFF TAXES ANNUALLY

I pointed out during the debate on the Smoot-Hawley tariff bill in 1929 that the annual tax in the way of a tariff collected from a representative farmer with a family of five runs as much as $250 to $1,000 per year. The tax paid directly to the county and State government by such a farmer would probably be around $75 per annum. Under existing conditions he is not able to pay the tariff taxes to the manufacturers and the $75 to his county and State governments.

However, if tariff taxes were reduced 50 per cent, the farmer referred to would be able to pay his share of taxes to his Government and have a little left over. That is, if I were correct in estimating the tariff tax to be $250 for a representative farmer of a family of five, and if the tariff tax were reduced 50 per cent, or $125, that farmer would have $125 more with which to pay his share of taxes to his State and Federal Governments. But the tariff beneficiaries take great pains never to mention this phase of the tax burden. They emphasize the burden of the tax a man has to pay for the protection afforded his life, his home, his family, his property, and the educational opportunities afforded his children, but they studiedly fail to mention the greatest tax burden for which men and women receive no protection whatever, namely, taxes arising from our high protective tariff policy.

I referred to some observations made a few years ago in which I gave a summary of articles a representative farm family of five would buy from time to time, showing that the taxes such a family would pay as a result of tariff duties would run from about $250 to as high as possibly $1,000 per annum. I have made another study of the tariff act since its passage in 1930 and selected a number of articles I think any representative family of five would purchase annually. In determining the representative family in this illustration we include the laborer, the farmer, the merchant, the business man, the banker, the lawyer, and so forth. I have not attempted to determine the taxes such a family would pay as a result of the tariff act on all articles bought each year, but have endeavored to include a number of articles that would probably be purchased annually.

Of course, there would be hundreds of purchases not included in the summary, or list to follow, but it will serve as an illustration indicating to what extent the people are contributing to manufacturing enterprises in the way of indirect taxes, and it will show further what effect such contributions will have on the purchasing power of the individual. It should be stated that the tariff duties referred to apply to the value or quantity of the articles named as reported to our custom officials by the importer. For example, the tariff duty on colored crayons is placed at three-fourths of 1 cent each, so when school children buy one-half dozen of imported colored crayons the duty would be 4 cents, and if the tariff is 100 per cent effective, the price would be increased accordingly, regardless of whether the crayons were imported or manufactured in our own country. To illustrate further: On page 33 of the act referred to we find that a pocket knife valued at port of entry at 60 cents carries a duty of 35 cents each, plus a further duty of 50 per cent ad valorem. The ad valorem duty would be 30 cents, which added to the 35 cents would make a tariff duty of 65 cents on a 60-cent knife. Therefore, should a 60-cent knife of the kind referred to be manufactured in the United States

and the tariff should be 100 per cent effective, the purchaser would be required to pay 65 cents tax to our manufacturer and the sale price would be $1.25.

I am inserting below a list, naming the articles already referred to and giving the amount of the tariff that would be collected on same at the customs port. In case such articles are not imported but purchased from manufacturers here, and the tariff should be fully effective, a tax corresponding to the tariff would, of course, be paid.

Name of article and quantity—	Amount of tariff duty
1 bottle flavoring extract tariff (20 cents)	$0.05
1 pound common salts	.05
1 bottle camphor	.05
1 bottle castor oil	.05
1 bottle paregoric (10 cents)	.06
1 bottle perfume (10 cents)	.07
One-half dozen colored crayons for child (three-fourths of 1 cent each)	.04
2 pounds starch, 2½ cents per pound	.05
1 small bottle turpentine	.01
1 bottle ink (20 cents)	.02
5 gallons paint, at $2 per gallon	2.50
50 cents' worth of toilet soap	.15
1,000 plain brick	1.25
$2 worth of chinaware (such as cups and saucers)	1.20
1 pair trace chains, ⅞ cent per pound	.05
$1 worth of harness hardware	.35
One 60-cent pocket knife	.65
1 bread knife	.16
A 15-cent pair of pliers	.14
A $10 shot gun	4.00
One $5 clock	4.75
A $1,000 automobile truck, $250, or $25 a year for 10 years	25.00
1 willow rocker valued at $2	1.20
5 pounds candy, at 50 cents per pound	1.00
1 gallon vinegar	.08
$2 worth of breakfast cereal	.40
1 dozen pineapples	.18
$1 worth of cotton gloves	.60
A $3 tablecloth	1.35
1 dozen of 10-cent handkerchiefs	.42
1 pound of wool yarn, valued at $1	.75
A 5-pound pair of wool blankets, valued at $2 per pound	8.00
40 pounds of clothing made of wool, valued at more than $4 per pound	85.20
1 pound of wool socks, valued at not more than $1.75 per dozen	.72
½ pound rayon goods, valued at not more than $4 per pound	1.42
50 cents' worth of correspondence cards	.08
50 cents' worth of envelopes	.10
50-cent package of playing cards	.20
A 25-cent "everyday" straw hat	.06
A 25-cent toothbrush	.14
A $1 doll	.90
A pound of firecrackers	.25
A pound of Roman candles	.08
A $5 fox-fur skin	2.50
A $1 hat	.41
A $1 corset	.60
A $2 horse collar	.40
A $4 pair of shoes	.80
A $1 pocketbook	.35
A $1 artificial fish bait or other fishing tackle	.55
A 20-cent cigar or cigarette holder, 60 per cent	.15
A quart thermos bottle	.30
A $1 umbrella or parasol	.40
$10 of ordinary cotton cloth	1.00
$2 worth of bedspreads	.50
$2 worth of bed sheets	.50
$2 worth of pillowcases	.50
	$151.79

It will be observed that if the "representative family" referred to should purchase the articles named in the table and should the tariff on each be fully effective, such a family would pay in the way of indirect taxes $151.79 per annum. It will be observed further that this table does not include many articles purchased annually by every "representative family." It will be proper to observe therefore that with additional purchases there will be additional taxes. So when we speak of the burden of taxation we do not refer simply to the taxes collected by our city, county, and State officials. It is true such taxes are high. They are much higher than conditions justify, but I am endeavoring to show that the indirect taxes collected by manufacturers are much greater than what we refer to as taxes paid the Government. I am trying to emphasize further that there has been considerable propaganda on the part of the beneficiaries of our tariff laws to reduce governmental expenditures, saying that such action would reduce the taxes paid by the American people. This would be true only to a very small degree, for governmental expenditures may be reduced as much as 50 per cent, but if the "representative family" continued to purchase the same quantity of goods of the same value year after year, the indirect taxes such a family would pay would not be reduced without a revision of the existing tariff law. Otherwise, the people would continue to pay $2.50 indirect taxes on 5 gallons of paint; they would continue to pay a 15-cent tax on 50 cents' worth of toilet soap; they would continue to pay an indirect tax of $1.35 on a $3 tablecloth, or $1.20 on $2 worth of chinaware, or a 1-cent tax on a 10-cent bottle of ink. Therefore, if the burden of the "representative family" is to be reduced a mere reduction of expenditures of the Federal Government will not be sufficient; in addition, there must necessarily be a reduction in tariff rates or the "representative family" will have to forego the use of many articles heretofore purchased and consumed annually.

THE TARIFF LAW PROXIMATE CAUSE OF DEPRESSION

There is nothing peculiar or unnatural about this depression. We are simply reaping the fruits of seed sown by our political leaders years ago. They sowed the wind and we are reaping the whirlwind. From time to time they have insisted that the tariff wall around the United States should be enlarged and made much higher. The legendary business and political philosophy of their party led them to believe they could absolutely exclude the products of foreign nations from our markets and at the same time increase the sale of our products in the markets of the world. They failed to see or recognize a long and well established business principle that if you expect to sell you must also plan to buy. No great nation can expect to find a permanent and increasing number of customers in any other great nation unless there is a more or less mutual and reciprocal trade relationship between them, and when such a nation adopts and attempts to carry out a business or commercial policy inconsistent with this idea it begins to "ride for a fall." Such a practice has prevailed in our country for years, but was brought to a climax during the first year of President Hoover's administration, and the result was inevitable. I do not think there is one intelligent and unselfish man in 50 but what will say that the passage of the tariff act of 1930 was followed by similar action on the part of foreign governments, which resulted in the exclusion of American-made products from their markets. As a consequence, our sales and exports began to decrease like a melting snowball, and it was only a short time before our storehouses, warehouses, and marts of trade were filled to overflowing with products grown or made by our own labor. The saturation point of consumption was soon reached.

Surpluses of both raw materials and manufactured products accumulated in such proportions as to beggar description. Industry became stagnant, the hum of machinery was no longer heard, idleness and want inevitably followed, conditions became so distressing that business and people appealed to their Government for help. Uncle Sam's hand of charity, supported by the arm of benevolence, for the past six months has been giving lavishly under the pretense that it would stimulate business, furnish employment, and disperse the clouds of depression that roll higher and become more ominous as time passes on. Such actions may paliate, but they will not cure. You can not relieve the burden of the overburdened taxpayer by increasing taxes and dispensing charity. Taxes imposed, whether direct or indirect, must be reduced. Further reductions in governmental expenditures, both State and National, must be made. In the meantime the people should be relieved of the enormous tax levied and collected by manufacturers under the operation of protective tariff laws. Such action will remove the burden of taxation and give initiative in business, transportation, and commerce an opportunity to again assert itself and demonstrates its ability to properly interpret, analyze, and solve the social and economic problems of our country; it will afford every man an opportunity to make a living

and prevent the unwarranted accumulation of the Nation's wealth in the hands of the few by pauperizing millions and forcing them to beg bread from their friends and neighbors.

PROTECTIVE POLICIES DESTROY BUSINESS INITIATIVE

A further analysis of the subject will show that the evil effects of governmental favoritism in the way of protection are not confined wholly to increased taxes, increased cost of living, or increased operating expenses in many activities; but it has had the added effect of destroying the business initiative of the beneficiaries of such a policy. This country would never have seen the number of unemployed we have to-day if our Government had stayed clear of its policy of trying to protect certain interests or industries. Despite the growth and development made in methods of transportation our great railroad systems seem to be absolutely helpless without continued governmental aid and direction. This may be attributed largely to the failure on the part of those charged with the responsibility of meeting transportation problems and keeping abreast with the times. However, as soon as Congress began giving protection to railroads their promoters, their leaders, their directors, and others responsible for their successful operation became indifferent and apathetic toward devising plans, schemes, and policies for greater economies and greater efficiency in operation. They were content to follow the policies of years ago, with increasing expense and liability, allowing themselves to believe that the Government would continue to protect their interests and see to it that all expenses were met and a reasonable profit on watered capital assured. Competition in transportation was eliminated, and there is no longer the keen incentive to "make every failure a spur to greater effort." The same is true of industry.

Millions of men and women are out of employment because leaders or captains in industry never stopped to think or look ahead. With a protective tariff wall around them, manufacturers did not feel the responsibility of trying to adjust their business to varying economic conditions; they did not feel the necessity for careful study of the relation between supply and probable demand; they lost sight of the fact that the installation of new and more expensive machinery would result in increased production, with a corresponding decrease in purchasing power, because when machine power takes the place of man power there is invariably a reduction in consuming capacity and purchasing power. The protection afforded by ever-increasing tariff rates relieved them of the necessity of taking thought for to-morrow. To them "protection" became the watchword and competition as the life of trade was eliminated. The individual or collective initiative required in former years as a condition precedent to success was discarded and governmental protection substituted in its place. As a consequence we find millions of people who seem to be "sold" to the idea that they must look to the Government for special protection, direction, and support, particularly organized business and organized units of society. We repeat, therefore, that the policy of "protection," as set up and followed by our Government in recent years, has had the effect of destroying initiative in business and commerce, eliminating foreign markets for American products, increasing the burden of taxation to the point of distress, and breaking down among the people their former conceptions of the proper functions of government.

The turning point on the road of high protection has been reached, and our Government should begin to retrace its steps, repeal or modify its laws designed for the protection of the few, and readopt the policy of "equal rights to all and special privileges to none."

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 10 minutes p. m.) the House, in accordance with its previous order, adjourned until to-morrow, Thursday, July 7, 1932, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

628. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting for the consideration of Congress an estimate of appropriation for the Veterans' Administration for the fiscal year ending June 30, 1933, in the sum of $100,000, to enable the Administrator of Veterans' Affairs to furnish prior to July 15, 1932, railroad transportation, together with subsistence, to honorably discharged veterans of the World War temporarily quartered in the District of Columbia (H. Doc. No. 359), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Interior Department (Rept. No. 1751). Ordered to be printed.

Mr. COLLIER: Committee on Ways and Means. House Joint Resolution 448. A joint resolution to construe the revenue act of 1932; without amendment (Rept. No. 1754). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLIER: Committee on Ways and Means. Senate Joint Resolution 186. A joint resolution to provide transportation and travel subsistence to World War veterans temporarily quartered in the District of Columbia; without amendment (Rept. No. 1755). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 280. A resolution providing for the consideration of House Joint Resolution 461, a joint resolution making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress; without amendment (Rept. No. 1756). Referred to the House Calendar.

Mr. WARREN: Committee on Accounts. House Concurrent Resolution 32. A concurrent resolution to reduce expenses connected with congressional funerals; with amendment (Rept. No. 1757). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 7845. A bill for the relief of Powell Goldstein (Inc.); without amendment (Rept. No. 1752). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 1071) granting a pension to Nannie M. Brock, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRAIL: A bill (H. R. 12910) to prohibit discrimination on account of race or color in employment under contracts for public buildings or public works in the United States; to the Committee on Labor.

By Mr. LAMBETH (by request): A bill (H. R. 12911) to include service in the Quartermaster Department, in certain cases, in computing length of service for retirement, and in computing longevity pay; to the Committee on Military Affairs.

By Mr. LEWIS: A bill (H. R. 12916) to regulate interstate and foreign commerce in coal, stabilize the coal-mining industry, provide for cooperative marketing, secure just prices

to the operators and miners and fair living and working conditions for the miners concerned, to create a coal commission, levy taxes on coal to provide for the general welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: Resolution (H. Res. 278) calling for an investigation of the Interstate Commerce Commission in the interest of the railroads; to the Committee on Rules.

By Mr. GUYER: Resolution (H. Res. 279) requesting the President of the United States by his proclamation to designate and set apart a day for national prayer; to the Committee on the Judiciary.

By Mr. O'CONNOR: Resolution (H. Res. 280) providing for the consideration of House Joint Resolution 461, a joint resolution making appropriations to enable the Federal Far mBoard to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Rules.

By Mr. BYRNS: Joint resolution (H. J. Res. 461) making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 12912) granting an increase of pension to Mary A. Dyer; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 12913) for the relief of the heirs of Hugh L. P. Chiene; to the Committee on Claims.

By Mr. HORNOR: A bill (H. R. 12914) granting a pension to James C. Elbon; to the Committee on Invalid Pensions.

By Mr. LEWIS: A bill (H. R. 12915) for the relief of Harry J. Miller; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8501. By Mr. CLARKE of New York: Petition of Alonzo Warner and eight residents of Binghamton, N. Y., opposing the passage of House bill 8092, known as the Sunday observance bill, or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

8502. By Mr. CRAIL: Petition of California Baby Chick Association, regarding the quarantining of livestock shipments; to the Committee on Agriculture.

8503. Also, petition of Native Sons of the Golden West, favoring the increase rather than a decrease of the obligation of citizenship and our power of national defense, and urging submission of the eighteenth amendment to the popular vote of the citizens of the respective States; to the Committee on the Judiciary.

8504. By Mr. CULLEN: Petition of the Mohawk Valley Towns Association, urging upon Congress that the New York State Barge Canal, from Oswego to Albany through the Mohawk Valley, owing to its national character, be approved among the inland-waterway projects for Federal maintenance and improvement, so that when conditions warrant, the necessary funds for its improvement may be provided for in the usual way; to the Committee on Rivers and Harbors.

8505. By Mr. GARBER: Petition of the division of marketing, American Petroleum Institute, New York, N. Y., urging passage of Senate bill 4616; to the Committee on Interstate and Foreign Commerce.

8506. Also, petition of the Blackwell Woman's Christian Temperance Union, Blackwell, Okla., expressing approval of move for better picture shows and indorsing House bill 3770; to the Committee on Interstate and Foreign Commerce.

8507. By Mr. LINDSAY: Petition of New York State Economic Council (Inc.), New York City, urging the reduction of governmental expenditures by abolishing useless commissions and consolidating departments and bureaus; to the Committee on Economy.

8508. By Mr. PERSON: Resolution of the City Council of Hamtramck, Mich., urging legislation permitting the Reconstruction Finance Corporation to invest its assets in notes, debentures, bonds, tax-anticipation notes, or other full-faith and credit obligations of cities in such amounts and for such public welfare or other necessary purposes as may seem fit; to the Committee on Banking and Currency.

8509. By Mr. RUDD: Petition of Uniformed Firemen's Association of Greater New York, Local Union No. 94, favoring the retention of the Bureau of Valuation of the Interstate Commerce Commission at its present standard; to the Committee on Appropriations.

SENATE

THURSDAY, JULY 7, 1932

(Legislative day of Thursday, June 30, 1932)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business, the home loan bank bill.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

The VICE PRESIDENT. The Senator from North Dakota [Mr. FRAZIER] is entitled to the floor.

Mr. SMOOT. Mr. President, will the Senator from North Dakota yield to enable me to suggest the absence of a quorum?

Mr. FRAZIER. I yield for that purpose.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Hebert	Reed
Austin	Costigan	Howell	Robinson, Ark.
Bailey	Couzens	Hull	Robinson, Ind.
Barbour	Dale	Johnson	Schall
Bingham	Davis	Jones	Sheppard
Black	Dickinson	Kean	Shipstead
Blaine	Dill	Kendrick	Shortridge
Borah	Fess	Keyes	Smoot
Bratton	Fletcher	Lewis	Steiwer
Brookhart	Frazier	Long	Stephens
Broussard	George	McGill	Thomas, Idaho
Bulkley	Glass	McKellar	Townsend
Bulow	Goldsborough	McNary	Trammell
Byrnes	Gore	Morrison	Tydings
Capper	Hale	Moses	Vandenberg
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walcott
Cohen	Hatfield	Nye	Walsh, Mass.
Connally	Hawes	Patterson	Watson
Coolidge	Hayden	Pittman	White

Mr. BLAINE. I wish to announce that my colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE] is necessarily absent. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

Mr. FRAZIER. Mr. President, the amendment that is pending is to add a second title to the home loan bank bill and it provides for the loaning of money to refinance the existing farm mortgage indebtedness of the farmers of the United States at a low rate of interest, the money to be provided through farm-land bonds backed up by first mortgages on farm lands at a rate of interest of 1½ per cent and 1½ per cent on the amortization plan.

When the Senate recessed last night I was quoting from some letters which I had received on this farm bill. I want to quote now from a letter which I have received from the president of a joint-stock land bank out in the Middle West. He is a man who has been in business for years and knows a good deal about the situation. He wrote me in regard to another subject and I sent him a copy of the bill. I want to read a part of his reply:

> At first blush I thought your bill bordered on the radical, but since that time and after a more careful study I have come to the conclusion that it is not only sensible, workable, and practicable,

but sound. It is the only plan offered that will save the farmers, and that means saving the country. If we are (and it seems certain we must) going into a period of limited or controlled inflation, you have solved the problem.

Instead of issuing more bonds upon which our people must be taxed, why not issue currency secured by the lands of our borrowers, which in turn is backed by the faith of our Government? As I view your bill, a farmer can refinance his loan on a 1½ per cent basis. He, in turn, pays off his loan to the bank, the insurance company, or the mortgage company. Land banks will redeem their bonds and bondholders will have the money for reinvestment. Insurance companies will use their pay-offs for investing in other securities. Farmers will no longer be burdened with debts they are unable to pay. They will be given a new lease on life; their payments are lightened, and they start making needed improvements, which means buying from merchants, manufacturers, implement companies, etc., and they in turn start the wheels moving by employing more men, buying more raw materials, etc., and the Government balances its Budget by way of income taxes.

Mr. President, I think this is a very logical argument in favor of the measure to furnish the farmers money at a low rate of interest with which to pay off the existing mortgages.

The letter continues:

If the lands of our country are ample security for the issuance of Federal land bank bonds, why are they not ample for the issuance of currency? Is there a better way to control inflation than the method you have proposed? Our farmers are broke, their credit is gone, they have nothing to borrow on, nothing left to pay with, and nothing to look forward to except the loss of their homes, which means increasing the army of unemployed.

Quoting further:

I believe I know the financial condition and needs of the farmers, and I tell you frankly, Senator, that nothing short of your bill is going to save them. I will go further and say that unless the farmer is saved, and saved quickly, practically all of the money loaned by the Reconstruction Finance Corporation will be lost. Unless agriculture is rehabilitated, there is no use trying to rehabilitate industry. If you save the farmer, you save the insurance companies, the manufacturers, the banks, and the railroads; but if his buying power is curtailed (because of heavy taxes, interest, and amortization payments), the organizations just mentioned above will go down with him.

Mr. President, there is nothing surer than that business of every kind will go down if agriculture continues to decline.

The writer of the letter continues:

He is asking no dole; he is seeking no charity; he is willing to give security. All he asks is an interest rate in keeping with the price of the commodity he produces. They tell us if people will start buying we will have good times. What, in the name of God, is a farmer to buy with? He is breaking his back economizing to meet interest and tax payments. It is not uncommon to see a farmer's daughter driving a tractor, his wife pitching hay, and his little children shocking wheat, all to an eye for economy and to save his home.

If either of our political parties will write a plank in its platform sponsoring the bill you have introduced, it will sweep the country. Every farmer, regardless of political affiliation, and every bondholder of land-bank bonds would be for it. The farmer is getting desperate, and I am told by some of our field men that in certain localities they are turning "red."

Mr. President, we have heard a great deal about people seeing "red" and turning "red" and about "red" organizations especially during the last few months. One of the farmers that came before the subcommittee which held hearings on this measure, a farmer from Wisconsin, a representative of the Farmers Union out there, as I recall, said that the farmers of his section were beginning to see "red." Some of the members of the committee asked him what he meant by that, and he went on to explain. He was a man in his sixties, and he said that there were thousands of others in Wisconsin of his own age, farmers and their wives, who had lived there from young manhood and young womanhood, and, perhaps, were born there, who were losing their land by foreclosure through no fault of their own, and he said they were beginning to see "red," and he could not blame them. Mr. President, I am frank to admit that I can not blame them, either. They have good reasons to be dissatisfied with present conditions.

Continuing, the writer of the letter says:

It would appear to me to be better business on the part of our Government to give our deserving farmers a line of credit, thus keeping them on their farms and enabling others to buy, rather than ultimately resorting to a confiscation and redistribution of land.

I not only compliment you upon the soundness of your bill, but I sincerely hope you will have it reported out of committee and passed. I assure you that our association [the joint-stock land banks] will get behind it 100 per cent.

That letter is from the president of a joint-stock land bank in one of the great cities in the Middle West.

Speaking of farmers seeing "red" or turning "red," I wish to quote from an article that was printed in the Washington Times of March 29 of this year, by Elsie Robinson. She goes on to tell about the funeral under communistic rites of a girl 14 years old out in a little country town in the eastern part of Montana. She pictured what a black and terrible thing it was for this little girl to be buried under the communistic ritual, with no prayer, no sermon, nothing of that kind, but with merely the reading of the communistic funeral ritual. Then Miss Robinson calls attention to the anti-red resolutions which were recently adopted by a great mass meeting against communism held in New York, and quotes the resolutions which were there adopted in regard to barring communists and deporting them and not recognizing Russia. She says that "unless we can prove that we have something better than communism," communism will continue to spread.

I wish to read just a part of what she says:

The Russians did not go communistic through sheer perversity. They overthrew the old government because the old government had failed them. They were hungry and homeless; they were neglected, exploited, and abused under the old form of government. They could stand it no longer. When men see red, they go red. They thought communism would save them from these evils. And so Russia became Bolshevik.

And now we are fighting communism in America.

But we can not curb communism merely by saying that we're the wisest and strongest and kindest nation on earth, and that all representatives of all other governments are so-and-so's.

We must prove that this is true. We must prove that America is a better, kinder place for working people than Russia.

We can do that—

If we can prove that American Government and American business give the working man a square deal; keep him from being hungry and homeless, neglected, exploited, and abused.

If we can prove that homes are safe in America—

That God is honored in America, and law respected—

Then we do not need to fear or fight communism. For men do not want to change their government if they are prospering under that government.

That statement comes from the pen of a young lady who writes for the Hearst papers, and it is sound logic, in my opinion. Unless something can be done for those farmers who are losing their land and their homes, unless something can be done to create work for the unemployed, unless something can be done to satisfy the common people of this Nation and to enable them to make an honest living, there is no doubt in my mind but that troubles will continue to ferment and the situation will go from bad to worse.

The president of the joint-stock land bank whom I quoted stated that if either of the old parties would indorse this bill they might sweep the agricultural sections of the country at least. I want to read the plank on agriculture recently adopted in the Democratic platform. It is headed "Help Agriculture" and reads as follows:

HELP AGRICULTURE

7. For the restoration of agriculture, the Nation's basic industry, better financing of farm mortgages through reorganized farm-bank agencies, at low rates of interest, on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure; extension and development of the farm cooperative movement and effective control of crop surpluses, so that our farmers may have the full benefit of the domestic market.

I am sorry that the Republican platform does not have an equally good plank on agriculture, but in my estimation it does not.

Mr. NORBECK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from South Dakota?

Mr. FRAZIER. I am glad to yield.

Mr. NORBECK. The Senator remembers, of course, that we had even a better one than that in 1924.

Mr. FRAZIER. Yes; I recall that very well, but it has not been lived up to, and I am wondering whether or not the Democrats who adopted this plank in favor of agricul-

ture are going to live up to it. It is as near the pending amendment as it can be without actually naming it or the bill from which it is taken.

I happen to know that some of the Democratic farmers took this matter up with the platform committee at Chicago, and one of them, a representative of one of the great farm organizations from one of the agricultural States in the Middle West, wrote me after the Democratic convention was held, saying that this plank in the Democratic platform on agriculture was practically carrying out the sentiment of the bill which is embodied in the pending amendment.

The plank in the Democratic platform also, in addition to advocating lower rates of interest, says that something should be done "giving preference to credits for the redemption of farms and homes sold under foreclosure." Mr. President, the pending amendment provides for not only the redemption of existing farm mortgages but also contains the provision that tenants who have been farming for at least three years may be given the advantage of this proposed law to enable them to purchase land under easy term payments. It also provides for the repurchasing by any farmer or by members of his family of any farm lost since the deflation in 1920. It means that the actual farmers who are on the land and the tenants who are on the land, or the farmers who have lost their land and homes during the past 10 or 11 years, may have a chance to purchase or repurchase at low rates of interest and with easy terms of payment.

Mr. President, unless something of this kind is done I can see no hope for agriculture. It has been the history of every great nation since the beginning of time that just as soon as the agricultural interests, those who produce the food products, are neglected, just so soon as the agricultural interests go down to defeat and disaster, just so soon has such nation gone down. It is true, Mr. President, the nation that neglects the people who produce its food products, the necessities of life, is not going to continue in existence any great length of time. We have got to do something if we are going to maintain our agricultural interests, our farmers, as real home owners of the country.

A great deal has been said during the discussion of this home loan bank bill to the effect that in order to promote the best kind of citizenship and to instill patriotism it is absolutely essential to have citizens become home owners. That sentiment applies to the farmers just as well as it does to any other class of people. The original bill will provide means by which the city home owners, the workers in the city, may maintain their homes, may hold possession of their own homes, and I hope it will provide means for them to continue payments on their homes. This amendment provides means for the farmers to redeem and save their homes, to save themselves from foreclosure, and I feel that the amendment should by all means be adopted, in order to carry out the policy proposed by the home loan bank bill to aid the city workers and other residents of cities who have mortgages on their homes. This will do likewise for the American farmer.

Mr. President, unless some Senator desires to ask me a question in regard to the amendment, I will take no more time at present.

Mr. NORBECK. Mr. President, I have listened with much interest to the splendid presentation of the distinguished Senator from North Dakota. He has worked hard on this measure. Possibly he also thought it was radical when he started with it, as a good many others did. Some changes were made by the committee; the measure is in better form than it was, and, Mr. President, I intend to vote for it. If I had no other reason for voting for it, I should vote for it as a protest against existing agricultural conditions.

I shall vote for it with the realization that liquidation has got to come either through some method of refinancing or through foreclosures. In supporting the measure I do not mean that it is the only thing necessary to put agriculture on a profitable basis, for, Mr. President, at the present time the farmer can not even pay 2 per cent interest. If he can not make a profit, he can not pay 8 per cent; he can not pay 6 per cent; he can not pay 4 per cent; and he can not pay 2 per cent. It is simply one of those things that will have to come into the picture before agriculture is restored to its normal place. By that I mean the place that it occupied for the previous century or longer, when there was some earning power on the farm, when there was some purchasing power on the part of the farmer, when there was some little wage, at least, for the people who were engaged in agricultural pursuits.

It is experimental; we will admit that to some extent. The objections raised against it are two or three fold. First, that it would not be able to take care of all the farmers at one time. That is admitted. Second, that it would create a form of inflation. Well, we are trying to inflate; we feel the necessity of inflation; we are going to inflate, and, therefore, it is a question of form. We are going to inflate because there is not an economist in the United States of America who claims that mortgages can be lifted on present earnings. There is not an economist in the United States who claims that the mortgages on farms, on apartment houses, on hotels, or any other property, can be paid from present earnings. There has to be a change of base or there has to be a long-time liquidation. No one denies that. Therefore it is a question of which way to do it.

We are told that this thing might endanger the gold standard. I do not want to endanger the gold standard, but there is more than one kind of gold standard. If we have a gold standard that does not permit the indebtedness to be paid, we have a different kind of gold standard than France has, than Great Britain has, than Canada has. We have the dearest money, it seems, of any country in the world now, although we are on the gold standard. The gold standard itself does not signify so much, for we have a sort of managed gold standard. We had high inflation in 1919 under the gold standard. We have not at this time. Now it takes three, four, five, six times the amount of commodities or labor to pay a mortgage that it took when the mortgage was given.

The relative positions of dollars and commodities have changed. The relative positions of dollars and property have changed. Is it necessary that we maintain the present unfair conditions as a matter of integrity? I think not. I think we must look the situation in the face and meet it, and I suspect that this Congress is going to do something more radical in the future, so I am not shying at this bill, though I wish we would start at the right end.

I never have believed that we could get ourselves out of the hole by borrowing money. I do not believe we can lift agriculture out by lending them more money. I am sure we can not lift industry out by lending them more money. I am sure in my mind—though it is only a personal opinion—that loans even to banks in distress at best are a temporary matter; that loans will not absorb losses, and that they will have to charge off or earn in some way anyhow. So the matters we have been dealing with at this session have been temporary instead of fundamental, and I regret that very much.

Loans are made to railroads, because their transportation is necessary. Is it not even more important to produce the product than to haul it?

Loans are now being made to the railroads by the Government with a full realization that it is not good security. I will go farther: Loans are made with the full realization that the Government may become the owner of the railroad property. The excuse given is that the insurance companies are carrying the railroad securities back of life-insurance policies, and, therefore, it is necessary to protect the investment.

If the argument be sound, then why leave out the value of farms? It is well known that the life-insurance companies are heavy investors in farm mortgages, almost as heavy as they are in railroad property. The logic is the same in both cases. Why not face the situation squarely and admit that if we are to protect the value of life-insur-

ance policies, we must protect the value of farm lands? This can only be done in one of two ways: First, by increasing the earnings; second, by the Government assuming the loss, as in the case of railroads.

I want to take this occasion to say that I shall urge in all seriousness that this session of Congress shall not adjourn without devoting another day or two to the question of passing some measure calculated to restore the purchasing power of agriculture.

We had a measure here that the farm organizations agreed upon. It was debated at length. A good deal of opposition developed to it. Some holes were punched in it. It was sent back to the committee, and those who had labored all winter with it were in despair over the fact that Senators were so divided on it. So, Mr. President, the Agricultural Committee have done the only thing that is left. They have recommended a temporary measure which aims to increase the prices of this year's crops of the staple commodities, and do it without expense to the Treasury.

I have here a telegram from one of the most conservative men in my whole State. He says:

> Most grains will not pay the cost of harvesting and threshing. Rye is 12 cents per bushel; barley is 10 cents; oats is 8 cents; wheat is 29 cents.

Mr. President, there is a pretty good crop over a large section of the Northwest now. Following a complete failure last year, the Government generously loaned the farmers money for seed wheat and took a first mortgage on it. The crop is there, and most crops will not pay the cost of harvesting. We are talking about a return of prosperity, a return to normal conditions, and all we are doing is to loan somebody some money out of the Treasury. Are we going to go home and leave matters that way? If so, we know what course we are going to travel. We are going to travel the course of slow and hard liquidation and further depression in values that will not be limited to any one section of the country. It will be nation-wide. Equality will come, but it will come by the most expensive route, by the most distressful route that can come.

I am thinking, Mr. President, that that situation can be relieved somewhat; that these people might have somewhat of a wage this year without adding to the price of a loaf of bread or a pound of pork on the part of anybody. Therefore the Agricultural Committee has recommended the bill of which I am about to speak. It proposes to increase the price of three staple commodities—wheat, cotton, and hogs. These three are selected, and it is limited to them, first because it is recognized that in a 1-year experiment we should not take on too many commodities. We should try to do something simple, something that we are quite sure will work. It is desirable to limit the experiment to a few commodities, but a few that are nation-wide, those few that will affect the whole standard of price along agricultural lines. The bill is limited to them because of the fact that these are the three major crops that must be fabricated. The hogs must go to the packing house; the wheat must go to the miller; the cotton must go to the spinner.

From the factories is collected a tax for the purpose of creating a fund which will be paid to the farmers on that part of the crop which is consumed in the United States of America. It is not proposed to give a bonus on crops that are exported. It is only proposed to try to raise the price level on that part of the crop which is consumed at home. This bill proposes an increase in the price of hogs by 2 cents a pound, in the price of cotton by 5 cents a pound, and it proposes to make the tariff effective on wheat. In fact, it proposes to make the tariff effective on all these commodities, because the tariff on hogs is 2 cents. The tariff on wheat is 42 cents. There is no tariff on cotton; and as the bill was introduced in the House it provided for a tariff on cotton of 5 cents per pound. Of course we had to strike that out on the Senate side, because it is recognized that we can not initiate a tariff measure on the Senate side. We are striking it out, therefore, in order to do the thing right, and in order to avoid any argument on that score.

I know that we are going to be faced with the argument that there are certain tax features in this bill, and some people are technical enough to say that all of those features must originate in the House. I do not share that view after talking to good lawyers, good students, good parliamentarians in the Senate and in the House of Representatives; but I submit that if that is the question on which the measure is to turn, let the House decide it. Let us send the bill over to the House. If the House says, "This bill originated improperly in the Senate," we are helpless. They have the final decision. It is theirs. We abide by it; but why raise it on this side of the Capitol when it is at most a close question?

When the pending business is disposed of—the home-loan bank bill, with its amendments—I should like very much to have the Senate take up this agricultural bill, and I shall make a motion at that time to take it up unless the Senator from Virginia [Mr. GLASS] prefers first to take up the inflation bill, the Goldsborough bill with these amendments on it. I do not have reference now to the general banking bill, with its branch-banking features. That is a controversial matter; but there is one Glass bill pending here to which I believe both sides of the Chamber will agree. I believe there is one here for which both conservatives and radicals will vote; and I believe that, like a lot of other things, it will be helpful in a small way at least to the situation now before us.

Mr. BROOKHART. Mr. President, the agricultural interest rate is one of the heaviest burdens upon agriculture. Since 1920 prices received by agriculture have been wholly inadequate to warrant the interest rates that have been paid either on long-time loans or on short-time loans.

The amendment offered to this bill by the Senator from North Dakota [Mr. FRAZIER] proposes a governmental refinancing of long-time interest rates. I think something of that kind is absolutely necessary to be done before agriculture can get a square deal as to the interest rates it must pay.

Mr. President, when we came into this session of Congress, Senate bill No. 1 was exactly this kind of a bill, providing $2,000,000,000—$500,000,000 of direct appropriations from the Treasury, and $1,500,000,000 of bonds upon which the Treasury is liable. That was limited in the first instance mainly to loans to banks, to railroads, and to insurance companies; and we find out that one bank over in Chicago gets $80,000,000 of it, although all the banks in Iowa have received only some $27,000,000 for the whole State. While that scope was enlarged to some extent, yet it was a bolshevik measure. It was a governmental measure. The banking institutions of this country admitted that they had failed and could not meet the pressing demand for financing their big institutions.

Then, Mr. President, after that measure had been in operation a little while and after it had failed to stop bank failures and to stop the depression—in fact, the depression continued to go lower and lower—now they are back again with a demand for $1,500,000,000 more; and while the House provision has enlarged that so that some of it can be loaned to farmers or anybody, yet the White House is demanding that it be restricted still to these few special-privilege classes. It is more than $1,500,000,000; it is $1,800,000,000 in this new proposal, making a total of $3,800,000,000 of money that is to be provided or guaranteed by the Treasury of the United States for the relief of these financial institutions.

The broadening of the lending power so that it might include the farmer does not mean much to agriculture in that bill. It would be difficult to set up an organization under the head of the Reconstruction Finance Corporation that would reach out to agriculture. Therefore the amendment proposed here goes directly to agriculture, and will directly bring about the effect of reducing the interest rate throughout.

I will ask the Senator from North Dakota what is the total amount proposed by his amendment?

Mr. FRAZIER. Mr. President, there is a proviso that when $75 per capita is reached the notes will be called in, so that the total amount of new money that would be issued under the amendment would be $3,500,000,000.

Mr. BROOKHART. Not quite as much as we have already provided, then, for the railroads and the banks and the insurance companies; and agriculture is more important to our civilization, holds a bigger place, than all of these things combined.

The Senator from North Dakota has provided that this money shall be raised by a Treasury note issue, and not by bonds, as provided in the other bills. I think that is a much sounder and more sensible provision than the other, because commodity prices are so low everywhere that we need an extra money issue in order to raise them up to a normal level. I feel almost sure, however, that even three and a half billion dollars of issue of that kind would still leave not only agricultural but other commodity prices lower than they normally ought to be. Therefore there is nothing unsound about this proposition all the way through.

Talk about an honest dollar; the dollar we have now is the most dishonest we have had in our history. It is charging everybody who owes a debt two or three times as much as when that debt was contracted. It is worse than the depreciation of Civil War times. That kind of a dollar is not an honest dollar, and this issue of Treasury notes would tend to correct that situation. The expansion would certainly raise commodity prices generally, prices of all commodities, and perhaps a little more on agriculture, because agricultural commodities have depreciated more than the other commodities of the country.

Now I have just a word to say to the Democratic side on this matter. The Democratic platform says:

> For the restoration of agriculture, the Nation's basic industry, better financing of farm mortgages through reorganized farm bank agencies at low rates of interest, on an amortization plan giving preference to credits for the redemption of farms and homes sold under foreclosure.

That is a far-reaching declaration, and it is a much more effective and desirable declaration than anything in the Republican platform.

I have already commented upon the Republican platform. I think it abandoned its good position of 1928. It said nothing about refinancing. It said nothing about control of surplus or a cost-of-production price for the farmers, and the Democratic platform contains those great and fundamental propositions.

Continuing further, the Democratic platform says:

> Extension and development of the farm cooperative movement and effective control of crop surpluses—

That is the vital proposition, and the Republican platform distinctly avoided any mention of control of the agricultural surpluses.

> so that our farmers may have the full benefit of the domestic market, enactment of every constitutional measure that will aid the farmers to receive for basic farm commodities prices in excess of cost.

Mr. President, there is plenty of constitutional power to get that sort of a price. The Democratic Party did that once before. In 1919 it passed a law respecting wheat which absolutely did what this platform now declares as to all products. Some say that was a war emergency. The war was over, however. That law was passed on the 4th of March, 1919, and the emergency, so far as agriculture was concerned, was not one-tenth as serious as the emergency of to-day. On an emergency basis we can do everything that was done in the Democratic law of 1919. If that were done, together with the amendment which the Senator from North Dakota offers here for refinancing farm mortgages, agriculture's buying power would return, its credit would be restored, and the first solid foundation for prosperity would be provided.

I agree with the Senator from South Dakota that what we have done so far is at the wrong end of this proposition. Prosperity is not going to return as a result of lending more money to anybody. A man's prosperity returns as he can pay his debts, and this scheme of constantly extending credit, and that usually at high interest rates, is going to drive us down deeper into depression. It will only postpone the day of recovery.

Last week three telegrams came to me of failures of national banks in the State of Iowa, and this morning I learned of the failure of one of the biggest State banks in the State at Burlington, Iowa. So, Mr. President, the depression has not stopped; we are being driven down deeper and deeper, and it is not going to be stopped without drastic action.

I have pointed out that heretofore when we have had depressions agriculture has helped us out from them, because agricultural lands were advancing in price up to 1920. That kept agricultural credit and its buying power good, and agriculture was then able to assist in lifting the country out of the six depressions we have had in the last 50 years prior to 1920.

Since 1920, however, with agricultural lands constantly declining, and declining more in the last year than in any other period, agriculture has been powerless to help anybody out of this depression. Its buying power is reduced to the very bottom, and its credit has been almost entirely destroyed.

The pending amendment, if it were agreed to, would be enacting a law in accordance with the Democratic platform just adopted, and it would at once restore agricultural credit. That would be followed later by the restoration of agricultural buying power.

The Senator from South Dakota [Mr. NORBECK] has discussed the bill just proposed by the Farm Bureau Federation. That applies to three agricultural products. As far as I am concerned, I have voted for every measure that promised any help for agriculture in respect of any crop, whether it was cotton in the South, wheat in the North, dairy products in the East, or whatever it might be. This bill, if it should be passed, would be of some assistance. However, it is a taxing plan. It would first levy a tax on the processing of cotton and wheat and hogs to increase the price to the farmer up to the top of the tariff. That is the old Alexander Hamilton scheme of protecting agriculture by a bounty. That would be nothing more than a bounty. It would raise the prices of agricultural products by the amount of the rates placed in the bill, but it would be an expensive operation. On cotton it would not be more expensive than using the debenture, because half of the cotton or more is exported. On wheat, where only 20 per cent is exported, we would have to pay a bounty out of the Treasury to raise the price of the other 80 per cent. On hogs, where only 7 or 8 per cent is exported, we would have to pay a bounty out of the Government Treasury to raise the price of the 92 or 93 per cent that is used in the United States.

Therefore, Mr. President, I think it a better plan, a cheaper plan for the Treasury, to follow the bill which the Democratic Party enacted on the recommendation of President Hoover himself, and of Julius Barnes, now chairman of the board of directors of the United States Chamber of Commerce, on the 4th of March, 1919.

I think that bill would be much less of a drain upon the Treasury, and would accomplish exactly the same result. Of course, it is a price fixing bill, but the bill to which I have just referred is a price fixing bill. The tariff itself is a price-fixing institution. That fetish that we can not do a thing because it is price fixing has certainly fallen by the wayside as we have gone ahead in these propositions.

The Senator from North Dakota has told us something of the development of red ideas, as they are called, in this country. There is an army here now of some 20,000 ex-soldiers, loyal as ever soldiers were, patriotic as soldiers have ever been, starving, and they would be starving at home if we succeeded in enacting the measure introduced by the junior Senator from Nebraska [Mr. HOWELL] to send them back home. Many of them will not go back home, because there is nothing for them to eat there and there are no jobs there for them.

Then there are the farmers. Two million of them have lost their homes since 1920, and they are almost entirely out as these ex-service men are.

Then there are seven or eight million laborers in the United States without jobs. Yet last year, in this depression,

we had a national income of $60,000,000,000, twenty-five hundred dollars for every average family in the United States, and most of the net taken by about 173 big financial combinations in the United States.

Mr. President, it is this situation that is developing an antipathy to the Government of the United States, and we sit here appropriating billions of dollars for the benefit of these same big financial institutions which have brought us to this condition, and then when we come to a measure for the relief of agriculture, for the relief of labor, or for the relief of the ex-service men, we are turned down as proposing something unsound and bolshevistic.

The PRESIDING OFFICER (Mr. AUSTIN in the chair). The question is on agreeing to the amendment offered by the senior Senator from North Dakota [Mr. FRAZIER].

Mr. BLAINE obtained the floor.

Mr. FRAZIER. I would like to suggest the absence of a quorum.

Mr. BLAINE. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Hebert	Reed
Austin	Costigan	Howell	Robinson, Ark.
Bailey	Couzens	Hull	Robinson, Ind.
Barbour	Dale	Johnson	Schall
Bingham	Davis	Jones	Sheppard
Black	Dickinson	Kean	Shipstead
Blaine	Dill	Kendrick	Shortridge
Borah	Fess	Keyes	Smoot
Bratton	Fletcher	Lewis	Steiwer
Brookhart	Frazier	Long	Stephens
Broussard	George	McGill	Thomas, Idaho
Bulkley	Glass	McKellar	Townsend
Bulow	Goldsborough	McNary	Trammell
Byrnes	Gore	Morrison	Tydings
Capper	Hale	Moses	Vandenberg
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walcott
Cohen	Hatfield	Nye	Walsh, Mass.
Connally	Hawes	Patterson	Watson
Coolidge	Hayden	Pittman	White

The PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from North Dakota [Mr. FRAZIER]. The Senator from Wisconsin [Mr. BLAINE] has the floor.

Mr. BLAINE. Mr. President, it will be my purpose to approach approval of the pending amendment offered by the Senator from North Dakota [Mr. FRAZIER] upon some fundamental bases and sound principles. I appreciate that a proposal of such importance as his amendment is bound to draw some criticism. I appreciate that the amendment is not perfect. I appreciate that seldom is perfection found in any legislation when it is proposed for the first time and under discussion. Every important bill goes through a long series of amendments toward perfection, and if the matter now before the Senate as the amendment of the Senator from North Dakota were here for the first time, I would propose such amendments as in my opinion would considerably improve the machinery proposed to be set up and would take a shorter course to the same objective, at the same time establishing the same principles that are involved. But I appreciate that the amendment can not be adopted, and I know how futile it would be to hope for its adoption even if it were brought to 100 per cent perfection that would meet many of the technical objections that might be raised against it by some. Therefore, I shall content myself by discussing the principles involved and the objective of the amendment rather than its mere mechanics, which, in my opinion, will serve a proper purpose.

I also appreciate that there are many panaceas offered in these times for the solution of every ill with which the American people are afflicted. I know there are many panaceas offered to aid agriculture. I also observe that there are different measures which have been introduced which, if they would be effective, would aid only a part of agriculture. My position in this matter is that when we earnestly and sincerely approach the proper solution of the present agricultural depression, we should consider fundamentals, fundamentals that will apply to all agricultural production, whether it is that of grain or meat, or fruits and vegetables, or cotton and its by-products, or dairying and its by-products. Therefore, before entering upon a discussion of the purposes of the amendment I want to point out three fundamentals which must be applied if we are going to solve the problems of agriculture and put agriculture upon a sound economic basis.

First. Federal farm loans on farmer-owned and farmer-operated farms at a rate of interest not exceeding a rate that the farmer can afford to pay on the basis of the price level of his commodities, and for the spreading out of the payment of the principal over a number of years under the amortization plan.

Second. Make the tariff effective on farm products as it is effective on industrial products. The only method for that purpose which has been suggested and which, in my opinion, would be effective is the debenture plan.

Third. Restore the price level for agriculture to that of the period of 1926 or thereabouts as representing the normal price level for agriculture, from which the fixed charges on agriculture may be paid. To restore the price level it becomes necessary to put the purchasing power of the dollar on a parity with the purchasing power of the dollar at such time. I submit that it is unfair to ask that a debt contracted on the basis of a cheap dollar shall be paid with a dear dollar. I suggest that it is unfair when a farmer rolled $1 away from the bank for the purpose of financing his operations that he should be compelled to roll $3 back to the bank with which to pay off the $1 of indebtedness.

I shall not discuss all of these fundamental proposals. The Senate has approved the debenture plan, to have it defeated, however, in conference committees or by the veto of the President. The restoration of the price level has been proposed under the plan set forth in what is known as the Goldsborough bill, a bill originating in the House of Representatives and there passed by an overwhelming majority. The bill came to the Senate, was referred to the Committee on Banking and Currency, and by that committee reported with an amendment, and is now upon the calendar of the Senate.

This morning, therefore, I propose to discuss only the first one of the fundamentals which I have set forth. It will be recalled that it was Mr. Lawrence Dennis who rendered some valuable service in connection with the investigation of foreign loans and who was formerly a member of the United States Diplomatic Service, and in a private capacity was employed by the great banking firm of J. & W. Seligman. Mr. Dennis is an ardent supporter of the protective tariff system; he is an ardent advocate of the maintenance of the gold standard; he is an intelligent proponent and defender of the capitalistic system of the world and of the United States. Therefore, when he speaks he does not speak as a radical. He is bitterly opposed to a dictatorship under fascism or sovietism. His discussion of these problems, therefore, ought to appeal to the conservatives of the Senate and of the Congress as a whole. With this description of his background, I desire to read a few excerpts from a very valuable and analytical treatise which he has written and published in 1932. In discussing the agricultural question, the farmers' problem, he states that:

> During the World War the United States proceeded on the assumption that Government interest in agriculture was limited to production. As Messrs. Stodyk and West point out in their book on the Federal Farm Board (p. 117), the keystone of our war economic philosophy was expressed by the Food Administration. "Its [the Food Administration's] effort to maintain a price that will remunerate the farmer and thus stimulate production, for production is the keystone of winning the war."

Mr. Dennis proceeds:

> Some 4,000,000 men were stimulated without such remuneration to produce services which the country seemed to find quite valuable at the time.

He refers to the veterans of the World War. Mr. Dennis further says:

> Our President and business men, however, have recently evinced great hostility to their further remuneration in a pecuniary way, but that is another story.

Going directly to the farm proposition, Mr. Dennis says:

Beyond the war period no one in authority in the United States seemed to care a straw. The Government wanted goods to win the war. Business wanted profits. The war is said to have been won. Business got the profits. And the farmers got higher taxes, bigger debts, and smaller incomes.

On the continent of Europe price regulation prevented such wild excesses in land-value inflation and credit uses as our farmers committeed. The effect of such unwise uses of agricultural credit as were made have been annulled by currency deflation. England is at last being forced to recognize that there is only one thing to do with impossible debts, and that is not to pay them. Debts can be repudiated, after the fashion of the Soviet Government and several Southern States in the United States. Debts can be wiped out by currency devaluation. And lastly, debts can be canceled along the lines now being followed in the United States and abroad; bankruptcies and defaults; but the farmer is the last man to default, because his farm is his home, and a man will suffer a lot before he will render himself homeless. He, therefore, pays as long as he can through a reduced standard of living and to the paralyzation of trade.

Mr. President, in our social and economic and financial system agriculture is the bulwark. When the last stand is taken to defend that system agriculture will be the only surviving defender of that system. This is a broad statement, but let me demonstrate beyond the peradventure of a doubt that agriculture has a great stake in the maintenance of a sound social, economic, and financial system. The individual farmers own the soil of the United States; that soil produces the food for the teeming millions of our country, without which there would be famine. Let me point out the importance of agriculture in this social, economic, and financial system of ours. Mr. Dennis in his treatment of the subject—and I quote from him again—says:

If capitalists were as intelligent in their support of capitalism as they have been greedy in the pursuit of profits, they would make the farmer the subject of their special solicitude. In no other field of human activity is the percentage of capitalists so high as in farming, and in no field are they worse treated.

I note this significant fact:

Of 9,801,000 private enterprises in the United States in 1928, 6,124,000 were farms—

Two-thirds of all the private enterprises in the United States were farms—

according to Dr. Wilford I. King's study of the national income.

Doctor King is a member of the faculty of New York University.

In agriculture 39 per cent are laborers, 37 per cent are full owners, and 23 per cent are tenant farmers having a proprietor's interest in a considerable amount of productive property. In manufacturing the wage earners constitute 84 per cent of the total number employed. Of the remaining 16 per cent, a majority are salaried employees. The farmers purchase a tenth of our manufactures, pay two and a half billion dollars in wages and one-fifth of all taxes, though they receive but 9.3 per cent of the national income. The capital they have invested in agriculture is greater than that invested in manufactures, mining, and railways. This investment represents one-fifth of the total wealth of the country.

That demonstrates how the farmer is the principal mainstay of our whole social, economic, and financial system; and to break the farmer means the crumbling of that system. As I have said, he will constitute the one single bulwark; his stand will be the last stand to be taken.

Pursuing this proposition a little further, one-half of the farmers are in debt. That debt to-day—and I think I ought to correct the figures given by the Senator from North Dakota—far exceeds $9,000,000,000. The figures $9,000,000,000 and a little more to which the Senator from North Dakota referred are taken from the statistical information furnished by the Government of the United States, which fails to include that form of farm indebtedness known to us in the Northwest, and especially in the Mississippi Valley, as indebtedness evidenced by land contracts. Seldom if ever are such land contracts recorded, and therefore that type of indebtedness is not disclosed to those who compile the figures of the total indebtedness.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. BLAINE. I yield.

Mr. NORRIS. I think the figures referred to by the Senator from North Dakota embrace merely real-estate mortgages.

Mr. BLAINE. They cover real-estate mortgages only.

Mr. NORRIS. I should like to call the Senator's attention to the fact that in speaking of the farmers' debts, real-estate mortgages, even including the land contracts to which the Senator has referred, do not come anywhere near showing all the indebtedness of American agriculture.

Mr. BLAINE. I was going to approach that.

Mr. NORRIS. I will not interrupt the Senator, then.

Mr. BLAINE. I thank the Senator.

Add to the nine billion odd dollars of farm mortgages the indebtedness evidenced by land contracts, and the indebtedness evidenced by chattel mortgages on the personal property of the farmer, plus the short-time and intermediate credits, the items outside of farm mortgages and land contracts—according to some recent figures which I have before me somewhere, they exceed $3,000,000,000—and the total farm debt is in excess of $12,000,000,000. In fact, if all the information were available, we would find that it would mount up to close to thirteen or fourteen billion dollars; but for the sake of the argument let us assume that $12,000,000,000 is in the neighborhood of the total farm indebtedness.

The average rate of interest upon that total farm indebtedness is slightly more than 6½ per cent per annum. Some of that farm indebtedness, of course, bears a rate of interest as high as 7, 8, 10, and 12 per cent. Some of it, a very small portion of it, bears a rate of interest of 5 and 5½ per cent; but we can safely figure the average at 6½ per cent per annum. That means a total interest charge on agriculture of close to $800,000,000 a year. To that must be added another overhead expense, namely, taxes, that amount to probably $775,000,000 a year. Then the tenant farmer pays in rent about $700,000,000 a year, according to the statistical table furnished by Mr. Dennis.

Mr. President, let us examine the influences that determine production, that cause surpluses, and the results that flow from such influences.

I am contending here this morning that this $12,000,000,000 of debt upon agriculture is the driving force toward overproduction; and the lower the price level of farm commodities, the greater becomes that driving force to overproduce. Let us examine that for just a moment. I believe I can demonstrate the soundness of that proposition.

We will take an individual farm of 160 acres. We will assume that that farm produces a diversity of crops. I am thinking now of farms in my own State, where diversification has been carried on so long. The farmer who owns that farm, we will assume, has no mortgage upon it. He owes no debts. The only fixed overhead in the operation of that farm is taxes. He can determine how much machinery he shall buy. He can determine other operating expenses. He alone can decide whether or not he shall employ labor or extra labor. But in that situation, if prices are low, if those prices fall to the low level at which we now find them, it is in the very nature of things for that farmer to retard his production. All that he cares to produce is a sufficient quantity to pay the fixed overhead charge—namely, taxes—to pay the essential and necessary living expenses of himself and family, and to pay for such machinery, improvements, and equipment as he may desire to select, all of which he will restrict, because there is no inducement for that farmer to produce in abundance. The driving force behind him is simply to produce that which is necessary to take care of the essential expenses and this single overhead fixed charge of taxes.

So that in a period of falling prices the farmer without any farm indebtedness is not induced toward overproduction. In fact, all of the tendencies are for him to produce in less quantities. He does not feel like exercising his labor long into the night and early in the morning, and the labor of his wife and family, when the proceeds of that labor will represent such a very small and meager income. As I say,

therefore, the farmer so situated is not impelled to overproduce.

Let us look now at the other class of farmers.

Over one-half of the farmers of this country have a mortgage debt, or they are in debt. Those farmers not only have an overhead fixed charge of taxes but they also have the overhead fixed charge of interest. During a period of falling prices, such as the farmer has experienced in the last two or three years, he has an inducement, an incentive, to produce more and more. The farm is his home. He perhaps has lived upon that farm for a lifetime. Perhaps he is the successor in ownership of that farm through his father preceding him. That farm has become an institution. It has become a way of life for him. Not only is the possession and continued occupancy of that farm a matter of sentiment but it is a matter of self-preservation for himself and his family. A farm is something more and something different than rooms in an apartment house, or the occupancy of a rented home in a city or village, something more precious to the owner and occupant than are these places of habitat which are mere temporary affairs in the life of so many people in this country. Therefore, the farmer who is in debt—and let me emphasize that over one-half of them are in debt—is driven not only by the force of economic circumstances but also by the force of self-preservation to produce, produce, and produce more, so that he may have some production with which to pay these fixed overhead charges of interest and taxes.

His production may not be highly remunerative; but in a period of falling prices, in a period of low prices, the desire to maintain and preserve that home, to salvage the labor of himself and his family, perchance to save that home, that farm, for his children impels him to greater effort for greater production, even though that production may not be remunerative. He reduces himself and his family, by force of circumstances, to a lower standard of living, to accept less and less the pleasures to which he is entitled. He may curtail the education of his children, limit them to the common school of his district, take them out of the high school and normal school because he can not afford to pay their expenses. He must husband the income that he receives in order to pay his taxes and the interest upon the debt upon his farm.

Therefore, Mr. President, it must be obvious to anyone that a farmer so situated is driven to the position of producing more and more and more, in the hope that the time may come when there will be an upturn in affairs and he will thus be permitted to save his farm and his home.

Overproduction is largely the result of this tremendous burden of farm mortgages. If the weight of farm debts could be lifted off the shoulders of agriculture, agriculture would be able to take care of itself under any degree of a fair economic system in this country.

We build our navies—for what purpose? As security against foreign foes, to protect our shores and our cities and our Government. We spend millions upon millions of dollars for that protection.

We raise our armies, and support those armies out of what the Government collects from the taxpayers of the country—for what purpose? To assure us against the attack of an enemy.

We erect our tariff walls—for what purpose? To protect our industries, presumably to protect our workingmen, and thus assure prosperity in those fields of endeavor. Every single dollar of the tariff taxes is taken out of the pockets of the people of this country, and in normal times that has amounted to over $600,000,000 a year.

Mr. President, here is an institution—agriculture—not primarily established to be a profit-making enterprise, but rather to be a self-sustaining, self-supporting enterprise for the men and women upon the farms and to supply the necessary food products for our citizens everywhere.

As I pointed out, two-thirds of the private enterprises of this country are farms. Why should not the American Government protect this great institution? Under the amendment offered by the Senator from North Dakota it is proposed that this tremendous burden of interest charge of some $800,000,000 or thereabout should be reduced.

There are different ways out for agriculture. If agriculture repudiates its debt, all of the forces of the courts, the forces of the militia, and the forces of the Army may be used for evicting men and women from this precious institution, which is a way of life for them, and for turning them out upon the highways to join the other millions of unemployed.

Bankruptcies and defaults and receiverships may be the way out, but they mean agony, more distress, and a reduced standard of living for these men and women upon the farm, and eventually the paralysis of our entire social, economic, industrial, and financial system.

You can not persecute one-half of the farmers of this country and expect them to continue to be the bulwark of our institutions. You can not bring to their knees the nearly three and a half million of men who own the farms now under mortgage without undermining the stability of our economic and financial institutions.

Therefore, when we tax the American people $600,000,000 in tariff taxes to protect industry, when we tax the American people millions of dollars to support a Navy and an Army to preserve the country against its enemies, I do not understand how we can hesitate to take a small amount out of the Treasury of the United States over a period of some forty-odd years in order to protect this great social, human organization known as the farmstead; and in protecting that institution we are building a wall of defense, we are buttressing the foundation of our Government, as the greatest means and source of defense against whatever evil forces there may be from within or from without.

This amendment does not propose a subsidy to agriculture, or a forgiveness of agricultural debts. While the amendment may have its imperfections, the fundamental purpose of the amendment is sound. It is practical and it would be effective if enacted into law.

What would it cost the American taxpayer to set up the financial organization designed by the amendment? That is a pertinent question and it should be answered, and I shall undertake briefly to reply to it.

Roughly speaking, all the $12,000,000,000 of indebtedness will not need refinancing, at least, if the amendment which I shall propose to the amendment is agreed to.

I propose that the amount of loan to any borrower shall not exceed the maximum of $15,000, and that preference shall be given to applications for loans of $10,000 and under, and shall be limited to persons engaged in the cultivation of the farm upon which the loan is to be made or to the person who at the time of application intends to engage in the cultivation of the farm upon which the loan is to be made, either by the owner of the farm or his employee.

I propose to interpret "owner" as including an individual, a copartnership, a joint and several tenant, but not to include a corporation. I do not believe that we should encourage mass farming. In my opinion, mass farming would mean the end of the independent farmers of the country. The Government would not be able to underwrite mass farming. Mass farming means that all other farmers would be reduced to a state of unemployment or tenancy of some kind or character. What I want to do is to preserve the farmer-owned, farmer-operated farm as an institution, as a means of a spiritual form of life not only for the present generation but for generations to come. We should not finance corporate farming, which after all is only another way of saying "mass farming." We should not encourage speculation in farming or in farm lands. The object of the Government should be to encourage and develop individually owned and individually farmer-operated farms, for therein lies the greatest security for agriculture and the greatest security for our social, economic, and financial institutions.

With that proposed amendment adopted, the farmers who are to-day heavily mortgaged—and, for that matter, farmers who are not heavily mortgaged but who are in debt—would be able to save themselves.

One-half of our agricultural operation, as I said, is by farmers who are under debt obligations of some character. As I am advised, the interest charges upon that class of farmers, excluding farmers who have the larger loans, will run about $700,000,000 a year or perhaps only $675,000,000 a year. The proposal as contained in the amendment submitted by the Senator from North Dakota would reduce that interest charge a little more than one-half. The bonds are to draw an interest rate of 1½ per cent. If the rate of interest on those bonds were fixed at 2½ per cent they would be disposed of at par. Under any circumstances the discount upon those bonds would not run more than 1 or 1½ per cent. The very maximum of the charge against the Federal Government in the depreciation of the bonds would amount to not more than $125,000,000 a year.

As I said, if the amendment were a bill before the Senate as the unfinished business, I see no difficulty whatever in amending it so that as a matter of fact the method of financing set up by the amendment would cost the American taxpayers but a very trifling sum, a sum far less than the operating expenses of the Navy or the Army. That is a small sum to pay for the protection that would come to American agriculture and therefore directly to the American people in maintaining a sound and stable social, economic, and financial institution here in America.

In principle the proposal is sound and practical. There is just one other feature I desire to discuss. While it may not be the best of reasons or the most logical consideration for the adoption of the amendment, yet I think it affords a suggestion that those who oppose the amendment can scarcely meet. I refer to the $12,000,000,000 of foreign debts, all of which, as I understand, are to be amortized over a period of sixty-odd years without the payment of anything except a very low rate of interest. The Government has chosen to relieve our foreign debtors. The sum involved respecting the debt of agriculture does not exceed the sum involved respecting foreign debts. The foreign debts are to be paid not by return of the principal, but we are to receive simply an interest rate for sixty-odd years.

The principles of the amendment now pending are not only to retire and return whatever the amount of the farm mortgage may be, every single dollar of it, every single dollar of the principal within a period of years far less than the period of years granted to our foreign debtors, but during that period of years agriculture proposes as well to pay an interest rate. That consideration would be justification for the adoption of the pending amendment. I say it would be a justification for its adoption, but as I conceive the proposal there is sound ground economically and financially for the adoption of the amendment without regard to what the precedent affecting foreign debts would justify.

In my opinion, though I have not the statistical information to support it, if the principle contained in my amendment were adopted and the amendment were accepted, probably $5,000,000,000 would represent the maximum that would be required under the bill.

Mathematically it would seem to me that, with the limitation fixed by the amendment which I propose, the homesteads which are owned and operated by the farmers of this country and their families can be saved from bankruptcy or the larger portion of them can be saved from bankruptcy, and preserved by a small outlay on the part of the Federal Government. That will bring a security to our institutions as potent as can be our national defense.

Therefore, Mr. President, I hope the amendment which I shall offer will be adopted, and I will ask the Senator from North Dakota if he will accept the amendment to his amendment which I shall immediately propose.

Mr. FLETCHER. Mr. President——

Mr. BLAINE. I yield to the Senator from Florida.

Mr. FLETCHER. I observe in section 3 the plan is to authorize a direct liquidation or financing and taking up of farm mortgages; but so far as I have been able to see, after examining the amendment, there is nothing stated about outstanding Federal land-bank bonds. Of course, farm mortgages underlie those bonds. So, it seems to me there ought to be a provision for calling in and paying off the present outstanding Federal land-bank bonds.

Another point, it seems to me, is that there is no provision, so far as I have been able to observe, with reference to stock held by the borrowers in the national farm-loan associations. What becomes of that stock? What is the provision with reference to taking up the bonds? The provision is quite clear as to taking up the mortgages, which, I presume, are to be canceled and new mortgages issued in their place; but there are the outstanding Federal land-bank bonds which will have to be called in, and the stock which each borrower has in the national farm-loan association has to be taken care of in some way, I take it.

Mr. FRAZIER. Mr. President, if the Senator from Wisconsin will yield, I should like to answer the question propounded by the Senator from Florida.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. BLAINE. I yield the floor, Mr. President.

Mr. FRAZIER. Mr. President, if farm-loan bonds are to be sold under this proposal and the money used to refinance farm-mortgage loans, the farm land-bank bonds will be repaid by this money which will be furnished through the Federal Reserve Board by the issuance of Federal reserve notes, so that the farm-land bonds will be repaid.

It would also tend to bring up the value of the stock held in the local credit associations, the farm-loan associations, so that the farmer who holds stock in the farm-loan association could get something out of that stock. At the present time, because of the losses that have been taken on the loans through Federal farm-land banks, the stock held by the farmers is practically of no value, and, in many cases, indeed, is of no value at all, because of the loss that has been taken on the loans. However, if this amendment should be adopted to provide for the payment of these loans existing according to the mortgage indebtedness, then there would be no question but that the farm-land bonds would be paid off. It would tend, at least in many instances, to bring up the value to par of the stock held by the loan associations.

DEMOCRATIC PLATFORM OF 1932

Mr. McKELLAR. Mr. President, I wish to ask unanimous consent to have printed in the RECORD, in 8-point type, the Democratic platform recently adopted at Chicago.

I wish to call attention to the first plank in the platform in which I take a very lively interest. For a number of months I have endeavored to bring about reductions in governmental expenditures, and I feel that the provision in the Democratic platform, which I now desire to read, and which is very short, is an assurance that the plan which was inaugurated at the present session of Congress will be continued and improved in succeeding Congresses:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

Mr. SMOOT. Mr. President, did I understand the Senator from Tennessee to ask that the platform may be printed in the RECORD in 8-point type?

Mr. McKELLAR. Yes; and I hope that permission will be granted.

Mr. SMOOT. Mr. President, I shall have to object to that being done.

The PRESIDENT pro tempore. Just a moment. It is due that an explanation should be made. The present occupant of the chair is the chairman of the Joint Committee on Printing. By arrangement with leaders on both sides of the Chambers, he some days ago secured a unanimous-consent agreement that the speeches of the presiding officers of both conventions and the platforms adopted by both conventions should be printed in the RECORD, and that for obvious purposes of circulation. The question then arose with reference to the manner in which they should be printed.

While the Senator from Utah is quite correct that insertions in the RECORD may not be printed in 8-point type without the permission of the Joint Committee on Printing, with sole regard to the arrangement and style typographically of the CONGRESSIONAL RECORD, yet in order to save the Government expense for reprints, the chairman of the Joint Committee on Printing took it upon himself to give instructions to the Printing Office that these documents might be printed in 8-point type, so that the plates could be used later for printing the documents for general distribution.

Mr. McKELLAR. I thank the Chair.

Mr. SMOOT. With that statement, I will make no further objection, and I do not want the Senator to think that I was objecting merely to his request.

Mr. McKELLAR. Oh, no.

Mr. SMOOT. But the objection would be made to any request to print in 8-point type any matter inserted in the RECORD.

Mr. McKELLAR. I understand that that rule generally applies all along the line.

The PRESIDENT pro tempore. As a matter of fact, the regulations of the Joint Committee on Printing under the printing act of 1905 have the full force and effect of law and can not be changed by unanimous consent. They can be changed, however, by the Joint Committee on Printing, and that has been done in this instance. Accordingly the document presented by the Senator from Tennessee will be printed in the RECORD as indicated.

The platform adopted at the Democratic convention held in Chicago is as follows:

PLATFORM ADOPTED BY THE DEMOCRATIC NATIONAL CONVENTION OF 1932

In this time of unprecedented economic and social distress the Democratic Party declares its conviction that the chief causes of this condition were the disastrous policies pursued by our Government since the World War of economic isolation, fostering the merger of competitive businesses into monopolies, and encouraging the indefensible expansion and contraction of credit for private profit at the expense of the public.

Those who were responsible for these policies have abandoned the ideals on which the war was won and thrown away the fruits of victory, thus rejecting the greatest opportunity in history to bring peace, prosperity, and happiness to our people and to the world.

They have ruined our foreign trade, destroyed the values of our commodities and products, crippled our banking system, robbed millions of our people of their life savings, and thrown millions more out of work, produced widespread poverty, and brought the Government to a state of financial distress unprecedented in time of peace.

The only hope for improving present conditions, restoring employment, affording permanent relief to the people, and bringing the Nation back to the proud position of domestic happiness and of financial, industrial, agricultural, and commercial leadership in the world lies in a drastic change in economic governmental policies.

We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe. We hereby declare this to be the platform of the Democratic Party:

The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated, and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

We advocate a sound currency to be preserved at all hazards and an international monetary conference called on the invitation of our Government to consider the rehabilitation of silver and related questions.

We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from executive interference, reciprocal tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy; expansion of the Federal program of necessary and useful construction affected with a public interest, such as adequate flood control and waterways.

We advocate the spread of employment by a substantial reduction in the hours of labor, the encouragement of the shorter week by applying that principle in Government service. We advocate advance planning of public works.

We advocate unemployment and old-age insurance under State laws.

We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages through recognized farm bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure.

Extension and development of farm cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

We advocate a navy and an army adequate for national defense, based on a survey of all facts affecting the existing establishments, that the people in time of peace may not be burdened by an expenditure fast approaching a billion dollars annually.

We advocate strengthening and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor.

The conservation, development, and use of the Nation's water power in the public interest.

The removal of government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest.

We advocate protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to bonuses, commissions, principal invested, and interests of the sellers.

Regulation to the full extent of Federal power of—

(a) Holding companies which sell securities in interstate commerce.

(b) Rates of utility companies operating across State lines.

(c) Exchanges in securities and commodities.

We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks, and a more rigid supervision of national banks for the protection of depositors and the prevention of the use of their moneys in speculation to the detriment of local credits.

The severance of affiliated security companies from and the divorce of the investment banking business from commercial banks and further restriction of Federal reserve banks in permitting the use of Federal reserve facilities for speculative purposes.

We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

We advocate a firm foreign policy, including peace with all the world and the settlement of international dispute by

arbitration; no interference in the internal affairs of other nations; the sanctity of treaties and the maintenance of good faith and of good will in financial obligations; adherence to the World Court with appending reservations; the pact of Paris abolishing war as an instrument of national policy, to be made effective by provisions for consultation and conference in case of threatened violations of treaties.

International agreements for reduction of armaments and cooperation with nations of the Western Hemisphere to maintain the spirit of the Monroe doctrine.

We oppose cancellation of the debts owing to the United States by foreign nations.

Independence for the Philippines; ultimate statehood for Puerto Rico.

The employment of American citizens in the operation of the Panama Canal.

Simplification of legal procedure and reorganization of the judicial system to make the attainment of justice speedy, certain, and at less cost.

Continuous publicity of political contributions and expenditures, strengthening of the corrupt practices act, and severe penalties for misappropriation of campaign funds.

We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal. We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.

We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

We advocate continuous responsibility of Government for human welfare, especially for the protection of children.

We condemn the improper and excessive use of money in political activities.

We condemn paid lobbies of special interests to influence Members of Congress and other public servants by personal contact.

We condemn action and utterances of high public officials designed to influence stock-exchange prices.

We condemn the open and covert resistance of administration officials to every effort made by congressional committees to curtail the extravagant expenditures of the Government and to revoke improvident subsidies granted to favorite interests.

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products, and the unsound policy of restricting agricultural products to the demands of domestic markets.

We condemn the usurpation of power by the State Department in assuming to pass upon foreign securities offered by international bankers, as a result of which billions of dollars in questionable bonds have been sold to the public upon the implied approval of the Federal Government.

We condemn the Hawley-Smoot tariff law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created international economic hostilities, destroyed international trade, driven our factories into foreign countries, robbed the American farmer of his foreign markets, and increased the cost of production.

In conclusion, to accomplish these purposes and to recover economic liberty we pledge the nominees of this convention the best efforts of a great party whose founder announced the doctrine which guides us now in the hour of our country's need: Equal rights to all, special privileges to none.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

Mr. LONG. Mr. President, I wish to inquire if we are not still considering the home loan bank bill?

The PRESIDENT pro tempore. That bill is before the Senate, and the question is on agreeing to the amendment proposed by the Senator from North Dakota [Mr. FRAZIER].

Mr. BLAINE. Mr. President, I desire to offer an amendment to the amendment, to come in on page 7, after the word "act," in line 18.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 18, after the word "act," it is proposed to insert:

The amount of loan to any borrower shall not exceed a maximum of $15,000, and preference shall be given to applications for loans of $10,000 and under, and shall be limited to persons engaged in the cultivation of the farm upon which the loan is to be made or to persons who at the time of the application intend to engage in the cultivation of the farm upon which the loan is to be made, either by the owner of the farm or his employees. "Owner," as used herein, shall include an individual, copartnership, and joint or several tenants, but shall not include a corporation.

Mr. LONG. Mr. President, I understand that the conference report on the welfare or relief bill is to be acted upon by the House to-day and will shortly come over to the Senate. I also understand that the President has given the world to understand that he is going to veto that bill and, furthermore, that there is some talk of holding the Congress in session until he can meddle around and propose something. I want to sound a note here in the Senate that it is high time we were getting away from Washington and cease waiting for Hoover to decide something he wants the Congress to do. It is high time we were taking the bull by the horns here and giving this congressional session, under the tutelage of Mr. Hoover, a night's rest and getting away from here. I hope that the Senate and the House will not continue to wait upon Mr. Hoover to make up his mind what he will or will not veto, but will act on the conference report on the welfare bill and adopt it; and if Mr. Hoover wants to veto it, then we will have to wait for a few more suns to rise when we shall have another President of the United States and be able to do something for the people of the United States.

Mr. TYDINGS. Mr. President, the Senator from Delaware [Mr. HASTINGS], the Senator from Pennsylvania [Mr. REED], and I have been endeavoring to work into the parliamentary situation a short amendment to clarify a section of the tariff bill.

It will be recalled that the tariff on crude petroleum, as it passed the Senate, had in it a provision to include a tariff on asphalt. When it went to conference the tariff on asphalt was stricken out because asphalt is a commodity used in building roads; and the conferees, and subsequently both Houses, came to the conclusion that they did not want to put a tariff on asphalt, because they did not want to increase the cost of road construction in times like these. So it was generally conceded, when the bill passed both Houses, that there would be no tariff on asphalt.

However, the tariff on crude oil uses this wording:

Crude oil or liquid derivatives thereof.

I have taken up the matter with the Treasury Department; and the Treasury Department have said that while it is clear that it was the intention of Congress not to have a tariff on asphalt, nevertheless, asphalt being in some cases a liquid derivative of crude oil, they have no option in the matter.

The amendment which I am sending to the desk does not affect the tariff. It simply clarifies the law by saying that it is not the intention of Congress, so to speak, to levy this tariff on asphalt. Most of those who led the fight for the oil tariff are in accord with this amendment, and I hope it may be adopted. I send it to the desk and ask to have it read.

The PRESIDENT pro tempore. Without objection, the clerk will read the amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CONNALLY. Does the Senator know that the Ways and Means Committee of the House now has up a joint resolution to do the very thing that the Senator intends? Does the Senator further know that this is a revenue matter and must originate in the House?

I want to advise the Senator not to press this matter, which will probably lead to complications and lock up the bill, because the House will not consider his amendment if it is put on. It will send it back to conference and it will gum up the bill.

Why does not the Senator content himself with the action of the House? The Senator has already proven his heroism in fighting the tariff on oil and all derivatives thereof; so why not let the matter rest?

Mr. TYDINGS. I admit that this amendment can be knocked out on a point of order and I would not blame anybody who opposed it for taking advantage of his right to make the point. I did think, however, that if it went to conference and the Senate conferees found that the House objected to it they could let it go. If the session were to go on for another month, I would not care; but I am afraid that the joint resolution may not get through the House and that we will not have an opportunity to clarify the wording of the oil amendment.

Mr. CONNALLY. Let me say to the Senator that I shall not oppose his amendment. It is perfectly all right. I do not object to it, but I do not want it put on this bill.

Mr. TYDINGS. May I say to the chairman of the Finance Committee, the senior Senator from Utah [Mr. SMOOT], that if this amendment is adopted and goes to conference, if the House conferees object to it, I shall not ask at all that the Senate conferees keep it in the bill? Let them throw it overboard.

Mr. SMOOT. Mr. President, why do a thing to which we know there will be objection on the part of the House?

Mr. TYDINGS. I am told that perhaps there will not be any objection to this amendment.

Mr. SMOOT. Mr. President, that has been tried time and time again since I have been in the Senate. The Senator from Texas knows that many times when we sent over to the House even an appropriation bill that originated here, they just sent it back to the Senate of the United States with a polite note that "It is none of your business to originate these bills."

Mr. TYDINGS. If the Senator finds that the conferees do not want to accept this amendment, I say, as the man who sponsors it, that I shall be perfectly satisfied if they drop it immediately, so there will be no confusion in the conference. I do know that we are likely to adjourn, and in my judgment it will be a shame not to have a chance at least to present this matter. I trust that nobody will object to it.

Mr. CONNALLY. It is subject to a point of order.

Mr. SMOOT. With the understanding that when it goes to the House, if they object to it, the conferees are just to let it go, I have no objection.

Mr. DILL. Mr. President——

Mr. TYDINGS. I yield to the Senator from Washington.

Mr. DILL. When this matter was brought up here a few days ago the Senator from Nebraska [Mr. NORRIS] wanted to attach to it an amendment regarding the electricity tax.

Mr. SMOOT. If there is objection, it can not be done now.

Mr. DILL. I think the Senator from Nebraska ought to know that this matter is to be taken up.

Mr. TYDINGS. I have no objection to the Senator from Nebraska offering his amendment, but I trust he will not complicate my own and probably defeat both of them.

The PRESIDENT pro tempore. This matter can not be considered except by unanimous consent. The only request thus far made by the Senator from Maryland is to have his amendment read by the clerk, and the Chair has said that without objection the clerk would read it. It can not be considered except by unanimous consent, and it is clearly subject to a point of order.

Without objection, the clerk will read the amendment.

The legislative clerk read as follows:

That nothing contained in section 601 (c) (4) of the revenue act of 1932 shall be construed as imposing a tax upon the importation of natural asphalt and asphalt and bitumen derived from petroleum.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. BLAINE] to the amendment offered by the Senator from North Dakota [Mr. FRAZIER]. The Senator from Maryland continues to hold the floor. To whom does he yield?

Mr. TYDINGS. I yield first to the Senator from Washington [Mr. DILL].

Mr. DILL. No; I want the floor in my own right when the Senator has concluded.

Mr. TYDINGS. Does the Senator wish to discuss the matter I have presented?

Mr. DILL. I have something to say regarding it.

Mr. TYDINGS. I will not make my request, then, until the Senator speaks.

Mr. DILL. Mr. President, I simply want to say that under the circumstances, in view of what has happened here, I can not consent to this matter being acted on without a quorum. Therefore I make the point of no quorum.

The PRESIDENT pro tempore. The clerk will call the roll; but before it is called may the Chair state that there is nothing before the Senate with reference to the matter proposed by the Senator from Maryland?

Mr. ASHURST. What is the ruling of the Chair?

The PRESIDENT pro tempore. The question before the Senate is on agreeing to the amendment proposed by the Senator from Wisconsin to the amendment proposed by the Senator from North Dakota.

Mr. DILL. Until there is a quorum I shall object. I make the point of no quorum.

Mr. TYDINGS. I withdraw the amendment.

The PRESIDENT pro tempore. The amendment is withdrawn, and the clerk will call the roll.

Mr. BLAINE. Mr. President, will the Senator withhold that suggestion for just a moment?

Mr. DILL. If the amendment is withdrawn, I withdraw the point of no quorum.

The PRESIDENT pro tempore. The point of no quorum is withdrawn. The Senator from Wisconsin is recognized.

Mr. BLAINE. Mr. President, I was going to ask the Senator from North Dakota if he would not accept my amendment to his amendment?

Mr. FRAZIER. Mr. President, the amendment of the Senator from Wisconsin limiting loans to any one individual farmer to $15,000 would have but little effect as far as the farmers in my part of the country are concerned. There are very few that have loans over that amount. I understand that in some other places it might affect some farmers in the South, where they have these large plantations, and so forth, but I am not going to make any objection to the Senator's amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7939) to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 461) making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS

Mr. JONES presented a resolution approved and indorsed by George U. Harvey, president of the Borough of Queens, and a committee of ex-service men, all of New York City, N. Y., favoring the adoption of a program including on each recurring Armistice Day (November 11) "roll call" to be sounded at 11 a. m. from the United States Capitol Building, with two minutes of silence, and then "taps," as a national symbol in commemoration of those who made the supreme sacrifice in the World War and also a dedication of the living to the service of the Republic, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

Mr. COPELAND presented resolutions adopted by members of Brest Post, No. 2566, Veterans of Foreign Wars of the United States, of Bayside, Long Island, N. Y., protesting against the passage of the so-called Hill bill, being House bill 12448, to clarify and amend the emergency officers' retirement act, etc., which were referred to the Committee on Military Affairs.

He also presented a resolution adopted by members of the Russian National Mutual Aid Society, of Buffalo, N. Y., protesting against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

THE PRESIDENTIAL CAMPAIGN

Mr. GORE. Mr. President, I ask leave to have published in the RECORD the speech of Senator NORRIS for Paramount News on July 4, 1932, relative to the presidential campaign.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SENATOR NORRIS'S SPEECH FOR PARAMOUNT NEWS, JULY 4, 1932

The coming presidential campaign transcends in importance all considerations of partisanship and party regularity. Governor Roosevelt in his candidacy represents the aspirations, the ideals, the hopes, the prayers of millions of the common people of America; a people driven almost to desperation by the outrages of human greed and the combinations of monopoly.

In the November elections millions of courageous, brave, progressive men and women will flock to his banner without regard to party and without paying any heed to the wailing cry of the discredited and vanishing political boss.

Mr. GORE. I also desire to have printed in the RECORD the following resolution which I offered and which was unanimously adopted by the Democratic convention at Chicago:

Be it resolved by this Democratic convention, That we accept with deep appreciation the tendered support of Senator NORRIS and we invite the support of his associates as well as of our countrymen in general without regard to previous political affiliation.

Mr. President, I also ask leave to have published in the RECORD an article from the New York Times of the 5th instant, headed "Johnson Praises Roosevelt Speech; Silent as to Plans."

There being no objection, the article was ordered to be printed in the RECORD as follows:

JOHNSON PRAISES ROOSEVELT SPEECH; SILENT AS TO PLANS—CALIFORNIA SENATOR CERTAINLY WILL OPPOSE HOOVER, HOWEVER, THE CAPITAL BELIEVES—HIS ENMITY LONG STANDING—DEMOCRATIC NOMINEE'S SCRAPPING OF TRADITION "FINE AND GALLANT," HE DECLARES—MODEL OF FRANKNESS SEEN—OTHER REPUBLICAN PROGRESSIVES, ASIDE FROM NORRIS, STILL DEBATE COURSE THEY WILL TAKE

WASHINGTON, July 4.—Senator HIRAM JOHNSON, choosing Independence Day, issued a statement this afternoon so complimentary to Franklin D. Roosevelt that observers wondered if the Californian proposes to throw his active support behind the Democratic presidential nominee.

"There was something fine and gallant and exhilarating in Roosevelt's scrapping of the old tradition that a nominee must wait anywhere up to a month before being informed of the nomination," Senator Johnson said.

"The imaginative get a thrill from the Democratic candidate writing in a speeding airplane the most important speech of our day, and the most important in his whole history.

"The writing of such a speech under such circumstances is a tribute to the poise and good nerves of the writer. It is a tribute also to the frankness of the writer, who exhibits no fear of expressing his views.

"What an improvement is this innovation over the old tradition where a candidate sits like a sphinx for weeks scratching out weasel words and ambiguous phrases with duplex and doubtful meanings that may be read in any fashion by any person or group.

"May the new human, manly method adopted by the Democratic candidate in its candor and forthrightness prevail during the coming Democratic campaign."

OPEN IN ANTAGONISM TO HOOVER

It is well understood that Senator JOHNSON has been engaging in conversations which the progressive Republicans have been having concerning Governor Roosevelt, and which were revealed in the New York Times some time ago.

Whether the California Republican's statement actually means that he expects to campaign for the Democratic candidate is not yet known, but it may be said with virtual certainty that he will not work for the reelection of Mr. Hoover. Senator JOHNSON and the President are utterly antagonistic in their views, a situation about which the Senator is quite outspoken.

Governor Roosevelt, in his speech accepting the nomination at Chicago, welcomed the progressive Republicans into the Democratic fold, and the convention extended a formal invitation through adoption of a resolution by Senator GORE. The resolution was motivated by the action of Senator NORRIS in flatly stating that he would work for Governor Roosevelt, just as he did for ex-Governor Smith in 1928.

The Republican progressives are still debating exactly what they will do in the campaign, but it appears more or less definite that while Senators NYE of North Dakota and LA FOLLETTE of Wisconsin will not lend their efforts in Mr. Hoover's behalf, they will not go so far as to campaign for the Democrat. Senator FRAZIER is more inclined to come out for Governor Roosevelt than are the others, while Senator BORAH has no intention, his friends say, of supporting the New York governor.

AS NORRIS DEFINED THE ISSUE

The statement by Senator NORRIS that he would support Governor Roosevelt was made Saturday morning, hours before the nominee flew to Chicago. The Nebraska Senator said he refused to support Mr. Hoover four years ago, and that the reasons he then gave "have been vindicated by his official actions" since that time.

"I expect to support Roosevelt," Senator NORRIS continued. "The fundamental principle involved in the coming presidential campaign is the contest between organized monopoly on the one side and the common people on the other.

"It is my opinion that millions of progressive-minded citizens all over the United States will take similar action and support Governor Roosevelt because they believe he stands for the welfare of the common people."

Receipt of this news at the convention led to the introduction and adoption of the Gore resolution thanking Senator NORRIS and calling on his "associates" to do the same thing. In a short time Governor Roosevelt swung into his speech, in the course of which he said:

"This is no time for fear, for reaction, or for timidity; and here and now I invite those nominal Republicans who find that their conscience can not be squared with the groping and the failure of their party leaders to join hands with us here and now."

Senator JOHNSON'S political independence is a byword in Washington.

While the Republican National Convention was in progress Senator JOHNSON bitingly noted in a statement that James R. Garfield, chairman of the resolutions committee, was a loyal Bull Moose worker in 1912.

BULL MOOSE REVOLT RECALLED

WASHINGTON, July 4.—Speculation over the rôle Senator JOHNSON will play in the presidential campaign was heightened by his statement praising Franklin D. Roosevelt's conduct in accepting the Democratic nomination. The Senator would not discuss his plans.

His severe criticism of the Hoover administration has had the Capital wondering for months what policy he would pursue in the presidential race. For months there was talk of the Californian running for the nomination himself, but nothing came of it.

There would be nothing new in Senator JOHNSON supporting a Roosevelt, as he ran in 1912 for Vice President on the Bull Moose ticket with Theodore Roosevelt. The Californian, however, has never gone into the Democratic camp.

Senator JOHNSON has played a prominent part in Republican politics ever since the Bull Moose days. Many have contended that he was responsible for the reelection of Woodrow Wilson in 1916 through coolness to Charles Evans Hughes, the Republican candidate.

In 1920 Senator JOHNSON rejected the vice presidential nomination after he had been a prominent candidate for first place on the ticket. The Californian ran against Calvin Coolidge in several primaries in 1924.

Last fall, on his way to Washington for the opening of Congress, he gave out a statement suggesting that Mr. Hoover withdraw as a candidate. When Congress met he led the opposition to President Hoover's intergovernmental debt moratorium, and has constantly criticized the administration on its foreign policy and its handling of the relief situation.

Mr. GORE. Mr. President, this editorial is from the Daily Oklahoman, one of the leading newspapers in the Southwest. It was penned by one of the most brilliant editorial writers in the South or the West or anywhere else. The

Daily Oklahoman is ultradry, and in 1928 cast all the weight of its influence into the scales on the side of Hoover. I ask that the editorial may be published in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Daily Oklahoman, July 3, 1932]

ROOSEVELT OR STAGNATION?

A vote for Hoover's reelection is a vote for the things that are. A vote for Roosevelt is a vote for an economic change.

The reelection of Hoover would be a public indorsement of existing conditions and a quasi appeal for the continuation of those conditions. The election of Roosevelt would be a condemnation of existing conditions and would voice a popular demand for immediate relief from those conditions.

If the Hoover administration triumphs in the November elections, the result will be accepted as a popular acquiescence in the policies of the administration. If Roosevelt wins, the result will be accepted as a mandate from the people for effective relief.

Without a change in some of our national policies there can be no hope for an early restoration. Indefensible tariff schedules have paralyzed American commerce and driven our cargo carriers from the seas. Retaliatory tariffs have closed the ports of foreign countries to our commerce and left American surpluses to rot in American depots. Unless our tariff schedules are readjusted, unless the anger of foreign purchasers is appeased, unless impediments to foreign trade are removed, there can be no early recovery of American industry.

Without a drastic cut in the operating costs of government there can be no relief from exorbitant taxation. Stricken industry and prostrate business will recover very slowly if war-time taxes are maintained in time of peace.

A vote for Hoover is a vote for the Grundy tariff structure and trade stagnation. A vote for Hoover is a vote for the perpetuation of war-time expenses and war-time taxation.

But a vote for Roosevelt is a vote for sensible and necessary tariff revision. It is a vote for the 25 per cent cut in Government costs demanded by the Roosevelt platform.

Hence, the Daily Oklahoman is convinced that in the election of Roosevelt lies the country's only hope for an early recovery from business stagnation. Hence, the Daily Oklahoman will support the Roosevelt ticket in the autumn elections.

Nor will the Daily Oklahoman permit its views on prohibition to turn it from the consideration of a grave economic condition. Both parties have called for resubmission of the prohibition issue, and the early resubmission of that issue will come regardless of what any of us may do. The Daily Oklahoman will consider the prohibition question when that question is the only issue. We shall take our stand upon that issue when it is submitted for popular consideration.

In the meantime, economic issues are paramount. They must be considered now.

Appreciating the gravity of economic conditions and the paramount importance of economic problems, feeling that the reelection of Hoover will delay economic recovery, seeing in the election of Roosevelt the country's single hope for an early improvement, the Daily Oklahoman commits itself to the movement for Roosevelt's election and shall give him its earnest support in the presidential campaign.

REPORTS OF COMMITTEES

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 9590) to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture," approved January 14, 1929, reported it without amendment and submitted a report (No. 983) thereon.

Mr. HATFIELD, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 160) to amend Public Resolution No. 11, Seventy-second Congress, approved March 3, 1932, reported it without amendment and submitted a report (No. 984) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (H. R. 2010) for the relief of Malcolm Allen, reported it without amendment and submitted a report (No. 985) thereon.

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 2650) for the relief of George H. Holman, reported it without amendment and submitted a report (No. 986) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (H. R. 12251) to provide for the conveyance of the Portage Entry Lighthouse Reservation and buildings to the State of Michigan for public-park purposes, reported it without amendment.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on yesterday, July 6, 1932, that committee presented to the President of the United States the following enrolled bill and joint resolution:

S. 3154. An act authorizing the conveyance of certain lands to the city of Fallon, Nev.; and

S. J. Res. 148. Joint resolution to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON of Indiana:

A bill (S. 4957) granting an increase of pension to Elizabeth Hippenheimer (with accompanying papers);

A bill (S. 4958) granting an increase of pension to Michael Burger (with accompanying papers); and

A bill (S. 4959) granting an increase of pension to Charles E. Campbell (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER (for Mr. WHEELER):

A bill (S. 4960) to reduce the area of the Fort Peck irrigation project in the State of Montana; to the Committee on Indian Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 193) amending the appropriation bills for the Interior Department, and the Departments of State, Justice, Commerce, and Labor for the fiscal year 1933; to the Committee on Appropriations.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 461) making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, was read twice by its title and referred to the Committee on Appropriations.

JOINT COMMITTEE TO INVESTIGATE GOVERNMENT EXPENDITURES

Mr. McKELLAR submitted the following concurrent resolution (S. Con. Res. 34), which was referred to the Committee on Appropriations:

Resolved by the Senate (the House of Representatives concurring), That a joint congressional committee be, and the same is hereby, constituted to be composed of three Senators to be appointed by the Vice President and three Representatives to be appointed by the Speaker of the House for the purpose of investigating the expenditures of the Federal Government looking to a reduction of the same to the extent of 25 per cent; and also what reductions have been made for the present fiscal year under the Budget estimate for 1933; and what bureaus, commissions, or other activities of government can be done away with in whole or in part without injury to the Government, to the end that economies may be put into effect and expenditures of the Government reduced.

That said joint committee may employ experts and other clerical assistants and fix their compensation: *Provided*, That no employee of the joint commission shall be paid at a rate exceeding $200 per month and that stenographers may be employed at a cost not exceeding 25 cents per hundred words.

The said joint committee may sit during the sessions or recess of the Congress at such times and places as it deems necessary, and is authorized to compel the attendance of witnesses, and to require the production of books, papers, and documents.

Any member of the joint committee may administer oaths and sign subpœnas for witnesses. Any person duly summoned by said joint committee or any subcommittee thereof who refuses to obey the process of the joint committee or appears and refuses to answer pertinent questions shall be punished as prescribed by law.

The expenses of the joint committee shall not exceed $10,000 and shall be paid one-half from the contingent fund of the Senate and the remainder from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

Said joint committee shall report its findings and recommendations to the Congress on or before December 5, 1932.

ELIMINATION OF EXPENDITURES ON ARMAMENTS AND INTERGOVERNMENTAL OBLIGATIONS ARISING FROM THE WAR

Mr. SHIPSTEAD. Out of order I ask unanimous consent to submit a resolution and ask that it may be printed in the RECORD and lie on the table, and with the resolution I ask unanimous consent that there may be printed a short explanatory statement.

The PRESIDENT pro tempore. Without objection, the resolution will be received, printed in the RECORD, printed and lie on the table, and the statement will be printed in the RECORD also.

The resolution (S. Res. 262) is as follows:

Whereas the nations of the world are suffering more severely every year from the burden of the cost of armament, and from the economic waste involved in conscription and compulsory military service; and

Whereas the chief obstacle to the cultivation of genuinely peaceful relations between nations is the temptation to resort, as the final sanction in the course of controversies, to such military and economic force as universal conscription makes possible; and

Whereas in the inevitable liquidation of the colossal mass of public and private indebtedness, domestic and international, which can not long be postponed without provoking economic chaos, aggravating ruinous tariff rivalries, and irreparably undermining law and order; and

Whereas among the category of obligations to be liquidated will apparently be the intergovernmental war-time debts and indemnities; and

Whereas the American people, while not unwilling to aid world recovery if, by sacrifice on their part, paramount guarantees against the reinforcement of militarism and imperialism may be assured, they are at the same time not willing to sanction extensions of the period of suspension of intergovernmental obligations granted in the resolution approved December 23, 1931, if such extensions are to be tantamount to a virtual and uncompensated cancellation of those obligations: Therefore be it

Resolved, That it is the sense of the Senate that no further extension of the moratorium authorized in the resolution approved December 3, 1931, be granted by the Government of the United States to the Governments of Austria, Belgium, Czechoslovakia, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, and Yugoslavia, respectively, unless and until the President shall have received from each of the governments enumerated:

(1) Formal and official engagements (a) explicitly and unequivocally to take, within the earliest practicable time, all necessary measures to reduce by 5 per cent its aggregate expenditures directly or indirectly destined to serve its military, naval, and air forces, whether or not such expenditures are technically included in their ordinary and extraordinary appropriations for military and related purposes during each of the next 10 years, except if and when actually engaged in a defensive war, and (b) to participate in an international conference to be called by the Government of the United States within one year from the date of this resolution for the consideration of the best means of bringing about the abolition of conscription, for the program of which the United States shall propose the following draft of convention:

I. The high contracting parties engage, each within three years from the date of its ratification of this instrument, to place all their military, naval, aerial, and subsidiary services of offense and defense, and all human labor required for the preliminary preparation of material for such services, upon a strictly voluntary basis, and never, during the life of this treaty, in peace or in war, in any circumstances or on any grounds whatsoever, to compel their nationals, or to permit them to be compelled, by conscription or by any other form of compulsion, whether direct or indirect, whether public or private, to perform military, naval, aerial, or subsidiary services at home or abroad.

II. This treaty shall be unconditionally binding upon each of the high contracting parties for 30 years from the date of its ratification, and may not be denounced by any high contracting party within that time. It shall continue to be binding upon each of the high contracting parties indefinitely thereafter, unless denounced by that high contracting party. If so denounced, formal notice of withdrawal shall be given three full years in advance of the effective date thereof.

III. The high contracting parties, having in view the possibility that in some countries constitutional provisions may require considerable time to be adjusted in order that this treaty may in no way conflict with any fundamental law, agree to regard the adoption by national legislatures of resolutions, or equivalent formal expressions recording acceptance in principle of the treaty, as ample guaranty of eventual ratification and as sufficient warrant for action in good faith by each and all of themselves.

(2) Formal and official notice that all intergovernmental indebtedness arising from and in consequence of the Great War, including the reparation obligations of Germany and the powers allied with her therein, has been entirely and unconditionally canceled.

SEC. 2. It is further the sense of the Senate that if after the President shall have officially notified each of the said governments of the content of this resolution, which he is hereby requested to do, he shall receive from each of them the formal and official engagements described in the preceding section, he should take steps to propose (1) that authority be conferred upon him by the Congress to cancel the indebtedness due to the Government of the United States by the Governments enumerated in section 1, and to approve the destruction of the evidences of such indebtedness in the possession of the Secretary of the Treasury; and (2) that all acts or parts of acts now or at that time in force contrary in effect to the authority described in the preceding clause be repealed.

The statement presented by Mr. SHIPSTEAD is as follows:

This resolution means that if its provisions are proposed to and accepted by foreign governments they will agree to a progressive disarmament of 5 per cent each year for 10 years, which will mean a reduction of more than 35 per cent of present armaments at the end of that period. In addition they will agree to abolish conscription for military and naval purposes for a period of 30 years and to cancel reparations.

The Government of the United States will then be willing to cancel the intergovernmental debts owed to us. We can afford to do this because we can save in the next 30 years on our armament expenditures many times more than the amount of the intergovernmental debts. In addition we will abolish for 30 years 95 per cent of the chances for another world war.

If this proposition is accepted we will be buying peace for the world at a great bargain. This is a concrete proposal, the acceptance of which will give security, restore confidence in the world, revive international credit and trade, insure peace, and give mankind a breathing spell of 30 years in which to take stock of themselves and come to their senses.

SALE AND DISTRIBUTION OF DAIRY PRODUCTS IN THE DISTRICT

Mr. KING submitted the following resolution (S. Res. 263), which was referred to the Committee on the District of Columbia:

Whereas it is claimed that price levels in dairy commodities within the District of Columbia indicate that competition in trade in such commodities has become stifled therein and that the cost to the consumer of such commodities exceeds the cost to the producer by more than a fair margin of profit to the producer: Therefore, be it

Resolved, That the Committee on the District of Columbia, or any duly authorized subcommittee thereof, is authorized and directed to investigate conditions with respect to the sale and distribution of milk, cream, ice cream, or other dairy products within the District of Columbia with a view to determining particularly whether any individual, partnership, or corporation, whether residing in the District of Columbia or elsewhere, is operating within such District under any contract, combination in form of trust or otherwise, or is a party to any conspiracy, in restraint of trade or commerce in any such dairy products, or in any way monopolizing such trade within such District. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

Mr. ASHURST. Mr. President, what I say is not to be construed as a criticism of any Senator, because every Senator must be the judge of the propriety and utility of his own conduct. Not being impeccable with respect to my own conduct, I do not feel competent to criticize other Senators.

I discuss the home loan bank bill with reference to certain beer or "nearer" beer amendments that are proposed to the loan bill.

I, of course, am solicitous that the learned Senator from Connecticut [Mr. BINGHAM] shall not construe my remarks as any attempt to be censorious.

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from North Dakota?

Mr. ASHURST. Certainly.

Mr. FRAZIER. I wish the Senator would withhold his remarks on the beer amendment until we get this farm amendment out of the way.

Mr. ASHURST. If it is a courtesy, or would oblige the Senator from North Dakota, I withhold them; but before a vote is taken I shall make the same remarks on the farm-relief amendment that I intend to make on the beer amend-

ment. I yield, however, if it obliges the Senator or is a courtesy to him.

Mr. LEWIS. Mr. President——

Mr. FRAZIER. I just thought we had better not mix the two subjects; that is all.

Mr. ASHURST. I repeat, I am not the judge of the propriety or utility of any Senator's conduct. I believe that all Senators are anxious to pass the home loan bank bill. I do not believe that an attempt to put the beer—nearer-beer amendment, I call it—on this bill will either approach any nearer to beer, nor do I believe that an attempt to put on this farm relief bill on the home-loan bank will be a nearer approach to farm relief.

Mr. LEWIS. Mr. President——

Mr. ASHURST. I yield to the Senator from Illinois.

Mr. LEWIS. May I ask the Senator from Arizona, that I might understand his position, conscious as he himself has stated of his own impeccable conduct, as he insists on having it impeccable——

Mr. ASHURST. No; I said it was not impeccable.

Mr. LEWIS. I, as a friend, insist that it is impeccable in every respect. I merely want to ask the Senator from Arizona if his rising now in connection with the beer amendment is with the object of excluding the froth from all of the controversy that we have been having on the legislation contained in this bill?

Mr. ASHURST. Mr. President, it would not be possible to exclude froth from any parliamentary body which speaks the English tongue.

Mr. BLAINE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Wisconsin?

Mr. ASHURST. I yield.

Mr. BLAINE. Since the bill that is before the Senate is a bill designed to save the homes of people living in the cities and villages, why not at the same time endeavor to save the homes of people who live out in the country, and who are producing the food of the Nation?

Mr. ASHURST. Mr. President, I sat here—not impatiently—I say patiently, and learned something from the speech delivered by the junior Senator from Wisconsin. I am trying to say—and I shall have to begin again—that we want action on the home loan bank bill. Without attempting to be censorious of anybody's conduct, I do not believe that an attempt to put upon this bill the nearer beer bill or the farm aid bill would assist the bank bill, and I am certain it would not get either the nearer beer bill or relief bill. I hope that we may deal with these important items separately and individually, and not as amendments on this bill. It is not that I fear any roll call or vote, not that I am afraid to meet any roll call or vote on either the "nearer-beer" bill or the nearer-to-farm-relief bill; but I wish now to read an editorial, not from a Democratic newspaper—because if I were to do that in these partisan times, it might be suggested that that editorial was moved by partisan bias—but I wish to read at this point an editorial printed this morning in the New York Herald Tribune, entitled:

TINKERING WITH BEER

The problem of prohibition is hastening to a thoroughgoing and determinative solution. The temper of the country and the action of both major party conventions make this as plain as anything in politics can be plain. For this reason we reiterate our deprecation of the efforts of Senator BINGHAM and others to put a beer bill through the present Congress. Such a bill, prescribing an arbitrary limit of alcoholic content and elaborate restrictions on distribution, will provide merely a "nearer beer."

I am glad to see those words in quotations, "nearer beer," because I am the putative father, at least, of that phrase.

Will provide merely a "nearer beer" within the framework of Volsteadism; it will confuse the prohibition issue, prove a disappointment as a revenue measure, and delay adjournment.

The country, if we are not mistaken, has set its heart on the major operation of ridding itself of the eighteenth amendment, not because it is thirsty—Heaven knows it has plenty and to spare of intoxicants as it is. It would regain its local autonomy, bring a traffic into the open that is now a festering sore in its vitals, cleanse the Constitution of a police statute and its body politic of criminal dominance. A modification of the Volstead Act will do none of these things. On the other hand, it is likely to complicate enforcement, discourage the serious study of an orderly alternative to the current chaos, and provide the mischief makers at the Capitol with a further excuse for playing parochial politics with the national destiny.

Congress owes no greater duty to the country than to complete forthwith its program of economic legislation and go home. Having entirely muffed its opportunity to reflect the popular revolt against prohibition and to give it expression in appropriate legislation, it can not now undo its blunder with an eleventh-hour beer bill. Senator GORE's demand that the Senate Judiciary Committee draw up two constitutional amendments modeled, respectively, on the Republican and Democratic liquor planks, suggests the one line of action it can take which will help rather than hinder an early solution, but only if the committee's labors do not hold up adjournment. Let them be preparatory merely to clarifying the issue and a prompt showdown next December.

Mr. BINGHAM. Mr. President, will the Senator yield for a question?

Mr. ASHURST. Of course, in reading this editorial I disclaim, as I did in the beginning, any attempt to criticize or to be censorious of any Senator's attitude.

Now I yield to the Senator.

Mr. BINGHAM. Do I understand that the Senator approves of the editorial?

Mr. ASHURST. Mr. President, I do not wholly approve of the editorial.

Mr. BINGHAM. Would the Senator indicate that part of it which he does not approve?

Mr. ASHURST. Yes; I indicate that part of it which I do not approve.

Not because it is thirsty—Heaven knows it has plenty and to spare of intoxicants as it is.

I deny that.

Mr. BINGHAM. That is the only part of the editorial the Senator disapproves of?

Mr. ASHURST. Mr. President, I am willing to be questioned as to how much of this editorial I approve. Let me say to the Senator that I am not unaware of the fact that when one reads an editorial to a legislative body, it is assumed, and people have a right to assume, that he is in sympathy with the editorial.

Mr. BINGHAM. That is what I thought.

Mr. ASHURST. But I am sui generis. I very frequently read editorials in opposition to my own views, and I think I am the only Senator who frequently reads editorials bitterly criticizing himself. It so happens that whenever I see an editorial which I think is written with some particular end in view, whether I agree with its particular syntax and method of expression or not seems to me beside the point.

Did the Senator have anything further to ask?

Mr. BINGHAM. May I ask the Senator whether he approves of the attitude of the editorial toward the immediate modification of the Volstead Act?

Mr. ASHURST. An attempt immediately to modify the Volstead Act by an amendment on the pending bill might defeat the bill, and no Senator will hold up his hand and say, "I believe that by adopting the Bingham amendment we will get beer." If there be such a babe in the woods, let us distinguish him.

In answer to the Senator's question, so that my position may be made plain, I stand without equivocation, hesitation, or evasion for the Democratic platform.

Mr. BINGHAM. Mr. President——

Mr. ASHURST. Wait a moment; I desire to read in this connection an excerpt from an editorial from the same newspaper, the New York Herald Tribune, in its editorial columns of June 30, 1932. It proceeds to criticize in a severe way the Democratic national platform as being uncertain here or deficient there, but inasmuch as the New York Herald Tribune is the most doughty, the most able, the most constant, of all the Republican journals, I feel safe in quoting from it when I wish to emphasize or point out what the Republican position is. The excerpt from the editorial is as follows:

It—

Referring to the antiprohibition plank in the Democratic platform—

It is the longest plank and the clearest. Enough words are used to remove any possibility of doubt. It strikes the proper

medium between brevity that causes ambiguity and such prolixity causing confusion as the Republican plank on prohibition displayed. It is, in our judgment, a model political plank.

Mr. President, I do not believe that you will find any loyal Democrat anywhere who will through cowardice, evasion, double-dealing, or other motives, make any attempt to dodge, avoid, or evade the plain and specific declarations of the Democratic platform. The Democrats resolve to themselves, as they should, the right to say what would be the appropriate time to attempt to carry out their platform. It would not be considered by any prudent or practical man to be more than a mere gesture, an idle and vain gesture at that, to attempt, during the closing hours of this session of Congress, to pass a joint resolution proposing to amend the Federal Constitution in accordance with the promise of the Democratic platform. I do not believe that any Senator believes that the country expects us in this Congress to submit such a joint resolution.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. GLENN. The Senator from Arizona has suggested that he thinks there is not a Democrat anywhere who is not sincerely behind the Democratic platform. If that be true, there are enough Democrats on the other side of the aisle, with the support which some Republicans will give to them, at least to take action at this time in this body to aid you in carrying out your promise for prompt repeal. You have enough votes.

Mr. ASHURST. I said in the beginning—and I am sure the able Senator, diligent as he is in his attendance, had not had notice I was going to speak or he would certainly have come in—I am sure he could not have been here when I rose to speak.

Mr. GLENN. That is true.

Mr. ASHURST. I know the Senator would have come in if he had known I was to speak.

Mr. GLENN. I certainly would.

Mr. ASHURST. I said in the beginning—and I repeat—I am rising this morning to speak with reference to the strategy, the policy. If Senators insist on putting farm relief in the home loan bank bill, they are going to kill the home loan bank bill and not get farm relief. If they insist on the nearer-beer amendment going onto the home bank bill, they are going to kill the home bank bill and get no nearer beer.

Why not be practical? If you are opposed to the home bank bill, vote against it and then take up these other items seriatim. Is your nearer beer bill so weak that you must forsooth tie it onto the pending bill? Is your farm relief so weak that you must needs tie it onto the pending bill? If those measures have any merit, as those who propose them believe they have, let them come up when the bank bill shall have been disposed of.

Mr. GLENN. Mr. President, will the Senator yield again?

Mr. ASHURST. I yield.

Mr. GLENN. The Senator from Arizona speaks about the weakness of the Republican platform. Really, this beer proposal is a proposal of the Democratic National Convention. Is your proposal and your interest in your platform so weak that you say now that this thing upon which the greatest interest of both conventions was centered has to await next December before the Democratic Senators, all of whom are so enthusiastically for the Democratic platform, will take the first step?

Mr. ASHURST. The Senator again demonstrates that he was not here when I began to speak.

Mr. GLENN. I was unfortunate in that regard.

Mr. ASHURST. Had the Senator been here, he would have heard me say, let us take these items one at a time.

There is no contingency of which the Democratic Party is afraid. We are not afraid to meet the nearer beer bill, the bank bill, the farm relief bill, but we are not going to get anything by a hodgepodge bill containing banks, nearer beer, and nearer farm relief.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. GLENN. The Senator pictured the attitude of all the Democrats not only in the Senate but in the country a moment ago as being behind and indorsing the Democratic platform in all respects.

Mr. ASHURST. What would the Senator expect a loyal Democrat to do? Would he expect a loyal Democrat to bolt the Democratic platform and go to that shifty and evasive thing we call the Republican platform?

Mr. GLENN. I had expected that you would come back from Chicago fired with enthusiasm for beer and for repeal, but I see you come back—the Senator from Arizona was not there, but the others came back—and we heard much more about repeal in the Senate from the Democrats before the convention than we have heard since. The thirst has been assuaged by the declaration in the Democratic platform, and they take no steps at all, propose nothing at this session, in this body.

Mr. LEWIS rose.

Mr. ASHURST. Mr. President, I am glad to yield to the able Senator from Illinois.

Mr. LEWIS. Which one of the able Senators?

Mr. ASHURST. I am sandwiched between two able Senators from Illinois.

Mr. LEWIS. Mr. President, may I be pardoned for asking the Senator a question?

The VICE PRESIDENT. Does the Senator from Arizona yield to the junior Senator from Illinois?

Mr. ASHURST. I yield.

Mr. LEWIS. I would like to ask the Senator from Arizona if he is not able to gather that the position of the eminent Senator from Connecticut, who fosters some attitude that has some promise of beer, and my eminent colleague, who seems to apprehend something which he says gives suggestion of beer—might I ask my friend, the eminent Senator from Arizona, if this is not merely a fulfillment of Tennyson, who observed—

> It is borne on bier and pall
> 'Tis better to have loved and lost
> Than never to have loved at all.

Mr. ASHURST. Mr. President, I do not recall that particular passage in Tennyson, but I do recall with vivid distinctness a paragraph from a delightful play of Aristophanes, who died over 23 centuries ago, and who wrote of certain men—I will not use the epithet Aristophanes used, but he went on to say in a play he wrote, in a dialogue between one of his characters and the clouds—that one who came in and came from the clouds would be expected to speak in cloudy terms.

Not that either the Senator from Illinois [Mr. GLENN] or the Senator from Illinois [Mr. LEWIS] has spoken in cloudy terms, but this is my point. I probably have not been as happy in making it as I ought to have been. I am not criticizing the Senator from Connecticut in bringing in his nearer beer bill, because if I did that, in common fairness I would feel required to criticize such eminent Democrats as the Senator from Massachusetts [Mr. WALSH], the Senator from Maryland [Mr. TYDINGS], and the Senator from Ohio [Mr. BULKLEY], who have likewise brought in a nearer beer bill.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Connecticut?

Mr. ASHURST. I yield.

Mr. BINGHAM. May I call the Senator's attention to the fact that the bill brought forth and introduced on his side of the aisle is not quite so near near-beer as the bill proposed on this side of the aisle, for all they ask on the Senator's side of the aisle is 2.75 per cent, while on this side we want something a little more positive, and are asking 3.2 per cent.

Mr. ASHURST. I always get an inferiority complex when I engage in debate with the Senator from Connecticut, because he is one of the most scholarly, punctilious men of this body. Therefore I naturally take on this inferiority complex. But let me ask the Senator from Connecticut a

question. Does his amendment propose a nearer beer that would be intoxicating or exhilarating, if he pleases? Does he propose an amendment which, if galvanized into law, would permit making intoxicating liquor?

Mr. BINGHAM. I have an opinion on my desk of a number of very distinguished physiologists——

Mr. ASHURST. No; I want the Senator's opinion. Would it or would it not be intoxicating?

Mr. BINGHAM. It would not be intoxicating in the ordinary sense of that term as used in the Constitution.

Mr. ASHURST. What percentage would be intoxicating?

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. ASHURST. I do not want to lose the floor, but will the Senator from Virginia permit the well-informed Senator from Connecticut to answer my question, and then I shall be glad to yield to the equally well-informed Senator from Virginia.

Mr. GLASS. I simply want to know why the Senator from Arizona should assume that the Senator from Connecticut is the constitutional authority for the United States Senate. A great deal has been said about the Democratic platform——

Mr. ASHURST. Yes; I am coming right to that.

Mr. GLASS. Assuming that everybody feels obliged to abide by the Democratic platform, which is a far-fetched assumption, but assuming that it be so, the Democratic platform does not constitute the Senator from Connecticut the determinant factor in deciding what is within the constitutional provision of the eighteenth amendment.

Mr. ASHURST. The Senator from Virginia, with that clarity of expression and that pungency of intellect which have made him the great statesman that he is, has said in half a dozen words what I have been trying to say for half an hour. The Senator has put his finger exactly on the point, and I was leading up to it by trying to extract or corkscrew out of the Senator from Connecticut a statement of what would be intoxicating.

Mr. GLASS. May I be permitted to offer this further suggestion, that the Democratic platform did not impose any obligation upon Democratic Senators——

Mr. ASHURST. To violate the Constitution.

Mr. GLASS. Or upon Republican Senators to be guilty of the nonsense of attaching a beer bill or a near beer bill to a home loan bank bill.

Mr. ASHURST. The Senator from Virginia has said it all. [Laughter.]

Mr. GLENN. Mr. President, will the Senator yield further?

Mr. ASHURST. I do not want to lose the floor, and I shall depend upon the Chair to protect my rights. I want the opinion of the Senator from Connecticut, if I may get it, since he says that 3.2 per cent is not intoxicating. I want him to tell the Senate and to tell the country what is intoxicating.

Mr. BINGHAM. I will answer that I agree with Prof. Yandell Henderson, one of the most distinguished physiologists at Yale and a great authority on toxicology, when he says:

> A person who is accustomed to drinking beer does not become intoxicated in the proper sense of the word, even if in each of several successive hours he drinks a liter of 4 per cent beer.

But he goes on to say:

> Beer or ale of a considerably higher alcoholic content verges on intoxicating percentage.

May I say to the Senator in reply to his question that the great mass of testimony taken by the Committee on Manufactures in connection with this very matter showed that practically all the physicians and physiologists, including some of very high character who are rated as authorities by the prohibitionists themselves, stated that 4 per cent beer is not in the proper sense of the word intoxicating. We were not endeavoring to find out just what the percentage would have to be to become intoxicating, but it was generally admitted that 4 per cent was not intoxicating but beer and ale of a considerably higher alcoholic content were intoxicating.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. ASHURST. I yield.

Mr. GLASS. What becomes of those of us who are not accustomed to drinking beer? The Senator's authority says those who have been accustomed to drinking beer may not be made drunk by drinking beer of the alcoholic content to which he refers; but what becomes of the rising generation who have not yet become addicted to the Senator's beer?

Mr. BINGHAM. In answer to the question of the Senator from Virginia I quote from Dr. Graham Lusk, an eminent professor of physiology of the Cornell Medical School, who was asked at the hearings before the committee, "In your opinion what is a fair scientific definition of an intoxicating beverage?" He replied, and I agree with him:

> An intoxicating beverage is a beverage which contains sufficient alcohol to produce intoxication. The quantity of beer that a person can take before it produces intoxication is very considerable. I have myself consumed 3 quarts of beer in an evening in Munich without feeling any effects from it. This is the equivalent of about a bottle and a half of wine containing 8 per cent of alcohol. Such a quantity of alcohol given with water may produce no intoxicating effect.
>
> * * * * * * *
>
> Senator HATFIELD. But what would be its effect, Doctor?
>
> Doctor LUSK. There was no effect whatever. They state there was no observable intoxication.

Mr. GLENN. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Illinois?

Mr. ASHURST. I will yield to the Senator from Illinois for a question.

Mr. GLENN. I wonder after all this discussion what the Democratic Party proposes to do at this session to carry out this provision of its platform, if anything:

> Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

If in the judgment of the Senator from Arizona it is improper to attach this rider to the pending measure, what does his party propose to do, and when, to carry out that provision of its platform, if anything?

Mr. ASHURST. Without intending to be flippant, the first thing we propose to do is to "do" the Republican Party. [Laughter.]

Mr. GLENN. Is not that the real purpose of the plank, rather than to provide any effective legislation?

Mr. ASHURST. No; it is not, because until the Democrats have a majority in this Chamber the able Senator knows that it is parliamentarily impossible to pass a bill such as is called for by the Democratic plank.

Mr. GLENN. Oh, no. If the Senator stands upon his platform solidly, we will give him enough help over here to carry it out.

Mr. ASHURST. If there be any retreat from platform, that retreat will not come on the Democratic side.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. ASHURST. I yield.

Mr. BORAH. I want to ask the Senator from Illinois if the Republican Party is proposing to furnish the votes to carry out the Democratic platform?

Mr. GLENN. There are some Republicans over here who may at this time support a movement on the part of the Democrats on this particular plank, and in doing so it would be no innovation here, because heretofore other Republicans have supported many proposals coming from the other side of the aisle.

Mr. BORAH. The only time the Senator and his friends do that is when liquor is involved.

Mr. ASHURST. Mr. President, before the Senator from Virginia [Mr. GLASS] gets too far away, let me say I am pretty well flanked—by the Senator from Massachusetts [Mr. WALSH], the Senator from Maryland [Mr. TYDINGS], the

junior Senator from Illinois [Mr. LEWIS], the junior Senator from Virginia [Mr. GLASS], and the senior Senator from Florida [Mr. FLETCHER]. I am not alone in this contest; but if I stumble, there are loyal Democrats and loyal friends on this side who will pick me up. [Laughter.]

The able Senator from Virginia [Mr. GLASS]—much as I should like to take the time of the Senate to eulogize him, I shall not do so—has suggested to me sotto voce, and I repeat it aloud, that the Democrats have the right and are going to insist upon it to ascertain by scientific means—it will take a dozen days or two weeks to do it—to ascertain without depending wholly upon the testimony of "Doctor" BINGHAM just how much alcohol in beer would render such beer intoxicating. We are not obliged by the platform to violate the Constitution. We have the right to ascertain——

Mr. GLENN. Mr. President, will the Senator yield?

Mr. ASHURST. In just a moment. We have the right to ascertain just what alcoholic content would be intoxicating in beer. I now yield to the Senator from Illinois.

Mr. GLENN. Not referring to any particular Member of the Senate, yet I really think there is enough knowledge on that subject in the Democratic Party that they will not need to conduct a very extended research.

Mr. ASHURST. That is a subject upon which my education is quite deficient.

Mr. TYDINGS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Maryland?

Mr. ASHURST. I will yield for a question only.

Mr. TYDINGS. Then I will put my statement in the form of a question.

The VICE PRESIDENT. The Chair will suggest that the rule may not be evaded by making a speech in the form of a question. The Senator from Arizona may yield only for a question.

Mr. ASHURST. Very well; I yield only for a question.

Mr. TYDINGS. I would like to ask the Senator from Arizona this question: Suppose a Senator is opposed to the home loan bank bill, as is the Senator who is now speaking. Suppose a Senator is in favor of the beer bill, as is the Senator now speaking. Suppose that the beer amendment is adopted and made a part of the home loan bank bill. How could a Senator under the circumstances I have presented vote either for or against the bill and be fair to his own convictions when it contains two divergent propositions?

Mr. ASHURST. The question answers itself!

I ought to put into the RECORD at this juncture the plank or provision which seems to be the spearhead or the target of the whole Democratic platform as discussed by certain gentlemen. I again read what the New York Herald Tribune said of the Democratic plank on prohibition. After criticizing other planks as being either prolix or too short, it said, referring to the prohibition plank:

> It is the longest plank and the clearest. Enough words are used to remove any possibility of doubt. It strikes the proper medium between brevity that causes ambiguity and such prolixity causing confusion as the Republican plank on prohibition displayed. It is, in our judgment, a model political plank.

What is that plank?

> We advocate the repeal of the eighteenth amendment.

Is there any ambiguity about that? Is there any doubt about what that language means?

> We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal. We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.
>
> We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against the importation of intoxicating liquors in violation of their laws.
>
> Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

If any Senator, upon his honor as a man, on his judgment as a legislator, after investigation, comes to the conclusion that 4 per cent beer—viz, beer with an alcoholic content of 4 per cent by weight or volume—is in fact intoxicating, that man registers a false oath before heaven when he votes here for that which is denounced by the Constitution. Therefore, if the wettest of wet Senators and if the wettest of wet Democrats reach a conclusion that beer with an alcoholic content of 4 per cent is in fact intoxicating, their honest and direct duty and recourse is to seek a repeal of the eighteenth amendment rather than to violate that amendment. I have not much patience or sympathy with any suggestion that any part of the Constitution should be violated. If 4 per cent beer is in fact intoxicating, I shall not vote for it unless and until the Constitution shall be changed. If it is not intoxicating and will produce revenue, I shall vote for it to-day, to-morrow, or next week.

Mr. President, already some resolutions have been introduced looking to amending the Constitution, abolishing the eighteenth amendment or changing it. I think the junior Senator from New Jersey [Mr. BARBOUR] on day before yesterday called attention to a joint resolution which he had introduced and which was sent to the Judiciary Committee, but the able Senator from New Jersey in his resolution proposing to amend the Constitution did not set out in what fashion his amendment should be ratified; he did not set out that he wished his resolution to be ratified by conventions called in the States or by the legislatures of the several States. Amendments to the Constitution now may be ratified only according to one of the two methods prescribed in the Constitution. So, as to that amendment, the Senator from New Jersey will either have to reintroduce it or else it will have to be amended so that a direct method as to how it is to be ratified, whether by conventions in States called for the purpose or by the legislatures, may be provided.

So, Mr. President, realizing that there will probably be no amendment to the Constitution submitted at this session of Congress, although I hope there may be one in the next session——

Mr. BINGHAM and Mr. GLENN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arizona yield?

Mr. ASHURST. I will not yield for a moment, because I am going to make a sort of legal argument.

For more than 12 years I have been profoundly convinced that the greatest contribution anyone could make to our American system of government would be to assist in having adopted a constitutional amendment which would provide, after its adoption, that all amendments to the Constitution shall be ratified by a direct vote of the people in the several States, voting separately, and that if and when a proposed amendment is ratified by the people in three-fourths of the several States it shall become a part of the Constitution.

Mr. BINGHAM. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Connecticut?

Mr. ASHURST. Not at this moment; I ask the Senator to let me finish.

The VICE PRESIDENT. The Senator from Arizona declines to yield.

Mr. ASHURST. It pains me to refuse to yield, but please do not impose an inferiority complex on me any more.

Mr. President, I ask unanimous consent to introduce a joint resolution proposing to amend the Constitution so that if it shall become a part of our fundamental law amendments thereafter will be ratified by a vote of the people. I ask that the joint resolution may be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read, as requested.

The joint resolution (S. J. Res. 192) proposing that all amendments to the Constitution shall be ratified by the qualified electors of the several States instead of by the legislatures thereof was read the first time by its title and the second time at length, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"ARTICLE —

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes as part of this Constitution when ratified by the vote of the qualified electors in three-fourths of the several States: *Provided*, That no State, without its consent, shall be deprived of its equal suffrage in the Senate."

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BINGHAM. Did the Senator from Arizona ask unanimous consent to introduce the resolution?

Mr. ASHURST. I did.

Mr. BINGHAM. Reserving the right to object, may I call the Senator's attention to the fact that there has been pending before the Judiciary Committee, of which he is a member, ever since the early days of the present session an amendment to the Constitution, which I offered and which carries out exactly the view which the Senator says he has had in mind for 12 years, to let the people pass upon proposed constitutional amendments? May I ask the Senator whether he has made any effort to secure a report on that joint resolution?

Mr. ASHURST. No, I have not; because I have been more interested in my own proposed constitutional amendment.

The VICE PRESIDENT. There having been no objection to the introduction of the joint resolution, the resolution will be referred to the Committee on the Judiciary.

Mr. ASHURST. Mr. President, I introduced a similar joint resolution more than 10 years ago and it was defeated in the Senate. It was a major parliamentary disaster which I suffered when my resolution was defeated at that time, but without bitterness, and I hope in an attitude of good sportsmanship, I accepted that defeat. However, I made the mental reservation that if Heaven spared my life and I was continued in this pleasant service in the Senate, which I enjoy so much, if my constituency saw fit to send me here for another term, I would continue my efforts in behalf of that proposed constitutional amendment. So, while, of course, I welcome such new converts and such scholars as the Senator from Connecticut, I was a gleaner in the field; I was breaking the stubborn glebe and planting the crop and harvesting it with my perspiration long before my scholarly friend began to agitate the ratification of proposed constitutional amendments by the people.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. ASHURST. I yield.

Mr. BORAH. If the Senator will examine the proposed constitutional amendment offered by the Senator from Connecticut, he will observe that the Senator from Connecticut has not yet caught up with the proposition which the Senator from Arizona has offered.

Mr. ASHURST. I thank the Senator.

Mr. President, some months ago I wrote a few notes, intending to inflict them upon the Senate at the first opportunity that I thought proper. They constitute a brief argument in behalf of my proposed constitutional amendment.

The qualified electors in the respective States should be the authority eligible to ratify proposed amendments to the Constitution of the United States. Neither the legislatures of the various States nor conventions therein should longer retain the power to ratify proposed amendments to the Federal Constitution.

The consent of the electorate is required in order to amend a State constitution; likewise a referendum to the people of the several States should also be required to amend the Federal Constitution.

It is vital to our American system that the voters should have an opportunity at some time during the process of amendment to say at the ballot box under what form of government they desire to live.

The State legislatures are not invested with the power to ratify amendments to the State constitutions, and for a much stronger reason the State legislatures should not further pass upon proposed amendments to the Federal Constitution.

Every argument in favor of the ratification of amendments to State constitutions by a direct vote of the people is a stronger argument in favor of consulting the people on the vital question of Federal amendments.

There is not a State in the Union which permits the State legislature to ratify amendments to its constitution. The State of Delaware is an apparent but not a real exception.

The aggregate membership of the legislatures of the States is about 7,400.

A mere majority of the membership of the legislatures in three-fourths of the several States, plus two-thirds of the 531 Members of Congress, may amend the Federal Constitution.

Thus about 4,000 men could change the structure of our Federal Government to any form their fancy suggested or that the lobbyist dictated, and the people would have no opportunity to defeat or reject the proposed amendments.

Our American system and public right should not be at the disposal of legislative caucuses but should be guarded by the free ballot of the electorate.

Proposed amendments to the Federal Constitution should not become valid as part of the Constitution unless and until such proposals are ratified by a majority of the qualified electors in three-fourths of the several States.

The plank in the Democratic platform respecting prohibition made as near an approach to submitting the prohibition question to the people as could be made. It will be observed that the plank in that platform does not refer the question of repeal to the legislatures of the several States. It will be further observed that under that plank the question of repeal is referred to conventions called specifically for the sole and only purpose, thus making as near an approach to a vote by the people as could be made at present under the Constitution.

Mr. BORAH. That is true also of the plank in the Republican platform, is it not?

Mr. ASHURST. I believe that to be so, and I thank the Senator for the suggestion. Therefore, Mr. President, it is clear, if anything can be made clear, that even the Republican Party felt that the people had a right to have their opinions on this subject considered and had a right to have an opportunity to express their views as to prohibition.

If a considerable number of Senators ask for the yeas and nays, they are granted. My view of the Constitution always has been, with respect to prohibition and everything else, that whenever any considerable number of American citizens, respectable in numbers, respectable in thought, respectable in character, desire to be heard as to whether or not a proposition should go into the Constitution or stay out, they should be given the opportunity. We are not the dictators of the American people; we may not dictate to them. I have always been of the opinion, and have so voted, that on any proposition when a considerable number of our people, respectable in numbers, in thought, and character, make manifest their desire to express themselves, I am not going to be a party to any plan which would prevent the American people from saying in their own way under what kind of government they desire to live.

Mr. BINGHAM. Mr. President, the Senator from Arizona has referred to an editorial in the New York Herald Tribune of this morning. I sent for a copy of it in order that I might have it before me, and the first thing that struck my eye was that on the editorial page there was a very amusing cartoon by "J. N. Ding," in which a number of young people sitting on a bench are saying, "You said you'd do it; now prove it." They are addressing their remarks to a donkey carrying a pail labeled "Beer immediately," and the young people on the fence are also asking the question, "When?"

"Right away?" and so forth. They are facing a very angry creature labeled "Dry Congress." I thought, in view of the Senator's reference to the New York Herald Tribune, it was only fair that Mr. Ding's very keen and pertinent cartoon should also be referred to.

Mr. ASHURST. The Senator does not claim that I resorted to such an unseemly or unfair procedure as to omit any part of the editorial, does he?

Mr. BINGHAM. Oh, no; I would never accuse my good friend from Arizona of anything unfair or unseemly. I was only sorry that the Senator had not also called attention to the cartoon, and I thought, in fairness to the newspaper, it ought to be stated that one of the most distinguished cartoonists and critics in the country had illustrated through the medium of this cartoon on its editorial page the difficulty in which the Democratic Party was placed.

Now may I refer to the paragraph in the editorial to which the Senator from Arizona referred, which is labeled "Tinkering with Beer," and in which the Herald Tribune reiterates its deprecation of the efforts of anyone to put a beer bill through the present Congress, and states that a modification of the Volstead Act will do none of the good things which repeal would do and is likely to complicate enforcement and discourage the serious study of an orderly alternative to the current chaos. That was the reason why I asked the Senator from Arizona whether he agreed with the whole editorial, because the editorial so emphatically takes a position against immediate modification, whereas the platform from which the Senator has so eloquently quoted the plank on repeal says that—

Pending repeal we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer.

When that came out there was great shouting and rejoicing, because everybody thought that at last there was going to be an effort by the Democratic Party to join with those of us on this side of the aisle who have been working for some time to promote the Government revenue, to promote economic stability, to increase business, to relieve unemployment, and to promote social order and temperance by favoring the legalization of the manufacture and sale of beer. To be sure, the platform is a little vague, although it is claimed to be absolutely clear; and we have seen only this morning how vague it is, because when the Senator from Arizona reads it and quotes it as urging legalizing "the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution" we raise the lid of Pandora's box. Immediately the distinguished Senator from Virginia [Mr. GLASS] rises to ask by what authority I have anything to say in regard to the alcoholic content of a constitutional beverage.

I am not claiming to be an authority at all, Mr. President. When I introduced the original bill calling for modification of the Volstead Act, Senate bill 436, which provided for changing the very unfair and ridiculous percentage of one-half of 1 per cent, now called an intoxicating beverage, to something more than 4 per cent, we tried to get before the committee, which held prolonged hearings, a number of distinguished scientists to testify as to whether 4 per cent beer was intoxicating or not; and the great consensus of opinion, as summed up in the minority report on the bill, which has been on Senators' desks for nearly two months, shows that with few exceptions the majority of scientists maintain that beer of 4 per cent by volume, or 3.2 per cent by weight, is not intoxicating.

The Senator refers to the necessity for a repeal of the eighteenth amendment. There is lying on the table at the present time Senate Joint Resolution 164, which provides for repeal, and which provides for the question being submitted to conventions. I quote from this joint resolution, which I introduced on the 9th of May. In language it is somewhat similar to Senate Joint Resolution 32, which I introduced on the 9th of December of last year:

Resolved, etc., That the following is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by conventions in three-fourths of the several States.

I call the attention of the Senator from Arizona to that.

Mr. ASHURST. I want to hear that.

Mr. BINGHAM. The joint resolution now lying on the table, and which I hope we can get up before the end of the session, calls specifically for ratification by conventions in the several States—

which conventions shall be composed in each State of delegates elected by a majority vote of the electors of the State.

I assume that that is what the Democratic platform refers to when it says "truly representative conventions." Otherwise they would have left out the words "truly representative"; but by inserting the words "truly representative conventions" clearly they meant some provision which would militate against a convention composed of a gerrymandered body which would not be truly representative. Of course, whether or not that can be carried out is a question; but what I am calling the Senator's attention to is the fact that on the table at the present time is a joint resolution providing for repeal, to be submitted to conventions to be chosen by the people.

Furthermore, may I call the Senator's attention to the amendment as proposed?

ARTICLE —

Article XVIII of the amendments to this Constitution is hereby repealed. The power to regulate or to prohibit the manufacture, sale, or transportation of intoxicating liquors is reserved to the several States.

Which is exactly in line with what the Democratic platform called for. In fact, one might almost say that the Democratic platform had been framed so as to favor the passage of this joint resolution, which had been introduced a month before the Democratic convention and was lying on the table.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. BINGHAM. May I finish reading the article before I yield to the Senator?

Except that no State may prohibit the transportation of intoxicating liquors in bond across its territory if such liquors are shipped in interstate commerce between points wholly outside the territorial limits of such State.

That, the Senator will see, will protect the wet States against the drys.

It goes on to say:

The Congress shall have the power to regulate the sale or transportation of intoxicating liquors in interstate or foreign commerce in a manner not to abridge or deny the powers herein reserved to the several States.

That protects the dry States.

In other words, if a State has ultradry laws, it is the duty of the Federal Government, through its power over interstate commerce, to protect that State against the importation into the State of intoxicating liquors.

I read this joint resolution at this time merely to call the Senator's attention to the fact that it will not be necessary for the Judiciary Committee to draft a joint resolution in accordance with the declared policy of the Democratic convention, because there is already such an amendment on the table, and I shall make every effort to call it up before the end of the session.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Arizona?

Mr. BINGHAM. I do.

Mr. ASHURST. I should like to interrupt the Senator, if he will permit me to do so, for something more than a question. I do not want the Senator to lose the floor, but I want to continue a discussion with him for a moment.

Mr. BINGHAM. I yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, I assure the Senator from Connecticut and the Senate and the country that my attitude is not one of an attempt to dodge, evade, or avoid the plain antiprohibition Democratic platform plank.

Mr. BINGHAM. I trust the Senator has not interpreted my remarks as implying anything of the kind.

Mr. ASHURST. I have in days gone by given evidence of my fidelity to my party's platform.

I came to the Senate more than 20 years ago. I was not in the national convention of 1912; but that convention pledged the Democratic Party to free transit for American ships passing through the Panama Canal. Within five weeks after that plank was written the Panama Canal bill came into the Senate. A number of Democratic Senators, many of them now gone to their fathers—may the sod rest lightly on their bosoms—intended to vote against free transit. I took the Democratic plank in my hand—I had been here only a few months—and went to them and said, "Sirs, the ink on the platform is not yet dry. Are you going to violate that plank?" And the Democratic Senators voted for free transit of American ships through the Panama Canal in 1912.

Later, for reasons that appeared to be good to many excellent men—men whom I revere—there was a right-about face; but I did not execute a right-about face. I stood for free transit as pledged in the platform, and I stood against my own President, whom I loved and revered, and whose memory and services are the precious inheritance of every American. I stood by my platform plank. I am going to continue to be faithful to the platform of my party.

We politicians do not stand any too well with the American people at best; but when we go to the length of turning out planks and then disregarding them with a cynicism that would move a Machiavelli to tears, we shall come to evil days.

I close by giving the Senator assurances that in the event there should be laggards in the Senate with respect to carrying out platform planks, I shall not be one of them. I believe in observing and standing by my platform promises. I was not in the convention in 1912 nor in 1932; but those conventions, likewise the others, were representative of my party.

Governors, Senators, Representatives, and judges, mechanics, manufacturers, men of the soil, men of commerce, women of the home and women of finance, of industry, and scholarship, made up the Democratic National Convention in 1932; and my little wisdom is not greater than their combined wisdom and judgment as expressed in the Chicago platform.

I thank the Senator for permitting this interruption.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Virginia?

Mr. BINGHAM. May I say just a word in reply to the rather long and complicated question which the Senator from Arizona has asked me?

I had no intention whatever of implying that the Senator was endeavoring to avoid in any way his responsibilities, or of implying in any way that he would not support the platform. All I was endeavoring to do was to call his attention to the fact that it would be possible to carry out a large part of that platform in the very near future with his aid and that of his colleagues whose convention has recently adopted such a plank. If they do not like the modification plank, they can at least vote for a straight repeal resolution. If they think that the percentage of alcohol is too great in the modification plank, they can put in whatever they think is a proper percentage. I assume that when three Democratic Senators introduce a resolution calling for an amendment to the bill before us providing for beer of an alcoholic content of 2.75 per cent, they believe that that is the proper limit. If that is what the Democratic Party meant at Chicago when it went on record as favoring beer, well and good; and we will then find the Democrats all voting for it except those to whom the Senator has referred, who do not feel bound, as he does, to follow the platform.

Now, Mr. President, may I say just a word in reply to what the Senator said when he began, when he protested against the amendment offered by the Senator from North Dakota [Mr. FRAZIER] which is now before us, and against the amendment which I shall offer as soon as the amendment of the Senator from North Dakota is disposed of. He criticized us for endeavoring to get something on this bill which does not refer to the subject of banking or the making of loans for building homes.

Mr. President, ordinarily in the middle of a session such a criticism would be justified; but may I say to the Senator that it does not seem to me that it is justified at the present time. We are within a few days of the end of the session. It is clear, from what has been said in the public press by the leaders of the House of Representatives, that if we were to take from the calendar either one of the so-called beer bills now on the calendar, reported some two months ago by the Committee on Manufactures, if a motion were to prevail that one of those bills should be taken up as soon as the present bill is disposed of, and it were to pass and go to the House, the leaders of the House would send the bill to committee; and everyone knows that it would take a long time to get it out of committee, because the committees over there have already shown their dry sensibilities. Furthermore, the rule recently adopted by the House to permit the House itself to demand the discharge of a committee after the signing of a petition by 145 Members of the House could not apply in this case, for the rule has already been called into question once at this session in regard to a so-called beer bill.

Under the rules of the House that provision, having been taken advantage of once, could not be taken advantage of again at this session. Hence it would mean no opportunity for those in the House who believe as I do to put through a modification of the Volstead Act at this time.

In view of the fact that many of us on this side, and the Democratic Party through their platform on the other side of the aisle, favor immediate modification of the Volstead Act, the only way which we have been able to discover, the only manner which anyone has been able to suggest whereby we could get a vote, both in the Senate and in the House, on the immediate modification of the Volstead Act, is by putting it on as a rider to this bill. This is a House bill. It is a bill in which many are interested. After it passes this body it is going back to the House for consideration. If it has as a rider either the proposal of the Senator from North Dakota or my proposal, or both of them, the House can then vote to agree or disagree to those proposals.

If the Senator from Arizona, or any other Senator, can suggest a method whereby we may secure immediate modification of the Volstead Act, if we can get the votes to do it, other than the method chosen, if he or anyone else can suggest a method whereby both the Senate and the House will be sure of opportunity to vote on this question, and the possibility of getting it to the President for the possibility of his signature in order that it might become a law, so that we might secure the immediate modification of the Volstead Act, then I will be glad to have it stated. But after conference with many interested persons no other method at this time seems to be available. In order that I may not appear to be peculiar in this, I submit that the amendment to which the Senator from Arizona referred, and which has been offered by the Senator from Ohio [Mr. BULKLEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Massachusetts [Mr. WALSH] proposes this same thing. It is an amendment, to be sure, covering a lower alcoholic content than that proposed in my amendment.

In conclusion, Mr. President, may I say—and I will not conclude before giving the Senator from Virginia an opportunity to ask a question, which he requested a while ago—that it was not until we had scientific testimony from impartial persons outside of the political arena, persons in the universities, in the scientific laboratories, persons who were not concerned at all with the political significance of the move for beer of greater or lesser content of alcohol than we propose, that I was willing to advocate heartily the passage of the bill which calls for a change in the percentage of alcohol under the Volstead Act, 3.2 per cent by weight, or 4 per cent by volume.

Now I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, it has been so long since I tried to interrupt that I have rather forgotten what I wanted to ask the Senator from Connecticut, except that I have been very much impressed with the extraordinary interest of the Senator from Connecticut in the Democratic platform and his indifference to the platform of his own party. As it seems to me, the purpose of the Senator from Connecticut is perfectly obvious; it is transparent to anybody. What he is seeking to do——

Mr. BINGHAM. Mr. President, is this the Senator's question?

Mr. GLASS. I supposed the Senator had yielded the floor.

Mr. BINGHAM. I yielded for a question.

Mr. GLASS. If that is all, I do not care to ask a question. I propose to adorn a tale and point a moral.

Mr. BINGHAM. Mr. President, in connection with what the Senator from Virginia has just said, may I remind him of two things? About two years ago——

Mr. GLASS. Mr. President, if the Senator is going to reply to me, I would like to proceed and give him something to reply to.

Mr. BINGHAM. In connection with what the Senator said, but not in reply——

Mr. GLASS. Otherwise I will do it in my own time.

Mr. BINGHAM. I have no doubt of that. In connection with what the Senator from Virginia has said, may I call his attention to the fact that about two years ago I first introduced the bill which is now, or will be soon, before us in the form of an amendment, and that it is gratifying, after having tried several times to get a vote on it, finding that previously there were more on this side of the aisle than on the other side of the aisle willing to vote for it, to discover help from the Democratic platform.

The Senator says that I have devoted very little attention to the Republican plank on this question. I think the Senator is mistaken in that. He will find that I at one time, not so very long ago, devoted a good deal of attention to it, in an effort to get it corrected, but unsuccessfully.

May I call the Senator's attention, in connection with what he said earlier in the day regarding what was intoxicating and what was not, to the statement of Prof. Francis G. Benedict, director of the nutrition laboratory in the Carnegie Institution of Washington, now located in Boston, Mass., who was called to testify before the committee.

He stated that he was director of the nutrition laboratory of the Carnegie Institution, located in Boston, and that he had started out in 1907 to discuss the general problems of nutrition, and, among other things, he said:

> It seemed perfectly fitting to study the nutritive character and quality of alcohol as well as that of proteins, fats, or carbohydrates, for there are several million people, notably in France, who regularly receive each day as many calories in the form of alcohol as they receive in the form of protein.

At the conclusion of his testimony, after he had described certain reactions or reflexes caused by a small amount of alcohol, I asked him this question:

> In the ordinary sense of the word is the use of beer, as it is used in Germany, intoxicating or not intoxicating?

Doctor Benedict replied:

> I should say in the ordinary sense of the word "intoxicating," as ordinarily used by the majority of people, no.
>
> Senator BINGHAM. It is not intoxicating?
>
> Doctor BENEDICT. They do not get to the point where they can not walk and can not talk.
>
> Senator BINGHAM. Do you think when we adopted the eighteenth amendment of the Constitution we referred to these little reflexes in the body, or did we refer to the ordinary habits of people?
>
> Doctor BENEDICT. We referred to the ordinary habits of people.

In other words, a distinguished scientist, who had under consideration a reply to a question, stated that beer as used in Germany in the ordinary sense of the word was not intoxicating. I quote him as a distinguished authority in no way concerned with the political aspects of the case.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. GLASS. I want to inquire, first, whether the Senator's committee accepted this testimony as conclusive. Did it report his proposed amendment with a recommendation that it be adopted by the Senate?

Mr. BINGHAM. The subcommittee which held the hearings in its report to the full committee said that it "took extensive testimony from expert qualified witnesses to determine definitely the following."

There followed six questions, one of which was:

> Whether or not beer containing not more than 4 per cent alcohol by volume may be considered intoxicating.

And in its reply to that the majority of the subcommittee, in reporting to the full committee, said:

> The subcommittee, therefore, concludes—

I will not read the whole page, giving the discussion of it—

> The subcommittee, therefore, concludes that beer containing 4 per cent of alcohol by volume can not be considered an intoxicating beverage.

Mr. GLASS. Did your authority and your subcommittee convince the general committee?

Mr. BINGHAM. I was not a member of the subcommittee, but I was about to say that that report was not accepted by the full committee, which decided that the subcommittee was wrong; but a minority of the full committee signed the report——

Mr. GLASS. I understand that; I have read all that. I want the Senator to say whether his authority, together with his subcommittee, convinced the general committee, and if the general committee reported the bill favorably.

Mr. BINGHAM. The Senator knows the answer to his question.

Mr. GLASS. But I would like to have the Senator give me the answer for the RECORD.

Mr. BINGHAM. The majority of the committee reported against it.

Mr. GLASS. Exactly. In other words, a majority of the committee thought that the Senator's proposition, while not involving that degree of intoxication that would put a man on the ground and make him tongue-tied, was sufficiently intoxicating to make him reel, and yet to enable him to say something of an intelligible nature. Is that it?

Mr. BINGHAM. The majority, consisting of Senators JESSE H. METCALF, WARREN BARBOUR, ROBERT M. LA FOLLETTE, Jr., and ROBERT J. BULKLEY, signed a report, which is on the calendar and has been for two months, in which they state their belief that the adoption of this measure would—

> promote temperance, strengthen the law, decrease crime, and generally contribute to the public welfare.
>
> The majority contends that beer of 3.2 per cent alcohol by weight can not be considered a nonintoxicating beverage. We believe the evidence submitted does not warrant this conclusion, but that the testimony of numerous physicians, scientists, and social workers proves beyond any reasonable doubt that beer of this alcoholic content is not intoxicating.

There are a large number of affidavits taken for use in a case tried before the Supreme Court, a large number of affidavits of physicians all over the country in favor of the contention that 2.75 per cent beer was not intoxicating, and I hope that the Senator from Virginia, even if he feels disposed to vote against the amendment as I have proposed it, will be willing to vote in favor of the amendment proposed by his colleagues, about which there appears to be not a shadow of doubt.

Mr. GLASS. The Senator from Connecticut is my colleague, for that matter, here in the Senate.

I want to call his attention to the fact that more than two years ago the Senate appropriated, first $250,000, and afterwards another $250,000, to have the Wickersham Commission appointed by the President of the United States to determine this very matter for the Congress of the United States. It not only did not determine it, but for 11 months after it was appointed it absolutely ignored the mandate of Congress to investigate the prohibition question at all, let alone the extremely and primarily important proposition involving the alcoholic content of an intoxicating beverage. They literally wasted $500,000 of the taxpayers' money without giving us one solitary substantial suggestion in return, when every Senator knows that the absolute and only

purpose of the appropriation of that money was to have that Wickersham Commission investigate this very question and apprise Congress of its conclusions as to what constitutes the alcoholic content of an intoxicating beverage.

I wanted that done. I, myself, drew the resolution which resulted in the appointment of that commission, and that was the sole purpose of the resolution. Many persons who are "dry," to use the common phrase, many persons who are opposed to the saloon and to the miscellaneous distribution of intoxicating liquor, have conceived the idea that the Volstead Act goes far beyond the requirements of the eighteenth amendment, and for that reason we wanted this matter definitely, or certainly approximately, determined in a scientific way, so that Congress might legislate upon it intelligently. But the commission utterly ignored the mandate of Congress. It wasted the half-million dollars that was appropriated, and we are just as much in ignorance to-day as we were two years ago as to what really constitutes the alcoholic content of an intoxicating beverage.

The Senator reads us authority of some man supposed to be qualified to speak, and he tells us that the beer drunk in Germany does not disable a man, that it does not put him in that state of intoxication where he is unable to walk or to talk. Nobody here now knows whether the beer proposed by the Senator from Connecticut is of that sort or not. If it makes a man so tipsy that he can merely reel but can not walk, I am against it. If it makes a man so tipsy that he may ejaculate but can not speak intelligently, I am against it. Until some authorized commission, after a careful investigation—not with a view to determining the question one way rather than another, but an authorized commission charged with the solemn obligation of reaching a fair scientific conclusion—determines what is the alcoholic content of an intoxicating beverage, I deny the right of any Senator to undertake to say that I challenge my party platform because I do not vote for what he wants done.

So far as challenging a platform is concerned, if the purpose of the Senator from Connecticut is to embarrass Democrats upon this question, I want to say to him that he can not embarrass me. I regard my oath and obligation here as to the State of Virginia, and it can not be touched by any frenzied political assembly anywhere on earth. I am going to vote as my judgment and conscience dictate, and not as any party platform may undertake to determine for me.

But I say to the Senator again he is not constituted as the authority for the Senate, and no other Senator is, and I do not intend to touch the Volstead Act until some authorized commission, after a fair investigation, shall determine the question for us. Not only that but the Senator is so solicitous about the Democratic platform. Why does he not give some attention to his own party platform? Why does he not offer an amendment to the home-loan bank bill, absurd enough in itself, but why not make it more absurd by offering his platform plank as an amendment to it, rather than the Democratic declaration as misinterpreted by the Senator from Connecticut?

Mr. BINGHAM. Mr. President, does the Senator ask that as a question?

Mr. GLASS. The Senator knows very well that he offered this very proposition a month ago, and it was overwhelmingly defeated. Why not test the sense of the Senate on his side as well as on this side with the Republican declaration? I pause for an answer.

Mr. BINGHAM. Mr. President, the reason is that I do not like the Republican plank and I do like the Democratic plank. [Laughter.]

Mr. GLASS. Will the Senator vote the Democratic ticket on election day?

Mr. ROBINSON of Arkansas. Mr. President, I do not hear any answer from the Senator from Connecticut.

Mr. BINGHAM. My answer is: Certainly not!

Mr. GLASS. Of course not; and that about illustrates the sincerity of the Senator from Connecticut in pursuing this matter here. The whole purpose is to undertake to embarass Democratic Senators, and God help the Democratic Senator who can be embarrassed in this way.

Mr. BINGHAM. Yes; I agree with the Senator. My position in regard to my platform as it relates to the eighteenth amendment is no different whatever than the position of the Senator from Virginia, who said a moment ago that his platform was adopted by some kind of a "frenzied political assembly" and that it could not control his actions at all. The platform adopted by the Republican convention in this regard will not control my action. It will be the wishes of the people of the State of Connecticut whom I try to represent in part as well as the Senator from Virginia represents his distinguished citizenship.

Mr. GLASS. I will say to the Senator from Connecticut that a party platform has an impressive influence with me upon any declaration of principle, but when it makes a declaration of procedure in the Senate, when it would constrain me or anybody else, as I do not believe it does, to add to the home loan bank bill a beer bill, I would scorn the platform that would undertake to do that.

Mr. ROBINSON of Arkansas. Mr. President, I should like to ask the Senator from Connecticut a question if he will be good enough to yield for that purpose.

Mr. BINGHAM. I had yielded the floor, but I shall be glad to answer the Senator.

The VICE PRESIDENT. The Senator from Arkansas has been recognized and has the floor.

Mr. ROBINSON of Arkansas. The Senator from Connecticut proposes to attach a beer amendment to the home loan bank bill. The Senator well knows that the President initiated the proposal for a home loan bank bill. He has been treating it as an essential measure for relief. If the beer amendment should be attached to the home loan bank bill, what action would the President take regarding the bill? Would he sign it or would he veto it?

Mr. BINGHAM. I have not consulted the President on this matter, and I do not know whether he would sign it or veto it or what he would do. I am interested in relief——

Mr. ROBINSON of Arkansas. Does the Senator desire to defeat the home loan bank bill?

Mr. BINGHAM. Preferably I stand with the Senator from Maryland [Mr. TYDINGS] in that I am opposed to the provisions of the home loan bank bill, but if the Senator and his colleagues will help those of us on this side of the aisle who agree with the Democratic plank on prohibition to put this rider on the home loan bank bill, I confess he will make it very difficult for me, because then I should be obliged to vote for a home loan bank bill in which I do not believe because it carries a rider in which I do believe.

Mr. ROBINSON of Arkansas. The Senator is trying to amend the home loan bank bill by having adopted a beer amendment in order that he may vote for the home loan bank bill, which he knows the President would then veto.

Mr. BINGHAM. Oh, no; the Senator should not say that. I do not know whether the President would veto it at all, so the Senator is putting those words in my mouth.

Mr. ROBINSON of Arkansas. The President has indicated his intention to veto the relief bill if certain provisions are retained in the bill, and that before the conference report on the bill has been considered in either branch of the Congress. In view of that fact, does not the Senator feel that it would be appropriate to inquire, and that the President would be impelled to follow the precedent he has set with regard to the relief bill, and ascertain whether the amendment which the Senator proposes would accomplish his purpose and defeat the home loan bank bill?

Mr. BINGHAM. Does the Senator take the position that it is the duty of a Member of the legislative body to consult the Executive with regard to his pleasure in regard to a bill before he votes for it or introduces it? That is a strange position, it seems to me, for the Senator from Arkansas to take.

Mr. ROBINSON of Arkansas. The announcement was made yesterday in the press that the President would veto the home loan bank bill if the beer amendment were attached to it.

Mr. BINGHAM. That statement was made by one of the news services. I endeavored to find out from another news service whether they had been able in any way to justify that statement by inquiry and was informed that there had been no confirmation of it so far as they could learn. I say that merely because the Senator has referred to the newspaper statement.

Mr. ROBINSON of Arkansas. There has been no denial.

Mr. BINGHAM. There has been no confirmation.

Mr. ROBINSON of Arkansas. Neither confirmation nor denial. In view of the precedent which has been set in connection with the unemployment relief bill—and the precedent that I refer to is the announcement of the President's statement on yesterday of his intention to veto the bill, or the implication of his intention to veto the bill—does not the Senator from Connecticut feel that as long as he is a Democrat on the beer question and a Republican on some other questions, he ought to find out whether the President would sign the bill with the beer amendment in it?

Mr. BINGHAM. If the Senator as the leading Democrat in this body will ask him with regard to that, then I, whom the Senator terms "a Democrat on the beer question," will be glad to learn from him what his position is.

Mr. ROBINSON of Arkansas. That is the Senator's own designation of himself by the attitude he has taken here. I would be interested to know how the Senator stands on the remainder of the Democratic platform. It would be interesting to know whether the Senator is going all the way through and support the Democratic platform as a whole and support the Democratic nominee.

Mr. BINGHAM. I have not heard much noise about the rest of the Democratic platform.

Mr. ROBINSON of Arkansas. I do not think that is an answer to my question.

Mr. BORAH. Mr. President, I understood the Senator from Connecticut to say a few moments ago that he would not support the Republican platform on the resubmission proposal.

Mr. BINGHAM. I announced some weeks ago, after the plank was adopted, that if I were nominated this fall, I should have to tell the convention which was about to nominate me that I could not run on that plank of the Republican platform to which I have been referring, and that it is my hope and expectation that the Republican platform adopted by the State convention in Connecticut will have at least as good a wet plank as has the Democratic national platform.

Mr. BORAH. In other words, the Senator will not be bound by the platform adopted at Chicago on that subject?

Mr. BINGHAM. That is correct.

Mr. BORAH. I also understood the Senator to say he was satisfied with the Democratic platform on that subject, and would support it.

Mr. BINGHAM. The prohibition plank of the Democratic platform appears to me to be admirably stated and admirable in intent and purpose, and I wish it were in the Republican platform.

Mr. BORAH. The principle which is incorporated in that plank will be supported by the Senator in his campaign?

Mr. BINGHAM. To what principle does the Senator refer?

Mr. BORAH. Direct repeal of the eighteenth amendment.

Mr. BINGHAM. I subscribe to this plank and am back of it, certainly.

Mr. TYDINGS. Mr. President, it is perfectly evident that the discussion of the beer amendment is not predicated upon any desire to incorporate it in the bill so much as it is upon the desire which is evident to embarrass the Democratic Party. Let us look at the political angle of this thing before we come to the merits of the proposition itself.

First of all, the President of the United States is a member of the Republican Party. He has just been nominated at the National Republican Convention. A platform of his has been adopted, written under his supervision and by his direction. The majority party in this body is of the same political faith as the Chief Executive of the Nation. It strikes me, therefore, that it would not only be becoming, but it would be right and proper if those Members on the other side of the aisle would stop devoting their talents to carrying out the Democratic platform and, as they are in charge of the Government in the Executive branch and in the United States Senate and are now in a position to act, if they were actuated by good faith, would bring their own platform plank here and stand up like men and vote for it or vote against it.

But we know that that will not happen because for four years there has not been a man in this Republic who has known where the President stands upon this question. Even after four years, when the platform plank has been adopted, there is nobody who would undertake to translate the party's action into a proposition here because it is so ambiguous, and subject to so many interpretations, that no two men could agree upon the language to carry it out. So it seems to me to be thoroughly out of all reason and rhyme for Members on the other side of the aisle to expect Democrats to live up to their plank when they themselves, in control of the executive branch, and in control of the legislative branch in which I am speaking, have refused to carry out their own platform proposal.

The Democratic Party has no President in the White House now. We have no majority in this body. Responsibility for running this Government is ours only in a minority capacity. The responsibility is primarily that of the Republicans. Why does not the President send word down at this session of Congress to its leaders and his friends here and say, "It is our bounden duty at the first opportunity to put through a proposal in consonance with the plank adopted on prohibition at the convention in Chicago"?

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Oklahoma?

Mr. TYDINGS. I am glad to yield.

Mr. GORE. I think I can enlighten the Senator from Maryland in regard to the position of the President. The President is not carrying water on both shoulders. He is now doing a cake-walk with Rebecca's pitcher on one shoulder and the little brown jug on the other shoulder, under the guise of "a noble experiment." [Laughter.]

The VICE PRESIDENT rapped for order.

Mr. GORE. I appreciate the response of the Presiding Officer. It shows that he has a sense of humor. [Laughter.]

Mr. TYDINGS. Mr. President, I, too, appreciate the sense of humor of the Presiding Officer, but I want to return to the actual situation here existing. The President of the United States is a candidate for reelection and his party in solemn conclave has just adopted a plank dealing with prohibition. If he is sincere, if he means business, he ought not to lose a moment at this session of Congress in carrying out what can be carried out immediately; and I say if he does not do it, it ill behooves anybody on the other side of the aisle to try to make this small minority over here legislate on this question. I venture to say that from now until election day no word clarifying the President's stand will fall from his lips upon the prohibition question, and, after four years, we have got to wait apparently until after the coming election before any action may be taken although his own party is now in control here.

Mr. GLENN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Illinois?

Mr. TYDINGS. I yield to the Senator for a question.

Mr. GLENN. Why wait? Why do not the Senators on the other side who are so enthusiastically for this plank in their party platform take some steps to carry it out? We over here will give them some help, sufficient help to put the thing through. The truth is they do not want to do that, and they will not do it. As was said by the able Senator from Arizona a while ago, it was designed to get votes in the election, and not to get votes in the Senate or in the other

House of Congress. I do not believe the Senator from Maryland is nearly so enthusiastic for this change as he was before the Chicago convention, and I can not understand the lessening of enthusiasm on his part.

Mr. TYDINGS. Mr. President——

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I can not yield now.

The VICE PRESIDENT. The Senator from Maryland declines to yield.

Mr. TYDINGS. I will come to the merits of the plank in a few moments, but the point I want to fix in the Senator's mind is this: He has the effrontery—and I say it with a smile—in this legislative body, of which his own party is in control, with a man in the White House who is his leader as President of the United States, and with a plank on this subject just adopted in a solemn conclave by the members of his own party, to stand up and ask the members of the minority over here, like Alice in Wonderland, to lead him out of the wilderness.

Mr. GLENN. The Senator from Maryland is altogether too modest when he compares himself with Alice in Wonderland. The Senator who has been bold enough day after day to consume hour after hour in a courageous, outstanding effort, under his leadership, to obtain liquor and beer and modification and repeal, and who nominated the governor of his State in a great speech at Chicago before the enthusiastic Democratic National Convention, comes here now and compares himself with little Alice. Think of that! [Laughter on the floor and in the galleries.]

The VICE PRESIDENT. Let there be no demonstrations in the galleries.

Mr. GLENN. The Senator asks us, as he has asked day after day, to find out what the position of our candidate for the Presidency is upon this question. His request has been unavailing; he has not announced it, so the Senator from Maryland says. So why does not the Senator from Maryland now send to his nominee and ask him to get behind him in this great fight? Why does he not ask Governor Roosevelt to send word down to his enthusiastic followers here and say, "Do what our platform pledges us to do; take steps for immediate action in the Senate of the United States"? Why does he not send word to the distinguished Senator from Montana [Mr. WALSH], who was the permanent chairman of the convention? Why does he not send word to the senior Senator from Kentucky [Mr. BARKLEY], who was the temporary chairman of the convention and who changed overnight from dry to wet, I take it, and why does he not send word to the great statesman from Virginia [Mr. GLASS] and his other supporters over the land and say, "You should get action now"?

Mr. TYDINGS. Mr. President, I can not yield for a speech.

The VICE PRESIDENT. The Senator from Maryland declines to yield further.

Mr. TYDINGS. Mr. President, I certainly want to thank my good friend from Illinois for putting his hand on the most sensitive nerve in this whole proposition. He has looked into this mist and fog and has seen the light when he says, "Why does not the Senator from Maryland call upon the Democratic nominee to straighten out this tangle?" I desire to assure him that that is just what will be done next November.

Mr. GLENN rose.

Mr. TYDINGS. Just a moment. A President of the Senator's own party is actually in the seat of power, and he and his party control this body, and yet he calls upon a man who has not been elected as yet, "For God's sake, save the Nation!" [Laughter.]

Mr. GLENN. Mr. President——

Mr. TYDINGS. Just a moment; I have not finished. That is the exact situation which exists. The Senator does not realize that Governor Roosevelt is not yet President.

Mr. GLENN. No.

Mr. TYDINGS. He does not realize that the Democrats have not yet secured control of this body; but when they do, they will not come here and shed crocodile tears and ask the minority on the other side of the aisle to carry out the policies of their platform.

Mr. GLENN. Mr. President, if the Senator will yield, I take it, then, that it is the construction of the Democratic Party that the word "immediately" means some time in the far-distant future, and that no steps will be taken until after November to carry out the plank in the Democratic platform.

Mr. GLASS. Mr. President, what does the word "promptly" mean in the Republican platform? Does the word "promptly" in the Republican platform mean a few years ahead? [Laughter in the galleries.]

The VICE PRESIDENT. The Senate will be in order. The Chair will hold that the Senator from Maryland will lose the floor if he yields again for anything but a question. The Chair wants further to announce that if there are any further demonstrations in the galleries, he will order them cleared.

Mr. TYDINGS. May I say again to the Senator from Illinois that I told him I was coming to the merits of the proposal itself in a moment? I will anticipate what I would have said later by saying that if we stay in session long enough the Senator will have ample opportunity to see the Democratic Party in action.

Mr. GLENN. Will the Senator yield?

Mr. TYDINGS. Not now—carrying out in full its platform plank; and when the proper time comes, if no one else does it, I myself will ask for the consideration of the Wagner resolution; and when the proper time comes, I myself will ask for the modification of the Volstead Act. But to anticipate a little further, I do not think it proper to put this beer amendment upon this bill, although I am going to vote for it. I think it is bad strategy; I think that there are many Senators who are against the pending home loan bank bill and for the beer proposition, who would be placed in an equivocal position, and there are also those who are for the home-loan-bank measure and against the beer proposal who are likewise situated. We ought to have a separate bill for it; and that is just the point. It is more politics instead of less politics. When I offered my beer amendment, I offered it on the revenue bill, to which it could properly be attached. I did not offer it on a bill to regulate ocean steamships or to dig canals; I offered it where it could properly be offered.

Now, we have before us a proposition to vote for a beer amendment to the home loan bank bill. I am opposed to the home loan bank bill; I am not going to vote for it. I am for a sensible, constitutional modification of the Volstead Act. If the beer amendment were incorporated in the home loan bank bill, how should I vote when I am against one half of it and for the other half?

Mr. MOSES. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New Hampshire?

Mr. TYDINGS. I yield for a question.

Mr. MOSES. That is what I want to ask. Did not the Senator from Maryland, with the Senator from Ohio [Mr. BULKLEY] and the Senator from Massachusetts [Mr. WALSH] offer to the pending bill an amendment which carries beer?

Mr. TYDINGS. No.

Mr. MOSES. Which was ordered printed and is lying on the desk. Under the guise of asking a question, I might assume to read that proposed amendment, although I probably can not do that unless the Senator will yield.

Mr. TYDINGS. Where the Senator from New Hampshire is confused is in this respect: The Senator from Maryland did not intend to offer his amendment to this bill in conjunction with his two colleagues; but if the Senator from Connecticut offers his amendment, we will then offer ours as a substitute for his amendment, not because we want the question decided, but, inasmuch as it is before the Senate, we want to try to bring it within constitutional limitations.

Mr. MOSES. Mr. President, will the Senator yield for another question?

Mr. TYDINGS. I yield for a question.

Mr. MOSES. Is the printed language true as I find it on the paper which I hold in my hand, which reads?—

Amendment intended to be proposed by Mr. BULKLEY, Mr. WALSH of Massachusetts, and Mr. TYDINGS to the bill (H. R. 12280) to create Federal home loan banks, to provide for the supervision thereof, and for other purposes, viz: At the end of Title I insert the following:

TITLE II—AMENDMENT TO NATIONAL PROHIBITION ACT

And does the Senator now disavow that?

Mr. TYDINGS. No; and I have already made an explanation, but there are none so deaf as those who will not hear. May I say to the Senator from New Hampshire that I just explained that we would offer that amendment only in the event the Senator from Connecticut should offer his amendment to the home loan bank bill?

Mr. MOSES. May I ask the Senator another question since he can not yield for any other purpose?

Mr. TYDINGS. I should like to proceed, but I will be glad to yield later.

Mr. MOSES. I merely want to ask the Senator if his purpose was merely to play politics with this question?

Mr. TYDINGS. No; I do not want the amendment offered at all, and I will offer a separate bill as soon as we get this measure out of the way.

Mr. MOSES. Then another question: Does the Senator, in so far as he is one of the coauthors of this amendment, intend now to withdraw it?

Mr. TYDINGS. I think that question has been answered at least three times, but, for the fourth time, I will tell the Senator I will not withdraw it, but will only offer it in the event that a beer amendment is properly placed before the Senate through some other agency than this side of the aisle, in the hope that if we are to vote on it, we may vote on a proposition which we over here all feel will be constitutional.

Mr. MOSES. Will the Senator yield for another question?

Mr. TYDINGS. No, Mr. President; I refuse to yield.

The VICE PRESIDENT. The Senator from Maryland declines to yield further.

Mr. TYDINGS. Mr. President, just to review for a moment what has happened: Here, as I said before, is the President in the White House, a candidate for reelection, and here are the Members of his own party in control of this body. Why take up the Democratic proposition, the minority proposition? If those in this body belonging to the majority party are forthright, if they are sincere, if they mean business, if they are straightforward, let them produce their own plan. They are in control of the Government; they are responsible for what goes on here; do not come over here and take our plank and seek to play politics with it. No one is attempting to play politics with the Republican plank.

Mr. MOSES. Will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New Hampshire?

Mr. TYDINGS. I yield for a question.

Mr. MOSES. Assuming that we might do here what the Senator outlines, will the Senator underwrite the action of the Democratic House of Representatives?

Mr. TYDINGS. Yes; the Democratic House of Representatives, in my judgment, will never pass favorably a measure which will have to be as ambiguous as a Republican measure will be if it is in consonance with its platform.

Mr. MOSES. That was not the question.

Mr. TYDINGS. That is a very good answer, and I think it takes care of the question the Senator asks. [Laughter in the galleries.]

The VICE PRESIDENT. There must be no more demonstrations in the gallery or the Chair will order the galleries cleared.

Mr. MOSES. Will the Senator permit me to ask him one more question?

Mr. TYDINGS. I yield for a question.

Mr. MOSES. In the Senator's opinion that is the best answer he can give me, is it?

Mr. TYDINGS. In the opinion of the Senator from Maryland, the answer is so complete that it should satisfy, as I believe it does, even the innermost consciousness of the very agile and adroit mind of the Senator from New Hampshire.

Mr. MOSES. Will the Senator permit one more question?

Mr. TYDINGS. I yield for a question.

Mr. MOSES. In the event that two minds of that character can not meet, what does the Senator propose?

Mr. TYDINGS. I would then go down to the White House and get an ambiguous mind to interpret what the two minds had in mind. [Laughter.]

Mr. MOSES. One more question. Would the Senator like to have an appointment made for that purpose? The telephone is available in the Democratic cloakroom.

Mr. TYDINGS. I would not, because I have too much concern for the value of time. If it took four years to get an ambiguous solution of a very plain problem, I would despair of getting it in the next four years, were it not for the fact that there will be no such necessity after the next five or six months.

Mr. MOSES. Another question.

Mr. TYDINGS. Mr. President, I refuse to yield further.

The VICE PRESIDENT. The Senator declines to yield further.

Mr. TYDINGS. Here the administration stands, indicted before the bar of public opinion. With the present nominee now sitting in the chair of the Chief Executive of this Nation, no word comes down here to do what his own party and his party's platform have just said should be done. With his own party in control of this branch of the Government, no proposition is promulgated to carry out the party will. I say it shows more than anything else, and eloquently, that the whole prohibition proposition, from the standpoint of the present Republican campaign, is nothing more or less than a structure of insincerity and sham and hypocrisy. There is no real desire to meet the issue fairly, candidly, and openly.

So much for that.

If opportunity offers here, you will find on this side of the aisle that there will be a bill to modify the Volstead Act at this session of Congress if we can get consideration for it. You will find that there will be a proposition to repeal the eighteenth amendment if we can get consideration for it; and we do not ask anybody else on the other side of the aisle to draw these two planks for us. We drew them in Chicago; and so honest and straightforward were they that they challenged the admiration and respect and adherence of even a large part of those who will oppose us in the coming election. We shall be well able to present these two propositions ourselves. The reason why we have not done it up to the present time is that there has been no opportunity to bring before the Senate either a repeal or a modification bill. In the meantime, however, the sphinx at the other end of Pennsylvania Avenue, with his party in control of this body, has apparently decided to take no action whatsoever to carry out the platform pledge, even though they are charged with the responsibility of running this Government.

I am going to vote for the substitute offered by my two colleagues and myself if the beer amendment comes before this body. I am not going to vote for the bill even if it is adopted, because I am opposed to the home loan bill, and there is nothing that could be put in that bill which would force me to vote for it. There are many others in the same category. Therefore I say it is unfortunate that we do not get a real test, a true test on this question, rather than have two divergent matters tied up in the same bill, which will cause a great many votes to be misinterpreted.

Mr. NYE and Mr. BINGHAM addressed the Chair.

Mr. WATSON. Mr. President, what is the question before the Senate?

The VICE PRESIDENT. The question before the Senate is the amendment of the Senator from North Dakota [Mr. FRAZIER] as modified.

Mr. WATSON. I wonder if we can not have a vote on that amendment at this time. It is now 2.30 o'clock.

The VICE PRESIDENT. Those in favor of the amendment will say "aye." [A pause.] Those opposed will say "no." [A pause.]

Mr. NYE and Mr. BINGHAM addressed the Chair.

The VICE PRESIDENT. The Senator from North Dakota.

Mr. NYE. If the Senator from Connecticut desires to complete the argument that has been going on for the last three hours, I have no disposition to stand in the way.

The VICE PRESIDENT. The Chair will announce that the Senator from Connecticut has spoken more than twice on this subject this day, and therefore is not in order to speak further on this question.

Mr. NYE. Then I desire to speak upon the amendment which is before the Senate.

After listening to the debate of the last two or three hours I think we have a pretty distinct picture, or reflection, rather——

Mr. KEAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KEAN. What is before the Senate at the moment?

The VICE PRESIDENT. The Chair stated the question a moment ago. The question is upon the amendment of the Senator from North Dakota [Mr. FRAZIER], as modified?

Mr. KEAN. Did we not vote on that amendment?

The VICE PRESIDENT. There has been no announcement of the result. The Senator from North Dakota rose and addressed the Chair before the announcement was made.

Mr. KEAN. The vote was taken.

Mr. NYE. Mr. President, I repeat——

Mr. GLENN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Illinois will state it.

Mr. GLENN. Is it not proper that a decision upon the vote last taken be announced?

The VICE PRESIDENT. Not when a Senator rose before the announcement was made. If the announcement had been made before the Senator rose, there would be a different situation.

Mr. NYE. Mr. President, I repeat that the debate of the last three hours is a pretty fair reflection of what the country may expect in the way of a great national political campaign this fall—the kind of a campaign that is going to submerge every worth-while issue, every issue that has a direct bearing upon the well-being of every individual man, woman, and child in the United States.

The bill before us at this time is the home loan bill. Some criticism has been raised of certain amendments which have been offered to this bill. There are those who criticize the offering of the so-called beer amendment to a home loan bill, and I can quite thoroughly appreciate why there would be criticism. I can appreciate the foundation for such criticism. I can not, however, gather the viewpoint of those who would argue that this home loan bill, intended to salvage the homes of thousands of people in these United States, should not be amended to the extent of the proposal offered by my colleague [Mr. FRAZIER] in the form of an amendment which is a copy of the bill introduced by him, reported by the Senate Committee on Agriculture and Forestry, and now resting upon the calendar of the Senate.

Thirty millions of people in America are living on and are directly dependent upon the farms of America. Those 30,000,000 people have just as much at stake in the matter of salvation of their homes to-day as does the toiler or the professional man who may occupy a home in one of the towns or cities of the country. The home on the farm is just as material a part of the life of the farm people as are the homes of those people who reside in the towns; and I think the so-called Frazier bill has every right to consideration as an amendment to the pending home loan bill.

I had hoped, as many others hoped last fall and last summer, when the crash came to America in a business way, that we would return to our desks here in Washington the following December and devote ourselves to the one real thing which would accomplish a lessening of the despair which existed throughout the land. It had been freely prophesied for a matter of 5, 8, 10, and even 12 years, that if the needs of the farm people of America were not met, if their situation were not remedied, the time would come when every business enterprise in the land would pay the penalty by reason of it; and such as did offer that prophecy are not at all surprised that there has been visited upon America the wreck that came to us during the last few years.

So I came here in December anticipating that there would be a readiness and a willingness on the part of Members of Congress to reach in and afford for those farm people a power that was lacking, a power that would quickly restore reasonably decent conditions throughout the country. But instead of finding that willingness to reach in and do that thing for this greater part of our population, we found instead a Congress seemingly intent upon searching for the barometer of good times and bad times on the stock-market pages of our daily press; and there we kept our noses, feeling that if we could restore values shown upon those stock-market pages we would restore better living conditions throughout the land. Instead of seeking to restore a buying power to the millions of American citizens, we were seemingly bent upon merely restoring a fictitious value to stocks and bonds—a value that could not exist so long as there was not ability on the part of the American people to buy the things the sale of which, after all, alone could create the values of securities.

Instead of directing ourselves to the restoration of a buying power for the American people, we came here and followed a leadership which insisted that the one and only thing that was needed was the restoration of confidence on the part of American people. They had lost their confidence somehow. They were scary. They were afraid to spend their money. There seemed to be little thought of the millions upon millions of Americans who had no money to spend and therefore need have no fear about spending or saving what they did not have.

In any event every so-called constructive move of Congress this winter has been a move to help restore values to stocks and bonds without restoring the only condition which could bring a lasting and secure value for those stocks and bonds. We were bent upon restoring the confidence of the American people; and in doing it for the most part we have let our steps lead us in the direction of rewarding the very influences, the very interests, the very individuals, selfish and greedy as they were, who have exploited the people of America and destroyed confidence.

Confidence was destroyed. As to that there can be no doubt; but who destroyed it? Not the rank and file of the American people but, instead, those whom we have come to look upon in America as being the people who were the real economic leaders of America. We came back here and have rewarded by our acts the very people who during the last 10 years have betrayed every confidence that was placed in those who assumed positions of business leadership.

That confidence should have been destroyed I think we now are all quite agreed. The surprising thing is that the confidence of the American people remained in the order that prevailed as long as it did.

But I come back to the question, Who destroyed the confidence of the American people? I repeat, it was the very leaders of business thought in America. It was those leaders and those interests who had betrayed the American people, who had misused the power which was theirs, and had led the people into all manner of avenues of wasting and throwing away their savings and their earnings. It was in part the bankers who destroyed the confidence of the American people—those bankers who, day in and day out, were urging upon the American people the security of investing their savings in foreign bonds in which they themselves would not invest. In a very thorough manner they loaded up the American people with Peruvian and other foreign bonds, and when the bottom fell from the value of those securities, then to the Congress came these bankers, those who had

betrayed the confidence of the American people, and asked for legislation to restore the confidence of the people.

Business generally for the last 6, 8, or 10 years has been engaged in a program that could not help but destroy the confidence of the American people. I have in mind, for example, that candy manufacturer who was doing a very modest business year in and year out, who was enjoying from year to year a little growth in his business, who had occasion now and then to reach out and ask for credit from his banker, and this he did up to the point where the bankers came to him one day and said, "Now, there is no sense to your worrying day after day about your credit needs. If you will just let us arrange this thing for you, we can provide all the credit you are going to need in a long, long time, and reward you very, very completely for letting us do that."

This candy manufacturer consented to the arrangement which was suggested; and these investment bankers who had offered the suggestion to him proceeded to buy his property after a fashion, paid him liberally for it, and caused him to remain as president, and his son as vice president, secretary and treasurer of the organization, and then went on to the stock market in New York and sold stock in that newly organized corporation to the tune of about $4 for every dollar that was actually invested.

Then, when that part of the American public that invested in those securities found themselves not receiving the dividends and the returns they had a right to contemplate, they made their investigation, and found that not only had the values which had been sold to them been watered all out of proportion, all out of keeping with fair play, but this father and son were rewarding themselves in no uncertain way in the matter of salaries being paid to them.

It is people like that, these bankers and these big business men, who were looked to to lead business thought in America, and when the American people discovered in what direction they were leading, quite naturally they lost confidence, completely lost confidence, in that sort of leadership.

Up in Pennsylvania, I think it was, were three cement companies back in 1929 doing a good business, paying a fair return to those who had invested in those properties. Along came the investment bankers and purchased those three companies for, in round figures, $3,000,000. That was on the last day of September, 1929. On the next day, the first day of October, 1929, those investment bankers went before the New York Stock Exchange and secured permission there to sell, and did sell, securities in that reorganized, in that merged, corporation, to the tune of $3 for every dollar the investment bankers had paid the original owners of that property. Then the stockholders were wondering why they could not enjoy a reasonable return upon their investment, when that investment had been multiplied merely by book figures to the tune of $3 for every one that was actually invested.

Incidentally, it might be suggested that at that time, when they were not able to pay a full return upon that watered stock, they came to Congress and asked Congress to give them a tariff duty, a protection against the importations of cement from abroad, so that they could pay more liberal dividends upon the investment which was theirs.

We have, I was going to say, millions of examples, we have at least many examples of the kind revealing how leaders in business have betrayed the American people, have destroyed the confidence of the American people. I think we are all quite thoroughly conversant with that revelation which found the power people entertaining the public in the communities where they had recently acquired new properties, entertaining the ladies and gentlemen of the community, and as the ladies gathered at the plant of the Power Trust they were rewarded with beautiful bouquets of flowers, and the gentlemen who called upon that reception day were given beautiful $2.50 neckties, which flowers and neckties both, the public now finds, appear upon the books of that Power Trust as an investment upon which the American public, patronizing that particular power project, must pay dividends for the rest of eternity if they, the power people, can have their way about it.

But it was not just the average business that was playing that kind of a game. It was men who occupied the most prominent positions in American thought and American leadership, men like Schwab and Grace, of the Bethlehem Steel Corporation, for example. In 1917, if I may recall what they did to destroy the confidence of the American investing public, they encouraged a bonus-paying system, to be shared in only by a limited number of the executives of that corporation. Through the period from 1917 to 1930 they paid these bonuses in addition to the lucrative salaries to all the way from 8 to 23 executives of that corporation annually, and during that period of 13 or 14 years, in addition to the huge salaries which these men, including Schwab and Grace, drew, they drew in dividends something like $31,000,000, which I think can be said to have been taken away from the stockholders, the public, which had invested its money in the securities of the Bethlehem Steel Corporation.

During the 3-year period from 1925 to 1928 this poor corporation could not pay any interest upon its common stock, no dividends were forthcoming on common stock during those three or four years, but during those same years they paid in bonuses to these selfish, greedy executives who were ready to grab theirs while the grabbing was good, even though they denied the right and the interest of those who had invested their money in that great corporation—they paid in that same period of years over $6,000,000 in bonuses, when they could not pay any dividends on their common stock. In one lone year Mr. Grace, occupying a place of prominence and leadership in American business and industrial life, drew a bonus, in addition to his salary, of $1,600,000.

Mr. President, who destroyed the confidence of the American people? Who destroyed that confidence if it was not the leaders of American business themselves? Yet our every move here the past winter in Congress has been one, generally speaking, looking to the restoration of the power and the income of those who have played so betraying a game with the American public through these more recent years. We have come here this session, and, so far as we have been able to, and so far as we have been asked to, we have rewarded those who have betrayed and those who have exploited the American people, those who have destroyed the confidence of the American people themselves.

Every time a suggestion has been offered that we ought to do something, that we might do something, that would restore the buying power of these millions of people who are living upon the American farms, we have been shunted in this direction and in that direction, and told that we would get our turn after a while, but not to crowd the thing too much, that they would take care of that. But we have gone this far, and we are nearly through the session, without a single, solitary thing accomplished for the one and only people in America who can restore decent conditions in this country. They will restore those decent conditions when they are afforded for their products prices that will enable them to meet production costs and leave enough more so that they can go into the market places and buy the things they and their families want and need, replenish the larder at home, improve the homestead, build it back to where they want it, and where it was 10 or 12 or 15 years ago.

My colleague has offered, in the amendment just now before us to the home loan bank bill, a farm-relief measure which would reach farther, which would accomplish more, than any other proposal which has been made to the American Congress in all these years of agitation for fair play for the American farmer. The enactment of my colleague's bill into law would most assuredly save to millions upon millions of American farmers and their families homes which are as dear to them as are the homes of any in this Chamber.

The enactment of this legislation would restore a confidence and a hopefulness where discouragement and hopelessness exists now. While I fully recognize in every word I am saying that in offering this amendment, in seeking to

pass it, we are going to accomplish another failure, I do say to the Senate that the time is coming when we will have to accept more radical measures than is the one embodied in the amendment offered by my colleague. The longer we put off that job, which must ultimately be done, the more drastic must be our departure from the beaten path in correcting the ills.

But not one minute before there is restored to the farm people their homes and an opportunity to retain those homes up to reasonable standards is America going to have anything resembling a lasting prosperity, the kind of prosperity that has made America in the decades gone by the great country that it has been.

Give the farmer that buying power; make secure to him, as this bill would, his home; let him salvage that home and go on with a hope of being able to recover and to make his efforts pay a reasonable reward, and we will not have to enact legislation here to help the railroads, to help the insurance companies, to help business, generally speaking. They will be helped directly by the ability of this third of our population living upon the American farms to buy the things which the other two-thirds are manufacturing or selling, or both.

I wish we might hope that the Senate was now in a frame of mind to accept the amendment pending and known as the Frazier bill; but knowing that that frame of mind does not exist, feeling sure that it does not, I can only make my voice heard here, and establish the record, one to come back to at some other time. Now, we can only hope that some of the legislation we have afforded through the late months is going to begin to trickle down or percolate down through and get to the farm people, the backbone of the country, the people who, alone, have in their possession the power to restore reasonably decent business and living conditions throughout America through ultimate possession of a buying power.

Mr. FRAZIER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FESS in the chair). The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Robinson, Ark.
Austin	Couzens	Hull	Robinson, Ind.
Bailey	Dale	Johnson	Schall
Barbour	Davis	Jones	Sheppard
Bingham	Dickinson	Kean	Shipstead
Black	Dill	Kendrick	Shortridge
Blaine	Fess	Keyes	Smoot
Borah	Fletcher	King	Steiwer
Bratton	Frazier	Lewis	Stephens
Brookhart	George	Long	Thomas, Idaho
Broussard	Glass	McGill	Townsend
Bulkley	Glenn	McKellar	Trammell
Bulow	Goldsborough	McNary	Tydings
Byrnes	Gore	Morrison	Vandenberg
Capper	Hale	Moses	Wagner
Caraway	Harrison	Norbeck	Walcott
Carey	Hastings	Norris	Walsh, Mass.
Cohen	Hatfield	Nye	Watson
Connally	Hawes	Patterson	White
Coolidge	Hayden	Pittman	
Copeland	Hebert	Reed	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

Mr. CONNALLY. Mr. President, I desire to move to commit the amendment of the Senator from North Dakota to the Committee on Banking and Currency.

The PRESIDING OFFICER. Does the Senator make that motion?

Mr. CONNALLY. I make the motion. It seems to me this is a very important proposal. The financing of farm loans is a matter in which the Congress is interested, one in which I am deeply interested; and if we can work out a system whereby the Federal Government can soundly and properly adopt the scheme of refinancing farm mortgages throughout the country, we ought to do it. But it seems to me the measure ought to have further study by a responsible committee of the Senate, and that to tie it onto the home loan bank bill will complicate matters and probably result in destroying both measures. The result will be that we shall get neither the farm loans financed nor will we get the home loans financed. Therefore, in the interest of orderly procedure and as a friend of refinancing farm-loan mortgages I think the amendment ought to be referred to the Committee on Banking and Currency.

Mr. FRAZIER. Mr. President, the measure has been considered by the Committee on Agriculture and Forestry. It was referred to that committee on December 9. A subcommittee was appointed, and hearings were held for several days. The bill was reported back to the committee, and they considered it in at least three different sessions. It was finally reported to the Senate and went to the calendar on May 14.

Mr. CONNALLY. Favorably or unfavorably?

Mr. FRAZIER. Favorably, but not pledging any member to vote for the bill. It was merely reported and went to the calendar.

Mr. CONNALLY. The report was a sort of straddle; neither for nor against?

Mr. FRAZIER. I would not say that. It was a report on the bill.

Mr. CONNALLY. I am not hostile to the Senator's general plan, but it does seem to me that a bill of this tremendous importance ought to have the consideration of some committee that is charged with the consideration of financial legislation. The Committee on Agriculture and Forestry is a great committee, but, with all due respect, I think the amendment ought to go to the Committee on Banking and Currency. Therefore, I adhere to my motion.

Mr. FRAZIER. It is an agricultural bill and the Committee on Agriculture and Forestry has considered it. I see no reason why it should be referred to another committee. I had hoped to bring up the matter on its own merits and have consulted the leaders here repeatedly, but this seemed to be the only chance of getting a vote upon it. I wish the Senator from Texas would withdraw his motion, because I do not think it is necessary at all to refer the bill to the Committee on Banking and Currency. The Committee on Agriculture and Forestry is one of the major committees of the Senate, and this is an agricultural bill and should be considered by that committee.

Mr. SHORTRIDGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHORTRIDGE. What is the pending amendment?

The PRESIDING OFFICER. The pending amendment is the amendment offered by the Senator from North Dakota [Mr. FRAZIER] as modified by the amendment suggested by the Senator from Wisconsin [Mr. BLAINE], which was accepted by the Senator from North Dakota. The pending motion is to commit the amendment to the Committee on Banking and Currency.

Mr. SHORTRIDGE. Mr. President, I very heartily and unqualifiedly agree with the Senator from Texas [Mr. CONNALLY]. Quite apart, entirely apart from the merits of the amendment, it has no place whatever on the bill pending now in the Senate. I shall make the same remarks in substance in respect of the proposed amendment of the Senator from Connecticut [Mr. BINGHAM]. His amendment has no place whatever on a bill of the character which we are now considering. I hope the motion of the Senator from Texas will prevail. However, I think the motion should be perhaps a little more definite as to the committee to which the Senator desires it to go.

Mr. CONNALLY. My motion contemplates sending it to the Committee on Banking and Currency.

Mr. SHORTRIDGE. I think it should be so referred and, I repeat myself, quite regardless of the merits of the amendment or the legislation contemplated or designed by the Senator from North Dakota, I hope that the motion of the Senator from Texas will prevail.

Mr. BLAINE. Mr. President, I am very much astonished at the suggestion of the Senator from California. I fear the Senator from California has not familiarized himself with

the purposes of the amendment offered by the Senator from North Dakota [Mr. FRAZIER]. He proclaims with some definiteness that it has nothing to do with the bill that is before us and has no relation whatever to that bill. Permit me to invite the attention of the Senator from California to the fact that the home loan bank bill is a bill to extend credit to men and women to buy and own, to finance and refinance, through a system of banks, homes in cities and villages. The amendment offered by the Senator from North Dakota is a measure providing for refinancing and loaning of money, through the machinery of bank organizations, for the purpose of protecting homes in the country districts.

The amendment offered by the Senator from North Dakota is particularly germane to the bill pending before the Senate. The bill before the Senate has to do with credits for homes in cities and villages. The amendment offered by the Senator from North Dakota has to do with credit for homes in the countryside and upon the farms, so it is very germane to the subject. If the two provisions were joined, it would provide for the refinancing of homes, whether in the country, in the city, or in the village. They might well be considered together and passed together.

Mr. SHORTRIDGE. Mr. President, replying briefly to the remarks of my friend from Wisconsin, the bill which is before the Senate came from the Committee on Banking and Currency. I am assuming that it received very thoughtful consideration by each and all the members of that important committee. When I say "important committee" I am not saying that the Committee on Agriculture and Forestry is not equally important. But I do happen to have a sort of bowing acquaintance with the English language, though perhaps not as intimate acquaintance with that language as has the Senator from Wisconsin.

I happen to know what this bill is that is before the Senate, and I have a sort of bowing acquaintance with the amendment offered by the Senator from North Dakota [Mr. FRAZIER]. Not to prolong the discussion or to elaborate, I submit to the thoughtful and nonpartisan and dispassionate judgment of Senators present that this amendment is not germane to the bill under consideration; and the bill under consideration, which has great merit, ought not to be loaded down with other propositions which might imperil its passage. I repeat myself when I say that the suggested amendment of the Senator from Connecticut in respect to intoxicating liquors also has no place whatever on a bill such as is before us.

If Senators will pardon me a moment longer, adding these amendments in respect to separate and distinct matters of legislation imperils the bill before us which I am hoping will be improved; it may be, by germane amendment, and passed and receive the approval of the President.

Heaven knows I am not unfriendly to the farmer; born, as a gentleman once told me he was, almost between two rows of corn, I am a friend of the home on the farm even as I am for the little humble home in the alley of New Orleans or of any other city in this country. But we are making no headway; we are getting nowhere; and we never will be able to adjourn with anything worthy of the name of legislation unless we hold strictly to the bill now before the Senate. We should not imperil its passage and approval by amendments entirely foreign to its prime purpose.

Mr. CONNALLY. Mr. President, the home loan bank bill now pending comes to us from the Committee on Banking and Currency. That is the committee that handles financial legislation. If the amendment of the Senator from North Dakota also came to us with the approval of the Banking and Currency Committee, I would not make the motion to recommit, but it comes to us from the Committee on Agriculture and Forestry. It does not come even from that committee with a favorable report, but it comes with a sort of "buck-passing" kind of a report, to dump it on the Senate and let us act on it as we see fit without proper investigation. It is ruinous to bring in as an amendment a bill which contemplates the expenditure probably of billions of dollars without it ever having had the attention of the Committee on Banking and Currency, which deals with the finances of the Nation. I am unwilling to take the responsibility of voting on a measure of such transcendent importance without the advice of such Senators as the distinguished Senator from Virginia [Mr. GLASS], the distinguished Senator from Michigan [Mr. COUZENS], and other great experts on financial legislation.

I admire the zeal of the Senator from North Dakota; he is anxious to refinance all farm loans; but it will not do any good to refinance farm loans in the United States unless the plan adopted shall be one that is sound, one that provides for bonds that can be sold, one that meets all the requirements to make the plan workable. So, with all due respect to the Committee on Agriculture and Forestry, I am not willing to take its split opinion, its straddling report, without its recommendation. It sounds so much like the Republican platform that I am unwilling to accept it. The report does not approve the bill and it does not condemn the bill.

Mr. FRAZIER. Mr. President——

Mr. NYE. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I shall yield in just a moment. The report just simply passes the bill up to the Senate. Here we are in the closing hours of the session, with an important measure, and to come in here now and load it up with all sorts of amendments of various character will simply mean what? It will mean the destruction of the bill; but it will not mean the adoption either of the amendment of the Senator from North Dakota or of any other of the proposed amendments. Now I yield to the Senator from North Dakota.

Mr. NYE. I object, Mr. President, to the Senator from Texas assuming that the committee——

Mr. CONNALLY. The Senator from Texas under the ruling of the Chair does not yield for anything except a question.

Mr. NYE. Then I am going to ask the Senator upon what he bases his contention that the report on this bill from the Committee on Agriculture and Forestry is a "straddling" report?

Mr. CONNALLY. I base it on the statement of the Senator's colleague [Mr. FRAZIER].

Mr. NYE. I hope the Senator will read the report. There is not any language in the report different——

Mr. CONNALLY. I am frank to say that I have not read the report.

Mr. NYE. Mr. President——

Mr. CONNALLY. Let the Senator from Texas reply before he yields again. In the light of the statement of the Senator's own colleague, the author of the amendment, I asked him if the report was favorable and he said, "No, it was not a favorable report."

Mr. FRAZIER. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I decline to yield just now.

Mr. President, if I misunderstood the Senator from North Dakota, I am sorry, but I asked him—and Senators will bear witness to the fact—what kind of a report the Committee on Agriculture and Forestry had made, and I understood him to say it was neither favorable nor unfavorable. I now yield to the Senator from North Dakota if he wants to correct me.

Mr. FRAZIER. Mr. President, I will speak in my own time after the Senator from Texas shall have concluded.

Mr. CONNALLY. If I misunderstood the Senator, I beg his pardon; but I understood him to say that the report was neither favorable nor unfavorable; and that is why the Senator from Texas referred to it as a split report. I now yield to the other Senator from North Dakota to say whether it was a favorable report or an unfavorable report.

Mr. NYE. Mr. President, if the Senator will permit me just to read two lines in the report which bear upon that question I should like to do so.

Mr. CONNALLY. Are there only two lines in the report which bear on the bill?

Mr. NYE. After reciting what the nature of the bill is the report says:

* * * having considered the legislation report thereon with recommendation that the bill do pass with the following amendments.

Mr. CONNALLY. "With the following amendments."

Mr. NYE. The amendments are all incorporated in the bill which is now before us.

Mr. GLASS. Mr. President——

Mr. CONNALLY. I yield to the Senator from Virginia.

Mr. GLASS. May I interrupt the Senator to inquire how on earth a bill of this nature came to be referred to the Committee on Agriculture and Forestry? If it was so referred, it was done in utter contravention of the rules of the Senate. It is clearly a banking bill, and, under the rules of the Senate, should have gone to the Committee on Banking and Currency.

Mr. CONNALLY. Would the Senator from Virginia, who is a member of the Banking and Currency Committee, for instance, have considered for a moment the McNary-Haugen bill or would he have sent it back to the Committee on Agriculture and Forestry, where it belonged?

Mr. GLASS. It could not, under the Senate rules, have gone to the Banking and Currency Committee, and I do not think that this bill, under the Senate rules, could have gone anywhere else. Understand, however, that I am not inviting the reference of this bill to the Committee on Banking and Currency.

Mr. CONNALLY. Mr. President, the Senator from Virginia has very clearly and intelligently presented the reasons which move me to move that the bill be referred to the Committee on Banking and Currency. It is a banking bill and the Senate ought to have the judgment of the Banking and Currency Committee before it considers it and undertakes to destroy the pending bill by loading it down with a lot of amendments, ill-advised and ill-considered, which may never become law and which may only serve to kill the pending measure.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

Mr. FRAZIER. Mr. President, I wish to say in reply to the Senator from Texas that it has been customary so long as I have been on the Committee on Agriculture and Forestry for any member of that committee, although he may vote in favor of reporting a bill, if he wishes, when the bill comes on the floor of the Senate, to vote against it or to reserve that right. I made the statement that some members of the Agricultural Committee reserved that right in connection with this measure, but the report was a favorable report. It is an agricultural bill; it was introduced at the last session and again at this session and referred to the Committee on Agriculture and Forestry; hearings were held; it was considered by the committee, a report was made, and the bill was placed on the calendar on the 14th of May. The Senator admits that he has not even read the report, and I suppose he has not read the bill up to the present time, and to try to hold up a measure because an individual Senator or a few Senators have not read it and considered it, after it has been considered by a committee and acted upon by that committee, it seems to me it is rather unfair, to say the least.

I think the Senator from Texas, as well as other Senators, will admit that agriculture is in such a dire condition at the present time that the farmers of the country should have some assistance; they should have some method provided by which they may secure loans at lower rates of interest and with easy terms of payment, which will allow them to retain their homes and to stay on the land. They are being foreclosed by the thousands and thousands to-day, and the situation is most serious. I can see no reason why this bill should be referred to the Committee on Banking and Currency, especially at this time.

In regard to what the Senator from California [Mr. SHORTRIDGE] said that this amendment is not germane to the home loan bank bill, it seems to me it is germane, because the home loan banking bill provides for loans to home owners in the cities, and this amendment provides for home owners in the country. I think the Senator from California will admit that the farmers are as much entitled to measures which will allow them to maintain their homes and retain their ownership as are the home owners in the cities who are about to lose their homes. I hope the motion of the Senator from Texas will not prevail.

Mr. LEWIS obtained the floor.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Texas?

Mr. LEWIS. I yield to the Senator from Texas for an inquiry.

Mr. CONNALLY. Mr. President, just one word in reply to the Senator from North Dakota [Mr. FRAZIER].

I am for agriculture, but I am for sane provisions for the benefit of agriculture. One of the troubles with agriculture now is that it is mortgaged to death.

I realize that a lot of these farm mortgages over the United States are not worth 100 cents on the dollar. Half of the insurance companies that are holding these mortgages ought not to have their loans refinanced by paying them in full with Government money, because to do so keeps a mortgage on the farm at a valuation that the land will not now bring. The water ought to be squeezed out of these inflated loans.

The Senator's bill seeks to refinance all existing mortgages. I am willing to refinance them, too, when the time comes, if we can do it upon a sound basis. I am not interested in trying to salvage all of the fictitious values and water and inflated values that are in our farm lands.

I own some farm lands. I am engaged in agriculture. I am for sound agriculture, for sound provisions regarding the financing of agriculture. That is why I want a report by the Banking and Currency Committee, which understands finance; the Banking and Currency Committee, which has presented this home loan bank bill to the Senate; the Banking and Currency Committee, which considered the farm-loan system and the establishment of the Federal land banks.

Here is the Senator from North Dakota with a bill amending, and radically amending, the whole Federal Farm Loan System. That system was established under legislation approved by the Banking and Currency Committee, and he will not even let go to the Banking and Currency Committee a bill that reorganizes it, but he takes it off to the Agricultural Committee and gets a report, when he admits that a large proportion of the committee say that they will not vote for the bill when they get it out on the floor.

Mr. FRAZIER. Mr. President, I did not say that a large proportion would not vote for it.

Mr. CONNALLY. How many of them said that?

Mr. FRAZIER. I do not know; a few of them.

Mr. CONNALLY. A few. Well, the Senator admits that some of the members of this Agricultural Committee itself who have read this bill, and who are deeply interested in agriculture, say they will not vote for it, and yet he wants the Senate to swallow it without a report from the Committee on Banking and Currency.

Mr. President, I am for agriculture, but I am for sound, sensible legislation with reference to agriculture, just as we legislate on other matters. When it comes to financing agriculture I want some financial advice, and I want that advice to come from the Banking and Currency Committee.

Mr. LEWIS. Mr. President, I am not willing to depress my self-confidence to the point of a confession of the want of ordinary intelligence. But I must insist that to the extent that intelligence has been vouchsafed me I do not understand this measure, and I can not understand the many amendments that are tendered to be attached to it.

Mr. President, it seems to me that the Government is being gradually brought to that sphere of political existence where it is assumed that nature has created the United States of America as a guardian house for all afflicted humanity, a hospital for joints broken in commercial adventures, and together with that, sir, a place where may repose the hope that every infirmity in human existence can by government be made whole. We have gotten to the

era that insists that mistakes in creation committed by mankind, can be cured through the gifts from government as the supply house and the depot of adjustment of every conceivable misfit with which humanity is burdened in this hour of universal commercial holocaust.

I would, so far as I am concerned, gladly greet the situation as one that gave this promise of general relief, if I could at the same time consistently regard the Government which I am sworn to sustain and uphold, as being constituted in such form as could carry out the views suggested by many gentlemen whose senses I regard highly, and whose sentiments I greatly approve. But I must bring to the attention of this body, speaking for myself, the fact that I am not able to see where the reliefs which are suggested by eminent gentlemen tendering different forms of amendment to this bill can be hoped to be enjoyed.

I pause for a minute, seeing my friend the eminent Senator from Connecticut [Mr. BINGHAM] arise. It is well known, sir, that I have been opposing the eighteenth amendment. I opposed it on this floor. When in my first term of United States Senator, I opposed it on the ground that it would lead us to an adventure of the Federal Government into all matters of private life, by which and through which there would be completely destroyed, as I believed, the independence of local government on the one hand, the exercise and enjoyment of the personal liberty of man on the other. I stood alone here for a long time as a Member of this body fighting the measure and its offsprings. Many of my honorable comrades who now join me on both sides of the Chamber scoffed my view, as was their privilege, but I say to the Senator from Connecticut, knowing how sincere he is in his position, but knowing how equally anxious to do justice must be a man of his capacity, both as a matter of literary learning and political economy, to say nothing of his inclinations in maintaining the dignity of the great assemblage, in whose membership he has been honored—and may I add that Connecticut never was honored with a more complete fitness for the position than does the Senator [Mr. BINGHAM] bring to the high place. Yet, sirs, may I not ask him and all, Is it really possible that we who represent opposition to the eighteenth amendment upon the matter of what may be called drink, more or less, would be guilty before the public estimate of hanging upon a great measure of banking and currency, which establishes credit for the establishment of the homes of the Nation, would we hang to this a barrel of beer, would we do the unfitting thing as though we hung to the wagon that draws the habitation a sluice sputtering drink from a spigot? Would we make a great measure of home construction as ridiculous as it would make the author contemptible in the eyes and minds of those who look to the maintenance of the dignity of this great assemblage, the United States Senate? Can we dare to tender a measure in this body to be added to this great undertaking that would cause the President of the United States to conclude either that we were a very foolish assemblage of undignified men, with a lack of appreciation of the true measure that attends this body, its origin and its existence, or, on the other hand, that we were content to do a silly and senseless thing, that we might involve the President in a maze of veto complication, or defeat the measure by some form of indirection unbecoming the thought and dignity of the intellect presumed to be possessed by those elected to a body of this renowned assemblage?

Therefore, I take it for granted that the eminent Senator from Connecticut has presented his amendment for no other purpose than that of the view of Senators on the need of a measure authorizing beer. I am sure that it is no purpose of so refined a gentleman, both in intellect and in character, to attend a measure of this nature with what would be a slander upon the bill, on the one hand, and create obnoxious comment on those who would support it, on the other.

I therefore assume that the measure now before us is designed to be a bill for the creation and establishment of the homes of the people of the United States. I do not regard the measure as having in its prospective the promise that is offered. I see in it a great loss. I would support it only on the theory that the President at this critical time regards it as one which he feels would help the conditions that are so blighting the hour and so cursing the prospects of the day. But I can only behold it as I see it, as a blast against every man engaged in a small way in the real-estate business, an encouragement for a while of what is known as the building and loan association in its first inception, and then to leave all without prospect for the hope of more encouragement from any financial source. It is plain that no personal financial source in State or Nation is going to assume to aid an undertaking that has already a Federal lien upon it that has a right to take precedence in the execution of that lien by whatever measure would be essential in order to protect the credit of the Government.

Therefore, Mr. President, I wish to bring to your attention this fact: I deplore to confess that while in all these measures which from time to time we have entered upon I see that we have been giving great gratuity to the large interests of America, the great railroad interests, the large banking fraternity, the combined sources of real estate designated as building and loan associations, certain chosen financial favorites of the Government who had been permitted to adorn themselves in the purple, and in this essential favoritism advance to the Treasury of disposition and there gild themselves with the metal of gold from the Government hoard at the instance of those in power who recognize them as the kingly saints of the united Republic—I see these and their achievements, but I am unable in seeing these to see where the mass of my fellow citizens are being benefited or where those who manufacture and who employ labor are being given any opportunity to give employment to the toiler who is out of work, or to give any encouragement to the business house that is on the eve of insolvency that is attempting the manufacturing business.

I see nothing to come in the way of benefits to these. I can understand the representatives from the agricultural States, and indeed those all around me, asking for some relief, even though it may run counter to their ideas of the theory of the establishment of the Government. This is because in the homes where they live they are being constantly met with the interrogatory, "Why is it if all of these others can have such benefits that we are denied everything?" And to avoid the hostility of idea and possibly to exempt themselves from the antagonism that is essentially created by what appears to be the favoritism of the one and the discrimination against the other, they oftentimes will join in demands which do not meet their senses nor are approved by their estimate of the proper function of government.

Therefore, Mr. President, the agricultural amendment tendered by the eminent Senator from North Dakota [Mr. FRAZIER], and which carries with it an expression sustained by the younger Senator from North Dakota [Mr. NYE], whose capacity and great dignity in the examination of the matters of expenses of government we greatly appreciate, all, if carried, will result in something so foreign to the purposes of the measure that it weighs down a measure and assures no home in the city and obtains no relief to the farmer of the land.

The thing to be done—and it is for this purpose that I rise—is that there be more spirit injected into the order of the day, and that those who have a right to have relief of agriculture, as pointed out by the Senator from Wisconsin [Mr. BLAINE] this morning, should busy themselves at once in framing some concrete measure that actually expresses that relief. Then with that move forward to have it perfected by obtaining from the Chief Executive some form of approval, not because it is necessary to have the President approve what a Senator feels is due to his people before he fights for it, but because the session is so short, the time is so limited, that to have a bill vetoed, to be returned here in the hope that two-thirds in some form or other may be whipped up by some necromancy through which it could possibly overcome the veto, confronts us with an impossibility. To avoid that impasse it is wise and prudent that an effort be made to ascertain how far the President of the

United States can go with them in order that their work for the farmer be not wholly futile.

Mr. President, I have tendered a form of an amendment which goes to the banking feature of the bill, and which possibly may have to go to the committee, but which I wish to speak upon in the concluding moments that I shall occupy and impose on the patience of the Senate.

Mr. President, you are president of a college teaching history and classics; long may you live. Many of us know you in your scholastic capacity and your personal relations of life apart from the political relation you bear to your chief and party. But there is no man in this body who shall live the divine statute of limitations to its fullest extent, who will ever see the end of this new adventure we have now entered upon of taking the Federal Government as the source of supply to State, city, and individual in every instance of every emergency that shall arise during the lifetime of these who are now existing.

We have started upon the course, and if there be any gentlemen here who fancy it is a novelty or mere adventure, may I take the liberty to say to them that the bill you have now before you can be found, a complete duplicate, in the bill tendered by Gabinius, who, desiring to fight Cicero, whom he thought was a fraud in his opposition to Catiline, and who overcame Cæsar in the movements toward his anxiety for popularity—for Cæsar was then fighting Pompey, who was then the leader of great forces—Gabinius, who sought popularity to fight both Cicero and Cæsar, conceived, through the advice of those around him, a measure of relief, sirs, as it may interest you, and if I am pardoned for referring to a book of my own authorship, it may more than interest you to turn to the pages to see how some hundreds of years before the birth of Jesus Christ the measure that is before you to-day was formulated and put before the Roman Senate—as an appeal for popularity.

There were soldiers who had come back from the conflict among the hills and demanded pay. They asked for a bonus from the Government, and, in turn, if they did not receive the bonus, to have supplies given them. Cæsar and Gabinius promised all and both. Then, it will be remembered by the scholars around me who compliment me with their attention, promptly there was devised by the soldiers a form of entertainment, and we got the panem et circenses, for their amusement by night with the gladiators in the arena, while the soldiers waited and bided their time day by day at the doors of the Senate for the bonus to be at once paid.

Then the measure came forth from Gabinius, and finally by those opposing Cæsar it was sustained and put into form, and here to-day the tender of the eminent Senator from North Dakota, so well meant, so amply described, will have a precedent, easily discovered with a little attention given to that which finally led the government of Rome, under the name of republic, to where it lost all its constitutional faculty as government, was overcome by the hordes and masses, and here was ended as a constitutional institution. The hour came before the world's civilization when there were those who demanded as soldiers, in the name of the Prætorian Guard, the privileges to dictate to the senate. It was these who, with their hands dripping with the blood of virtuous Pertinax because he opposed their adventure, rushed and auctioneered the world off to the highest bidder.

Does any man fancy that these things of which we speak to-day are for the first time presented toward us, and that the same penalty will not follow with mankind as followed other mankind who made these adventures?

Mr. President, I take the liberty, then, to say that if there shall be a measure of amendment to the bill now before us, if the bill shall be esteemed one so devised that it will enable mankind in need of shelter to have homes, then let us not deprive them of it, let us not play the trick, let us not parley with them in a double sense and "make the promise to the ear and break it to the hope." Let us realize that we are offering something in good faith, that the American citizenry may feel it is being dealt with sincerely. Let us not turn upon this measure these forms of amendment such as abide in the great mob of unthoughtful or unhappy, or that of thought and reflection, so they shall conclude that we would only play with them in their fortunes of misery, and that every opportunity of relief is burdened by that which destroys it. For, when you do this, you will invite those to resent that contact, and they will turn with some spirit of vengeance that will blame you as having but multiplied their miseries.

Let us vote on the measure, either for it or against it, in such way that the American mankind, beholding our conduct may see the spirit of patriotism behind the one, the honest and sincere desire behind the other.

Mr. President, I would have a measure now added, as a part of the banking principle, the one for which I now rise to speak, by which credits can be given to those engaged in manufacturing wherever it can be disclosed that they have demands for their goods from different parts of the world, though not now in cash, but a credit. That we may give credit through the credit corporation to the manufacturing establishments who will show that they have orders upon credit, and will turn in their orders and the security to the Government, in addition to the security they themselves may have. By this system they may put men to work to turn out the products that are needed by the world, and which, though obtained on credit for the time, will be paid for, and thus the Government advance be likewise returned and the millions out of employment put to work, by which they stand on the honest independence of American toilers, earning their existence through the industry of their life, and not be constantly held up before the world as beggars with their hands extended to mankind for charity.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. BINGHAM. The Senator a short time ago used some very strong language in his strictures upon those who would introduce such an amendment as is lying upon the Senator's desk, and which I have announced I would introduce as soon as opportunity offered. The Senator's strictures were so severe that I wondered whether he had been present a little earlier in the day when I suggested that if anyone could suggest any manner, any parliamentary procedure, whereby we might be assured of that which the Senator knows I have been endeavoring to secure for some months, namely, immediate and prompt action on the modification of the Volstead Act, I would like to be informed of it. I ask the Senator whether he knows of any manner or means whereby we may secure a vote in the Senate and in the House on this matter without attaching it as a rider to the pending bill?

I agree with the Senator that it is unfortunate that it is necessary, in these closing days of the session, in order for us to get action on it at all, to place it as a rider on the pending measure, although in the past under similar circumstances riders having no relation at all to measures pending have been adopted at various times under various circumstances. If the Senator can suggest a means whereby we can secure a vote in both the Senate and the House on this proposition without attaching it as a rider to this measure I wish he would indicate it.

Mr. LEWIS. I want to say to my able friend from Connecticut that I am glad to have him seek of me any suggestion, or visit upon me any form of correction. I may say for myself that every time I see the able Senator from Connecticut, in the graceful pulchritude he represents, rise to take issue with any Senator, I fear for his opponent, and, sirs, when it shall be myself, I confess the castigation as if I had been massaged by a pearl. But I want to answer the Senator by saying, first, I am not able to see that the very destiny of the Nation at this particular time turns upon having beer just at this particular moment, and, as much as there are times when I would enjoy, with my friend and his comrades, beer at the proper place and time, I would not like to have the country feel that at a critical time like this we of the United States Senate could see nothing higher as duty than to serve a novelty in legislation, than to carry

out the mere privilege, during the summer, of assuring iced beer swinging in the street, to be gulped by those who are gullible enough to feel that such is the relief of unemployment.

I would say to my friend this, if he asks me in what way I would change the Volstead Act, having informed him that I did all I could to defeat it, without success, when and as a Member of this honorable body, as many here recall. I did all I could to prevent its passage, and nothing but the expert genius of the eminent Senator from Texas [Mr. SHEPPARD], which quite excelled that of the intellects who confronted him, saved it from defeat from myself and cohorts—I will answer the Senator to the point he asks. I would first say to myself, "Do I want really to get the measure through, looking to modification of the Volstead Act; would I for such purpose hang it to this bill that is claimed for the relief of the home?" I would ask myself, "Do I not know that the President of the United States would under no conditions tolerate the annex, and that he would veto the measure?" Since this seems the inevitable end I would ask myself, "Then why do the useless thing? Why do the thing that submits us to the point where the President can visit something like castigation upon the Senate, and hold it before the country as unworthy to receive the confidence of mankind?"

Conscious as I would be that he must oppose it, I would then move toward ascertaining from some source other than the distinguished Senator from Connecticut what could be enacted for the benefit of those who need shelter, and if I thought that the understanding was that a measure of this kind could be passed by being hung to this bank bill, still I could not bring myself to feel that I gave dignity to the measure by hanging a mere bucket of frothy beer on such a measure as this to the front door knob of a poor man's cottage awarded him by the Government. Oh, sirs, such a spectacle would be a descending into the depths of desperation and appear to confess that we may hold out to the world that before we would give the homeless shelter we must give those who desire drink an opportunity for joyous beverage. I am one of those who took a stand on this question. I was for repeal and in the fight years before those now engaging in the conflict for the principle. I was in a campaign lately in my State, a very heavily Republican State. I was named as a Democrat, though my State of Illinois carries ever a very large Republican majority, and I could not be occupying a place on this floor without the great volume of Republican votes—and for that generosity I may express my gratitude.

I pray that the time shall not come in the time of any public service of my own when my party, or the party of my honorable opponent, or the official in the White House, shall be certified before the world that before they could get a home for the homeless they were compelled to attach themselves to the mere employment that, as they will be charged, gives privileges to the brewery, riches to the beer baron, an unhappy state of drunkenness to the toper, perchance increasing misery to the helpless of mankind. That, I assume, can not ever arise. If that ever does arise, then the method I pointed out to the learned and able Senator from Connecticut in approaching the President and ascertaining his view is the only method I could suggest, and I trust it would fail—as an amendment—to defeat this bill.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. GORE. A few moments ago the Senator from Illinois——

Mr. BLAINE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BLAINE. Do I understand that the rule permits Senators to occupy the floor and yield to this Senator or that Senator and thereby deprive other Senators of the opportunity of speaking?

Mr. LEWIS. I yielded only for a question. Unhappily it developed into a lengthy discussion.

Mr. BLAINE. I beg the Senator's pardon.

Mr. LEWIS. I yielded only for a question; but the Senator from Wisconsin saw that I was drawn into a soft and silky net by the wordy seductions of my friend the Senator from Connecticut, whose eloquence was so alluring that I could not resist it.

Mr. GORE. The Senator made reference a moment ago to the Roman Republic and its tragic fate. I desire to ask the Senator if he meant to insinuate that the United States Senate ought to profit by the experience and avoid the blunders of other peoples in other ages?

Mr. LEWIS. I answer my able friend from Oklahoma, whose literature and elegance of historical knowledge are a source of joy to this body, that I find my answer in the celebrated poem of Abraham Lincoln's delight, known as the poem of Knox, that, "We are and our fathers were," and so forth. I answer, yes. I would have this body recognize that we are the same human beings that our fathers and ancestors were, and if we continue to commit errors which they did, we will surely fall into the same ravine in which they were buried.

Mr. GORE. The Senator from Illinois is a man of great ingenuity. I would like to ask this further question. How can we carry out our program to make every mistake possible if we are to avoid the mistakes of others?

Mr. LEWIS. Does the Senator ask me how can we avoid our mistakes if we emulate the mistakes of others?

Mr. GORE. No; how can we run the gamut and commit all conceivable mistakes if we are to profit by the mistakes of others and their blunders?

Mr. LEWIS. The Senator means to say, how are we to avoid those blunders if we are constantly repeating them, and how can we hope to avoid the consequences then if we commit them? We can not hope to avoid them. I answer that the only thing we can do is to look about us and behold the situation and cry out, "Brutus, beware! For, dear Brutus, it is not in our stars, but in ourselves, we find refuge."

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to commit the amendment of the Senator from North Dakota [Mr. FRAZIER] to the Committee on Banking and Currency.

Mr. BLAINE. Mr. President, my very delightful friend from Illinois, eloquent always, I fear was laboring under an extreme intoxication of imagination when he was drawing the parallel and making the analogy of ancient Rome with America to-day. I fear the Senator was thinking about the $275,000,000 that was asking as a loan to the city of Chicago to pay the running expenses of that city. I fear that he was thinking about the Reconstruction Finance Corporation for which the United States Government has obligated itself to the extent of $2,000,000,000 and, under the so-called relief bill, has added another $1,500,000,000 to that obligation. I fear the Senator was thinking about the settlement with foreign governments of the debts that they owed America when America practically wiped out $12,000,000,000 of the principal sum and issued $12,000,000,000 of United States bonds now owing by our Government.

The Senator's eloquence has called our attention to these matters. However, the amendment offered by the Senator from North Dakota [Mr. FRAZIER] is of an entirely different character. That amendment proposes to refinance agriculture, not, as the Senator from Texas [Mr. CONNALLY] said, to pay banks or insurance companies or trust companies or railroads, but to finance and refinance the individual farmer; not to absorb the water in inflated land values, as the Senator from Texas suggested, but to extend credit to the farmers of the country on the present fair value of their farm homes to an extent not exceeding 80 per cent thereof. If that security is not good, if that security is of a character that the obligation will never be repaid, then the mainstay of America has broken down.

Let me repeat what I said this morning, that one-half of the farms in America are under mortgage and one-half of the farmers in America are obligated by farm mortgages or other farm indebtedness. We pay millions of dollars annually for the support of the Navy. We pay millions of

dollars annually for the support of the Army. For what purpose? To defend America against an enemy if, forsooth, the unhappy event should ever occur when some other nation assumes a belligerent attitude toward our country. We pay $600,000,000 a year out of the pockets of the American citizens to protect industry. I repeat that the main bulwark of America, the last arm of defense, is American agriculture.

So when the Senator from Illinois [Mr. LEWIS] grows eloquent with his analogy and draws upon the history of ancient Rome, he must have had in mind the cancellation of foreign debts, already canceled, as the Senator appreciates. We have the Reconstruction Finance Corporation providing public credit for the railroads, the insurance companies, the big banks. We have legislation providing for financing—not of homes under this bill, if you please. There is not a line or a word in the so-called home loan bank bill that guarantees a dollar to a home owner. The benefits available under that bill are benefits that will go to the banks, the insurance companies, the trust companies, the building and loan associations, and other financial organizations. So far as the home owner is concerned, unless the amendment which was submitted by the Senator from North Dakota is retained, he has not a look-in on the credit reservoir that is set up by the bill.

Mr. LEWIS. Mr. President, will the Senator at that point yield?

Mr. BLAINE. I will yield in just a moment, if the Senator pleases.

Just another word. The credits proposed to be made available for agriculture are credits that do not go to the insurance companies or the banks or any financial institution. These institutions have already in many cases foreclosed upon the farms. The purpose of this bill is to refinance the men and women who have lost their farms or are about to lose those farms—not to pay the mortgages which may represent inflated values, not to absorb the water that was put into the land values during the war because the Government commanded the American farmer to produce more and more and more, and placed the responsibility for the winning of the war upon the American farmer. Those are not the values to be refinanced. The farms to be refinanced under the amendment of the Senator from North Dakota will be based upon the present fair value and not a fictitious or inflated value. There is a 20 per cent margin provided as security, and I say if that is not substantial security, if that is not a guaranty to the Government of the return of the money which the Government may advance, then, sir, there is no security for our institution.

Now I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, the moment passed when I would have interrupted the Senator by asking him to yield. Hesitating to break his euphonious and harmonious sentences, when the Senator said that in referring to conditions in Rome, paralleling in some of their legislation that which is proposed here, I surely must have lost the memory of the appeal I had made to this body some few nights past for the relief of the teachers and those in misery at Chicago, and the further burden to which I alluded and for which I sought relief, and when he recited, as he did accurately, the compensations, we may say the distribution to certain institutions throughout our country, I meant to reply that the conditions for which I sought relief were brought about by the very era that did duplicate Rome and that which is being put upon this Government now in emulation or in ignorance of the institutions of the lands of the past. I charge that if the certain favorites of the administration would not have been so able to dominate this Government and absorb its revenues and appropriate its prosperity from the great masses for whom I pleaded the other evening, no such conditions would have existed to which address my eminent friend alludes.

Mr. BLAINE. Mr. President, the domination to which the Senator has referred preceded the appeal that is made by agriculture for the amendment offered by the Senator from North Dakota; and that appeal on the part of half the farmers of this country, who to-day are under obligations in the form of mortgages or other farm indebtedness, will fall upon deaf ears. They will not only know after this day passes that all the party platforms and all the party pledges have betrayed them, but they ought to be convinced that the party planks and party platforms of this campaign are to be so used that the farmers of this country may again be fooled and again be betrayed. So, Mr. President, it would seem to me that we ought to give heed now to the voice of agriculture, for if that voice is not heard, who will constitute the bulwark of this Republic?

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas [Mr. CONNALLY] to the effect that the amendment proposed by the Senator from North Dakota be referred to the Committee on Banking and Currency.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Robinson, Ind.
Austin	Couzens	Hull	Schall
Bailey	Dale	Johnson	Sheppard
Barbour	Davis	Jones	Shipstead
Bingham	Dickinson	Kean	Shortridge
Black	Dill	Kendrick	Smoot
Blaine	Fess	Keyes	Steiwer
Borah	Fletcher	King	Stephens
Bratton	Frazier	Lewis	Thomas, Idaho
Brookhart	George	Long	Townsend
Broussard	Glass	McGill	Trammell
Bulkley	Glenn	McKellar	Tydings
Bulow	Goldsborough	McNary	Vandenberg
Byrnes	Gore	Moses	Wagner
Capper	Hale	Norbeck	Walcott
Caraway	Harrison	Norris	Walsh, Mass.
Carey	Hastings	Nye	Watson
Cohen	Hatfield	Patterson	White
Connally	Hawes	Pittman	
Coolidge	Hayden	Reed	
Copeland	Hebert	Robinson, Ark.	

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

RUSSELL N. BOARDMAN AND JOHN L. POLANDO

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the amendments of the Senate to the bill (H. R. 7939) to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando, which were, in lieu of amendment No. 2, on page 1, line 8, after "Turkey," to insert ", and, also a distinguished-flying cross to Wiley Post, pilot, and Harold Gatty, navigator, in recognition of their achievement in making an airplane flight around the world in 8 days 15 hours and 50 minutes, thus not only eclipsing in time all previous world flights, but also by their intrepid courage, remarkable endurance, and matchless skill, materially advancing the science of aerial navigation."

In lieu of the amendment to the title to insert:

Amend the title so as to read: "An act to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando, and Wiley Post and Harold Gatty, and for other purposes."

Mr. REED. Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

Mr. BINGHAM. Mr. President, what the House has done is to change materially the Senate amendment. Some months ago the Senate unanimously passed a measure conferring upon Wiley Post and Harold Gatty, in recognition of their marvelous and heroic achievement in going around the world in an airplane in less than nine days, a special medal to be struck off commemorating that achievement and providing that the Secretary of the Treasury might issue for sale replicas of that medal. The measure passed the Senate unanimously and was sent to the House some months ago; it was reported favorably by the House Committee on Coinage, Weights, and Measures and was on the House Calendar. In view of that fact, and in view of the fact that various bills have come over from the House conferring distinctions on several aviators, including Amelia Earhart Putnam and Boardman and Polando, and the meas-

ure conferring medals on Post and Gatty had not come over, the Senate followed my suggestion and adopted the original Senate resolution as an amendment to the House bill.

It is with great regret, in view of the splendid and marvelous achievement of Post and Gatty last summer, that I see the House now proposes to amend the Senate amendment by giving them distinguished-flying crosses instead of striking off a medal, which they well deserve, to record that marvelous achievement. In order, however, Mr. President, that there may be no further delay in their receiving some recognition from the Congress for what they have done, I shall not oppose the House amendments, although I regret very much that the amendment which the Senate originally agreed upon could not have been agreed to by the House.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Pennsylvania that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10600) to exempt from the quota husbands of American citizens.

The message further announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 336) construing section 503 (b) of the tariff act of 1930.

The message also announced that the House had passed a joint resolution (H. J. Res. 462) making an appropriation to provide transportation to their homes for veterans of the World War temporarily quartered in the District of Columbia, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 462) making an appropriation to provide transportation to their homes for veterans of the World War temporarily quartered in the District of Columbia, was read twice by its title and referred to the Committee on Appropriations.

ADDITIONAL REPORTS OF A COMMITTEE

Mr. COOLIDGE, from the Committee on Military Affairs, to which was referred the bill (H. R. 7293) requesting the Secretary of War to grant to the city of Springfield, Mass., permission to construct and maintain a highway and bridge across United States military reservation at the Springfield Armory, Mass., reported it with an amendment to the title and submitted a report (No. 987) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (H. R. 11732) to amend section 2 of an act approved February 25, 1929 (45 Stat. 1303), to complete the acquisition of land adjacent to Bolling Field, D. C., and for other purposes, reported it with amendments and submitted a report (No. 988) thereon.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, it is hardly necessary to add further evidence to the unanimity of the Filipino people in their demand for independence.

During the recent trip of Secretary of War Hurley to the Philippine Islands, Senator Sergio Osmeña, acting president of the senate, delivered a speech at the joint session of the Philippine Legislature, held in the session hall of the house of representatives on September 24, 1931, in support of the independence memorial presented to the Secretary of War.

It is clear, forceful, and should be placed in the RECORD as a part of the Philippine discussion, and I ask unanimous consent that this be done.

There being no objection, the speech of Senator Sergio Osmeña was ordered to be printed in the RECORD, as follows:

Mr. President and Mr. Speaker, the resolution which we have under consideration does not contain any new demand; it expresses the same sentiments for independence which throughout our history have led our heroes and martyrs to make the supreme sacrifice, which have created the Philippine republic, and ever inspired our steps in the long journey toward political emancipation and liberty. Ever since we were granted popular representation in 1907 we have asked, as we now ask, for independence. We have been seeking it because we consider our people capable of maintaining a government of law and order, a government which will give to all living under it the assurance of protection in the full enjoyment of their rights and liberties, a government which can and will comply with its international obligations.

From the beginning our aspirations for liberty, far from being repressed, have been encouraged by the United States. It was President McKinley who first announced to the world the ideal of liberty which animated the United States in coming to the Philippines, when he said:

"The Philippines are ours, not to exploit but to develop, to civilize, to educate, to train in the science of self-government. This is the path of duty which we must follow or be recreant to a mighty trust committed to us."

Although these first utterances of Mr. McKinley may appear vague, they later on received a clear and an unmistakable definition. William Howard Taft, in inaugurating the Philippine Assembly in 1907, summarized the American policy thus:

"The avowed policy of the national administration under these two Presidents (McKinley and Roosevelt) has been and is to govern the islands, having regard to the interest and welfare of the Filipino people, and by the spread of general primary and industrial education and by practice in partial political control to fit the people themselves to maintain a stable and well-ordered government affording quality of right and opportunity to all citizens. The policy looks to the improvement of the people, both industrially and in self-governing capacity. As this policy of extending control continues it must logically reduce and finally end the sovereignty of the United States in the islands."

In a special report which Mr. Taft as Secretary of War made on the Philippines and her political future, with particular reference to the policy which should be followed in the country, he declared:

"The conditions in the islands to-day vindicate and justify that policy. It necessarily involves in its ultimate conclusion, as the steps toward self-government becomes greater and greater, the ultimate independence of the islands * * *."

President Roosevelt, in his message to Congress in 1908, after the inauguration of the assembly, said:

"Real progress toward self-government is being made in the Philippine Islands."

And in referring to the assembly, he said:

"Hitherto this Philippine Legislature has acted with moderation and self-restraint and has seemed, in practical fashion, to realize the eternal truth that there must always be government, and that the only way in which any body of individuals can escape the necessity of being governed by outsiders is to keep down wrongdoing and disorder. The Filipino people, through their officials, are therefore making a real step in the direction of self-government. I hope and believe that these steps mark the beginning of a course which will continue until the Filipinos become fit to decide for themselves whether they desire to be an independent nation."

These words we must needs remember because they are those of men vested with authority to utter them, because they were received in good faith by the Filipinos, and because they have so deeply influenced Filipino-American relations during the last 30 years.

With these assurances, the United States invited our people to take part in the government established by the Americans. In rapid succession there were placed in our hands, first, the control of the municipal governments; then administration of the provincial governments, and later, through the institution of the assembly, an effective participation in the central government. As the Filipinos showed their capacity for self-government, America extended to us further grants of power. In 1913 the Filipinos were given a majority in the Philippine Commission, and, in the Jones law of 1916, control of the two houses of the legislature and a substantial participation in the executive authority. That law also contained a categorical declaration reaffirming the policy of liberation which authorized officials had previously enunciated on behalf of America solemnly promising independence to the Filipino people. Here are the words of Congress:

"Whereas it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

"Whereas for the speedy accomplishment of such purposes it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence; * * *."

The promise of complete independence is clear and unmistakable, and no fair-minded man can honestly ignore it. The only antecedent condition required for the fulfillment of this promise is the establishment of a stable government. We need not now repeat the well-known definition which international practice gives to the phrase "stable government," nor need we reiterate the various statements affirming the existence in the Philippines of those elements of stability which the United States has generally required of the countries it has recognized. If we now review briefly the circumstances under which the promise of independence contained in the Jones law was made, it is only in order to throw new light on the whole subject.

After the war with Spain was ended one of the problems that the United States had to face was, What should be done with Cuba and the Philippines? In declaring war on Spain, America announced to the world that her intentions toward Cuba were to pacify the island, and after pacification to recognize Cuban independence. That she did after the Cubans had instituted a stable government. In the absence of a similar declaration in the case of the Philippines, the process of defining American policy with respect to them has naturally been slow. But if we carefully examine the public documents of the period, including those of the first and second American commissions in the Philippines, and the state papers referring to Cuba, we can not escape the conclusion that the aim of American occupation of the Philippines, as in the case of Cuba, was independence. Elihu Root, chairman of the Republican National Convention in 1904, referring to the Philippines, stated:

"No one can foretell the future; but there seems no reasonable cause to doubt that under the policy already effectively inaugurated, the institutions already implanted, and the processes already begun in the Philippine Islands, if these be not repressed and interrupted, the Philippine people will follow in the footsteps of the people of Cuba."

The slogan, "The Philippines for the Filipinos," proclaimed by the Schurman Commission, and which later became the battle cry of the Taft administration, expressed nothing more than the idea that the Philippines should be administered in the interest of the Filipinos and that they were to prepare themselves so that some day they might assume the responsibilities of independence. Viewed in the light of America's repeated assurances that she did not go to war with Spain for conquest and of the formal declaration by Congress that the Philippines should be granted independence "as soon as a stable government can be established therein," the parallel between our case and that of Cuba, which was occupied by the United States and later declared independent, becomes more evident.

Even before the Jones law was enacted there was peace and order in the Philippines and our citizens enjoyed all the benefits of a stable and orderly government. This fact was known in America and in the Philippines, and Congress was officially informed of it. The effect, therefore, of the congressional requirement of a stable government as a prerequisite to independence can not be more than this: That when the Filipinos had assumed the responsibilities imposed upon them by the Jones law they would maintain the stability of the government existing during the administration of Mr. Taft and his successors.

Therefore the question whether the Filipinos have complied with the condition imposed by the Jones law, to maintain a stable government, reduces itself to the determination of whether or not we have done well in the use of the additional powers given us by the new organic act. We feel it is not vain pretension on our part to affirm that we have met the test successfully. The legislature and executive departments not only have functioned normally since the Jones law went into effect but Filipino officials under that act have assumed greater responsibilities and performed their duties with marked ability and efficiency.

The various reports submitted by the Governor General of the Philippines to the Washington administration confirm this. If it is taken into account that since the Jones Act became effective the people of the Philippine Islands have had a large part in the management of their public affairs, it can be asserted that the stability of the present government is even greater than that which existed prior to the enactment of this law, because popular acceptance and support of the government are greater now than before.

With these irrefutable facts before us it is safe to conclude that we have now in the Philippines, functioning regularly and uninterruptedly, the stable government which the Jones law requires as the condition precedent to the grant of independence. And once more we affirm that if as an act of justice the United States should now grant the independence of the Philippines, as that was granted to Cuba, the bases of stability in our independent government would compare favorably with those of the Cuban Republic upon and after recognition of its independence.

But if our assertion that we have met the condition imposed by the Congress of the United States for the grant of our independence warrants the demand that has reechoed in our legislative chambers, recent developments in the United States vindicate the justice of our petition and make more urgent the necessity of conceding our demand for independence.

For three years there has been an increasing agitation against the free entry of Philippine products into the United States. This agitation, fostered by powerful elements whose influence can not be ignored, comes precisely at a moment when the Philippines is entering a stage in its economic development which places it in a situation enabling it to share the reciprocal benefits of free trade.

This agitation can not but alarm the Filipino people. For one thing it has made them see clearly how precarious is their situation under the present relationship with the United States. It has filled their minds with serious doubts, prompting them even to ask whether they have not already reached the maximum of economic development under the American flag. The Philippines is under American sovereignty, not of her own will but by the will of the American people. Any indication or purpose to deny her the same treatment, the same protection which is given to the peoples of other countries under the American flag, can not but wound our susceptibilities and deprive us of confidence in the future.

This movement against Philippine products which enter the United States presents a question that is not merely economic. It involves not only the tariff but also the political relations between the United States and the Philippines. It affects sugar and other industries, but it raises also questions of tremendous moral import in the eyes of 13,000,000 Filipinos.

As everybody knows, Congress has assumed the exclusive power to regulate Philippine-American trade relations. In the exercise of this power Congress has established the present free-trade arrangement between the United States and the Philippines by virtue of which certain Philippine products imported into the United States are given protection, in exchange for the complete protection which the Philippines guarantees to American imports into the islands. This would appear to be a just arrangement, were it not for the fact that in the determination of tariff policies, American products and manufactures constitute the first and most important consideration. In other words, Philippine products receive protection in the United States, not precisely because that protection will benefit us, but because it will benefit corresponding American products. As regards those Philippine products which do not come within this class no matter how urgent the necessity for their protection, they are left to their fate, to fight alone, unprotected, in open competition in the markets of the world. When the Filipinos come to meditate on such a situation, certainly the prospects of their economic progress appear to them most discouraging.

The proposition to exclude the Filipinos from continental United States has no parallel in the history of colonization. The most imperialistic nations, since the dawn of civilization, have never denied to the natives of their colonies the liberty to emigrate to the motherland. The exponents of the most ruthless materialism, in dealing with their colonies, have always abstained from adopting such a policy, if only for the simple reason of conserving amicable relations with their colonials, with whom they have to deal and do business.

These are some of the questions that arise from time to time in the present relations between America and the Philippines. But these questions are of such a nature that they can not be settled satisfactorily and permanently without at the same time disposing of the problem of our emancipation. The existence of a dual responsibility in the government of the Philippines is another reason which dictates our plea for separation. The form of government first established by the Americans was very simple. It was a military government with all the powers concentrated in the hands of a military commander. He promulgated the laws and later applied and executed them himself. Since this method of government could not prove satisfactory, there was shortly established a mixed government, with a civil commission exercising legislative powers and a military chief performing executive functions, including the appointment of the judiciary. But neither could such a government continue for long, and so, in 1901, it was transformed into a complete civil government, with a civil functionary as chief executive and a civil commission acting as the legislature. A decisive battle for popular government was won with the approval by Congress of the law of July 1, 1902, which gave to the Filipino people the right, as soon as peace was established, to elect a popular assembly. The assembly was organized in 1907, and not long afterwards the United States recognized that the experiment had been successful and that it justified a new forward step, which was to grant a Filipino majority in the commission.

The Filipinos did not need more than a year to demonstrate plainly that a commission with a Filipino majority was as efficient as a commission composed mostly of Americans. This was followed by another concession; that is, the autonomous government provided by the Jones law as the last step toward independence.

Under this act the Filipinos are given the largest control over their domestic affairs, subject only to the restrictions intended to safeguard the sovereignty of the United States. It establishes a legislative body elected by the Filipino people, but it retains the Governor General, appointed by the Government of the United States. Therein lies the dual responsibility: On the one side the Filipino people seek to exercise the most extensive power possible within the Jones law, and, on the other hand, the Governor

General, who is the chief executive, endeavors to fully discharge American responsibilities. Duality of responsibility in the government caused serious conflicts in the Thirteen American Colonies, which had a government similar to ours; that is, a governor appointed by the Crown and a legislature elected by the people of the colony—a government which the American Revolution took upon itself to destroy, raising upon its ruins a government whose powers are derived wholly from the consent of the governed.

Although this dual responsibility in the government of the Philippines has not produced such grave consequences as those experienced by the Thirteen American Colonies, it has had, nevertheless, its natural effects, provoking the constitutional crisis of 1923. We fought then for the preservation of our autonomy, not because we desired to hold the reins of power; not because we, who represented the Filipino share in the government, were interested in maintaining our position in that government. We defended those rights because they were the rights of the people which we could not surrender. We defended those rights because we had acquired them, step by step, at the cost of countless sacrifices and defeats, and it was our duty to defend every inch of ground won in order to continue the struggle without flinching until the final goal should be reached.

The attitude of the Filipinos could then have been wrongly interpreted, because, fighting as they were for autonomy, it might have been thought that, in exchange for the preservation of that autonomy, they would be willing to renounce the ideal of independence. At the present moment, so solemn and so grave for our country, when the destiny of 13,000,000 Filipinos hangs in the balance, it is necessary that the constitutional representatives of our people should assemble, as we are now assembled, to define our stand in the face of events in the United States. That stand must be clear and unequivocal.

We admit that in the complex relationships between two peoples, in the development of the government of a country that is still not free but aspires to full freedom, there are ways and means of giving the people larger control in the government. We admit the possibility of reforms which would place us on the level of other peoples who, although not independent, govern themselves almost independently. If, however, we should be asked what we want now, if we should be asked whether we are disposed to study and consider reforms in the administration, changes in the government, new processes of autonomy, our answer would be: We are not seeking changes or reforms in our government. We are not interested in new formulas of autonomy. What our people now desire is their independence; that they be allowed to live a life of their own choosing, direct their own destinies, and finally establish a government of their own, loved and sustained by themselves under the ægis of their own flag.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

Mr. COUZENS. Mr. President, this amendment proposed by the Senator from North Dakota [Mr. FRAZIER] is in many respects attractive, so far as its aims are concerned. I should have liked to see something done at the present session of Congress that would have been a practical help to the farmer; but in studying this bill—now in the form of an amendment to the home loan bank bill—it seems to me that the position taken by the Senator from Texas [Mr. CONNALLY] is correct. It hardly seems that passing upon such a bill is a matter that belongs to the Agricultural Committee. It has to do with the Federal reserve banks, the farm-loan banks, and the Federal Farm Loan Board, all of which were created under the auspices of and considered by the Banking and Currency Committee.

There are other matters in the bill which seem to raise some question. I see the Senator from Virginia [Mr. GLASS] here. I should like to ask him if he believes that Congress has the power to do what is provided on page 3, where it is said:

> And it shall be the duty of the Federal reserve banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds.

I do not understand that we have authority to tell the Federal reserve banks what they shall do with their surplus.

Mr. GLASS. None whatever. It goes back to the misapprehension of some people that the Government of the United States owns the Federal reserve banks. It has not a dollar of proprietary interest in them. It never had a dollar of proprietary interest in them. It never contributed a dollar to their maintenance. The Federal reserve banks are not even required to discount commercial paper. They are permitted to do it under certain restrictions and supervisions of the Government.

This bill simply means the confiscation of the property of the Federal reserve banks, which are owned by the member banks, which are owned by their stockholders.

Mr. COUZENS. In the light of that, this bill would not be effective if passed in this form; would it?

Mr. GLASS. I should not think so, unless confiscation is a legitimate thing.

Mr. COUZENS. In all probability the courts would prevent that; would they not?

Mr. GLASS. I am not a lawyer, though perhaps I could claim to be a better lawyer than some men who are lawyers. I should not think, however, that a court would hesitate two minutes to invalidate the bill.

Mr. COUZENS. In view of that, Mr. President, and in view of the long experience of the Senator from Virginia with the Federal reserve banks, and the fact that the Committee on Banking and Currency has not considered this bill, I reluctantly shall have to vote to have it referred to the Banking and Currency Committee.

Mr. NORBECK. Mr. President, I was going to ask the two members of the Banking and Currency Committee if they thought the committee would have any time to consider this bill.

I believe there are more bills on the calendar of the Senate Committee on Banking and Currency that have not had any consideration than there are on any other committee calendar here; and certainly it is impossible to give this bill consideration now. I do not contend that the bill necessarily should go to some other committee, but it has been there one year or two years—which is it?—and there has been plenty of time to protest. I think this is a poor time to refer it to the Banking and Currency Committee, here in the last days of the session. If we want to kill the bill, let us kill it outright. What is the use of finding an alibi?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORBECK. Certainly.

Mr. COUZENS. The Senator can not charge me with that, because I did not know there was such a bill in existence. The bill was in another committee. The bill came out on the Senate Calendar, and no attention was paid to it.

Mr. NORBECK. It has been on the Senate Calendar a long time.

Mr. COUZENS. Yes; but it has never been brought up for consideration.

Mr. NORBECK. That is true.

Mr. COUZENS. I did not know such a bill was in existence; and after going over the bill I do not think the chairman of the Banking and Currency Committee wants us to pass a bill that would be declared illegal and unenforceable; does he?

Mr. NORBECK. The chairman of the Committee on Banking and Currency is not discussing the legal question of this bill, for the good reason that the very able lawyers of the Senate get into a clash when they take up those constitutional questions, and I am not going to be an umpire in that clash.

Mr. COUZENS. Does not the Senator believe that, in view of the fact that the bill changes the Federal reserve law and the bill relating to the Federal land banks, it comes under the jurisdiction of his committee?

Mr. NORBECK. I believe it could properly come before that committee, but it has not been there, and I do not think, under the rules, it absolutely has to go there. It is an agricultural bill as well as a financial bill. I know what happened to the other agricultural bill, however. Instead of amending it or killing it, the bill was sent back to the committee, where it is peacefully slumbering; and that is what may happen to this bill if it goes back to the committee now.

The Senator from North Dakota [Mr. FRAZIER] would like to get a vote on this matter. He has been working on it for months and months. Let us give him a vote. That is all I am suggesting.

Mr. COUZENS. If the Senator will yield further, so far as getting time is concerned, I know how busy the Senator

has been; but I am willing to work to-night, or to-morrow, or any other time, to go over this bill if the other Senators are willing to go along, because I am anxious to get legislation; but I have very great doubt that this bill will be effective, and I think it will be a very misleading thing for the farmer.

Mr. NORBECK. My answer to the Senator is this: I am one of the conferees on the unemployment relief bill. We have had 16 meetings of the conference committee. We have not done much of anything else in 10 days. The members are worn out. Now the matter is facing us again. Maybe the bill will have to be rewritten. There are other bills coming into conference, and a lot of other things that the committee has to do; so I do not want to encourage the idea that the Banking and Currency Committee can do anything about this bill in the few remaining days of the session. I do not think they can.

Mr. BORAH. Mr. President, the difficulty with the situation is that we are trying to do here, in a few days, what it would really take weeks to do. We ought to pass these measures, but we ought to take time to consider them and see that they are wise and effective measures.

Here is this bill. The idea incorporated in the bill is an extremely important one. The principle which is involved is an extremely vital one. This bill itself, however, has never had the report of a committee, and it does not come to the Senate with the report or the approval of the committee.

Mr. SHORTRIDGE. Mr. President, there is a brief report.

Mr. BORAH. I understand that; but, as a matter of fact, it was reported from the subcommittee without recommendation to the whole Agricultural Committee, and reported out of the Agricultural Committee without a record vote.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BORAH. I do.

Mr. McNARY. The Senator is incorrect in that statement.

Mr. BORAH. A member of the Agricultural Committee told me just a few minutes ago that that was the case.

Mr. McNARY. I am not curious about the individual who has been asked about the question; but this is the situation, as I know it to be:

The bill was introduced. It was referred to the Committee on Agriculture and Forestry, at which time I said to the author of the bill that it should go to the Banking and Currency Committee. The Senator from North Dakota [Mr. FRAZIER], however, was willing to have the Agricultural Committee consider it. At the request of the Senator from North Dakota I appointed a subcommittee to consider the bill. That subcommittee had hearings and reported the bill back to the full committee without recommendation.

Mr. BORAH. That is what I understood.

Mr. McNARY. The Agricultural Committee considered the bill several times, and adopted several amendments. A vote was taken—not a recorded vote. I personally had some criticisms of the bill, and some objections.

Mr. BORAH. Was there a recorded vote?

Mr. McNARY. There was no recorded vote; but a majority of the committee signified its desire to report the bill to the Senate, and that was the action taken.

Mr. BORAH. I think I was correct in what I stated.

Mr. McNARY. I do not think so at all. I understood the Senator to say that the record will show that the committee took no formal action in the matter.

Mr. BORAH. No; I understood that there was no recorded vote in the committee.

Mr. McNARY. Oh, that is true; but that happens in the case of many committee reports.

Mr. BORAH. I understand exactly; and I understand under what circumstances this happened.

Mr. FRAZIER. Mr. President, I have been on the Agricultural Committee for some years. This bill was reported out in the same way that a great many other bills have been reported out from that committee, and, as I understand, have been reported out from other committees. I know they are reported out in the same way from other committees of which I am a member.

I want to say just a word in regard to the question brought up by the Senator from Michigan [Mr. COUZENS] in regard to the Federal reserve banks investing their available surplus and net profits.

As I understand, under present law enacted by Congress the Federal Reserve Board, after deducting 6 per cent for the stockholders of the banks, turns the surplus into the United States Treasury. If Congress can direct the Federal Reserve Board to take action of that kind, I can see no reason why they can not direct the Federal Reserve Board to invest their surplus, that they would otherwise turn into the United States Treasury, in bonds of this kind.

The bill, if passed, might be taken into court. I am not an attorney either. I do not know what the court would hold, and there is no one here who knows what the court would hold, because the members of the court themselves oftentimes are very much divided—as divided as they can be on a question that comes before them. I can see no reason for hesitating to vote for this amendment because the court might declare some part of it unconstitutional. I do not know whether they would or not, but that does not worry me in the least. I do feel, however, that we should have a vote directly upon this measure and not on a motion to recommit it.

The bill was considered by the Agricultural Committee. The chairman of the Committee on Banking and Currency is a member of the Agricultural Committee, and other Senators are members of that committee who are, I think, also members of the Banking and Currency Committee. It is an agricultural bill, however; and under our rules there did not seem to be any objection to having it referred to the Agricultural Committee. The farm organizations that are interested in the bill made a request that the bill be referred to the Agricultural Committee. That is why it was referred there. While I know that many Senators have been so busy that they have not given it consideration, yet I also know that a great many farmers throughout the Nation have written to various Members in favor of the bill. Six State legislatures have adopted resolutions favoring the bill and have memorialized Congress to that effect.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. FRAZIER. Yes.

Mr. LONG. This is the only proposed farm-relief legislation that is now pending, is it not? Is there any other?

Mr. FRAZIER. There is another bill on the calendar, introduced by the Senator from South Dakota [Mr. NORBECK], in regard to the prices of farm products, and I hope that bill will be passed also; but even if that bill is passed, unless something is done to relieve the farmers of the high interest rates that they are paying at the present time, they can not win out. They can not succeed, because the prices of farm products are altogether too low. The bill introduced by the Senator from South Dakota will increase those prices by the amount of the tariff. That is the intention of it, at least, and I hope it will work out in that way; but that would not begin to give the cost of production, even then, for the farm products.

So it seems to me absolutely necessary that some measure of this kind, reducing the interest rates of the farmers, giving them easier terms to pay out on, must be adopted if we are going to retain the home ownership of our American farmers.

Mr. BLAINE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Wisconsin?

Mr. FRAZIER. I do.

Mr. BLAINE. The bill to which the Senator refers, introduced by the Senator from South Dakota [Mr. NORBECK], has to do only with wheat, cotton, and pork?

Mr. FRAZIER. That is correct.

Mr. BLAINE. At the expense of all other agricultural products.

Mr. FRAZIER. It is just an experiment, as I understand, for one year's time.

Mr. NORBECK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from South Dakota?

Mr. FRAZIER. I do.

Mr. NORBECK. I do not like to have that subject dropped in this way. One Senator says it is at the expense of other agricultural products, and another one says it is an experiment.

Let there be no misunderstanding about this matter, and let the Senate judge of whether it is at the expense of other agricultural products or not.

The bill provides for higher prices on three commodities. I think most Senators would agree that if we could increase the price level of the three major commodities we would raise the whole price level, and that instead of being at the expense of the other commodities it would help the other commodities.

Mr. President, this plan was agreed upon by the different representatives of farm organizations here when they realized that it was too late to have general legislation on the farm question. It could, at most, be only temporary. It could deal only with this year's crop. It was realized that we must avoid any tax on the Treasury; that we must avoid any involved thing. So they settled on the idea that they could take these three commodities, all three of which must be fabricated—the wheat must go to the miller, the hogs go to the packing house, the cotton goes to the spinner—and levy a tax upon the manufacturer which would be used in paying a compensation to the farmer, divided upon the proportion of that part of his crop which is used in the domestic market. In other words, the bill aims to make the tariff effective on 60 per cent of the wheat and that part of the cotton which is consumed in the United States.

Mr. President, I repeat, the purpose is to have this measure applicable only for one year. It is no drain on the Treasury. It is hoped that it will raise the level of the prices of three commodities, not to the cost of production—the Senator from North Dakota is right about that—but, nevertheless, something substantial this year; and that it will do it without increasing the price of a loaf of bread or the price of a piece of bacon, because that kind of a charge would not be passed on at retail. We all know that the retail price to-day is based on what the traffic will bear.

We all know that in France bread is just as cheap as in this country, and the farmer has been getting $1.70 or $1.80 per bushel for his wheat. Here we give it all to the middleman, and we protest against the producer's getting anything.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. BLAINE. The Senator from South Dakota said something in reference to what I had stated, but he omitted stating the whole proposition. I said that the bill had relation to three crops—wheat, cotton, and pork—at the expense of some other agricultural products, very probably.

I do not like to legislate upon agricultural questions unless the legislation is designed for agriculture as a whole. I merely want to call attention to this fact, that the dairy industry in the United States is greater than the wheat industry, and greater than the pork industry and, in returns, is probably equal to the returns of wheat and pork, or at least equal to the returns of wheat and cotton. I am rather inclined to think that the latest data will show that the returns in dairying are almost equal to the combined returns of wheat, cotton, and pork.

The Senator from South Dakota must appreciate that dairying can not be conducted successfully unless a very large portion of the by-products of wheat, such as bran, shorts, and middlings, can be fed to dairy cows; and if you are going to increase the price of wheat, and then pass that increase on to the dairy interests, without giving the dairy interests any relief whatever, I say that such relief would be at the expense of the great dairy interests of the country and my State.

Mr. NORBECK. The Senator is aware of this fact, that the price of feed has not corresponded closely to the price of wheat, that the millers have acted on feeds a good deal as the bakers have on bread; they have charged an unholy price for them.

Therefore I do not feel that it necessarily follows that there is a close connection. But there are many answers which might be made. One is that many of the dairymen are also producers of hogs and grain. Another answer is this: That it is an impractical thing to put dairy products into this bill. If the Senator from Wisconsin will draft a bill to help the dairy people, we will support it. There has been legislation in the interest of the dairy people time and again since I came to Congress, but no adjustment has been made in favor of the farmer who produces wheat or cotton. Hogs went to the lowest level this year that was ever known. Anyway, they do not fit into this bill. Wheat is fabricated by the miller; hogs are fabricated by the packer. Cotton also goes to the factory, but half of the dairy products are sold in the shape of milk, and how can they be put into this bill? I simply suggest that if the Senator from Wisconsin will work out something instead of finding fault with this measure, we will cooperate with him.

Mr. BLAINE. Mr. President, I am not finding fault. I want to ask the Senator if he would favor specific relief for one particular agricultural commodity which might mean that another great agricultural undertaking would not receive relief; but, rather, would be caused a great deal of additional expense. I am quite sure the Senator would not want that kind of legislation.

Mr. NORBECK. I want to be perfectly plain. I favor relief for all farmers. If I could not get that, I would favor relief for one-half of them. I still maintain that if we can bring up the level of the prices of staple commodities, the others will follow; and we have all sorts of examples in history to support that contention.

Mr. BLAINE. But the Senator would not favor relief for one-half of agriculture at the expense of the other half of agriculture?

Mr. NORBECK. The expense is a far-fetched matter in this case. There is nothing to support it.

Mr. BLAINE. The dairy people think differently.

Mr. NORBECK. Yes, many do; and I know that we can not bring out a bill onto this floor without getting into this kind of discussion. The progressive State of Wisconsin has seldom supported the farmer in his contentions.

Mr. FRAZIER. Mr. President, I want to say that I am strongly in favor of the bill the Senator from South Dakota [Mr. NORBECK] has offered, which is now on the Senate Calendar. It would affect only three products, and all three of them are named. But the idea is to test it out on those three, and if it is a success—and we believe it would be—then to include other products later on and make other provisions. But it was late in the session when that bill was proposed.

Mr. President, I sincerely hope the motion of the Senator from Texas will not be agreed to. It seems to me it is unfair to return the bill to another committee than that which reported it, after it has been considered by one major committee which reported out a bill which has been on the calendar for a long time.

Mr. NORRIS obtained the floor.

Mr. BLAINE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. I yield.

Mr. BLAINE. The Senator from South Dakota stated that the progressive State of Wisconsin has never supported agriculture. Certainly the Senator from South Dakota rather lost his head when he made that statement.

Mr. NORBECK. The Senator from South Dakota said that very deliberately, and it is not the first time it has been said, either.

Mr. BLAINE. The Senator from South Dakota can not point to any such record of the progressive State of Wisconsin. Every farm measure that had as its design and purpose the aiding of agriculture as a whole has been wholeheartedly supported by the State of Wisconsin. But where measures mean aid to one or two commodities at the expense of Wisconsin's agriculture, and especially Wisconsin's dairy interest, progressive Wisconsin can not afford to bear the burden of the additional expense put upon the great agricultural interests of the State of Wisconsin.

I can not stand here on the floor of the Senate and vote for farm relief for one or two farm commodities when I know, and the people of my State know, that that kind of relief is going to mean a burden to one great agricultural industry in this country and in my State—that is, the great industry of dairying. That is all I have to say.

Mr. NORRIS. Mr. President, I do not want to yield further to this controversy, because I do not like to see these great statesmen get into a controversy about something that is not before the Senate. The bill about which they have been talking is not up for consideration yet.

Mr. President, I am going to vote for the pending motion, not because of any technicality connected with the parliamentary situation, although I think one could easily find justification for so voting on that ground.

The pending bill, if we follow the precedents of the Senate, ought to have gone, to begin with, to the Committee on Banking and Currency. However, I am not making any point of that. It went to the Committee on Agriculture and Forestry, and was reported by that committee.

I am in favor of the motion to send the bill either to the Committee on Banking and Currency or back to the Committee on Agriculture and Forestry. I would have no objection to its going back to the committee that reported it, although under the precedents of the Senate it ought to go, I think, to the Committee on Banking and Currency, where all other financial bills have gone.

I am going to vote for the motion because I can not see my way clear to vote for the amendment, and I am not one who believes that there is not something in it and that probably a good measure can not be worked out of it. I do not think that has been done yet.

I may be entirely wrong, but I am not willing now to vote for a bill which at one swoop would increase the currency in the United States as this bill would do. The per capita circulation of money reached its highest point in December, 1920, and was then $52.62. It is now down to $43.85, a reduction of practically $9 per capita.

One of the evils that confronts agriculture—not the only one by any means but one of the great difficulties in which the farmer finds himself when he is trying to pay off a mortgage—is that he has to pay it off in a money dearer than the money he got when he borrowed the money. If a difference of $9 in the per capita circulation will make the great difference that exists now between the farmer's dollar and the other dollar, the question arises in my mind as to what would be the difference in the other direction if at once we increase the circulation to $75 per capita, an increase over the present of something like $22 per capita.

Perhaps that is not dangerous, perhaps we would run no risk, but I confess I am afraid of it. I am just as afraid of a wrongful inflation of the currency as I am afraid of wrongful deflation of the currency. I am one of the Senators who are willing to vote now for an increase of the circulating medium. I think it would be a good thing. I think it would particularly help agriculture. But in doing that I do not want to make a jump in the dark, which I fear this bill would mean.

In my humble judgment, a bill using this measure as a basis might be carefully worked out; but it would take time to do it. It can not be done overnight or in a week. It is a serious and difficult proposition, and it is a vital proposition, too, to all the people of the United States, and I am afraid that we would make a mistake in the particulars to which I have referred.

In the next place, the benefit the farmer would get directly under this bill now proposed as an amendment, if it should be passed and become a law, would be through a decrease in the rate of interest he would have to pay, but all the farmers would not get the decrease unless it would result as a general proposition in the inauguration of this law. I think any economist will agree that if we should increase the circulating medium, we would probably increase rather than decrease the amount of interest that money loaned would bring in the market.

The farmer who now has a mortgage on his farm would be benefited by this measure and would get his benefit from the fact that he could make a new loan from the Government at a lower rate of interest than he is paying now. The currency would be issued from the Federal reserve bank, and if we increased it, just as the bill provides, up to $75 per capita, even then we would not have anywhere near enough money to relieve the indebtedness of the American farmer. Therefore a large portion of them would not be able to get the benefit even of the decreased interest.

This provides that money shall be loaned at a rate of 1½ per cent to take up existing indebtedness. The mortgagor would be the beneficiary, so far as getting the cash is concerned. The farmer would still have a mortgage on his farm, but his rate of interest would be much less than it is now, a condition that I would go almost any distance to bring about if I thought we were doing it without endangering our whole institutions, including agriculture and all other lines of human endeavor.

Perhaps I am easily frightened and scared, but I would be afraid to put this particular bill upon the statute books as a law of the country.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. Does the Senator perceive any great difference in the Government issuing $2,000,000,000 of railroad bonds and issuing $2,000,000,000 worth of currency? Both are outstanding obligations of the country.

Mr. NORRIS. Yes; I think there is a considerable difference. I do not know that I want to be drawn into that discussion now, however, but I think there is a great deal of difference.

Mr. LONG. Does the Senator see where this legislation with its beneficent benefits intended to be bestowed upon the farmer, is any more radical than the Reconstruction Finance Corporation act?

Mr. NORRIS. I think it is only in degree. I am glad the Senator asked that question. I know the argument can be made, and I am not trying to belittle it, that Congress has gone on record to provide for a $2,000,000,000 issue of bonds or cash, all coming out of the Treasury of the United States or guaranteed by the Treasury of the United States when we established the Reconstruction Finance Corporation.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. NORRIS. In just a moment. Nobody can hurl that argument at me. I voted against it. I worked against that bill. I thought it was fundamentally wrong, and I think so yet. I believe we made a mistake. It was in line with the mistake we made when we agreed with President Hoover on the moratorium question. There was another $275,000,000 that we threw away into the laps of the governments of Europe which owed us money. I think that was unjustified. I am not defending it. No one can say to me, "You ought to do this because you did that," for the reason that I did not do that. When Congress enacted those two laws we put ourselves and our country into a weakened position where we can not afford, it seems to me, to pass this bill as we would have been able to pass it if we had not made that mistake and drained the Treasury of the United States as we did when we passed those laws.

The situation might be compared with that of the man who has $10,000 and some other man comes along and borrows $9,000 of it. He made a mistake when he loaned it, but he loaned the $9,000 anyway. Then another man comes

along and wants to borrow $9,000, but he does not have it. That is somewhat the condition of the Government of the United States to-day. I am not defending it. I think that we used the credit of the Government of the United States and our funds to help big business, big banks, and corporations, and railroads when we ought not to have done it, and by doing it we have lowered the credit and the financial ability of the United States, no matter whether it was right or wrong.

Now I yield to the Senator from Iowa.

Mr. BROOKHART. I am very much interested in the comparison of the issue of bonds and the issue of Treasury notes.

Mr. NORRIS. I will yield the floor so the Senator can discuss that question if he wants to do so, but I do not care to go into it now myself.

Mr. BROOKHART. Is not the real difference that when we issue bonds we have an interest burden to pay and our taxing power is behind it, but when we issue Treasury notes we do not have that burden?

Mr. NORRIS. Yes; but taking that at 100 per cent and not contradicting it, no matter who believes in that, I will also agree that there is little difference when the United States Government issues currency.

Mr. ROBINSON of Arkansas. Mr. President, is there not this difference? When we issue notes there must be a 40 per cent coverage of gold. Is not that correct? I inquire of the Senator from Virginia.

Mr. GLASS. Mr. President, undoubtedly that is correct, and not only that, but currency is a demand obligation. A bond is a time obligation. It gives the issuing authority time to prepare for its redemption, but a note is redeemable upon demand and if we issue more notes than may be redeemed upon demand, the credit of the country is gone.

Mr. NORRIS. While I do not think it is material to discuss the difference between bonds and currency, it ought to be sufficient, it seems to me, to say that there is a limit in either case; and in either case we can ruin our country. Suppose we start out now to operate the printing presses, with the guaranty of the taxing power of the Government behind us, and issue currency up to $1,000 per capita. Is there any Senator here who would vote for such a plan? Everybody would admit that would be ruinous. There is a danger line somewhere, but I am not drawing it. As I said in the beginning, I am afraid that when we come up to $75 per capita at one jump there will be danger. I would like to increase the currency; but it ought to be done at a moderate rate if we are going to increase it, and under such control as we could stop if we saw any danger signal. We could go too far, and everybody will agree to that. I think this bill goes too far; at least it goes too far without a trial somewhere in between that extreme and what we have now.

Mr. LONG. Mr. President, I seldom, if ever, disagree with the Senator from Nebraska [Mr. NORRIS] on any economic question. I believe his judgment is as good as can be had. However, I also am in the clear in not having voted for the Reconstruction Finance Corporation act, because I was not a Member of the Senate at the time. But I see no very little difference, if any, between this legislation and the Reconstruction Finance Corporation legislation. The only difference is that one goes to a syndicate of banks and corporations that do not have to eat and the other goes to people who have shelters above their heads which they are trying to keep.

The only tinge of radicalism that might apply to this legislation as contradistinguished from the Reconstruction Finance Corporation act is that this is upheld as being legislation that is to enable people who have roofs over their heads to keep them, whereas the other is to keep business going along in order to keep it in fine shape for the general benefit of the country. If the Reconstruction Finance Corporation legislation was necessary, and I am not now going to say whether it was necessary or not, because the Senate has taken the position that it was necessary, then this legislation is necessary.

I would not argue with my friend from Virginia [Mr. GLASS] about what is inflation of the currency and what is not. That matter was before the country when Lincoln was President of the United States, when they had to determine whether they should issue bonds or legal tender. We have legal tender floating around the United States now that is good for all debts, public and private, I believe, except interest on the public debt.

There is no reason why this bill proposed as an amendment should not be passed. I say to the Senate that this is the only farm relief bill that is pending in the Senate, and when we go back to the people of the country, to the farmers, and compare the Reconstruction Finance Corporation law, which has opened up all the credits that the United States has to the corporations of the country on collateral that is no better than the collateral which would be back of the loans to be made under this bill, there is no base for a comparison and there is no argument about why we should close the gate in the face of the American farmer and not give him relief from the United States Treasury at this time.

There may be some feature about this bill that can be remedied. We have another branch of the Congress to which the bill will go, and still the bill is subject to amendment. It can still be amended. I agree, of course, that there is a danger point. It may be that the currency provided for is a little bit too much, but it can not be so very much too much. We have $2,000,000,000 of bonds of the Reconstruction Finance Corporation that are bearing interest and another $1,500,000,000 worth that have to bear interest. Certainly the demands and needs of the farmers of the country should be heeded and the Treasury of the country opened up to save them. If it is too much, let us reduce it, but we must help the farmers. We might as well be frank about it. When we send this bill back to the committee we are killing it. Let us keep the bill before the Senate and see if we can make whatever adjustment is necessary to try to give some relief through the Government Treasury to the farmers of the country.

TRANSPORTATION OF WORLD WAR VETERANS FROM THE DISTRICT

Mr. JONES. Mr. President, House Joint Resolution 462, which passed the House to-day, was referred to the Committee on Appropriations, and I ask unanimous consent to report it back to the Senate favorably without amendment. It is pursuant to the measure introduced by the Senator from Nebraska [Mr. HOWELL]. I ask that it be immediately considered.

There being no objection, the joint resolution (H. J. Res. 462) making an appropriation to provide transportation to their homes for veterans of the World War temporarily quartered in the District of Columbia was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That to enable the Administrator of Veterans' Affairs, upon the request of any honorably discharged veteran of the World War, temporarily quartered in the District of Columbia, who is desirous of returning to his home, to provide such veteran with railroad transportation thereto prior to July 15, 1932, together with travel subsistence at the rate of 75 cents per day, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000: *Provided*, That all amounts expended under this appropriation in behalf of any veteran shall constitute a loan without interest which, if not repaid to the United States, shall be deducted from any amounts payable to such veteran on his adjusted-service certificate.

EXECUTIVE SESSION

Mr. McNARY. Mr. President, I desire to move for an executive session. However, if it is possible to get a vote immediately on the pending amendment I shall not make the motion at this time.

Mr. FRAZIER. Mr. President, the Senator from Iowa [Mr. BROOKHART] wanted to discuss some of the subjects just brought up.

Mr. BROOKHART. Only briefly. I shall not delay a vote.

Mr. McNARY. I think I shall follow out my intended course and move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

Mr. ASHURST. Mr. President, it is my view that we should finish with the legislative business that is before the Senate. Therefore I move that the Senate resume legislative business and finish its business, and on that I demand the yeas and nays. We ought to finish with the home loan bank bill.

Mr. McNARY. Mr. President, after the executive session, which was promised, I intend to ask the Senate to return to legislative business.

Mr. ASHURST. Very well; I withdraw my motion.

The Senate proceeded to the consideration of executive business.

MILITARY NOMINATIONS

Mr. REED. Mr. President, from the Committee on Military Affairs I report favorably five routine nominations and one nomination of a major general of the reserve in the Kansas National Guard.

Mr. ROBINSON of Arkansas. Who is the major general?

Mr. REED. Maj. Gen. Charles Irving Martin, of Kansas.

Mr. ROBINSON of Arkansas. They are all military nominations?

Mr. REED. Yes. The other five are purely routine. I ask unanimous consent for their present consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the first nomination will be stated.

The Chief Clerk read the nomination of Charles Irving Martin, Kansas National Guard, to be major general, reserve.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Capt. Harold Albert Nisley to be major.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the remaining Army nominations, reported by Mr. REED, as follows:

First Lieut. Ernest Arthur DeWitt to be captain, Infantry, from June 25, 1932.

Second Lieut. John Emmett Walker to be first lieutenant, Infantry, from June 25, 1932.

VETERINARY CORPS

Capt. Claude Francis Cox to be major from June 28, 1932.

Second Lieut. Harvie Russell Ellis to be first lieutenant from June 24, 1932.

Mr. REED. I ask unanimous consent that the remaining Army nominations may be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

Mr. REED. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of these Army nominations.

Mr. CONNALLY. I object.

Mr. REED. Will not the Senator withhold his objection?

Mr. CONNALLY. I did withhold the objection in a case the other day for the Senator from Pennsylvania.

Mr. REED. Will not the Senator follow his own good example and withhold this objection?

Mr. CONNALLY. Mr. President, I can not do it.

Mr. REED. Very well.

The VICE PRESIDENT. Objection is made to the request of the Senator from Pennsylvania.

REPORTS OF COMMITTEES

Mr. McNARY (for Mr. ODDIE), from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. HALE, from the Committee on Naval Affairs, reported favorably sundry nominations of officers in the Navy and Marine Corps.

THE CALENDAR

The VICE PRESIDENT. The calendar is in order. The Secretary will state the first business on the calendar.

The CHIEF CLERK. A treaty, Executive A (71st Cong. 3d sess.), protocols concerning adherence of the United States to the Court of International Justice, transmitted by the President of the United States on December 10, 1930.

Mr. VANDENBERG. Let that go over, Mr. President.

The VICE PRESIDENT. The treaty will be passed over.

THE JUDICIARY—B. B. MONTGOMERY

The Chief Clerk read the nomination of B. B. Montgomery to be United States marshal, northern district of Mississippi.

Mr. McNARY. Mr. President, in the absence of the Senator from California [Mr. SHORTRIDGE] and the Senator from Mississippi [Mr. HARRISON], I suggest that this nomination be temporarily passed over.

The VICE PRESIDENT. The nomination will be passed over temporarily.

UNITED STATES TARIFF COMMISSION—EDGAR BERNARD BROSSARD

The Chief Clerk read the nomination of Edgar Bernard Brossard to be a member of the United States Tariff Commission.

Mr. COSTIGAN. Mr. President, the hour is so late, the session is so far advanced, and the legislative problems which still confront the Senate are so numerous and important, that prolonged discussion of this nomination may be thought inadvisable. However, I feel constrained to make official objection to the confirmation of the nomination of Edgar Bernard Brossard for membership in the United States Tariff Commission.

The President of the United States, acting within his technical rights but really disregarding the spirit of the constitutional injunction to seek the advice as well as the consent of the Senate, has from time to time burdened the Senate with undesirable nominations. The insistent determination of a couple of years ago to place Judge Parker on the Supreme Bench was an illustration. Judge Wilkerson's name is at this time assiduously urged for Federal promotion. Regardless of party, progressives for two decades have accounted for such incidents by what they term invisible government, which, perhaps for the better, is becoming more visible as time advances. In the circle of such nominations belongs the name of Commissioner Brossard, of the Tariff Commission.

For some years certain Government commissions in Washington have been falling into disrepute. One of the reasons is Commissioner Brossard, and back of his difficulties lies the explanation that, consciously or unconsciously, he has for years appeared to be a representative on a presumably independent and impartial Federal commission of more or less hidden forces. The voice has been the voice of Brossard, but the hand has too often been the hand of favor-seeking, tariff-protected interests.

Ever since 1865 Congress has more or less had in view supplemental assistance from an outside technical body in drafting tariff legislation. Various experiments in that direction, including revenue commissions, a special revenue commissioner, a congressional tariff commission in 1882, production-cost studies by the Department of Labor, and the Taft Tariff Board of 1909 preceded the organization of the United States Tariff Commission under the act of 1916. Following the national election of 1912, the press and magazines, both popular and scientific, of the country were frequently devoted to discussions of the duties and qualifications of a desirable tariff commission. In April, 1913, further impulse was given this movement by a careful referendum vote taken by the United States Chamber of Commerce among the various commercial groups associated with it. The final vote showed 715 commercial organizations in favor of such a commission and only 9 opposed. The description of the sort of tariff commission intended, which accompanied the referendum submission, laid down standards which were then and ever since have been accepted as sound, alike in academic, political, and business circles. That statement said in part:

The determination of tariff policy is a political question. * * *

What the rates of duty on specific articles should be in order to accomplish the policy established is an involved, technical, and economic question. * * *

The necessity that the Ways and Means Committee devote much of its energy to seeking facts in regard to the tariff rather than to

the weighing of legislative policy has placed an unnecessary burden on this committee. * * *

Hurried committee hearings, immediately prior to the formulation of a tariff bill, to carry out a predetermined party policy, at which interested parties appear and submit their own statistics, are in no sense a satisfactory substitute for impartial, continuous investigation of conditions here and abroad.

Impartial determination of facts being a sine qua non to intelligent and scientific framing of tariff schedules in order to carry out a tariff policy, the question is one only of the agency to secure these facts and present them in distinterested reports.

Mr. President, with standards of disinterestedness and impartiality thus specified and universally accepted, the Tariff Commission was created. Organized in March, 1917, it is fair to say that it functioned with impartiality and credit until 1922, when Congress vested it with the powers provided in the flexible provisions of the tariff law enacted in that year. Thereafter the personnel of the Tariff Commission began to change through inferior presidential appointments. With studied care tariff lobbyists or other persons friendly to particular tariff interests began to be elevated to positions on the commission. I shall not undertake to review the history of those years or to revive the well-known incidents of unwarranted presidential interference, and of subserviency by certain commissioners both to the President and to private tariff favor-seeking interests which followed. The first 11 years of history of the commission, testified to under oath by participants, are fully set out, practically without denial, in the published record of the investigation of the Tariff Commission conducted by the Senate in the years from 1926 to 1928.

Perhaps a word is in order about that investigation. In December, 1925, at a meeting of the American Economic Association, which was devoted to a discussion of the Tariff Commission, and at which I was invited to speak, I publicly recommended a congressional investigation of the commission, in part on the ground that the commission's disinterestedness and impartiality had been destroyed. Later, following a series of remarkable addresses in this body by the senior Senator from Nebraska [Mr. NORRIS], the Senate ordered such an investigation.

The select committee of the Senate in charge of that investigation contained among its members three able Senators who are still Members of this body. The Senator from Arkansas [Mr. ROBINSON] was chairman, and the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Pennsylvania [Mr. REED] actively participated as members of the committee. Two other members of the committee, Senator Bruce, of Maryland, and Senator Wadsworth, of New York, retired from the Senate before the committee's report was filed. It may be added parenthetically that before the report in that investigation was submitted to the Senate, I resigned membership on the commission, which had continued from the beginning and covered more than 10 years. In so doing, I filed with Senator ROBINSON, chairman of the select committee, a letter fully detailing the reasons of public protest influencing my decision to retire. In that letter I reviewed the history of the Tariff Commission and discussed the official services and qualities of various members of the commission, including Commissioner Brossard, whose name is now again before the Senate.

When the select committee finally reported, the Senator from Pennsylvania filed a minority report indicating that the record of the Tariff Commission had been disappointing because of bitterness existing between some commissioners. He expressed hope that the future of the commission would be less tempestuous, partly because of changes in personnel. This prophecy, I regret to say, has been fulfilled largely because, as in the historic case of peace in Warsaw, order has been imposed by extermination. Independence on the Tariff Commission has been penalized by lobby-driven Presidents and Senators who have shut their eyes while confirming, with some few exceptions, unworthy appointments.

Senators ROBINSON and LA FOLLETTE joined in the majority report. They found, to quote them, that the Tariff Commission as a body had not functioned "in an impartial or quasi-judicial manner, as we believe it was the intention of Congress that it should function." They added that—

Some members who had come on the commission had formerly been the agents of business interests or enterprises directly concerned in the administration of the tariff laws, and we believe that these failed in a proper appreciation of the true functions of their office.

These moderate comments on a Tariff Commission, the failures of which by the time the report was filed had risen to the magnitude of a national scandal, were later supplemented by a discussion of the present nominee of the Tariff Commission, Commissioner Brossard, on January 12 and 13, 1931, when his name came before the Senate for confirmation for membership in the reorganized Tariff Commission. For be it remembered that the wrongs committed in part by Commissioner Brossard against original Tariff Commission standards were confessed to the experts of a formal reorganization of that commission under the tariff act of 1930.

Perhaps, however, before quoting what the distinguished Senators from Arkansas and Wisconsin, respectively, had to say in January, 1931, about Commissioner Brossard, I should trace briefly and chronologically one or two developments in the history of the Tariff Commission.

As a member of the Tariff Commission I became and continued aware of such activities of Commissioner Brossard as were not successfully hidden from the time he entered the commission's service as a previously unknown expert in the sugar-beet investigation about 1923, until I resigned my membership in the commission in March, 1928. During that period Mr. Brossard's work and attitude fell under the observation of commissioners, first as a member of the staff, later as a member of the commission. At least three commissioners were shocked by activities of his of a prejudiced and partisan sort. He carried on in a fashion which drew suspicion to him. He proved anything but disinterested while serving as an expert for the commission in the sugar investigation carried on by the Tariff Commission in 1923–24. He worked stealthily to overthrow scientific findings of other and more expert members of the staff of the commission and of the majority of the commission while the important sugar investigation was in progress and the report to the President was being prepared.

His subsequent appointment to membership on the Tariff Commission in the spring of 1925, when Commissioner Culbertson retired to become minister to Rumania, had no other apparent justification than the payment for services rendered not to the Tariff Commission but to those private business interests which had resisted to the full extent of their ability, with the aid of President Coolidge, a report based without fear or favor on the facts found in the sugar investigation.

My own official opinion of Commissioner Brossard has invariably been stated with perfect candor, though without any disposition to depreciate his pleasant personal qualities. In resigning from the Tariff Commission in March, 1928, I said of him publicly:

Commissioners Marvin, Brossard, and Lowell stand to-day a united tariff band, steadily pressing for higher tariff rates and against important reductions, reckless on occasions in their treatment of facts and the law.

* * * * * * *

Commissioner Brossard has long been known in Washington as a political protégé of Senator SMOOT. He was on the staff of the commission before he became a member, and in both relations created an impression of a biased, as distinguished from a scientific or judicial, mind. Members of the Senate investigating committee are aware that while testifying under oath he appeared at times to be cautiously hiding material information within his knowledge which was sought by such members. As a witness he strengthened the view that he is a partisan who wishes to favor certain tariff-protected interests.

Commissioner Brossard, as already stated, succeeded Commissioner Culbertson, who became minister to Rumania and is now ambassador to Chile. Mr. Culbertson, writing on July 27, 1925, shortly after his departure for Rumania, had this to say of the appointment of Commissioner Brossard:

It's not much of a compliment to me that Brossard is selected to fill my place. If this appointment is to be regarded as a revelation of the President's policy, I feel fully justified in leaving the commission. They were certain to put you and me into a minority, and I would have been driven by the force of circumstances to break with my party without saving the commission. How does Dennis take the new appointment? This will test his professions to me. I didn't suppose that Coolidge would do the thing so rawly if he did it at all. Evidently our suspicions were cor-

rect and Brossard has been playing with the sugar lobby, and now he has his reward! I can imagine the effect on the staff—upon men like Comer, Clark, Delong, Simpson, Wallace, etc. They must feel that honesty is not the best policy.

Not by any means is this all. Following the prolonged investigation of the Tariff Commission conducted by the Senate committee, and after careful and separate analyses of the testimony, in the debate over Brossard's confirmation in January, 1931, we have opinions expressed about him which surely can not be assailed as personal or partisan or based on other grounds than the facts shown in that investigation. The Senator from Arkansas [Mr. ROBINSON] on January 12 and 13, 1931, in the course of a painstaking review of the testimony taken by the committee declared—I quote here and there from his remarks:

The record is very voluminous, but Mr. Brossard's testimony shows an utter desire to avoid being frank. (CONGRESSIONAL RECORD, January 12, 1931, p. 2002.)

* * * * * * *

The point is, without regard to details of the particular transaction to which I have been referring, that this man is not qualified, in the high sense of the term, for the impartial performance of the duties of a tariff commission. That opinion is entertained by some of the great, unbiased, and unprejudiced minds of the country. What did Doctor Taussig say? He expressed the opinion that Mr. Brossard ought not to have been appointed. What did Culbertson say? "I am humiliated that Brossard should be appointed to succeed me." (CONGRESSIONAL RECORD, p. 2049, January 13, 1931.)

* * * * * * *

This issue involves a question of public importance. It involves vitally, as I believe, the issue whether the United States Tariff Commission reorganization is to be effective. It may not be effective, anyway. The task of the commission is a very great and difficult one. It ought to be composed only of men who are impartial and just. The effort is, as far as possible, to eliminate politics from the commission by requiring that not more than three shall be members of the same political party. The attempt ought to be to secure the services of men who are above reproach in character, who are unbiased and impartial, and whose record discloses capacity and disposition to disregard extraneous influences and perform duty within the letter and spirit of the law. (CONGRESSIONAL RECORD, p. 2050, January 13, 1931.)

The Senator from Wisconsin [Mr. LA FOLLETTE], on January 12, 1931, after a similar full examination of the testimony taken by the committee, expressed his conclusions as follows:

As I stated at the outset, I believe that an impartial reading of his testimony will convince any Senator that Commissioner Brossard was not a frank, honest, open witness before the committee; that he was, to say the least, disingenuous and evasive in his testimony concerning this important and controversial subject. Furthermore, the testimony shows his conversation with a subordinate on the economic staff of the commission before his testimony took place, and then, following his denial that he had anything to do with the preparation of this minority report except the submission of tables, he had three different conversations with that subordinate before Mr. Fox was called to testify concerning his interpretation of Brossard's connection with the minority report on sugar.

I think, Mr. President, that this testimony will convince any impartial reader that Mr. Brossard can not command the respect and the confidence of either the Senate or the country, in view of the manner in which he conducted himself under oath before this committee of the Senate. There are other reasons why I think the Senate should reject Mr. Brossard's nomination. (CONGRESSIONAL RECORD, January 12, 1931, p. 1997.)

* * * * * * *

Mr. President, in view of all these facts, in view of what I believe to be the demonstration that I have made to the Senate this afternoon that Mr. Brossard was disingenuous, evasive, and attempted to mislead the committee in the examination conducted by the select committee concerning his participation in the sugar report, and in view of the further fact that two of his former associates on the commission and the dean of American economists, Doctor Taussig, have branded his appointment as unfortunate, I think the Senate is more than justified in rejecting his confirmation. (CONGRESSIONAL RECORD, January 12, 1931, p. 1998.)

The Senator from Mississippi [Mr. HARRISON], whose interest in tariff matters has always been known, on January 12, 1931, in the course of the same discussion, contributed his impressions of Commissioner Brossard in these words:

Personally I like Mr. Brossard. I never knew him very well. I have come in contact with him. He is a pleasing fellow; but the Senate has a function to perform, and we can not put a man of that character on the commission. (CONGRESSIONAL RECORD, January 12, 1931, p. 1988.)

Though citing these expressions, I have no disposition to revive the many details of an investigation, in which I was in a measure an indicting participant, except to remind the Senate that reasonable foundation exists for protest against this nomination, not based on personal likes or dislikes, but having sworn support, and confirmed by those Senators most familiar with the Senate's own records.

Without amplifying further, it suffices to say that when the vote of the Senate was taken on Commissioner Brossard's qualifications to serve as a tariff commissioner after the full discussion which has been mentioned, 36 Members of this body voted to reject the Brossard nomination and 15 other Senators were listed as either paired or not voting. The vote was taken on January 13, 1931, as shown in the CONGRESSIONAL RECORD at page 2065. Those who voted against Commissioner Brossard at that time were members of both political parties. Their names, including present and former Members of the Senate, were the following:

Senators BARKLEY, BLACK, BLAINE, BROOKHART, BULKLEY, Caraway, CONNALLY, COPELAND, CUTTING, DILL, FRAZIER, GEORGE, GLASS, the late Senator Harris, Senator HARRISON, former Senator Heflin, Senators LA FOLLETTE, MCGILL, MCKELLAR, McMaster, MORRISON, NORRIS, NYE, former Senator Pine, Senators ROBINSON of Arkansas, SHEPPARD, SHIPSTEAD, former Senator Simmons, Senators SMITH, STEPHENS, THOMAS of Oklahoma, WAGNER, WALSH of Massachusetts, WALSH of Montana, WHEELER, and former Senator Williamson.

Mr. President, the subject thus far discussed might be regarded by some as merely of historic interest except for certain developments within the last 30 days to which it now becomes necessary to ask the attention of Senators.

On June 7 and 8 last, Commissioner Brossard was invited before the Finance Committee to testify as a witness at my request. The hearing was held on his pending nomination. Let me say that shortly before the hearing I was unexpectedly and voluntarily approached by a former employee of the commission, Mr. William M. Conrad, who resides at the Wardman Park Hotel in this city. He later testified that he was engaged and had served as a special expert of the Tariff Commission from January 27, 1929, to April, 1932. During part of that period he assisted in what is known as the domestic-value investigation of the commission in the city of New York.

Although the testimony subsequently taken ranged in part beyond Mr. Conrad's representations to me, most of it was concerned with his statements as to Tariff Commission developments during the period while he was on the commission's staff.

Before taking up the charges brought to my attention by Mr. Conrad, let me say that, in the hearings within the last month, I questioned Commissioner Brossard in some detail about the Tariff Commission's failure to complete commission investigations of cherries, preserved tomatoes, and dried beans, and the absorption of much time and expense on certain relatively minor investigations, such as costs of production of ocean sponges, upholsters' nails, sperm oil, and folding rules.

It was disclosed that the tomato and cherry investigations resulted in 1931 in reports to the President favorable to lower duties; that the President thereupon returned the reports to the Tariff Commission requesting it to make additional inquiries, and that nothing had been done by the Tariff Commission with these investigations in approximately a year and three months since the President in April, 1931, so requested. It appeared further that the dried-bean investigation which Senator VANDENBERG, of Michigan, is said to have initiated through a Senate resolution, was subsequently switched into a general inquiry under the commission's general powers without liability to a changed rate. We have here illustrations of external interference with the normal course of Tariff Commission investigations, not intended when the commission was created.

This testimony indicates that the commission, of which Mr. Brossard is a member, has been unduly obedient to the President in failing to press its reports in favor of certain tariff reductions and has been building up a reputation for efficiency and speed in flexible-tariff investigations partly on the basis of articles of relatively minor commercial importance, or by busying itself with articles on the free list not

covered by the flexible provisions and calculated to excuse further barriers against international trade.

Mr. Conrad's information, however, primarily dealt with different subjects. For example, it was his view, which I think those familiar with the nature of the investigation will confirm, that, although Congress in 1930 ordered an investigation of domestic value under section 340 of the tariff act of that year, that investigation was of little worth and was prosecuted by the Tariff Commission at extravagant cost. The secretary later testified that about $260,000 had been expended by the Tariff Commission in that one investigation, and there was no attempt to excuse except to refer to the statutory direction what I think it fair to term the unimportant results bought at such price. In these times when Federal employees are being penalized and economy is widely preached, surely some limits might have been put upon this inquiry in the face of the commission's assured knowledge of this largely futile undertaking.

As one item the testimony showed about $42,500 paid in per diems and railroad fares to regular employees of the commission, who were shuttled to and from Washington and New York City while retaining their residences in Washington. Certainly such employees, under a well-known practice of the Government, could in most instances have been kept in New York on regular salaries during their two years of employment without frequent payment of transportation and per diem expenses.

Somewhat more serious in some respects was the charge of Mr. Conrad that with Commissioner Brossard and the secretary of the commission actively directing the New York investigation, and at times personally present in New York, the Tariff Commission early engaged employees from the National Employment Exchange, a private employment agency which collected fees for securing places with the commission. Mr. Conrad testified that he had been led to believe from conversations with them that individual employees of the commission paid from $100 to $200 each to secure positions paying $1,800 to $2,000 a year, and not until Congressman LAGUARDIA, of New York, drew the attention of the commission to the activities of this private employment agency and the fact that the United States Government had an employment agency in New York did the Tariff Commission begin to engage its experts from the Federal agency, which collected no fees. In fairness to Commissioner Brossard and Secretary Morgan I should say that since the Finance Committee hearings, but without opportunity to cross-examine the witnesses, I have received the following supplemental statement from Secretary Morgan, dated June 22, 1932:

* * * * * * *

Since I appeared before the Senate Finance Committee in connection with the confirmation of Commissioner Brossard, I have inquired respecting the usages of a commercial employment agency in New York. I find that three men who had been interviewed prior to the receipt of Congressman LAGUARDIA's telegram were employed by us, they proving to be qualified men. They were paid a salary of $2,000 per annum each. It appears that they paid the employment agency about $4 a week for seven weeks. Mr. Conrad indicated that the men paid "about $200," but as Mr. Conrad stated later, on page 52 of the testimony, his mind was cloudy after a year as to exactly who those men were. His statements as to the amounts and the number of men involved repeat office gossip, but not the facts as I know them.

As we employed some 70 special accountants for this work, the fact that three only learned of the opportunity through a commercial agency speaks for itself. Immediately upon the receipt of Congressman LAGUARDIA's telegram, which was the first news the commission in Washington had of the activities of any commercial employment exchange, the matter was telephoned to the New York office with instructions to look into the matter and to take whatever steps could properly be taken to prevent commercial employment agencies from exploiting this as they would a commercial proposition. I was certainly not in New York at the time and did not and have never made any contact, personal or written, with any employment offices except the United States Civil Service and the United States Employment Service there.

Yours sincerely,

SIDNEY MORGAN, *Secretary.*

Whatever the truth on these and the other subjects to which Commissioner Brossard's attention was called, his testimony was almost continuously evasive and unconvincing. For example, with reference to the use of the National Employment Exchange, a private agency, he and Secretary Morgan left the impression with the committee not only that they had had no dealings with this private employment agency but that the very name was wholly unknown to them, and that any payments in order to get positions with the Tariff Commission were absolutely without their knowledge or information. I read from the printed hearings, page 37:

Senator COSTIGAN. Lest an earlier statement of mine be misunderstood, I trust that the committee will let me develop who applied for that work. A former employee of the Tariff Commission has stated to me that during the effort to fill your staff in New York City, you applied to some employment exchange. What was that? What was its proper name?

Mr. MORGAN. The United States Employment Service, under the Department of Labor.

Senator COSTIGAN. Through which you obtained——

Mr. MORGAN. About 30 men.

Senator COSTIGAN. Do you know whether those employees were obliged to pay to the United States Employment Service, if that be the one—the name which I have is different, the National Employment Exchange——

Mr. MORGAN. We had no dealings with any National Employment Exchange.

Senator COSTIGAN. You had no dealings whatsoever with the National Employment Exchange?

Mr. MORGAN. No, sir; the name is totally unfamiliar to me. You understand, Senator, that the United States Employment Service is a Government institution.

Senator COSTIGAN. Yes; my understanding is that you ultimately procured employees through the Department of Labor after a protest had been made against your method of selecting employees by one Member of Congress—of the House of Representatives; that prior to that time, whether with or without your knowledge, employees were sent to the Tariff Commission through what was known as the National Employment Exchange, and that employees so procured were charged by that exchange from $150 to $200 each in order to get those positions. Do you know whether or not there is any truth in that charge?

Mr. MORGAN. The facts are new to me, if they be facts. I do not know anything about that situation.

Senator COSTIGAN. Where were the earlier employees procured?

Commissioner BROSSARD. May I answer this question for myself?

Senator COSTIGAN. Surely, Doctor.

Commissioner BROSSARD. So far as the commission and as far as I know, the commission has had no dealings with any such exchange or any such employment agency; and if there is such a situation as the Senator relates, it has been absolutely without our knowledge or even without any information to that effect.

It is a fact that some time later Mr. Morgan testified, as appears on page 38 of the hearings, that Congressman LAGUARDIA had pointed out that the Tariff Commission was not using the United States Employment Agency, whereupon the Tariff Commission proceeded so to do. However, the following day Congressman LAGUARDIA personally appeared, bringing a copy of his telegram to the commission of May 25, 1931, page 50 of the hearings, in which it specifically appeared that he had brought the name of the National Employment Exchange, at 30 Church Street, New York City, to the attention of Chairman Fletcher, of the Tariff Commission, and had stated his objections to the use of private employment agencies in securing expert help.

Representative LAGUARDIA in his telegram (hearings, p. 50) said:

Have just learned that your New York office applied to firms of accountants to make recommendations for junior accountants to be appointed within the next few days. I am reliably informed and your New York office admits several applicants have been sent by private employment agencies. The National Employment Exchange, at 30 Church Street, New York City, has sent at least 60 applicants. A fee is charged by private employment agencies each time an address of available work is given.

Without reading the entire message, Representative LAGUARDIA concluded the same telegram by saying:

I am going to make recommendations and expect applicants applying for these positions coming from me to be treated fairly and not discriminated against in favor of private employment agencies and firms of accountants who have interest in knowing what is going on at the commission. Will be glad to hear from you at 295 Madison Avenue, New York City. I have just cleaned up a similar condition in the Veterans' Bureau. Secretary of Labor Doak can tell you about it.

The following day an answering telegram was received from Chairman Fletcher, of the Tariff Commission, stating in substance that the commission would be glad to consider any person Representative LAGUARDIA might commend

No denial was made of the alleged facts reported in the telegram of Representative LAGUARDIA.

Of course, if this telegram had not been thus placed in the record, the denial of the previous day by Commissioner Brossard and Mr. Morgan of any knowledge of the National Employment Exchange would have been unchallenged in the record. As an interesting example of Commissioner Brossard's way of dealing with the accusations of Congressman LAGUARDIA, I may add that, commenting on those accusations, Commissioner Brossard said:

There were certain charges in the letter [doubtless meaning the telegram] which the commission thought were quite unfounded and consequently we did not pay much attention to them.

It would appear that the normal official course where baseless but serious charges are filed is emphatically to expose their recklessness. But not so with Commissioner Brossard, if we are to believe him.

I pass by these incidents, however, in order to come to a special development in the testimony which may not be lightly dismissed. Mr. Conrad, prior to the hearings advised me that, during the time he was connected with the commission in Washington, a brother of Commissioner Brossard had sold stock to various members of the Tariff Commission, pursuing them in and out of their offices for that purpose. He did not give me the name of Commissioner Brossard's brother.

When Commissioner Brossard appeared to testify, I asked him if he had a brother in business in Washington who had been selling stock the last two or three years to members of the Tariff Commission. He answered that he had two brothers, and that one was selling stock in what he called the Investors' Syndicate. Asked if such sales had been made in regular hours at its offices, Commissioner Brossard said in substance, page 1, that he did not think that true; at least it was not so far as he knew. His testimony, perhaps, should be read to give the complete picture and to show the shiftiness which so often discredits Commissioner Brossard. It was as follows. I asked this question:

Have you a brother living in Washington and in business here, Doctor Brossard?

Commissioner BROSSARD. Yes, sir; two of them.

Senator COSTIGAN. Has one of them been selling stock within the last two or three years to members of the staff of the Tariff Commission?

Commissioner BROSSARD. One of them was selling stock in Investors Syndicate, and I think sold some to members of the Tariff Commission.

Senator COSTIGAN. Did he endeavor to make such sales while the commission was attending to its business, and in the offices of the commission?

Commissioner BROSSARD. Not to my knowledge; no, sir.

Senator COSTIGAN. It has been stated to me that he entered the offices of the commission during its regular hours, and sold substantial quantities of stock to members of the staff, buttonholing them in and out of their offices for that purpose.

Commissioner BROSSARD. I do not think that is true, Senator Costigan. At least it is not, so far as I know.

Senator COSTIGAN. If he did it, he did not do it with your knowledge or consent?

Commissioner BROSSARD. Not with my approval; and furthermore, he had agreed with me that he would not do it.

Later the Senator from Mississippi [Mr. HARRISON] took up the same subject and effectively developed some ins and outs of Commissioner Brossard's mind with respect to his brother. I read from pages 40 and 41 of the hearings:

Senator HARRISON. Does your brother work with the Tariff Commission?

Commissioner BROSSARD. No, sir.

Senator HARRISON. He just happened to be up there?

Commissioner BROSSARD. Just came up there.

Senator HARRISON. What is his business?

Commissioner BROSSARD. He is engaged in the bond business.

Senator HARRISON. You say you knew nothing about it?

Commissioner BROSSARD. Absolutely nothing about his having come to the Tariff Commission. Furthermore, I would be greatly surprised if he came there during the day and talked business with anyone.

Senator HARRISON. Did I understand you to say you told him to stay away?

Commissioner BROSSARD. I told him to stay away, and he agreed that he would not go there.

Senator COSTIGAN. Why did you tell him that?

Commissioner BROSSARD. Because I did not want him around there during working hours.

Senator COSTIGAN. Had he been there?

Commissioner BROSSARD. No; he had not. I just knew that employees should not be interfered with, although I know that they have been by insurance people and other people, in spite of our efforts to try to keep them out. They do get down there.

A little later the Senator from Mississippi [Mr. HARRISON] inquired:

Senator HARRISON. You thought it might subject you to criticism?

Commissioner BROSSARD. Yes; and I knew it was improper, anyway, under our rules.

Senator COSTIGAN. Do you know whether he sold any stock to any of them?

Commissioner BROSSARD. I do not know, Senator. His business is his own.

Senator COSTIGAN. You did not inquire?

Commissioner BROSSARD. No. I do not know anything about it. He may have sold some. I think he did sell some, but I have no idea how much.

At the close of the first day's inquiry I suggested that the following day it would be desirable to have Commissioner Brossard's brother appear and I should endeavor to have Mr. Conrad present to testify. Ample opportunity, therefore, was given Commissioner Brossard and his family to prepare to meet Mr. Conrad. The record reports the following statement concerning Commissioner Brossard's stock-selling brother, reading at page 46:

Senator COSTIGAN. It has been my painful duty to refer to charges brought to my attention. In fairness to Commissioner Brossard, and in order that it may not appear that such charges were repeated with any other than a public purpose, I feel that I should offer to bring before the members of the Finance Committee one or more witnesses who are responsible for the questions asked by me this morning.

A few moments later I said:

I assume that Doctor Brossard himself would wish his brother to testify under these circumstances.

To this statement Commissioner Brossard replied:

I have no objection in the world to having my brother testify. I wish he were here now and he could give you the information in two seconds.

The following morning at the Finance Committee's meeting the committee sat in an inner office of the Finance Committee rooms on the ground floor of the Capitol. Though no request had been made for an executive session, the door between the inner room and the outer room was closed, whether to keep representatives of the press from attending, I have not heard. Congressman LAGUARDIA and Mr. Conrad joined the committee in the inner room, as did also, without my knowledge at the time, a brother of Commissioner Brossard; presumably the one, but in fact as subsequently shown, not the one who was involved in the stock sales. Inquiry was made about the presence of Commissioner Brossard's brother, whereupon the particular brother who had been sitting in the inner hearing room arose and advanced in the direction of the witness seat.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. COSTIGAN. I yield.

Mr. SMOOT. I do not think the Senator ought to make that statement. The two brothers came in the door at the same moment, one following the other. They both sat down on the lounge. Of course, I did not want to interrupt the Senator at all, but that is the fact. I was there and saw them come in. They sat down there together.

Mr. COSTIGAN. I have no purpose to alter the actual facts in the slightest particular. The able and trusted Senator from Georgia [Mr. GEORGE] happens to be in the Senate. He was present at the Finance Committee hearing; and if he confirms what the Senator from Utah says, I shall of course accept his version of what occurred with respect to Commissioner Brossard's brothers.

Mr. GEORGE. I did not hear the statement made by the Senator from Utah. I was unable to hear it.

Mr. SMOOT. The Senator from Colorado made the statement that there were two of Brossard's brothers; and when they were called, one of them came in and the other stayed outside. I was correcting him thus far, that they

both came in at the same time and both sat upon the lounge at the right hand of the door coming into the office. They were both there when they were called and both of them heard what each other said.

Mr. GEORGE. If the Senator from Utah refers to the time that the Messrs. Brossard first entered the room, I would have to say I was not present. I came into the room when Doctor Brossard and one of the brothers and Mr. Conrad, as I recall, were in the room. During the testimony the question of the identity of the brother was raised and the brother in the room did rise as if to approach the witness stand, as the Senator from Colorado said. After I came into the room on the morning of this particular hearing there was only one of Doctor Brossard's brothers within the inner room. The other one was in the outer room. That is, after I came into the room.

Mr. COSTIGAN. I thank the Senator from Georgia for his confirmation of my version of what occurred. There is, I think, further confirmation in the printed record to which I shall call attention. To get the picture before the Senate I will repeat. In the course of Mr. Conrad's testimony about the brother's stock sales, inquiry was made about the presence of Commissioner Brossard's brother, and the particular brother who had been sitting in the hearing room then arose and advanced as if to testify. Mr. Conrad thereupon shook his head negatively and smilingly stated that the person who thus presented himself was not the brother who had made the stock sales; that it was another brother who had sold the stock to the commission staff. Whereupon Commissioner Brossard promptly said that his other brother was present "if the committee would like to see him."

It was then disclosed for the first time, to the best of my recollection and certainly to me, that the wrong brother was in the closed committee room with the committee and that the right brother was sitting behind the closed door in the outer room. The record, which is not wholly complete, since the reporter assures me it omits a preliminary inquiry of mine, reads in part as follows, quoting from page 58:

Senator COSTIGAN. Is this gentleman [indicating] the brother who sold it?

Referring to the stock sales—

Mr. CONRAD. No; it was another brother.
Commissioner BROSSARD. My other brother is here, if you would like to see him.
Senator KING—

And this is the confirmation in the record of what the careful and courteous Senator from Georgia has just stated—

Senator KING. While he is coming in—

That is, as I understand it, while the other brother was coming into the committee room from the outer room—

While he is coming in may I ask a question?

Senator KING then propounded an inquiry which was immaterial for our immediate purposes.

It is difficult, Mr. President, to state to one unfamiliar with Commissioner Brossard's typically and undependably evasive qualities already described as a result of past public hearings, the unhappy impression made by this incident on one who accurately observed it. Without desiring to do the slightest injustice, I should say that at the time I clearly reached the personal conclusion that Commissioner Brossard had hoped to have his wrong brother appear as a witness before the Finance Committee to deny Mr. Conrad's version of the stock sales and that only after Mr. Conrad detected and repudiated that brother did Commissioner Brossard bring in the brother whose presence was actually expected and desired by the committee. One possible explanation is that Commissioner Brossard did not expect Mr. Conrad to appear as a witness the second morning and that even after his appearance hoped that Mr. Conrad might not distinguish between the two brothers.

In any event, the importance of what, in my judgment, was an attempt by Tariff Commissioner Brossard to mislead Members of the Senate is sufficiently revealed by another striking fact of record, which I am sure escaped all members of the Finance Committee, including myself, at the moment.

On June 7 last, when asked the name of the brother who had sold stock in the Investors' Syndicate to members of the Tariff Commission staff, Commissioner Brossard (p. 2 of the printed hearings) gave as his brother's name Howard S. Brossard, of whose address he testified on the same page, "I think it is 1419 R Street NW." On June 8, after the wrong brother had been asked to stand aside and the right brother appeared to testify, the stock-selling brother gave as his name not Howard S. Brossard, of 1419 R Street, but Fred U. Brossard, of 2518 Seventeenth Street, Washington, D. C. (Printed hearings, p. 60.)

This striking fact, interestingly enough, was later brought to the attention of members of the Finance Committee for the first time by a keen observer of the press, Mr. Robert W. Horton, who happened to be writing on the pending Brossard nomination from the printed report of the hearings. Mr. Horton's account of this development in the hearings is so striking and withal fair that I think it should be incorporated in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

(See Exhibit A.)

Mr. COSTIGAN. Mr. President, remembering that Commissioner Brossard, speaking of his brother, had said the day before that he did not believe his brother had sold stock in office hours to members of the commission's staff or in the offices of the commission (p. 1 of the printed hearings) and that he had warned his brother not to do so (p. 2), it may be informative to note in part what Commissioner Brossard's brother, Fred U. Brossard, testifying on the same subject, had to say. I read from pages 60 and 61 of the printed hearings:

The CHAIRMAN—

The Senator from Utah [Mr. SMOOT] was chairman at the hearings—

The CHAIRMAN. State your full name for the record.
Mr. BROSSARD. Fred U. Brossard, 2518 Seventeenth Street, Washington, D. C.
The CHAIRMAN. You are a brother of Doctor Brossard?
Mr. BROSSARD. Yes, sir.

Continuing but omitting part of the record:

The CHAIRMAN. Did you spend very much time in soliciting at the Tariff Commission?
Mr. BROSSARD. No; my business that I got out of there I got right quick. I usually went in there at the noon hour. I have always made it a practice not to talk to anybody that had some important work to get out. My first approach is always—I ask them if they have 10 or 15 minutes that they could spare, so that I might tell them our plan of saving money.

Later on, omitting some parts:

Senator COSTIGAN. When did you become acquainted with Mr. Conrad?
Mr. BROSSARD. This would only be the approximate date, but something like about three years ago this July or August.
The CHAIRMAN. Those were the two months that you called upon him?
Mr. BROSSARD. Yes, sir.
The CHAIRMAN. How many times did you call upon him?
Mr. BROSSARD. I talked to Mr. Conrad once in the office.
The CHAIRMAN. Was that during working hours?
Mr. BROSSARD. It seems to me it was during the lunch hour, because Mr. Mullins, the man that made the contact for me, said it was not so good to attempt to go in there while they were busy. And then I met Mr. Conrad two or three times after that in the drug store on the corner of Ninth and F and talked to him there. Another day he was outside and I happened to meet him again outside and talked to him about it then. Another time at Eighteenth and Columbia Road I talked to him about it.
The CHAIRMAN. How many times did you talk to him in the Tariff Commission headquarters?
Mr. BROSSARD. Probably twice.

It will be noticed that but a moment before Mr. Fred Brossard had answered "once," where he now said "probably twice."

The CHAIRMAN. Was the second time at his desk?
Mr. BROSSARD. As I recall.
The CHAIRMAN. It was?
Mr. BROSSARD. I think so.

Later I asked Mr. Fred Brossard this question (p. 61 of the printed hearings):

How many contracts did you sell to members of the Tariff Commission staff?

Mr. BROSSARD. About 14.

Mr. President, out of deference to a weary Senate I have hastily—perhaps too hastily—reviewed with painful reluctance, and almost with nausea of disagreeable and recurring necessity, some eight or nine years of personal conclusions with respect to the nominee. To whatever part of the record we turn—whether the earlier history of the commission or the testimony of the last 30 days—one is driven to the decision that, whatever the secret springs and other reasons for consistent and persistent evasions, attempted deceptions, and personal as opposed to public loyalties, Commissioner Brossard has long—within the knowledge of his personal and official associates and later even in committee rooms adjacent to this historic legislative Chamber—shown himself disqualified to occupy the important, impartial, disinterested, and quasi-judicial fact-finding position to which he has been renominated.

It is difficult—the more so because Commissioner Brossard is personally likable—to combine suitable restraint in speech with adequate repudiation of the blending of indefensible statements and practices which have led official after official to express distrust of this tariff commissioner. He has the curious type of character which travels backward while seemingly advancing. The effect on expert employees of the Federal services of the continued success and ascendancy of such an official, frequently saved and promoted by official favoritism, is singularly corroding. Former Commissioner Culbertson, visioning the fine body of young Tariff Commission experts on its staff in 1925, asserted with force that Commissioner Brossard's original designation as tariff commissioner must persuade the members of the staff from which he came that honesty is not the best policy. Yet in the face of all disclosures an indifferent Senate has been willing heretofore to let such disintegrating forces minimize the value of one of the most important Federal tribunals ever created.

Mr. President, I am speaking under no illusions. Three times during my acquaintance with Washington, Commissioner Brossard has been nominated for a position on the Tariff Commission. Twice he has been confirmed by this body, once against the most persuasive protests from both sides of the Chamber. Doubtless at this time he confidently awaits a third confirmation. But the basis of his confidence, I regret to say, is influence, not qualifying merit in public service. Commissioner Brossard has the unfailing support of the affable, sleeplessly regular, and powerful senior Senator from Utah. This support made the gentleman, whose name is now before us, a commissioner. It sustains him. It perpetuates him. With him, let it be conceded by those who count it a virtue in public officials holding more or less judicial positions, personal appreciation comes first. He knows and remembers where his bread is buttered. Having received much, if not practically all, in official life from personal favor, he has impressed many who have known him as being willing to surrender much in return to the service of his benefactors, and in so doing to twist and wind through the paths of evasion to his prearranged goal.

The difficult and thankless task of resisting this and other like nominations is fully understood. The usefulness, if any, of this protest must lie in the ultimate reckoning toward which it is deliberately if not hopefully directed. It is regrettable that at times we find ourselves obliged to witness behind the mask of lofty professions of public standards their definite degradation. For these reasons it is to be hoped that on the record before us Commissioner Brossard's nomination will not be confirmed by the Senate.

Mr. President, in view of what has been developed since the Finance Committee concluded its hearings, I deem it unavoidable at this time to move that the nomination of Commissioner Brossard be recommited to the Finance Committee for further and fuller investigation of Mr. Conrad's several charges, and for proper inquiry into other relevant matters touching Commissioner Brossard's qualifications.

EXHIBIT A

[From the Washington Daily News of June 20, 1932]

STRANGE CASE OF TWO BROTHERS CONFRONTS SENATE—TARIFF COMMISSIONER BROSSARD, UP FOR CONFIRMATION, PRODUCES WRONG BROTHER WHEN FINANCE COMMITTEE CALLS FOR ONE WHO SELLS STOCK TO TARIFF COMMISSION EMPLOYEES

By Robert W. Horton

The nomination of Edgar B. Brossard to be a member of the Tariff Commission comes before the Senate this afternoon.

Brossard was reappointed by President Hoover for a second term, and his confirmation seems likely despite extraordinary circumstances surrounding his appearance before the Senate Finance Committee June 7 and 8 in connection with his renomination.

Commissioner Brossard was called before the committee at the request of Senator COSTIGAN (Democrat, Colorado), a former member of the commission, to answer several pointed questions concerning his own activities as a member of the commission and the activities of one of his brothers in selling "stock" to employees of the commission during working hours.

APPEARS CONFUSED

Commissioner Brossard appeared greatly confused as to the identity, addresses, and occupations of his two brothers, both residents of Washington. It amounted practically to his being unable to tell one from the other at a point when it was particularly important that he identify them accurately.

Within five minutes of the opening of the hearing Commissioner Brossard was asked by Senator COSTIGAN, "Have you a brother living in Washington and in business here, Doctor Brossard?"

"Yes, sir," Brossard replied, "two of them."

"Has one of them been selling stock within the last two or three years to members of the staff of the Tariff Commission?" Senator COSTIGAN asked.

"WHAT IS HIS NAME?"

"One of them has been selling stock in Investors' Syndicate," the commissioner replied, "and I think sold some to members of the Tariff Commission."

After a number of other questions concerning this brother and his stock-selling campaign, Senator COSTIGAN asked: "What is the name of your brother?"

"Howard S. Brossard."

"What is his address?"

"I think it is 1419 R Street NW."

The questioning then took a different line, but a few minutes later Brossard was again asked if his brother had sold stock to the staff of the commission and he replied: "I do not know, Senator. His business is his own."

He added that he had not inquired whether his brother had sold any stock, but then admitted that he had told his brother not to do so.

"WAS SELLING CONTRACT"

Next day, June 8, William M. Conrad, of Washington, a former special expert employed by the Tariff Commission, was called as a witness.

He was asked: "During the period in which you were so connected do you know whether or not a brother of Doctor Brossard visited the commission for the purpose of selling stock?"

Conrad replied, "Yes. A brother of Doctor Brossard was selling a special contract. He came to see me a number of times."

"In office hours or out of office hours?"

"Both."

"During office hours did you object to his calling?"

"Senator, I did not feel that I could object to a brother of Doctor Brossard sitting at my desk talking to me."

"DID NOT APPROVE"

"You thought it was wrong, did you?"

"I did not approve of it."

"Why did you allow it then?"

"As I said, Senator, out of respect for the chairman of the commission."

There then occurred what began to arouse the suspicions of at least two members of the committee.

Senator COSTIGAN had called for Doctor Brossard's brother.

Behind Senator COSTIGAN a man arose and walked toward the witness chair, apparently Brossard, the stock salesman.

NOT RIGHT MAN

As he advanced Conrad looked at Senator COSTIGAN and shook his head, indicating that this was not Brossard, the stock salesman.

Senator COSTIGAN asked, "Is this gentleman the brother who sold it?"

Said Conrad, "No; it was another brother."

Somewhat surprised, Senator COSTIGAN looked at Commissioner Brossard.

Brossard said quickly, "My other brother is here, if you would like to see him."

The other brother was in an anteroom outside the closed door of the committee room. He had not appeared in the committee

room previous to this incident, though he was the one whose activities were being questioned, while the brother who had stepped silently toward the witness chair had nothing to do with the matters under consideration.

Confronting the brother, who was brought in from the anteroom, Conrad testified that on many occasions Brossard, the stock salesman, had called on him in business hours, at lunch time, and after hours. He continued a persistent campaign for two years to sign up Conrad and failed, according to the witness.

BROSSARD ON STAND

Following Conrad's testimony, Senator COSTIGAN asked Brossard, the stock salesman, to take the witness chair.

Then came the most mysterious business of the meeting. Brossard sat down and was asked by Senator SMOOT (Republican, Utah), who originally recommended Edgar Brossard as a tariff commissioner and is his stanch defender, to state his full name and address.

Said the witness, "Fred U. Brossard, 2518 Seventeenth Street, Washington, D. C."

Had the committee, or those members interested in the accuracy of the testimony, remembered Commissioner Brossard's testimony of the day before, this might have come as a climax.

PASSED UNNOTICED

Commissioner Brossard had indicated very clearly that the stock-selling brother's name was Howard S., and that he lived at 1419 R Street NW. Yet the stock-selling Brossard was now testifying that his name was Fred U.

* * * * * * *

This entire incident passed unnoticed at the time, except for some slight wonder at what appeared to have been a coincidence or a mistake.

Not until the hearings had been printed—and printing had not been ordered until after Senator SMOOT inquired several times if it really needed to be—did this strange series of actions attract attention.

The stock-selling brother further confused the record somewhat by apparently contradicting the commissioner's testimony at several points.

BROTHER EXPLAINS

Commissioner Brossard had testified that he had told his brother not to come to the commission during business hours to sell his stock. Salesman Brossard, however, did not confirm this statement.

He was asked by Senator HARRISON (Democrat) of Mississippi: "Did he [Commissioner Brossard] ever ask you not to come there any more?"

"He told me this," said Salesman Brossard, "that he would like it very much if I would never use his name or use him as any kind of leverage to make a sale."

Asked if he did not know that there was a rule against such practices as he admitted, Salesman Brossard replied in the affirmative, and added: "But it is usually not lived up to."

HAS MANY CLIENTS

He then informed the committee that he had a number of customers in the Government bureaus. He said: "I have been in the Department of Agriculture—I have a great many clients there; in the Navy, in the Munitions Building, in the Naval Hospital, Walter Reed"——

He admitted selling "about 14" contracts for his stocks to the staff of the Tariff Commission; and when asked where he made his sales talks to his Tariff Commission customers replied: "Sometimes there; sometimes at their homes. I think it was about equally divided."

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado [Mr. COSTIGAN] to recommit the nomination to the Committee on Finance.

Mr. SMOOT. Mr. President, I take it for granted that every member of the Finance Committee who attended the hearings and heard Mr. Conrad testify must have come to the conclusion that he is a prejudiced witness. I do not know whether he was discharged from the Government service or not; but, according to him, everything connected with the Tariff Commission was wrong.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. SMOOT. Certainly.

Mr. COSTIGAN. There is nothing in the record to indicate that Mr. Conrad was discharged, is there?

Mr. SMOOT. No. I say I do not know whether he was or not.

Mr. COSTIGAN. And Commissioner Brossard was present at the time he testified.

Mr. SMOOT. I did not even ask; but the Senator from Colorado was present, and there is no question in his mind but that Mr. Conrad was a prejudiced witness against the Tariff Commission. I do not know whether they discharged him or not; but anybody who heard him testify as he did could not have come to any other conclusion, to my mind.

Mr. COSTIGAN. Mr. President, I must express my dissent from the suggestion that Mr. Conrad disclosed that he was a prejudiced witness.

Mr. SMOOT. Of course, the Senator and I disagree upon that point.

Much has been said here in relation to a letter from Congressman LAGUARDIA. Let us see what there was in it. And what in the world did Commissioner Brossard have to do with it? Nothing whatever.

Mr. Sidney Morgan, the secretary of the Tariff Commission, writes me a letter, not at my request but to see that the record is complete, and this is what he says:

Since I appeared before the Senate Finance Committee in connection with the confirmation of Commissioner Brossard I have inquired respecting the usages of a commercial employment agency in New York. I find that three men who had been interviewed prior to the receipt of Congressman LAGUARDIA's telegram were employed by us, they proving to be qualified men. They were paid a salary of $2,000 per annum each. It appears that they paid the employment agency about $4 a week for seven weeks. Mr. Conrad indicated that the men paid "about $200"; but as Mr. Conrad stated later on page 52 of the testimony, his mind was cloudy after a year as to exactly who those men were. His statements as to the amounts and the number of men involved repeat office gossip but not the facts as I know them.

As we employed some 70 special accountants for this work, the fact that 3 only learned of the opportunity through a commercial agency speaks for itself. Immediately upon the receipt of Congressman LAGUARDIA's telegram, which was the first news the commission in Washington had of the activities of any commercial employment exchange, the matter was telephoned to the New York office with instructions to look into the matter and to take whatever steps could properly be taken to prevent commercial employment agencies from exploiting this as they would a commercial proposition. I was certainly not in New York at the time and did not and have never made any contact, personal or written, with any employment offices except the United States Civil Service and the United States Employment Service there.

Yours sincerely,

SIDNEY MORGAN, *Secretary.*

The Senator from Colorado referred to the two brothers coming there as witnesses. What did they come for? Both of them had sold stock. One had made two sales, and the one that was not referred to in the first place had made a number of sales. They were in the outer room. The committee was sitting in executive session. Nobody was in there with the committee until the witnesses were called. When Mr. Brossard was called, the one came in first, as the Senator says. I did not know that either of them had sold any stock; but the one that was reported as having sold stock, and the one that the Senator wanted to speak to, and has spoken of to-day, had made two sales of stock, though not during office hours. It was during the recess that those two sales were made.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I yield to the Senator.

Mr. COSTIGAN. The Senator from Utah is supplementing the printed record. It may be that the brother who at the Finance Committee hearing first advanced, apparently to testify, when the brother of Doctor Brossard who had sold stock was called for, had sold stock; but, unless I am in error, there is not the slightest evidence to support what the Senator from Utah now avers. If what the Senator now affirms is true, it is an additional illustration of the need for further investigation to clear or further disqualify Doctor Brossard.

Mr. SMOOT. Doctor Brossard had nothing whatever to do with it. He never invited them down there, and they are not the only ones that go there to sell stock and other things as well. I understand now that there is a rule of the Tariff Commission that no salesman shall enter there during the hours from 9 o'clock, or whenever the commission meets, until the adjournment.

Mr. COSTIGAN. May I suggest to the Senator from Utah that it is utterly impossible to determine fitness on a record made by witnesses before the Finance Committee if, long after, anybody may come here—the secretary of the Tariff Commission by letter, the Senator from Utah asserting, correctly or incorrectly, what is not known to the rest of us?

Mr. SMOOT. Mr. President, the Senator knows just as well as I know that when Mr. Morgan was there and when these questions were asked him, he said he did not have the knowledge at hand in order to testify, as I remember; and then he wrote this letter stating just what they had done. The charge was that the men paid about $200, and he said he did not believe it. He was quite sure that that was not the case; and the letter I have read is just in confirmation of what he had said before.

Mr. COSTIGAN. In my earlier discussion I referred to the same letter; but I am now making the point that the Senator from Utah is bringing in, without opportunity for cross-examination, supplemental testimony. I now ask the senior Senator from Utah to direct the attention of the Senate to that portion of the printed hearings in which it appears that the other brother of Doctor Brossard had sold stock to members of the Tariff Commission's staff.

Mr. SMOOT. I do not know that he was asked, Mr. President.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. I do.

Mr. WALSH of Massachusetts. Was either of these two brothers an employee of the Tariff Commission?

Mr. SMOOT. No, Mr. President; and they are in that business to-day. They have been here I do not know how many years—perhaps as long as Doctor Brossard has been here—and they have been following their vocation just the same as any other individual would follow his.

Mr. LONG. Mr. President, what is it? Are they just selling stock around the Tariff Commission, or how?

Mr. SMOOT. No; they are agents of insurance companies, Mr. President. That is what they are; and they may meet the Senator or anybody else upon the street. They have sold a great deal of stock. They are simply like other men who are selling insurance to people, whomever they come in contact with.

Mr. WALSH of Massachusetts. Insurance, or securities?

Mr. SMOOT. Insurance and securities both, I think.

Mr. President, I do not know that it is necessary for me to say anything more. I know that Doctor Brossard is an honorable, upright man. I know that he is qualified for the place. I need not go into the details of his education; but the very line of his education fits him for this particular work. All I desire is to have a vote upon the matter.

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado [Mr. COSTIGAN] to recommit the nomination to the Committee on Finance.

Mr. COSTIGAN. If a vote is to be taken, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Connally	Hayden	Robinson, Ark.
Austin	Coolidge	Hebert	Robinson, Ind.
Bailey	Copeland	Howell	Schall
Barbour	Costigan	Jones	Sheppard
Bingham	Couzens	Kean	Shortridge
Black	Dale	King	Smoot
Blaine	Davis	Long	Steiwer
Bratton	Fess	McGill	Stephens
Brookhart	Fletcher	McKellar	Thomas, Idaho
Broussard	Frazier	McNary	Townsend
Bulkley	George	Moses	Vandenberg
Bulow	Glenn	Norbeck	Walcott
Byrnes	Goldsborough	Norris	Walsh, Mass.
Capper	Gore	Nye	Watson
Carey	Hale	Pittman	White
Cohen	Hatfield	Reed	

The VICE PRESIDENT. Sixty-three Senators have answered to their names. There is a quorum present.

Mr. LONG. Mr. President, there is such a very small attendance on the Democratic side that it looks to me as if this nomination should go over.

Mr. SMOOT. Mr. President, I do not want to have the nomination go over.

Mr. LONG. I understand that there was an investigation of this nominee. If I am misinformed about that, I would like to be corrected. I understand that the leader on this side, the Senator from Arkansas [Mr. ROBINSON], and the Senator from Wisconsin [Mr. LA FOLLETTE] reported on this man in 1927 or 1928, and reported that he was unfit to be a member of the Tariff Commission.

Mr. SMOOT. He has been confirmed since that.

Mr. LONG. Is my statement correct?

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Colorado correctly stated the history. We had a select committee to make an investigation of the proceedings of the Tariff Commission. In connection with that investigation the record of Mr. Brossard was gone into. When his nomination was sent to the Senate, availing myself of the information contained in the report of that investigation, I made the speech from which the Senator from Colorado has quoted, and a record vote was taken on the nomination. I voted against the nominee, and I say that I intend to repeat that vote. The nomination, however, was confirmed.

Mr. LONG. Since that time the Democratic side has grown considerably stronger in the Senate.

Mr. ROBINSON of Arkansas. If the Senator will yield, I think it is fair to say that this nomination has been carried over a great many times at the request of the Senator from Colorado and myself, and on account of the illness of the Senator from Colorado it was deferred two or three times last week. I do not feel, so far as I am concerned, that we are in a position to ask any further delay. I am ready to vote.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Colorado [Mr. COSTIGAN] to recommit the nomination to the Committee on Finance.

Mr. COSTIGAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS], which I transfer to the junior Senator from New Hampshire [Mr. KEYES] and vote "nay."

Mr. DALE (when his name was called). Having a pair with the junior Senator from Alabama [Mr. BANKHEAD], I withhold my vote.

Mr. HOWELL (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. NEELY]. I understand he would vote as I intend to vote, and I vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON], who is necessarily absent. Therefore I must withhold my vote.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the junior Senator from Nevada [Mr. ODDIE] and vote "nay."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from Oklahoma [Mr. THOMAS]. I understand that if he were present he would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. SHORTRIDGE (when his name was called). I have a pair with the senior Senator from Montana [Mr. WALSH], which I transfer to my colleague the junior Senator from California [Mr. JOHNSON], and vote "nay."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. WATSON (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay."

The roll call was concluded.

Mr. COSTIGAN. The junior Senator from West Virginia [Mr. NEELY] is unavoidably absent. I am authorized to state that if he were present he would vote "yea."

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. If permitted to vote, I would vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from South Dakota [Mr. NORBECK] with the Senator from Illinois [Mr. LEWIS];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. HULL];

The Senator from Iowa [Mr. DICKINSON] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Arkansas [Mrs. CARAWAY];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Wisconsin [Mr. LA FOLLETTE] with the Senator from Missouri [Mr. HAWES].

Mr. HATFIELD (after having voted in the negative). Has the senior Senator from North Carolina [Mr. MORRISON] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. HATFIELD. I have a general pair with the senior Senator from North Carolina, and not being able to secure a transfer, and not knowing how he would vote if present, I withdraw my vote.

The result was announced—yeas, 25, nays 31, as follows:

YEAS—25

Black	Cohen	Gore	Pittman
Blaine	Connally	Howell	Robinson, Ark.
Bratton	Coolidge	Long	Sheppard
Brookhart	Costigan	McGill	Walsh, Mass.
Bulkley	Fletcher	McKellar	
Bulow	Frazier	Norris	
Byrnes	George	Nye	

NAYS—31

Ashurst	Copeland	Kean	Steiwer
Austin	Cousens	King	Stephens
Bailey	Fess	McNary	Townsend
Barbour	Glenn	Moses	Vandenberg
Bingham	Goldsborough	Reed	Walcott
Broussard	Hale	Robinson, Ind.	Watson
Capper	Hayden	Shortridge	White
Carey	Hebert	Smoot	

NOT VOTING—40

Bankhead	Harrison	Lewis	Smith
Barkley	Hastings	Logan	Swanson
Borah	Hatfield	Metcalf	Thomas, Idaho
Caraway	Hawes	Morrison	Thomas, Okla.
Cutting	Hull	Neely	Trammell
Dale	Johnson	Norbeck	Tydings
Davis	Jones	Oddie	Wagner
Dickinson	Kendrick	Patterson	Walsh, Mont.
Dill	Keyes	Schall	Waterman
Glass	La Follette	Shipstead	Wheeler

So the Senate refused to recommit the nomination of Mr. Brossard to the Committee on Finance.

The VICE PRESIDENT. The question is, does the Senate advise and consent to the nomination? [Putting the question.] The ayes have it, and the nomination is confirmed. The Secretary will report the next nomination on the calendar.

CHARLES J. MOOS

The legislative clerk read the nomination of Charles J. Moos to be postmaster at St. Paul, Minn.

Mr. BLAINE. Mr. President, I have an objection to this nomination, but my material is not here and I ask that the nomination may go over.

The VICE PRESIDENT. The nomination will go over.

DOYLE M. ENGLAND

The legislative clerk read the nomination of Doyle M. England to be postmaster at New Tazewell, Tenn.

Mr. McKELLAR. I ask that that may go over.

The VICE PRESIDENT. The nomination will go over.

WALTER C. PRICE

The legislative clerk read the nomination of Walter C. Price to be postmaster at Huntington, W. Va.

Mr. BRATTON. Mr. President, in the absence of the junior Senator from West Virginia [Mr. NEELY], I ask that this nomination may go over.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. HATFIELD. Can the Senator tell me when the junior Senator from West Virginia will be present?

Mr. BRATTON. No; I have no information as to when he will return.

Mr. HATFIELD. This name appeared upon the calendar on June 24. I have been trying for about two years to get a postmaster appointed at Huntington, W. Va. I want to give notice that at the next executive session I shall move to take up the nomination of Mr. Price to be postmaster at Huntington.

Mr. BRATTON. I ask that the nomination may go over.

The VICE PRESIDENT. It will be passed over.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Fred A. Bradley to be collector of customs at Buffalo, N. Y.

Mr. COPELAND. I ask that the nomination may be passed over.

The VICE PRESIDENT. The nomination will be passed over.

POSTMASTERS

The Chief Clerk read sundry nominations of postmasters.

Mr. MOSES. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc, except those just passed over.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. McNARY. I move that the Senate return to legislative business.

The motion was agreed to.

The VICE PRESIDENT. The Chair lays the unfinished business before the Senate.

HOME-LOAN BANKS

The Senate resumed the consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to refer the amendment of the Senator from North Dakota [Mr. FRAZIER] to the Committee on Banking and Currency.

Mr. MOSES. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I am informed if he were present he would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. DALE (when his name was called). I have a pair with the junior Senator from Alabama [Mr. BANKHEAD] and therefore withhold my vote.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN] and withhold my vote.

Mr. HOWELL (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. NEELY]. Not knowing how he would vote, I withhold my vote.

Mr. JONES (when his name was called). Making the same announcement as before with reference to my pair with the senior Senator from Virginia [Mr. SWANSON], I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. KING (when his name was called). Upon this vote I have a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD] and therefore withhold my vote. I understand that if the Senator from Minnesota were present, he would vote "nay."

Mr. McNARY (when his name was called). Again announcing my pair with the senior Senator from Mississippi [Mr. HARRISON], I withhold my vote. If permitted to vote, I would vote "nay."

Mr. SCHALL (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr.

THOMAS]. I understand if he were present he would vote as I intend to vote. I therefore vote "nay."

Mr. SHORTRIDGE (when his name was called). I transfer my general pair with the senior Senator from Montana [Mr. WALSH] to the Senator from New Hampshire [Mr. KEYES] and vote "yea."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. WATSON (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Colorado [Mr. WATERMAN] and vote "yea."

The roll call was concluded.

Mr. COPELAND. My colleague the junior Senator from New York [Mr. WAGNER] is detained on official business. If he were present and permitted to vote, he would vote "yea."

Mr. BLAINE. My colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE] is unavoidably absent. He has a general pair with the senior Senator from Georgia [Mr. GEORGE].

Mr. SHEPPARD. Mr. President, the Senator from Colorado [Mr. COSTIGAN] is unavoidably absent from the Chamber. He has a general pair with the Senator from Nevada [Mr. ODDIE.]

Mr. HATFIELD (after having voted in the negative). Has the senior Senator from North Carolina [Mr. MORRISON] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. HATFIELD. I am paired with that Senator, and in his absence withdraw my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from Wisconsin [Mr. LA FOLLETTE] with the Senator from Georgia [Mr. GEORGE];

The Senator from Vermont [Mr. DALE] with the Senator from Alabama [Mr. BANKHEAD];

The Senator from Iowa [Mr. DICKINSON] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. HULL];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Arkansas [Mrs. CARAWAY];

The Senator from California [Mr. JOHNSON] with the Senator from Illinois [Mr. LEWIS];

The Senator from Nevada [Mr. ODDIE] with the Senator from Colorado [Mr. COSTIGAN]; and

The Senator from Maine [Mr. WHITE] with the Senator from Washington [Mr. DILL].

The result was announced—yeas 34, nays 18, as follows:

YEAS—34

Ashurst	Cohen	Hale	Shortridge
Austin	Connally	Hayden	Smoot
Bailey	Coolidge	Hebert	Stephens
Barbour	Copeland	Kean	Vandenberg
Black	Couzens	McKellar	Walcott
Broussard	Fess	Norris	Walsh, Mass.
Bulkley	Glenn	Pittman	Watson
Byrnes	Goldsborough	Reed	
Carey	Gore	Robinson, Ark.	

NAYS—18

Blaine	Fletcher	Norbeck	Steiwer
Bratton	Frazier	Nye	Townsend
Brookhart	Long	Robinson, Ind.	Trammell
Bulow	McGill	Schall	
Capper	Moses	Sheppard	

NOT VOTING—44

Bankhead	George	Keyes	Shipstead
Barkley	Glass	King	Smith
Bingham	Harrison	La Follette	Swanson
Borah	Hastings	Lewis	Thomas, Idaho
Caraway	Hatfield	Logan	Thomas, Okla.
Costigan	Hawes	McNary	Tydings
Cutting	Howell	Metcalf	Wagner
Dale	Hull	Morrison	Walsh, Mont.
Davis	Johnson	Neely	Waterman
Dickinson	Jones	Oddie	Wheeler
Dill	Kendrick	Patterson	White

So Mr. CONNALLY's motion was agreed to, and the amendment of Mr. FRAZIER was referred to the Committee on Banking and Currency.

Mr. NORBECK. Mr. President, there was just one member of the Committee on Banking and Currency who suggested that the amendment of the Senator from North Dakota be sent back to the Committee on Banking and Currency for further action. He offered to work at it at night in order to bring it to a conclusion. I am going to announce the appointment of a subcommittee and make him chairman of it so we can get started right away. I conferred with him as to who he thought might be the other two members of the subcommittee. I am appointing his choice. The members of the subcommittee will be the Senator from Michigan [Mr. COUZENS], the Senator from Connecticut [Mr. WALCOTT], and the Senator from Ohio [Mr. BULKLEY].

Mr. BINGHAM. Mr. President, I desire to offer and have pending the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 39, line 22, insert the following:

TITLE II

That subdivision (1) of section 1 of Title II of the national prohibition act, as amended and supplemented (relating to the definition of liquor and intoxicating liquor), is amended by striking out "and is otherwise denominated than as beer, ale, or porter," and by inserting after the last word the following: ": *Provided*, That the word 'liquor,' the phrase 'intoxicating liquor,' and the words 'beer,' 'ale,' and 'porter' as used in this act shall not be construed to include beer, ale, or porter containing 3.2 per cent or less of alcohol by weight."

SEC. 2. In any case in which in the national prohibition act, as amended and supplemented, the following terms are used, they shall, with respect to beer, ale, and porter, have the meanings assigned to them as follows: The phrase "one-half of 1 per cent or more of alcohol by volume" shall mean "more than 3.2 per cent of alcohol by weight"; the phrase "less than one-half of 1 per cent of alcohol by volume" shall mean "not more than 3.2 per cent of alcohol by weight"; the phrase "more than one-half of 1 per cent of alcohol by volume" shall mean "more than 3.2 per cent of alcohol by weight"; and phrase "below such one-half of 1 per cent" shall mean "to 3.2 per cent or less of alcohol by weight."

SEC. 3. Any offense in violation of, or any right, obligation, or penalty, or any seizure or forfeiture based upon any provision of the national prohibition act, as amended and supplemented, or upon any regulation or permit issued thereunder, committed, accruing, made, or incurred prior to the time this act takes effect, may be prosecuted or enforced in the same manner and with the same effect as if this act had not been passed.

SEC. 4. All permits issued under the national prohibition act, as amended and supplemented, before this act takes effect, shall be valid with respect to intoxicating liquor as hereinbefore defined in this act, to the same extent as such permits are, at the time this act takes effect, valid with respect to intoxicating liquor as defined by law prior to the enactment of this act.

SEC. 5. Title II of the national prohibition act, as amended and supplemented, is amended by adding at the end thereof the following new section:

"SEC. 40. All fermented liquors brewed or manufactured, and taxable under the provisions of section 608 of the revenue act of 1918, and hereafter sold or removed for consumption or sale within the United States, by whatever name such liquors may be called, shall be packed in cases of pint bottles of 16 fluid ounces content, such cases to contain 1 dozen, 2 dozen, or 4 dozen such bottles each. Each case and individual bottle shall be marked, branded, and labeled in such manner as the Attorney General and the Secretary of the Treasury shall, jointly, by regulations prescribe, and all sales by brewers and dealers in fermented liquors shall be in the original package or case so marked, branded, or labeled. Such fermented liquors may be removed from such package or case for use in any public place only by legitimate hotels, and restaurants and for the sole purpose of serving such liquors in the dining rooms of such establishments in the pint bottle with meals."

SEC. 6. This title shall take effect at the end of the thirtieth day after the passage of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut.

ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 7 o'clock and 10 minutes p. m.) adjourned until to-morrow, Friday, July 8, 1932, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 7 (legislative day of June 30), 1932

MEMBER OF THE UNITED STATES TARIFF COMMISSION

Edgar Bernard Brossard to be a member of the United States Tariff Commission.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

To be major general, reserve

Charles Irving Martin.

PROMOTIONS IN THE REGULAR ARMY

Harold Albert Nisley to be major, Ordnance Department.
Ernest Arthur DeWitt to be captain, Infantry.
John Emmett Walker to be first lieutenant, Infantry.

VETERINARY CORPS

Claude Francis Cox to be major.
Harvie Russell Ellis to be first lieutenant.

POSTMASTERS

ARKANSAS

Alfred J. Jefferies, Clarendon.
Jesse J. Capps, Pangburn.

MINNESOTA

Herbert G. Carlson, Gibbon.
Joseph Pott, Glencoe.

NEBRASKA

Frank Ainsworth, Exeter.

NORTH CAROLINA

Howard P. Holshouser, Blowing Rock.
Willis A. Willcox, Halifax.
William E. Kreeger, Pilot Mountain.
Calvin M. Adams, Statesville.
James R. Beal, Varina.

VIRGINIA

John J. Carper, Pearisburg.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 7, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we pray Thee that our country may be kept united in its patriotism, also united in its determination to see right and justice become coextensive with its citizenship wherever found. O Thou who art the eternal light, we bring to Thee our dependence, even as the night brings to the darkness the morning, for Thou who art the God of all the earth art merciful and gracious. We praise Thee, that all hearts that struggle and aspire, all reaching out of the human soul, all quivering faith that in silence and loneliness looks up and beyond are inspired by Thee—therefore we come. O make this Nation one, mighty, strong, in which every individual shall be strengthened and love to see the right prevail. O pity the poor, pity the unfortunate, pity the homeless, and pity the wandering who are teeming up and down our land. May we encourage them, and help them, and that right early. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 10246. An act to fix the fees to be charged for the issue of domestic money orders;

H. R. 10494. An act to provide a postage charge on notices to publishers regarding undeliverable second-class matter;

RELIEF LEGISLATION

Mr. CRISP. Mr. Speaker, I call up the conference report on the bill H. R. 12445, to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program, and providing a method of financing such program. I ask unanimous consent that the statement be read in lieu of the report.

Mr. STAFFORD. Reserving the right to object, I would like to ask the gentleman which might be the more informative to the House? Title II is the matter in controversy, and would it be agreeable for the Clerk to read Titles I and II only?

Mr. CRISP. I think the statement will explain the matter fully.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this act may be cited as the 'emergency relief and construction act of 1932.'

"TITLE I—RELIEF OF DESTITUTION

"SECTION 1. (a) The Reconstruction Finance Corporation is authorized and empowered to make available out of the funds of the corporation the sum of $300,000,000, under the terms and conditions hereinafter set forth, to the several States and Territories, to be used in furnishing relief and work relief to needy and distressed people and in relieving the hardship resulting from unemployment, but not more than 15 per cent of such sum shall be available to any one State or Territory. Such sum of $300,000,000 shall, until the expiration of two years after the date of enactment of this act, be available for payment to the governors of the several States and Territories for the purposes of this section, upon application therefor by them in accordance with subsection (c), and upon approval of such applications by the corporation.

"(b) All amounts paid under this section shall bear interest at the rate of 3 per cent per annum, and, except in the case of Puerto Rico and the Territory of Alaska, shall be reimbursed to the corporation, with interest thereon at the rate of 3 per cent per annum, by making annual deductions, beginning with the fiscal year 1935, from regular apportionments made from future Federal authorizations in aid of the States and Territories for the construction of highways and rural post roads, of an amount equal to one-fifth of the share which such State or Territory would be entitled to receive under such apportionment, except for the provisions of this section, or of an amount equal to one-fifth of the amounts so paid to the governor of such State or Territory pursuant to this section and all accrued interest thereon to the date of such deduction, whichever is the lesser, until the sum of such deductions equals the total amounts paid under this section and all accrued interest thereon. Whenever any such deduction is made, the Secretary of the Treasury shall immediately pay to the corporation an amount equal to the amount so deducted. If any State or Territory shall, within two years after the date of enactment of this act, enter into an agreement with the corporation for the repayment to the

corporation of the amounts paid under this section to the governor of such State or Territory, with interest thereon as herein provided, in such installments and upon such terms as may be agreed upon, then the deduction under this subsection shall not be made unless such State or Territory shall be in default in the performance of the terms of such agreement. In the case of a default by the State or Territory in any such agreement, the agreement shall thereupon be terminated and reimbursement of the unpaid balance of the amount covered by such agreement shall be made by making annual deductions in the manner above provided (beginning with the fiscal year next following such default) from regular apportionments made to such State or Territory from future Federal authorizations in aid of the States and Territories for the construction of highways and rural post roads. Before any amount is paid under this section to the governor of Puerto Rico or of the Territory of Alaska, Puerto Rico or the Territory of Alaska shall enter into an agreement with the corporation for the repayment of such amount with interest thereon as herein provided, in such installments and upon such terms and conditions as may be agreed upon.

"(c) The governor of any State or Territory may from time to time make application for funds under this section, and in each application so made shall certify the necessity for such funds and that the resources of the State or Territory, including moneys then available and which can be made available by the State or Territory, its political subdivisions, and private contributions, are inadequate to meet its relief needs. All amounts paid to the governor of a State or Territory under this section shall be administered by the governor, or under his direction, and upon his responsibility. The governor shall file with the corporation and with the auditor of the State or Territory (or, if there is no auditor, then with the official exercising comparable authority) a statement of the disbursements made by him under this section.

"(d) Nothing in this section shall be construed to authorize the corporation to deny an otherwise acceptable application under this section because of constitutional or other legal inhibitions or because the State or Territory has borrowed to the full extent authorized by law. Whenever an application under this section is approved by the corporation in whole or in part, the amount approved shall be immediately paid to the governor of the State or Territory upon delivery by him to the corporation of a receipt therefor stating that the payment is accepted subject to the terms of this section.

"(e) Any portion of the amount approved by the corporation for payment to the governor of a State or Territory shall, at his request, and with the approval of the corporation, be paid to any municipality or political subdivision of such State or Territory if (1) the governor makes as to such municipality or political subdivision a like certificate as provided in subsection (c) as to the State or Territory, and (2) such municipality or political subdivision enters into an agreement with the corporation for the repayment to the corporation of the amount so paid, at such times, at such rates of interest, and upon such other terms and conditions as may be agreed upon between the corporation and such municipality or political subdivision. The amount paid to any municipality or political subdivision under this subsection shall not be included in any amounts reimbursable to the corporation under subsection (b) of this section.

"(f) As used in this section the term 'Territory' means Alaska, Hawaii, and Puerto Rico.

"TITLE II—AMENDMENTS TO RECONSTRUCTION FINANCE CORPORATION ACT

"SEC. 201. Section 5 of the Reconstruction Finance Corporation act is amended to read as follows:

"'SEC. 5. (a) To aid in financing agriculture, commerce, industry, and housing, including facilitating the exportation of agricultural and other products, and to assist in the relief of unemployment, the corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this act as it may determine, to any person when in the opinion of the board of directors of the corporation such person is unable to obtain funds upon reasonable terms through banking channels. Any receiver of any national bank is hereby authorized to contract for such loans and to pledge any assets of the bank for securing the same.

"'(b) In the exercise of its powers under this section the corporation shall so far as practicable give preference to—

"'(1) Loans to, or contracts with (and the corporation is hereby empowered to make such loans and contracts), States, municipalities, and political subdivisions of States, public agencies of States, of municipalities, and of political subdvisions of States, public corporations, boards and commissions, and public municipal instrumentalities of one or more States, to aid in financing projects authorized under Federal, State, or municipal law which are self-liquidating in character, such loans or contracts to be made through the purchase of their securities, or otherwise, and for such purpose the Reconstruction Finance Corporation is authorized to bid for such securities: *Provided*, That nothing herein contained shall be construed to prohibit the Reconstruction Finance Corporation, in carrying out the provisions of this paragraph, from purchasing securities having a maturity of more than 10 years;

"'(2) Loans to corporations formed wholly for the purpose of providing housing for families of low income, or for reconstruction of slum areas, which are regulated by State or municipal law as to rents, charges, capital structure, rate of return, and areas and methods of operation, to aid in financing projects undertaken by such corporations which are self-liquidating in character;

"'(3) Loans to private corporations to aid in carrying out the construction, replacement, or improvement of bridges, tunnels, docks, viaducts, waterworks, canals, and markets, devoted to public use and which are self-liquidating in character;

"'(4) Loans to private limited dividend corporations to aid in the protection and development of forests and other renewable natural resources, which are regulated by a State or political subdivision of a State and are self-liquidating in character; and

"'(5) Loans to aid in financing the construction of any publicly owned bridge to be used for railroad, railway, and highway uses, the construction cost of which will be returned in part by means of tolls, fees, rents, or other charges, and the remainder by means of taxes imposed pursuant to State law enacted before the date of enactment of the emergency relief and construction act of 1932; and the Reconstruction Finance Corporation is further authorized and empowered to purchase bonds of any State, municipality, or other public body or agency issued for the purpose of financing the construction of any such bridge irrespective of the dates of maturity of such bonds.

"'For the purposes of this subdivision a project shall be deemed to be self-liquidating if such project will be made self-supporting and financially solvent and if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges, or by such other means (other than by taxation) as may be prescribed by the statutes which provide for the project. All loans and contracts made by the Reconstruction Finance Corporation in respect of projects of the character specified in paragraphs (1) to (5) of this subdivision shall be subject to the conditions that no convict labor shall be directly employed on any such project, and that (except in executive and administrative positions), so far as practicable, no individual employed on any such project shall be permitted to work more than 30 hours in any one week, and that in the employment of labor in connection with any such project, preference shall be given, where they are qualified, to ex-service men with dependents. The provisions of this subdivision shall apply with respect to projects in Puerto Rico and the Territories to the same extent as in the case of projects in the several States, and as used in this subdivision the term "States" includes Puerto Rico and the Territories.

"'(c) The Reconstruction Finance Corporation shall submit monthly to the President and to the Senate and the House of Representatives (or the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session) a report of its activities and expenditures under this section, together with a statement showing the names of the borrowers to whom loans and advances were made, and the amount involved in each case, except that such statement shall not show the names of borrowers of the classes to whom loans could be made under this section before its amendment by the emergency relief and construction act of 1932, unless the loan or advance was made under subdivision (b) of this section.

"'(d) In order that the surpluses of agricultural products which have accumulated in public and private warehouses and elevators may not have a depressing effect upon current prices of such products, the corporation is authorized and directed to make loans under this section, in such amounts as may in its judgment be necessary, for the purpose of financing sales of such surpluses in the markets of foreign countries in which such sales can not be financed in the normal course of commerce; but no such sales shall be financed by the corporation if, in its judgment, such sales will affect adversely the world markets for such products.

"'(e) The Reconstruction Finance Corporation is further authorized to create in any of the 12 Federal land-bank districts where it may deem the same to be desirable, a regional agricultural-credit corporation with a paid-up capital of not less than $3,000,000, to be subscribed for by the Reconstruction Finance Corporation and paid for out of the unexpended balance of the amounts allocated and made available to the Secretary of Agriculture under section 2 of this act. Such corporations shall be managed by officers and agents to be appointed by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe. Such corporations are hereby authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock, to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Reconstruction Finance Corporation, and to rediscount with the Reconstruction Finance Corporation and the various Federal reserve banks and Federal intermediate-credit banks any paper that they acquire which is eligible for such purpose. All expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

"'(f) All loans made under this section, and all contracts of the character described in paragraph (1) of subdivision (b), shall be fully and adequately secured, except that in the case of loans (other than loans of the character described in paragraph (1) of subdivision (b)) to States, political subdivisions thereof, municipalities, instrumentalities or agencies of one or more States or municipalities or political subdivisions thereof, or public corporations, the loan may be made if, in the opinion of the board of directors of the corporation, the payment of the interest on the loan and the payment of the principal of the loan are adequately assured. The corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the corporation may approve: *Provided*, That no loans or advances (except loans under subdivision (d)) shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. In no case shall the aggregate amount advanced under this section to any one person (including, in the case of a corporation, its subsidiary or affiliated organizations) exceed at any one time 2% per cent of (1) the authorized capital stock of the Reconstruction Finance Corporation plus (2) the aggregate amount of bonds of the corporation authorized to be outstanding when the capital stock is fully subscribed.

"'(g) Each such loan may be made for a period not exceeding three years, and the corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond five years from the date upon which such loan was made originally: *Provided*, That loans or contracts of the character described in subdivision (b) may be made for a period not exceeding 10 years: *Provided further*, That loans or contracts of the character described in paragraph (1) or (5) of subdivision (b) may be made for a period exceeding 10 years when it is the judgment of the board of directors of the corporation that it is necessary to purchase securities as provided in such paragraphs and that it is not practicable to require the reimbursement of the corporation, within 10 years, through the repurchase or payment of such securities, or in any other manner.

"'(h) The corporation may make loans under this section at any time prior to January 23, 1933; and the President may from time to time postpone such date of expiration for such additional period or periods as he may deem necessary, not beyond January 22, 1934.

"'(i) No fee or commission shall be paid by any applicant for a loan under the provisions of this section in connection with any such application or any loan made or to be made under this section, and the agreement to pay or payment of any such fee or commission shall be unlawful.

"'(j) No loan shall be made to a railroad or to a receiver of a railroad except on the approval of the Interstate Commerce Commission. Any railroad may obligate itself in such form as shall be prescribed and otherwise comply with the requirements of the Interstate Commerce Commission and the corporation with respect to the deposit or assignment of security hereunder, without the authorization or approval of any authority, State or Federal, and without compliance with any requirement, State or Federal, as to notification, other than such as may be imposed by the Interstate Commerce Commission and the corporation under the provisions of this section.

"'(k) As used in this section and section 8, the term "person" means an individual, a trust or estate, a partnership, a corporation (public, quasi public, or private), an association, a joint-stock company, a State, a political subdivision of a State, a municipality, and any instrumentality or agency of one or more States or municipalities or political subdivisions thereof. As used in this section and section 15 the term "State" includes Alaska, Hawaii, and Puerto Rico.

"'(l) No loans shall be made under this section to a State, a political subdivision of a State, a municipality, an instrumentality or agency of one or more States or municipalities or political subdivisions thereof, or a public corporation, except (1) loans to assist in the relief of unemployment, or (2) loans of the character specified in paragraph (1) of subdivision (b).

"'(m) The Reconstruction Finance Corporation may make such rules and regulations as may be necessary to carry out the provisions of this section.'

"SEC. 202. Section 8 of the Reconstruction Finance Corporation act is amended to read as follows:

"'SEC. 8. In order to enable the corporation to carry out the provisions of this act, the Treasury Department, the Federal Farm Loan Board, the Comptroller of the Currency, the Federal Reserve Board, the Federal reserve banks, and the Interstate Commerce Commission are hereby authorized, under such conditions as they may prescribe, to make available to the corporation, in confidence, such reports, records, or other information as they may have available relating to the condition of persons with respect to whom the corporation has had or contemplates having transactions under this act, or relating to persons whose obligations are offered to or held by the corporation as security for loans under this act, and to make through their examiners or other employees for the confidential use of

the corporation, examinations of applicants for loans. Every applicant for a loan under this act shall, as a condition precedent thereto, consent to such examination as the corporation may require for the purposes of this act and that reports of examinations by constituted authorities may be furnished by such authorities to the corporation upon request therefor.'

"SEC. 203. (a) Section 9 of the Reconstruction Finance Corporation act is amended by striking out the words 'three times' each time such words appear in such section and inserting in lieu thereof 'six and three-fifths times.'

"(b) The first proviso of section 2 of the Reconstruction Finance Corporation act is amended by inserting after 'as set out in section 9' the following: '(as in force prior to its amendment by the emergency relief and construction act of 1932),' but the Secretary of Agriculture is directed to continue making loans to farmers under the provisions of such section 2.

"TITLE III—PUBLIC WORKS

"SEC. 301. (a) For the purpose of providing for emergency construction of certain authorized public works with a view to increasing employment and carrying out the policy declared in the employment stabilization act of 1931, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $322,224,000, which shall be allocated as follows:

"(1) For expenditure in emergency construction on the Federal-aid highway system, $120,000,000. Such sum shall be apportioned by the Secretary of Agriculture to the several States by the method provided in section 21 of the Federal highway act, as amended and supplemented (U. S. C., title 23, sec. 21). The amounts apportioned to the States shall be available as a temporary advance of funds to meet the provisions of such act as to State funds. The amount apportioned to any State under this paragraph may be used to match the regular annual Federal-aid apportionments made to such State (including the one for the fiscal year ending June 30, 1933), and when so used such amount shall be available for expenditure in paying the share of such State in the cost of Federal-aid projects. No amounts apportioned under this paragraph shall be advanced except for work on the Federal-aid highway system performed before July 1, 1933: *Provided*, That the amounts so advanced shall be reimbursed to the Federal Government over a period of 10 years, commencing with the fiscal year 1938, by making annual deductions from regular apportionments made from future authorizations for carrying out the provisions of such act, as amended and supplemented: *Provided further*, That all contracts involving the expenditure of such amounts shall contain provisions establishing minimum rates of wages, to be predetermined by the State highway department, which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work: *And provided further*, That in the expenditure of such amounts, the limitations in the Federal highway act, as amended and supplemented, upon highway construction, reconstruction, and bridges within municipalities and upon payments per mile which may be made from Federal funds, shall not apply. As used in this paragraph, the term "State" includes the Territory of Hawaii. The term "highway," as defined in the Federal highway act, approved November 9, 1921, as amended and supplemented, for the purposes of this paragraph only, shall be deemed to include such main State parkways as may be designated by the State and approved by the Secretary of Agriculture as part of the Federal-aid highway system.

"(2) For expenditure in emergency construction during the fiscal year ending June 30, 1933, $16,000,000, as follows: (A) For the construction and improvement of national-forest highways, $5,000,000; (B) for the construction and maintenance of roads, trails, bridges, fire lanes, and so forth, including the same objects specified in the paragraph commencing with the words 'Improvement of the national forests' under the heading 'National forest administration' in the agricultural appropriation act for the fiscal year ending June 30, 1932, approved February 23, 1931 (46 Stat. 1242), $5,000,000; (C) for the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and national monuments under the jurisdiction of the Department of the Interior, including areas to be established as national parks authorized under the act of May 22, 1926 (U. S. C., Supp. V, title 16, secs. 403 to 403c), and under the act of May 25, 1926 (U. S. C., Supp. V, title 16, secs. 404 to 404c), and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, $3,000,000; (D) for construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (U. S. C., Supp. V, title 25, sec. 318a), $1,000,000; and (E) for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of section 3 of the Federal highway act, as amended and supplemented (U. S. C., Supp. V, title 23, secs. 3 and 3a), $2,000,000. The Secretary of Agriculture and the Secretary of the Interior, respectively, are authorized to make rules and regulations for carrying out the foregoing provisions of this section with a view to providing the maximum employment of local labor consistent with reasonable economy of construction.

"(3) For the prosecution of river and harbor projects heretofore authorized, $30,000,000.

"(4) For the prosecution of flood-control projects heretofore authorized, $15,500,000.

"(5) For the continuation of construction of the Hoover Dam and incidental works, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. V, title 43, ch. 12A), $10,000,000.

"(6) For expenditure by the Department of Commerce for air-navigation facilities, including equipment, $500,000.

"(7) For constructing or purchasing and equipping lighthouse tenders and light vessels for the Lighthouse Service as may be specifically approved by the Secretary of Commerce, $950,000, and for establishing and improving aids to navigation and other works as may be specifically approved by the Secretary of Commerce, $2,860,000.

"(8) For the engineering work of the Coast and Geodetic Survey, Department of Commerce, heretofore authorized, $1,250,000.

"(9) For the construction of projects included in the report of the Federal Employment Stabilization Board, laid before the Senate January 25, 1932, which have heretofore been authorized or which do not require specific authorization, under the Bureau of Yards and Docks, Navy Department, $10,000,000, of which not to exceed $300,000 shall be available for the employment of classified personal services in the Bureau of Yards and Docks and in the field service to be engaged upon such work and to be in addition to employees otherwise provided for.

"(10) For emergency construction of public building projects outside the District of Columbia (including the acquisition, where necessary, by purchase, condemnation, or otherwise, of sites and additional land for such buildings, the demolition of old buildings where necessary, and the construction, remodeling, or extension of buildings), such projects to be selected by the Secretary of the Treasury and the Postmaster General from the allocated public-building projects specified in House Document Numbered 788, Seventy-first Congress, third session, $100,000,000. Such projects shall be carried out within the estimated limits of cost specified in such document, and in selecting such projects preference shall be given to places where Government facilities are housed in rented buildings under leases which will expire on or before July 1, 1934, or which may be terminated on or prior to that date by the Government.

"(11) For the construction and installation at military posts of such buildings and utilities and appurtenances thereto as may be necessary, $15,164,000, as follows:

"Albrook Field, Canal Zone: Quartermaster maintenance building, $20,000; post exchange, theater, and gymnasium, completion of, $42,000.

"Barksdale Field, La.: Noncommissioned officers' quarters, $252,000; officers' quarters, $609,000; barracks, $474,000; hospital, completion of, $225,000; garage, completion of, $30,000; quartermaster warehouse, completion of, $15,000.

"William Beaumont General Hospital, Tex.: Noncommissioned officers' quarters, $7,000; warehouse, $15,000.

"Fort Benning, Ga.: Barracks, $650,000.

"Fort Bliss, Tex.: Noncommissioned officers' quarters, $50,000; officers' quarters, $150,000.

"Bolling Field, D. C.: Noncommissioned officers' quarters, $54,000; dispensary, completion of, $30,000; post exchange, theater, and gymnasium, completion of, $45,000; officers' mess, $50,000; enlargement of central heating plant to provide for quarters area, $95,000.

"Fort Bragg, N. C.: Barracks, completion of, $40,000; noncommissioned officers' quarters, $160,000.

"Carlisle Barracks, Pa.: Heating plant, $200,000.

"Chanute Field, Ill.: Noncommissioned officers' quarters, $137,000; central heating plant for technical and quarters area, $200,000.

"Camp Devens, Mass.: Roads and sidewalks, $75,000; service club, $30,000; post exchange and gymnasium, $50,000.

"Fort Douglas, Utah: Noncommissioned officers' quarters, $15,000.

"Dryden, Tex.: Barracks, $20,000.

"Duncan Field, Tex.: Quartermaster warehouse, $40,000; quartermaster maintenance building, $20,000; garage, $40,000; fire and guard house, $25,000.

"Fort Du Pont, Del.: Noncommissioned officers' quarters, $60,000.

"Edgewood Arsenal, Md.: Noncommissioned officers' quarters, $70,000.

"Fitzsimons General Hospital, Colo.: Gymnasium, recreation, and social hall, $150,000.

"Hamilton Field, Calif.: Officers' quarters, $215,000; noncommissioned officers' quarters, $120,000.

"Fort Hamilton, N. Y.: Noncommissioned officers' quarters, $100,000.

"Fort Benjamin Harrison, Ind.: Noncommissioned officers' quarters, $120,000.

"Hensley Field, Tex.: Noncommissioned officers' quarters, $8,000; officers' quarters, $30,000; roads, utilities, and improvement of flying field, $25,000; replacement of pumping plant, $3,000; sewage-disposal plant, $3,000.

"Holabird Quartermaster Depot, Md.: Hospital, $120,000.

"Fort Sam Houston, Tex.: Noncommissioner officers' quarters, $150,000; officers' quarters, $350,000.

"Fort Howard, Md.: Hospital, $125,000.

"Fort Hoyle, Md.: Noncommissioned officers' quarters, $70,000.

"Fort Humphreys, Va.: Officers' quarters, $150,000.

"Fort Huachuca, Ariz.: Post exchange, gymnasium, and service club, $100,000.

"Fort Jay, N. Y.: Noncommissioned officers' quarters, $130,000; barracks, completion of, $70,000; officers' quarters, $125,000; nurses' quarters, completion of, $35,000.

"Jefferson Barracks, Mo.: Noncommissioned officers' quarters, $65,000; additions to kitchens and mess halls, $55,000.

"Camp Knox, Ky.: Hospital, $200,000.

"Langley Field, Va.: Central heating plants for quarters area, $60,000; quartermaster maintenance building, $20,000; fire house, $20,000; barracks, medical detachment, $30,000; garage, completion of, $15,000; magazine, completion of, $10,000.

"Fort Lawton, Wash.: Noncommissioned officers' quarters, $30,000.

"Fort Leavenworth, Kans.: Nurses' quarters, $60,000.

"Letterman General Hospital, Calif.: Two wards, $150,000.

"Fort Lewis, Wash.: Barracks, completion of, $30,000; water main, $30,000; noncommissioned officers' quarters, $75,000; officers' quarters, $65,000.

"Fort Logan, Colo.: Noncommissioned officers' quarters, $53,000.

"Fort McClellan, Ala.: Headquarters, $50,000; recreation hall, $35,000; gymnasium, $45,000.

"Fort McPherson, Ga.: Nurses' quarters, $70,000; contagious ward for hospital, $70,000.

"Maxwell Field, Ala.: Officers' quarters, $940,000; officers' mess, $55,000.

"March Field, Calif.: Barracks for medical detachment, $25,000; contagious ward for hospital, $12,000; bakery, $15,000; laundry, $60,000; enlisted men's service club, $50,000; officers' mess, $50,000; theater, $40,000.

"Fort Mason, Calif.: Officers' quarters, $110,000.

"Fort Meade, S. Dak.: Riding hall, $25,000.

"Fort George G. Meade, Md.: Noncommissioned officers' quarters, $150,000; officers' quarters, $50,000.

"Mitchel Field, N. Y.: Noncommissioned officers' quarters, $118,000; bakery, $15,000; incinerator, $10,000; enlisted men's service club, $50,000; theater, $40,000; sewage-disposal plant, $40,000; fence, $31,000; quartermaster gasoline storage, $3,000; magazine, $15,000; officers' mess, $50,000; coal storage and handling system, $70,000; roads, walks, and surface-drainage system, $86,000.

"Fort Monmouth, N. J.: Addition to hospital, $75,000; noncommissioned officers' quarters, $170,000; band barracks, $35,000.

"Fort Myer, Va.: Barracks, $100,000.

"Fort Oglethorpe, Ga.: Noncommissioned officers' quarters, $120,000.

"Fort Ontario, N. Y.: Noncommissioned officers' quarters, $50,000.

"Plattsburg Barracks, N. Y.: Additions to barracks, $25,000; barracks $255,000.

"Pope Field, N. C., for the Air Corps troops: Barracks, $140,000; noncommissioned officers' quarters, $84,000; officers' quarters, $140,000.

"Post Field, Okla., for Air Corps troops: Barracks, $140,000; noncommissioned officers' quarters, $84,000; officers' quarters, $140,000.

"Presidio of San Francisco, Calif.: Noncommissioned officers' quarters, $60,000; addition to headquarters, $50,000.

"Randolph Field, Tex.: Barracks, completion of, $56,000; gymnasium, completion of, $70,000; roads and utilities, $243,000; completion of chapel and school, $50,000.

"Raritan Arsenal, N. J.: Noncommissioned officers' quarters, $75,000.

"Walter Reed General Hospital, D. C.: Noncommissioned officers' quarters, $120,000; addition to nurses' quarters, $300,000.

"Rock Island Arsenal, Ill.: Noncommissioned officers' quarters, $15,000.

"Rockwell Field, Calif.: Noncommissioned officers' quarters, $234,000; officers' quarters, $266,000.

"Fort Winfield Scott, Calif.: Noncommissioned officers' quarters, $140,000.

"Selfridge Field, Mich.: Gymnasium and theater, $80,000; garage, $40,000; quartermaster maintenance building, $20,000; post exchange, $45,000; officers' mess, $60,000; enlisted men's service club, $50,000; bakery, $15,000; roads and utilities, $75,000.

"Fort Sill, Okla.: Barracks, $875,000; noncommissioned officers' quarters, $72,000; officers' quarters, $75,000; gun sheds, $48,000; stables, $30,000; vehicle shed, $10,000.

"Fort Snelling, Minn.: Quartermaster warehouse, $65,000; barracks, medical detachment, $40,000.

"Fort Totten, N. Y.: Noncommissioned officers' quarters, $30,000.

"Fort Wadsworth, N. Y.: Officers' quarters, $75,000.

"Fort Francis E. Warren, Wyo.: Noncommissioned officers' quarters, $120,000.

"West Point, N. Y.: For addition to hospital, $250,000; barracks for service detachment, $250,000.

"Fort George Wright, Wash.: Noncommissioned officers' quarters, $60,000.

"(b) No part of the sum appropriated by this section, except the amount for expenditure under paragraph (1) or (2) of subsection (a), shall be expended if the Secretary of the Treasury certifies to the President that the amount necessary for such expenditure is not available and can not be obtained upon reasonable terms.

"SEC. 302. There is hereby authorized to be appropriated not to exceed $7,436,000, to be expended for the construction and installation at military posts, and at airports and landing fields, of such technical buildings and utilities and appurtenances thereto as may be necessary, as follows:

"Albrook Field, Canal Zone: Technical buildings and installations, completion of, $293,000; gasoline-storage system, completion of, $25,000.

"Barksdale Field, La.: Hangars, $350,000; headquarters and operations buildings, completion of, $89,200; gasoline-storage system, completion of, $20,000; paved aprons, $100,000.

"Fort Benning, Ga.: Hangar, combination, $88,000; gasoline-storage system, $10,000; improvement of landing field and building area, $25,000; heating plant, $20,000; paved aprons, $20,000.

"Benton Field, Alameda, Calif.: Completion of shops, including assembly and test hangars, dope storage, heating and engine test block, $605,500; depot warehouse, $500,000; administration building, $80,000; railroad spur, $8,000; quartermaster warehouse, maintenance and salvage building, $35,000; garage, $48,000; fire and guardhouse, $30,000; pier, $125,000; paint, oil, and dope storage and oil reclamation, $35,000; gasoline-storage system, $20,000; paved aprons, $80,000.

"Fort Bliss, Tex.: Operations building, $10,000.

"Bolling Field, D. C.: Paved aprons, completion of, $22,800; heating plant for technical area, completion of, $78,000; field shops, completion of, $6,000; improvement of landing field and building area, $615,000.

"Chanute Field, Ill.: Hangars, $170,000; paved aprons, $30,000; improvement of landing field and technical area, $15,000; enlargement of central heating plant and steam lines, $185,000.

"Dryden, Tex.: Paved aprons and hangar floor, $15,000.

"Duncan Field, Tex.: Depot administration building, $60,000; gasoline-storage system, completion of, $15,000.

"Hatbox Field, Muskogee, Okla.: Roofing and side walls for hangar, and paved aprons, $15,000.

"Hamilton Field, Calif.: Headquarters and operations building, to complete, $35,000; improvement of landing field and building area, $120,000.

"Langley Field, Va.: Remodeling two hangars into shops, and for ceilings in and additions to hangars, $91,000; gasoline-storage system, completion of, $21,000; bomb storage, $19,000; improvement of landing field and building area, $25,000; machine-gun range, $6,000.

"Luke Field, Hawaiian Department: Air depot, plane overhaul and assembly, $200,000.

"March Field, Calif.: Gasoline-storage system, completion of, $10,000; aircraft-bomb storage, $5,000.

"Maxwell Field, Ala.: Squadron officers' school and/or additions to school building, $150,000; gasoline-storage system, $10,200; improvement of landing field, $100,000; camera obscura, $4,000; bomb storage, $13,000; machine-gun and bombing range, $6,000.

"Mitchel Field, N. Y.: Improvement of landing field, $80,000; gasoline-storage system, completion of, $5,000; bomb storage, $13,000; machine-gun range, $2,000.

"Panama Canal Zone: Improvement of emergency landing fields at Gamboa Reach and Camp Gaillard, $20,000.

"Patterson Field, Ohio: Hangars, headquarters and operations, and heating plant, completion of, $251,300; improvement of landing field and building area, $5,000; gasoline-storage system, completion of, $10,000.

"Pope Field, N. C.: Hangar, balloon, dismantle, transfer, and reerection of, $110,000; paved aprons, $15,000; paint, oil, and dope storage, $5,000.

"Post Field, Okla.: Hangar, balloon, dismantle, transfer, and reerection of, $110,000; paved aprons, $15,000.

"Randolph Field, Tex.: Engine-test stands and building, $40,000; oil storage, $15,000; gasoline-storage system, completion of, $10,000; aerial target range, $20,000.

"Rockwell Field, Calif.: Hangars, $576,000; Air Corps warehouse, $80,000; operations building, $20,000; remodeling a permanent building for radio, parachute, and armament building, $20,000; administration building, $80,000; photographic building, $36,000; paint, oil, and dope storage, $15,000; gasoline-storage system, $30,000; paved aprons, $95,000; central heating plants, $100,000; improvement of landing field and technical building area, $100,000; camera obscura, $5,000; bomb storage, $15,000.

"Schoen Field, Ind.: Grading landing field, $5,000.

"Scott Field, Ill.: Hangar, $90,000; headquarters and operations buildings, $80,000; barracks, $271,000; radio building, $10,000; photo building, $36,000; gas plant and chemical storage, $50,000; central heating plants, $145,000; gasoline-storage system, $10,000; paved aprons, $40,000; improvement of landing field and building area, $50,000; machine-gun butts, $3,000.

"Selfridge Field, Mich.: Gasoline-storage system, completion of, $10,000.

"Wheeler Field, Hawaiian Department: Gasoline-storage system, completion of, $31,000; paved aprons, $38,000.

"SEC. 303. No money shall be available for expenditure under this title in connection with a project in the District of Columbia, except as provided in section 301 (a) (11) and in section 302.

"SEC. 304. The last paragraph of section 6 of the Federal highway act, approved November 9, 1921, as amended and supplemented (U. S. C., title 23, sec. 6), is hereby amended to read as follows:

"'Whenever provision has been made by any State for the completion and maintenance of 90 per cent of its system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculture, is hereby authorized to increase the mileage of the primary or interstate and secondary or intercounty systems by additional mileage equal to not more than 1 per cent of said total mileage of such State, and thereafter to make like increases in the mileage of said systems whenever provision has been made for the completion and maintenance of 90 per cent of the mileage of said systems previously authorized in accordance herewith.'

"SEC. 305. After the date of the enactment of this act, in the acquisition of any land or site for the purposes of section 301 (a) (10):

"(1) The period of solicitation of proposals by public advertisement shall be 10 days in lieu of 20 days;

"(2) In any case in which such site or land is to be acquired by condemnation, the provisions of section 355 of the Revised Statutes, as amended, shall not apply; and

"(3) Notwithstanding the provisions of section 1 of the act entitled 'An act to expedite the construction of public buildings and works outside of the District of Columbia by enabling possession and title of sites to be taken in advance of final judgment in proceedings for the acquisition thereof under the power of eminent domain,' approved February 26, 1931 (U. S. C., Supp. V, title 40, sec. 258a), in any case in which any land or any interest therein is to be acquired by condemnation, the Secretary of the Treasury, through the Attorney General, may, prior to the institution of condemnation proceedings, file with the clerk of the district court of the district in which such land is located a declaration of taking, containing the matters required by such section to be included in a declaration of taking. The declaration of taking shall be accompanied by the deposit with such clerk, to the use of the parties who may be found to be entitled thereto, of the amount of the estimated compensation stated in the declaration. As soon as practicable after the filing of such declaration of taking, the Secretary of the Treasury shall cause to be posted in a prominent place upon the land a notice reciting (A) that the land or the interest therein is taken by the United States for public use, (B) that a declaration of taking in respect of such land or interest therein has been filed with the clerk of the court of the district, and (C) that there has been deposited with such clerk, to the use of the parties who may be found to be entitled thereto, the estimated just compensation for the land or interest therein taken. The Secretary of the Treasury

shall give written notice similar to the posted notice by personal service in the case of actual occupants of the premises, or, if with reasonable diligence such personal service can not be made, he shall send such notice by registered mail directed to the premises, and he shall send notice by registered mail directed to their last known address in the case of all parties who the Secretary ascertains have or may have an interest in such land, and he may give such additional notice by newspaper publication or otherwise as he deems necessary. Upon posting notice on the land, title to the land or interest therein shall vest in the United States, and the right to just compensation therefor shall vest in the parties entitled thereto. The Secretary of the Treasury shall cause notice to be personally served upon or, if with reasonable diligence such service can not be made, to be sent by registered mail to actual occupants of the premises, setting a time (not earlier than 20 days after the service or sending of such notice) at which such parties shall surrender possession, and at the end of such time the right to possession shall vest in the United States. The Secretary of the Treasury may designate any person to serve any notice under the preceding provisions of this subsection, and such person shall have power to enter upon such land for the purpose of posting notice or to make personal service of notice. If any such party fails or refuses so to surrender possession, upon summary petition for an order to surrender possession filed in such district court by or on behalf of the Secretary of the Treasury, the court may, by writ of assistance or other process, order the surrender of possession. A petition in condemnation shall be filed in such district court as soon after the filing of the declaration of taking as practicable. In any such condemnation proceeding, no further declaration of taking shall be required, and the provisions of section 1 of such act of February 26, 1931, authorizing the court to fix the time when parties in possession shall be required to surrender possession, shall not apply. If such petition for condemnation is not filed within a reasonable time after the filing of such declaration of taking, any person entitled to just compensation in respect of the property so taken shall be entitled to sue the United States in the court in which such declaration of taking was filed. The procedure in such suit shall be the same as in suits against the United States founded upon contract, except that such suit may be heard even if the amount of the claim is greater than $10,000 and except that the procedure for the ascertainment of the amount of just compensation shall be the same as such procedure in condemnation proceedings. If the petition for condemnation is filed prior to the time the commissioners in condemnation, jurors, or other persons charged with the duty of valuing the property are empaneled, such suit shall be dismissed, except that such suit and the condemnation proceedings may, in the discretion of the court and under rules prescribed by it, be consolidated to such extent as the court may deem practicable. In any suit authorized to be brought under this subsection or in any condemnation proceeding involving land acquired in accordance with this subsection, the court shall enter judgment against the United States in favor of the parties entitled for the sum or sums awarded as just compensation, respectively, for the land or interest therein taken for the use of the United States, and such judgment shall be paid out of the sums deposited with the court, and such additional sums as may be awarded shall be paid in the same manner as sums awarded in judgments in cases in which the United States has consented to be sued. The provisions of such act of February 26, 1931, except as modified by this subsection, shall apply to all such suits or condemnation proceedings. The provisions of this subsection shall not be construed to be in substitution for, but shall be supplemental to, any method of acquiring land or interests therein provided in existing law.

"SEC. 306. In the construction of post offices and of buildings for post offices and other offices provided for in section 301 (a) (10), the Secretary of the Treasury with the cooperation of the Postmaster General may use such standard plans (heretofore or hereafter prepared) as may be most adaptable to the particular building to be constructed.

"SEC. 307. All contracts let for construction projects pursuant to this title shall be subject to the conditions that no convict labor shall be directly employed on any such project, and that (except in executive and administrative positions), so far as practicable, no individual employed on any such project shall be permitted to work more than 30 hours in any one week, and that in the employment of labor in connection with any such project, preference shall be given, where they are qualified, to ex-service men with dependents.

"SEC. 308. For each fiscal year beginning with the fiscal year 1934, there is authorized to be appropriated, for the purposes of the sinking fund provided in section 6 of the victory liberty loan act, as amended, in addition to amounts otherwise appropriated, an amount equal to 2½ per cent of the aggregate amount of the expenditures made, out of appropriations made or authorized in this title, on or after the date of the enactment of this act and on or before the last day of the fiscal year for which the appropriation is made."

And the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the title proposed to be inserted by the Senate amendment insert the following: "To relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and expediting a public-works program"; and the Senate agree to the same.

J. W. COLLIER,
CHARLES R. CRISP,
HENRY T. RAINEY,
ISAAC BACHARACH,
Managers on the part of the House.

PETER NORBECK,
SMITH W. BROOKHART,
ROBERT F. WAGNER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment No. 1:

RELIEF OF DESTITUTION

Title I of the House bill authorized the appropriation of $100,000,000, to be available until July 1, 1933, to the President for the relief of persons "who may be in need of the necessaries of life." In disbursing this amount the President was authorized to create agencies for that purpose or to employ existing agencies, and to cooperate with State or local organizations; and to disburse the relief as gifts or loans, either of money or of supplies.

Title II of the House bill authorized the Reconstruction Finance Corporation to make loans to assist in the relief of unemployment from any funds available to the corporation, with no limitation of amount other than that applicable to all loans upon the aggregate amount of advances to any one person.

Special provision is made by section 4 of the Senate amendment for advancing $300,000,000 to States and Territories to furnish "relief and work relief" to "needy and distressed people" and to aid "in relieving the hardship resulting from unemployment," such amount to be apportioned among the several States and Territories in proportion to population. Such advances may be made until two years after the passage of the act, and are to be reimbursed with interest at 3 per cent per annum by annual deductions

beginning in 1935 from future Federal authorizations for road aid (except in the case of Alaska, which receives no Federal road aid, and must, therefore, make other arrangements for repayment). The States and Territories are, however, given the option of making an agreement with the corporation for other means of repayment. Advances are to be made on application of the State or Territory through its governor certifying the necessity therefor and the inadequacy of its own resources, and funds are to be administered by the governor.

Under the bill as agreed to in conference (Title I) $300,000,000 is to be made available by the Reconstruction Finance Corporation to the States and Territories (no State or Territory to receive more than 15 per cent) for the purposes set forth in section 4 of the Senate amendment, such sums to be available for payment to the governors of the States or Territories upon application by them within two years from the date of the passage of the act, approved by the corporation, certifying the necessity for the payment and the inadequacy of the resources of the States or Territories. Payments made to the governor are to be administered by him under his direction and upon his own responsibility, but he is to file a statement of his disbursements. Any portion of the amount approved by the corporation for payment to a governor shall, at his request and with the approval of the corporation, be paid to any municipality or political subdivision if the governor makes like certificate of necessity and if the municipality or political subdivision enters into an agreement with the corporation for the repayment of the advance. Advances (other than to municipalities or political subdivisions) are to be reimbursed to the corporation in the manner provided in the Senate amendment.

LOANS BY RECONSTRUCTION FINANCE CORPORATION

General provisions

The House bill authorized $1,000,000,000 of additional securities of the Reconstruction Finance Corporation and placed such amount in the same fund as the original $2,000,000,000 ($500,000,000 capital and $1,500,000,000 securities) authorized under existing law. The Senate amendment provides additional securities of $1,800,000,000 and keeps such additional amount as a separate fund for the uses and purposes stated in the Senate amendment. The bill as agreed to in conference provides for additional securities of $1,800,000,000, such amount to be placed in the same fund as the original $2,000,000,000 authorized under existing law.

The House bill broadened the class of persons to whom loans can be made (both with the old money and the new money) so as to include any person, and permitted the loan to be made for any purpose, so long as the loan was to aid in financing agriculture, commerce, industry, or housing, including facilitating the exportation of agricultural and other products, or to assist in the relief of unemployment, whereas under existing law the authority to make loans is confined to lending to banks, insurance companies, railroads, and certain other specified institutions. Under existing law no express mention is made of loans to aid in housing or in relief of unemployment.

The Senate amendment leaves untouched the authority of the Reconstruction Finance Corporation under existing law in its use of the funds provided by existing law. It provides (sec. 1) that the corporation may use the new money in making loans to finance self-liquidating projects, as follows:

(1) To States, municipalities, and public agencies to aid in financing projects authorized by Federal or State law.

(2) To corporations formed for providing housing for families of low income, or for reconstruction of slum areas, which are regulated by State or municipal law.

(3) To private corporations for construction, replacement, or improvement of bridges, tunnels, docks, viaducts, waterworks, and canals devoted to public use.

(4) To private limited-dividend corporations for the protection and development of forests and other renewable natural resources, regulated by State law.

The Senate amendment also authorizes the making of loans to aid in financing the construction of publicly-owned bridges for railroad, railway, and highway purposes, in part self-liquidating and in part liquidated by taxes imposed under laws heretofore enacted.

The total amount for the above purposes under the Senate amendment is $1,460,000,000.

The effect of the conference action is to accept the provisions of the House bill as to loans by the Reconstruction Finance Corporation, with a limitation that no borrower can obtain a loan unless the Reconstruction Finance Corporation is satisfied that the applicant is unable to secure funds through banking channels, and with a provision that, so far as practicable, in making loans preference shall be given to the five classes of loans for which authority is granted by the Senate amendment. Under the bill as agreed to in conference no loans can be made to States, political subdivisions, municipalities, instrumentalities or agencies of one or more States or municipalities or political subdivisions or public corporations, except loans to assist in the relief of unemployment and loans to aid in financing self-liquidating projects. The bill as agreed to in conference also provides that the Reconstruction Finance Corporation may make rules and regulations to carry out the provisions of the loan section.

The House bill adopted the provisions of existing law that loans by the corporation can not be made after January 22, 1933, subject to the right of the President to extend the period for not more than one year. The Senate amendment provides that the new loans authorized by it may be made at any time during the life of the Reconstruction Finance Corporation. The bill as agreed to in conference adopts the provisions of the House bill.

The House bill retained the provisions of existing law as to the term for which loans may be made, namely, three years, with power in the Reconstruction Finance Corporation to extend the term to five years.

The Senate amendment in the case of new loans authorized by it provides that they may be made for not exceeding 10 years, except that the loan may be made for a longer period when the corporation finds it necessary to make the loan by the purchase of securities.

The bill as agreed to in conference retains the provisions of the House bill, except that loans of the character enumerated in the Senate amendment, to which under the conference agreement preference is given, may be made for not exceeding 10 years, with a further provision that such loans may be made for a longer period when the corporation finds it necessary to make the loan by the purchase of securities and that it is not practicable to reimburse the corporation within 10 years.

Under both the House bill and the Senate amendment loans must be made on adequate security, except that the House bill provided that loans could be made to States, municipalities, and so forth, if the Reconstruction Finance Corporation was satisfied that the payment of the principal and interest was "adequately assured." The bill as agreed to in conference adopts the House bill, with the exception that loans to States, municipalities, and so forth, of a character to which preference is given must be made on adequate security.

Farm relief

The House bill (sec. 201) directed the Reconstruction Finance Corporation to make loans for the purpose of financing sales of surpluses of agricultural products in the markets of foreign countries in which such sales could not be financed in the normal course of commerce, unless in the judgment of the corporation such sales would adversely affect the world markets; but no loan could be made for the export of cotton or wheat held by the Federal Farm Board or the Stabilization Corporations. The House bill (sec. 203) also directed the Secretary of Agriculture to continue to make loans to farmers under section 2 of the Reconstruction Finance Corporation act from the $200,000,000 made available by such section. Under the general terms of Title II of the House bill the Reconstruction Finance Corporation was authorized to make loans to any person to aid in financing agriculture.

The Senate amendment (sec. 1(b)) directs the Reconstruction Finance Corporation to advance to the Secretary of Agriculture, in addition to the $200,000,000 allocated to him by section 2 of the Reconstruction Finance Corporation act, not to exceed $40,000,000 out of the $1,500,000,000 of securities authorized by section 2 of the Senate amendment, for financing sales in foreign markets as just described in the case of the House bill, except that the prohibition on loans for the export of wheat or cotton held by the Federal Farm Board or the stabilization corporations does not appear in the Senate amendment.

The conference agreement adopts the provisions of the House bill, but relieves such loans from the general prohibition on the taking of foreign securities or foreign acceptances as collateral, and omits the prohibition on loans for the exportation of cotton or wheat held by the Federal Farm Board or the stabilization corporations.

The bill as agreed to in conference also incorporates a provision found in section 1(d) of the Senate amendment and not contained in the House bill which authorizes the Reconstruction Finance Corporation to create in any one or more of the Federal land bank districts a regional agricultural credit corporation with paid-up capital of not less than $3,000,000 subscribed for by the Reconstruction Finance Corporation and paid for out of the unexpended balance of the $200,000,000 allocated to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act. Such credit corporations are to be managed by officers and agents appointed by the Reconstruction Finance Corporation and their expenses are to be supervised and paid by the Reconstruction Finance Corporation. Such credit corporations are authorized to make advances to farmers and stockmen for agricultural purposes (including crop production) or for the raising, breeding, fattening, or marketing of livestock.

COMPTROLLER OF THE RECONSTRUCTION FINANCE CORPORATION

The bill as agreed to in conference omits section 12 of the Senate amendment, which provides that the Comptroller General of the United States shall be the comptroller of the Reconstruction Finance Corporation, with authority to prescribe and administer the accounting procedure, and under which he may act through persons designated or employed by him, who are to be paid out of the funds of the corporation. The House bill contained no similar provision.

Labor provisions

The bill as agreed to in conference incorporates the provisions contained in the Senate amendment (secs. 7 and 8), which are not found in the House bill, providing that all loans made by the Reconstruction Finance Corporation shall be subject to the conditions that no convict labor shall be directly employed, that no person shall be permitted to work more than 30 hours in any one week, and that preference shall be given to qualified ex-service men with dependents. The provision of the Senate amendment requiring that hand labor shall be used wherever practicable is omitted.

FEDERAL PUBLIC WORKS

Financing of the program

The House bill authorized appropriations for the public-works program, left the financing to the ordinary course of Treasury operations under existing law, and authorized appropriations to the existing sinking fund of additional amounts equal to 2½ per cent of the aggregate amount of the expenditures made for the program. The House bill (sec. 361) also imposed a tax of one-fourth of 1 cent per gallon on gasoline.

The Senate amendment (sec. 6) provides for the financing of the public-works program by means of a special bond issue the proceeds of which are appropriated for the program, and provides a sinking fund for such bond issue.

The effect of the conference agreement is to appropriate out of the Treasury for the public-works program, to eliminate the Senate special bond issue, the Senate sinking fund, and the gasoline tax, and to retain the authority to finance under existing law and the House provisions with respect to the sinking fund. Under the bill as agreed to in conference no part of the appropriation made by the bill (except the amount appropriated for roads and forest trails) is to be expended if the Secretary of the Treasury certifies to the President that the amount necessary for such expenditure is not available and can not be obtained upon reasonable terms.

Labor provisions

The House bill provided (sec. 343) that on all work under the bill on the Federal public works program no convict labor should be directly employed, and that so far as practicable no person should be permitted to work more than five days in any one week. The Senate amendment has the same provision (sec. 7) with respect to convict labor and limits the hours of work to not more than 30 in any one week, and adds that hand labor shall be used wherever practicable. The Senate amendment (sec. 8) further provides that preference shall be given to qualified ex-service men with dependents.

The effect of the conference agreement (sec. 307) is to accept the provisions of the Senate amendment and to eliminate the part relating to hand labor.

Public buildings

The House bill (sec. 301) authorized the acquisition of sites for, and the construction of, 955 specifically named post offices, courthouses, immigration stations, and quarantine stations at a total estimated cost of $174,274,000.

The Senate amendment (sec. 5) appropriates $100,000,000 for the construction of public buildings, to be selected by the Secretary of the Treasury and the Postmaster General from the projects set forth in House Document Numbered 788, Seventy-first Congress, third session. Preference is to be given to places where the Government leases premises under leases terminable on or before July 1, 1934.

The conference agreement (sec. 301 (10) accepts the Senate provision with clarifying changes making certain that the total cost of the several projects shall be within the estimated limits of cost specified and that the sums shall be available for the acquisition of sites.

The House bill (sec. 302) changed the limits of cost on 15 specifically named public-building projects already authorized, at a total increase in cost of $5,013,000 (sec. 302); reauthorized the construction of 245 public-building projects specifically named, which projects have not reached the contract stage, and reauthorized an appropriation of $90,000,000 for the purpose (sec. 303); authorized the construction of 1,186 post offices, each costing not more than $50,000, in towns specifically named, and authorized an appropriation of $59,300,000 for the purpose (sec. 304); and authorized the construction of 406 post offices, each costing not more than $35,000, in towns specifically named, and authorized an appropriation of $14,210,000 for the purpose (sec. 305). There are no comparable provisions in the Senate amendment. The conference agreement omits these provisions of the House bill.

The House bill contained provisions relating to the construction of the post offices, courthouses, immigration stations, and quarantine stations to be constructed under the House bill, which provided (1) an expeditious method of acquiring land therefor (sec. 341), and (2) that standard plans should be used so far as practicable (sec. 342). The House bill also provided (sec. 344) that in post offices costing $55,000 or less, heretofore or hereafter constructed, the postmaster should perform the custodial duties required in connection with the building without extra compensation. There are no comparable provisions in the Senate amendment.

The bill as agreed to in conference retains the provisions of the House bill relating to expeditious acquisition of sites (sec. 305) and the use of standard plans (sec. 306), but omits the provision with respect to postmasters performing custodial services.

Roads

The House bill (sec. 321 (b) and (c)) authorized appropriations of $166,000,000, of which $150,000,000 was for apportionment to the States for expenditure on the Federal-aid highway system to be repaid by them out of future road aid. The remaining $16,000,000 was for roads in national

forests, national parks and monuments, Indian reservations, and public lands.

The Senate amendment (sec. 5 (a) (1) and (2)) appropriates $120,000,000 for highway aid to the States and $16,000,000 for the other roads.

The bill as agreed to in conference contains the Senate provision, with clarifying changes.

The Senate amendment, for the purposes of the road construction provided for in the bill: (1) Sets aside the limitations of the Federal highway act upon the expenditure of Federal funds in building highways and bridges in municipalities and the limitations of expenditure per mile on Federal-aid highways (sec. 5 (a) (1)); (2) provides for the maximum use of local labor (sec. 5 (a) (2)); (3) provides for the predetermination and establishment of minimum rates of wages to be paid on road projects (sec. 5 (a) (1)); and (4) includes main State parkways within the definition of highways (sec. 9 (b)). There were no corresponding provisions in the House bill. The bill as agreed to in conference retains the provisions of the Senate amendment (sec. 301 (1) (2)).

Rivers and harbors

The House bill (sec. 311) authorized the prosecution of 79 river and harbor projects which were listed in the bill and were not previously authorized by law, at an estimated cost of about $250,000,000. The Senate amendment (sec. 13) authorizes the prosecution of five river and harbor projects (not found in the House bill) which are listed in the section and which were not previously authorized by law. The bill as agreed to in conference omits both the House and Senate provisions.

The House bill (sec. 312) authorized the appropriation of $27,435,000 for two already authorized river and harbor projects which were listed in the bill. There is no comparable provision in the Senate amendment and the bill as agreed to in conference omits this section.

The House bill (sec. 313) authorized an appropriation of not to exceed $130,000,000 for the prosecution of 107 previously authorized river and harbor projects. There is no comparable provision in the Senate amendment and the bill as agreed to in conference omits this section.

The Senate amendment (sec. 5 (a) (4)) appropriates $30,000,000 for the prosecution of river and harbor projects heretofore authorized. The bill as agreed to in conference retains the Senate provision.

Flood control

The House bill (sec. 331) provided for the prosecution of flood-control work on the Mississippi River and the Sacramento River and authorized an appropriation of $180,692,468 for the purpose. The Senate amendment (sec. 5 (a) (4) appropriates $15,500,000 for the prosecution of flood-control projects already authorized. The bill as agreed to in conference retains the Senate provision.

Military construction

The House bill (sec. 332) authorized an appropriation of $15,335,000 for construction of 152 named military housing projects located at 66 posts. The comparable Senate provision (sec. 10) authorizes the expenditure of $15,164,000 for the same purposes except that the Senate amendment omits one project and changes the cost on another. The bill as agreed to in conference (sec. 301 (11)) retains the Senate provision.

The House bill (sec. 333) authorized an appropriation of $7,165,000 for the construction at military posts, air ports, and landing fields of technical buildings and appurtenances and utilities. Ninety-five projects at 26 posts are listed. The comparable provision of the Senate amendment (sec. 11) is the same as the House bill except that $6,651,000 is authorized to be appropriated, one project is omitted, and the cost has been changed on another. The bill as agreed to in conference (sec. 302) retains the projects in the Senate provisions except that one project contained in the House provision is restored, and one project contained in section 332 of the House bill is transferred to this section.

Miscellaneous construction

The construction projects set forth in the following list are contained in the Senate amendment but were not contained in the House bill. The total of appropriations for these projects is $25,560,000, as follows:

First. Hoover Dam, construction and incidental works, $10,000,000 (sec. 5 (a) (5)).

Second. Department of Commerce, construction of air-navigation facilities, $500,000 (sec. 5 (a) (6)).

Third. Department of Commerce, Lighthouse Service, vessels, $950,000; aids to navigation, $2,860,000 (sec. 5 (a) (6)).

Fourth. Department of Commerce, Coast and Geodetic Survey engineering work, $1,250,000 (sec. 5 (a) (6)).

Fifth. Navy Department, Bureau of Yards and Docks, $10,000,000 (sec. 5 (a) (7)).

The bill as agreed to in conference retains the Senate provision.

The remaining part of the $500,000,000 emergency construction bond issue not allocated under the Senate amendment to the public-works projects provided for in the amendment is, by the amendment (sec. 5 (a) (9)), made available for expenditure on permanent improvement projects, to be selected by the President, for which appropriations have been made or are hereafter to be made for expenditure during the fiscal year 1932 or 1933. Unexpended balances of appropriations made outside this bill for projects so selected by the President are to be covered into the Treasury as miscellaneous receipts (sec. 5 (b)). There were no comparable provisions in the House bill. The bill as agreed to in conference omits the Senate provision.

On amendment No. 2: The effect of the action on this amendment is to retain the title of the House bill with minor amendments.

J. W. COLLIER,
CHARLES R. CRISP,
HENRY T. RAINEY,
ISAAC BACHARACH,
Managers on the part of the House.

TRANSPORTATION AND SUBSISTENCE FOR HONORABLY DISCHARGED SOLDIERS

Mr. BYRNS. Mr. Speaker, will the gentleman from Georgia yield to me to submit a unanimous-consent request.

Mr. CRISP. I will.

Mr. BYRNS. Mr. Speaker, the Committee on Appropriations has just recommended House Joint Resolution 462, which carries an appropriation of $100,000, if necessary, for the purpose of providing transportation and subsistence to all honorably discharged soldiers, who are here in the District of Columbia, to their homes, if applied for prior to July 15.

I request that this joint resolution be given a privileged status with the announcement that it is my intention if that consent is given and nothing intervenes, to call it up at the close of the business now before the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. STAFFORD. Reserving the right to object, I understand that the Committee on Ways and Means has reported legislation authorizing this appropriation. Does the gentleman intend to pass the appropriation before the authorization?

Mr. BYRNS. That would be the effect if my request is granted. Of course, if the resolution is passed, there would be no need for the authorization.

Mr. STAFFORD. Is the language of the appropriation measure broad enough to carry out the provisions and purposes of the bill reported by the Ways and Means Committee?

Mr. BYRNS. I so understand. It is in the identical language. The resolution adopts the language submitted by the Bureau of the Budget without change.

Mr. STAFFORD. Then there would be no necessity for considering the resolution reported by the Ways and Means Committee.

Mr. BYRNS. Not if this is passed.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LAGUARDIA. Is the money to be given to individuals on application for transportation?

Mr. BYRNS. The application will be made to the Veterans' Bureau. The Veterans' Bureau is given authority to carry out the provisions of the act.

Mr. WITHROW. Reserving the right to object, I would like to ask the gentleman from Tennessee a question. You are lending the money to the veterans and charging it to their adjusted-compensation certificates?

Mr. BYRNS. This is charged as an advance to the veteran without interest.

Mr. WITHROW. To be taken out of his adjusted-service certificate?

Mr. BYRNS. Precisely.

The SPEAKER. Is there objection?

There was no objection.

RELIEF LEGISLATION

Mr. CRISP. Mr. Speaker, I want now to make some agreement with gentlemen on the other side with respect to the amount of debate we shall have on the conference report. I suggest an hour on a side.

Mr. TREADWAY. Mr. Speaker, I hope the gentleman from Georgia will extend that time. I have requests for more than two hours' time. I think we can get our Members to cut down the amount so that an hour and a half on a side will be sufficient. If the gentleman will make his request three hours instead of two, I shall be glad to accede to it.

Mr. CRISP. And then would the gentleman be willing to agree that at the expiration of that time the previous question shall be considered as ordered on the conference report?

Mr. TREADWAY. Yes; I am willing to agree to that.

Mr. CRISP. Then, Mr. Speaker, I make that request.

The SPEAKER. The gentleman from Georgia asks unanimous consent that debate upon the conference report be limited to three hours, at the end of which time the previous question shall be considered as ordered, the time to be equally divided between the gentleman from Georgia [Mr. CRISP] and the gentleman from Massachusetts [Mr. TREADWAY]. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker, I shall detain the House but a very brief time, because other Members desire to be heard; and, to be candid, I am not feeling very well this morning. I can not hope to elucidate what is contained in this conference report, because you all know it. The matter was debated yesterday, and the situation was presented very clearly to the House in respect to the points at issue. There are many things in the bill which I do not personally like; but as was said yesterday, the condition of the country is such that the membership of the House, irrespective of the political affiliation, feel that some relief measure must be enacted. The situation in the country is appalling. Fear dominates business, and those who have money are hoarding it, and the banks that have money and credit will not extend it.

Of course, we can understand their viewpoint, but with this condition something has to be done to furnish credit, and if individuals and banks will not do it in this crisis, then the United States Government, under the general-welfare clause, is authorized to take extreme measures to help the situation, and I freely confess that this bill is a bill going a long way, but the necessity is here, and the Government must take some means to furnish employment and, when it is necessary, relief to the unemployed, because in this country men, women, and children can not and will not and shall not be permitted to suffer for the necessaries of life.

The House passed a bill enumerating a number of public building projects, also river and harbor improvements. In the House bill no money was appropriated for those projects, but mere authorizations were made. The House bill provided $100,000,000 to be dispensed by the President to relieve suffering, and the House bill increased the capital stock of the Reconstruction Finance Corporation to the amount of $1,500,000,000, making that sum and other sums of this corporation available to be loaned to any person to aid in financing agriculture, commerce, industry, or housing, including facilitating the exportation of agricultural and other products. But those loans could only be made for those purposes when adequate security was furnished and when the applicant for the loan could satisfy the directors of the Reconstruction Finance Corporation that the money was for one of those purposes and that it was adequately secured.

The Senate, as you know, passed a bill making $300,000,000 eligible to be loaned to States to provide work and relief, and the Senate bill had certain so-denominated self-liquidated projects that could borrow from this fund. Also the Senate bill had $322,000,000 appropriated for public works. The conferees sought to compromise the differences and to compromise them in a way where we thought we could obtain Executive approval, because we wanted the bill passed and we did not want to make merely a political gesture. We wanted relief. The stumbling block in the conference for a long time was making these loans eligible to any person who could give security and meet the requirements.

Mr. MOUSER. Mr. Speaker, will the gentleman yield?

Mr. CRISP. For a brief question. I would prefer first to make my statement.

Mr. MOUSER. Why does not the gentleman permit us to vote separately on Title I and Title III? Some of us would like to give immediate relief, but the whole thing is bound up in one matter.

Mr. CRISP. Because it is impossible. When a conference report comes in it must be voted up or voted down. We sought to compromise because, as I repeat, we wanted relief, and not a mere political gesture. In conference I insisted and stood out for the provision that there should be no selected list of clientele to borrow from this corporation; but if the Government was going into the banking business in this emergency, every citizen of the United States should be given equal opportunity to present his application for a loan; and if he could measure up to the requirements of the law and give adequate security, he was just as much entitled to borrow as were the railroads, the banks, or other denominated individuals and corporations named in the bill. Finally the Senate yielded, and the original conference report that we adopted compromised the differences between the House and the Senate as to relief. We finally accepted the Senate provision for public-works construction because the Senate bill made an appropriation, while the House bill simply authorized an appropriation.

Mr. BACHMANN. Mr. Speaker, will the gentleman yield?

Mr. CRISP. I can not yield at present. We accepted the largest amount we could accept that was appropriated. Then yesterday you were told what happened.

The House was told yesterday about the two White House conferences, and the House was advised that the President had authorized me to quote him that he would not sign the bill as the conferees had originally agreed to it. Your conferees met again yesterday afternoon, and we were all anxious to bring in a report that would receive Executive approval, for I know and you know that with the political division in this House as close as it is, if this bill should be vetoed it will not be possible to override the President's veto. So with that knowledge staring us in the face, when the conferees met yesterday afternoon they again sought to reach some agreement that might receive Executive approval, for we believed a half a loaf of bread to a hungry man was better than no loaf at all. We were striving to get some relief. We changed the report. We changed it in accordance with what the Speaker of the House and the minority leader, the gentleman from New York [Mr. SNELL], yesterday informed the House would be acceptable to the administration as to Title I and Title III. We accepted the $300,000,000 to be loaned by the Reconstruction Finance Corporation to the States, to be applied for by the governors for the purpose of furnishing work relief and to provide for the

destitute and needy. That, we understood, would receive Executive approval.

Mr. SNELL. Will the gentleman yield for a question?

Mr. CRISP. I will.

Mr. SNELL. I think in all fairness it should be stated that that was a part of the compromise which the President was willing to make in order to get some kind of a compromise on Title II, so that we might come to complete agreement in regard to the bill.

Mr. CRISP. Well, I was not present at that conference, but I do think if the House and Senate agree with him on two of his three propositions, if we are to have nonpartisan action to help the country, the President ought to agree on one of the proposals.

Mr. SNELL. The President did not agree with either one of those propositions, but he yielded on two of them with the hope that you would yield on the third.

Mr. CRISP. And we are yielding on two of them that we regard as vital, expecting and hoping him to yield on the third.

Mr. SNELL. No. You have not yielded any at all on either one of them, and the gentleman very well knows it.

Mr. CRISP. On Title III the conferees again yielded and the Speaker detailed it yesterday, and you will recall I asked the Speaker, as the titular head of the House, if his advice to the conferees was to agree to those changes, and the Speaker said "yes."

We yielded on Title III, except providing that the appropriation of $120,000,000 for roads and $12,000,000 for roads and trails in parks should be immediately used, the provision being made mandatory. The Executive has no discretion as to those expenditures if the bill should become law. We again gave up much substance, reluctantly, regarding the public-work projects to try to get Executive approval. All of the other expenditures of the $322,000,000 can only be used when the Secretary of the Treasury agrees that the money can be spent without upsetting the finances of the Government, and that the money could be borrowed on reasonable terms. Therefore, Mr. Speaker, on two of the three controversial points with the Executive, the conferees bowed, I may say under duress—the duress being we are extremely anxious for some relief legislation—to the wishes of the President. On the third the conferees were adamant and did not yield, and speaking for myself, I will not yield, because, I repeat, if the Government of the United States is going into the banking business every citizen of the United States should be put on equal terms. [Applause.] There should be no favoritism. There should be no selected list of people eligible to borrow. The big fellow or the little man, anyone who can meet the requirements of the law, giving adequate security to be used for one of these purposes, to aid in restoring agriculture, industry, commerce, and give relief to unemployment, should have that privilege. [Applause.]

Mr. BRUMM. Will the gentleman yield?

Mr. CRISP. No; I can not yield now.

Now, Mr. Speaker, that is the whole case. It is useless for me to further argue it. If this bill is passed I hope it will aid in relieving the unfortunate, unhappy situation. In normal times I would not support it. In normal times it would not be here. I am frank to say I do not know whether this is going to solve the problem. I do know that since this Congress met, every measure suggested by the President to relieve this situation has been received in a nonpartisan, nonpolitical way in Congress, and, except his home loan bank bill, all have been enacted into law. I think they have helped some.

I supported them because I thought in this crisis partisanship should be forgotten and I was willing to follow the Executive for the good of my country in this emergency, and I supported him. The Congress supported him. Those measures were passed, and I repeat, they have done some good; but they have not cured the situation. It is charged against us that all of these measures were for big business; nothing done for the little fellow.

Now, is it not time if any further legislation to aid this situation is to be enacted, that every citizen of the United States who can meet the requirements of the law by giving adequate security should have the same rights? I can not escape the conclusion that the answer must be "yes." I am opposed to playing favorites, and when the Government is using its taxing power to furnish money to inaugurate a banking system, every citizen of the United States should be treated alike. [Applause.]

Now, as I have said, we have supported the President in all of his measures. To try to get his approval we have yielded on two of the three titles of this bill. Does not fair play on his part, love of country on his part, a desire to aid in this unfortunate situation compel him to yield on this one point when, under the law, no one can borrow money unless he can furnish adequate security, the directors of the Reconstruction Finance Corporation appointed by the President to be the judges as to whether these requirements are met? [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. TREADWAY. Mr. Speaker, there is no fairer debater on the floor of this House than the gentleman from Georgia [Mr. CRISP] who just concluded his remarks. [Applause.] He has, however, a very uncomfortable task to-day in appearing before you and saying that the Speaker of the House is offering compromises on Titles I and III of this bill. The President of the United States is the one who offered compromises on Titles I and III, and the point at issue is Title II.

The gentleman from Georgia a moment ago said the conferees yesterday endeavored to reach an agreement so that the President would sign this measure. Well, that effort was not very extensive, because when we went into conference yesterday afternoon the very first thing that was said was, "There is no use in saying anything about Title II. We will not yield on that title." This was the position of the majority of the Democratic conferees and it is the one vital thing that must be conceded or else we can not get to an agreement. So the actual effort to compromise has been made on our side, and it is an effort to secure a complete agreement, not a partial agreement. This is the situation in which we find ourselves this morning.

Mr. Speaker, it seems to me the worst type of political bunkum and demagoguery is an effort to align the masses against the classes. The headlines in the papers this morning indicate that the gentleman from Texas [Mr. GARNER] is endeavoring to do this. I am proud to think that in this free country of ours there is no distinction under the Constitution or law on account of race, creed, political affiliation, or economic condition of the citizens of this country. [Applause.] We are, one and all, 120,000,000 of free American citizens. There is no class distinction. There is no mass distinction. In his speech yesterday the gentleman from New York [Mr. SNELL] aptly described the demagoguery that has been preached here in the effort to accomplish that very purpose of aligning certain groups against certain other groups.

If any Member on this floor questions the sincere desire of the President, or any other official of the Government, or any citizen, to relieve the present distress in this country, he, of course, is seeing red.

We are absolutely in harmony on the proposition that distress in this country must be relieved, and we must find a practical way of doing it before there is any thought or suggestion that this Congress should adjourn or disperse. Relief is the imperative need of the hour, and relief we will have as soon as certain men find they can not carry out their own obstinate will in dictating to the President or to this Congress. [Applause.]

Yesterday the remarks of the Speaker of the House, who is a candidate, as I understand it, for reelection to this House from the State of Texas and likewise a candidate for the Vice Presidency of the United States, made very plain his political platform, which is an effort to align the general public against the business and financial interests of the country. He said in effect that the present Reconstruction Finance Corporation's loaning power was limited to a select group of life-insurance companies, fire-insurance companies, and railroads. What are the facts in this connection? Who constitute the life-insurance companies? I took oc-

casion this morning to inquire how many people in this country carry life-insurance policies.

Do you know that over 65,000,000 of our people carry 120,000,000 life-insurance policies? More than half the population of this country have life insurance of some kind or other.

Do you know the tremendous number of fire-insurance policies held throughout the country? I can not give you the statistics, because I could not get them in time this morning, but every man who has the slightest knowledge of conditions anywhere in this country knows we are all carrying fire-insurance policies.

Since making the foregoing statement I have had word from the president of a large fire-insurance company whom I personally know. He has stated that to the best of the ability of his company to make an estimate there are about 120,000,000 fire-insurance policies in force in the United States to-day.

How many people are stockholders in these so-called selected railroads the gentleman refers to so eloquently? The Pennsylvania Railroad is one of his favorite illustrations.

There are 245,509 stockholders in the Pennsylvania Railroad.

There are 58,833 stockholders in the Atchison Railroad.

There are 62,719 stockholders in the New York Central Railroad.

There are 29,021 stockholders in the New York, New Haven & Hartford Railroad.

These are official statistics as of 1931, secured through the Interstate Commerce Commission.

Now, do you want to tell me the securities of these companies are not vital to the welfare of the American people when so many of the American people are practically owners of the companies?

Why say that you are making loans to a selected class? The real financial welfare of our country is dependent on the maintenance of the 100 per cent value of these and other stocks, because the stockholders are the people of the country.

Do you mean to tell me the Pennsylvania Railroad, with this enormous number of stockholders, is not a financial being, representing a considerable portion of the people of the country?

The Speaker asked yesterday to have the money simmer down to the people. How better can it get to the people than to make sure these companies are solvent and can carry on their business for the benefit of their owners?

Mr. PURNELL. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. PURNELL. Has the gentleman any figures showing the tremendous thousands who are employed by these railroads and who profit by any prosperity that may come to them?

Mr. TREADWAY. The gentleman's question is very opportune. However, I did not try to secure those figures, because it is well known that many thousands are employed by the railroads. I would be glad to endeavor to insert that information in my extension, but I felt we wanted to realize who owns these great corporations that the Speaker of the House says are being favored.

Mr. ERK. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. ERK. The gentleman might emphasize the fact that the railroads in normal times employ 1,000,000 men.

Mr. TREADWAY. That, perhaps, answers the question of the gentleman from Indiana, that 1,000,000 men are employed by the railroads of this country. I am reliably informed that the number of railroad employees in the United States as of April, 1932, is 1,086,662. Therefore, is not the financial solvency of the railroads of the greatest importance to a vast number of our workers and their families?

Mr. ARNOLD. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. ARNOLD. The gentleman does not mean to say that the insurance companies and banks are excluded from the bill before us now, does he?

Mr. TREADWAY. The desire is to extend it to individuals. I am endeavoring to show that benefits percolate to the individual when you take care of the class of loans that the President is willing to agree to.

Further, in support of the position that we are reaching the people by the type of loans which are authorized to be made by the Reconstruction Finance Corporation, it is estimated there are 35,000,000 depositors in banks, that there are 12,350,000 members of building and loan associations, and 68,000,000 persons holding 120,000,000 policies in life insurance companies.

In addition, under the Reconstruction Finance Corporation law, loans are made to mortgage-loan companies, credit unions, Federal-land banks, joint-stock land banks, Federal intermediate-credit banks, agricultural-credit corporations, and livestock-credit corporations, all of which tends to show the extent to which the loaning system of the Finance Corporation reaches all the people.

The Speaker says he wants loans made to individuals, and says that ample security should be required. How can the average man in the street put up any security if he is broke and is asking for a loan? In that respect the suggestion is impracticable. Four-fifths of those who would ask for loans would be denied relief under the very phraseology of the bill which the Speaker advocates.

Mr. ARNOLD. Every organization that was authorized to borrow under the original Reconstruction Finance Corporation act is authorized under the bill now before us.

Mr. TREADWAY. Oh, yes. Let me call attention more in detail to the points at issue between the President and the Speaker. During the conference on Tuesday evening, at which I was present, every possible effort was made to find a way out of this trouble and to procure a complete agreement—not a partial agreement on any one particular title but a complete agreement—so that the conferees could come before the two branches of Congress and say, "Here is a measure which the President of the United States will approve." However, that point was never reached.

The suggestion of conciliation was made by the Democratic leader of the Senate, Senator ROBINSON. He offered a clean-cut solution of this problem, as was referred to in the remarks of the gentleman from New York [Mr. SNELL] yesterday. I was never more astonished in my life, after the Senator had finished his suggestions, to hear the Speaker of the House in effect say, "There is no use; I will not agree to changing Title II," when the Democratic leader of the Senate himself was the man who offered the way out. Nobody else seemed to take a position in opposition to the Senator's suggestion. However, the Speaker took it and maintained it again, I am told, at the conference yesterday morning.

I know of no better illustration, my friends, than the old story of the 11 obstinate jurors standing out against the 1 who was in the right. Of course the Speaker evidently felt he was in the right, and the President of the United States and the rest of the conferees, 18 Members of the House and the Senate there present, were all in the same category as the 11 obstinate jurors.

Another very homelike illustration is the case of the company marching down the street. There was a proud mother on the sidewalk watching the parade go by. Her beloved son, Johnny, was not in step with the rest of the company, and, of course, she immediately said, "They are all out of step but Johnny." They are all out of step except the Speaker of the House, and he, of course, in his own estimation, is in step.

I want to refer further to three statements which the Speaker made yesterday. He said the President of the United States was opposed to the expenditure of a single dollar toward giving employment to the American people through public-works construction. The fact is that the President has approved a Budget which includes $500,000,000 for public works. [Applause.] Does that look as though he were opposed to the expenditure of money for public construction?

Then the Speaker intimated the President said there is a panic just around the corner. I deny that the President

ever said any such thing in the presence of the conferees or at any other time. He never said that there is a panic just around the corner, because he does not believe there is. He has too much confidence in the well-being and sound judgment of the American people to ever intimate that there is a panic just around the corner. What the President did say was that the Garner proposal might set back recovery indefinitely; that he thought the country would be shocked if we should unbalance the Budget, as the Garner proposal would do. The President told Mr. GARNER that the responsibility would lie with the latter if such events were to take place.

The Speaker has a very happy faculty of putting into the mouths of other people words that he would like to have them say. He frequently showed that characteristic, when a member of the Ways and Means Committee, in dealing with witnesses. His worst offense of this sort in yesterday's speech was the last paragraph, wherein he stated he wanted to see legislation passed and that he would like to give assurance that Congress desires to serve the whole people of the United States. Following these statements the Speaker quoted the President as saying, "I will take my select clientele or you will take nothing in the way of relief." Members will notice by referring to page 14686 of the RECORD that that sentence is in quotation marks as having been uttered by the President of the United States.

I can not too emphatically state that the President never said any such thing and, furthermore, that it was not possible for him to conceive of such a thing. The Speaker should apologize for putting into quotation marks in the CONGRESSIONAL RECORD as having been said by the President words that he never uttered. It is a flagrant abuse of the privileges of the floor, it is a calumny against the President of the United States, and it is a breach of congressional etiquette.

Neither the Speaker nor any other Member has the right to put in quotation marks statements attributed to the President or anybody else when they were never uttered. That is what the Speaker of this House did on yesterday. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield myself five additional minutes.

Mr. Hoover is President of all the people of the United States, and the interests of one are of as much importance to him as the interests of another. The principal object of the President's two conferences with us was to secure legislation to relieve distress and give employment, not to tie up legislation through political maneuvering.

Another interesting statement that Mr. GARNER made at the conference on Tuesday night was that if the seven members of the Reconstruction Finance Corporation could not manage such a set-up of local banking machinery, as he suggested, to handle loans to individuals, we should get seven other men to do it.

Perhaps when he becomes, as he thinks he may become, Vice President of the United States, he may have influence enough to say that the present seven men should be impeached, or something of that sort, because they can not carry out the suggestions he has to make, which are physically impossible of accomplishment. One of the chief witnesses to the fact that it would be physically impossible to do this type of banking was a member of the Reconstruction Finance Corporation, a member of the gentleman's own party, and, I understand, one of the biggest political men in the State of Texas. He deliberately stated that it could not be done, and still Mr. GARNER says, in effect, "Discharge these seven gentlemen and put seven in who will do the way I want them to."

Mr. LAGUARDIA. Will the gentleman yield?

Mr. TREADWAY. Yes; very briefly.

Mr. LAGUARDIA. Has this gentleman already acquired a big-business complex?

Mr. TREADWAY. Oh, I do not need to answer that type of question. I thought the gentleman wanted to ask something worth while.

Mr. LAGUARDIA. That is worth while, and I shall answer the gentleman in my own time.

Mr. TREADWAY. The President, in the statement he issued last night, reiterates his position, and, therefore, if you adopt this conference report and the Senate adopts it, you are deliberately inviting a veto.

Mr. CRISP, of Georgia, has just told you that this bill can not be passed over a veto. It is therefore extremely important that by the vote the House casts to-day it shall be clearly demonstrated that it will be impossible to secure a two-thirds vote if the President returns the bill with a veto. It is, of course, possible that the Senate, not being bound by the whip of the Democratic vice presidential candidate, may not concur in the conference report.

The Speaker of this House is a very important personage. We all regard him very highly for his merits, but it is a gratification to some of us at least to realize that he is not as big or as important a man as the President of the United States. [Applause.]

If you want relief legislation, and if you want it promptly, cut out the objectionable features in Title II of the conference report that is before you and you will get a signature at the White House before the bill itself is dry in getting down there. If you do not want relief legislation, vote to sustain this conference report and a veto will be back here quicker than you can take the vote to sustain this report. I say again, you are only delaying relief legislation by accepting this report.

What we want is relief for the distress rather than political bunk from a candidate for a high office. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. CRISP. Mr. Speaker, I yield 15 minutes to the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Speaker, I want to agree with the statement made by my friend from Massachusetts [Mr. TREADWAY], who has just taken his seat, when he referred to the gentleman from Georgia [Mr. CRISP] as being fair in debate. During the long service of the gentleman from Georgia in this House, fairness has characterized his actions in every one of the numerous debates in which he has engaged on this floor.

This may be his last appearance in the House of Representatives as leader and champion of major legislation. He is now a candidate for the United States Senate in his native State. We all wish him well in his campaign. We all regret, on the Democratic side of this House, and I think on the Republican side [applause], that the House is about to lose his valuable services. [Applause.] During the present session he has borne the heat and brunt of the battle. It has fallen to him to take the lead, on account of the illness of the chairman of the Ways and Means Committee, in all these bitterly controversial matters, and fairness and a high sense of duty have characterized his every utterance and his every action on this floor. As a parliamentarian I do not know of anyone on either side of the House during my long period of service here who has been his superior. He has been perfectly fearless in the discharge of all his duties, and I express, I am sure, the hope of every Member on the Democratic side that when we lose him in the lower branch of this Congress it simply means that he is being promoted to the higher branch, where he may continue his distinguished career of usefulness.

Mr. TREADWAY. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. TREADWAY. May I be allowed, on behalf of the Republican members of the Ways and Means Committee, to revise the statement of the gentleman by including the Republicans in the wish that the gentleman is extending for the Democrats? [Applause.]

Mr. RAINEY. I thank my friend and I am pleased to yield to him for his addition to my commendatory remarks about the services of my personal friend, Mr. CRISP.

This is a most important bill.

WHO IS THE STUBBORN MAN?

The Democrats who are in this conference, the Democrats on the Ways and Means Committee, and the Democrats

generally in this House have been charged with being stubborn. It has been charged that the great Speaker of this House was stubborn, was the one man in the recent conferences in the White House, called by the President, who was not in step.

May I call the attention of my friend from Massachusetts, who took that position, that this bill was carefully considered in the Ways and Means Committee, carefully considered on this floor, that it was carefully considered in the Senate, and that when it finally went to conference three conferees on the part of the Senate and five conferees on the part of the House, representing both sides of the House of Representatives, representing both sides of the Senate, considered the disagreements between the House and the Senate and came to a unanimous report.

Therefore, the report presented here is a unanimous report and represents the opinion of all the Members on both sides of this Chamber and all the Members on both sides of the Senate Chamber, reached in the only way in which a unanimous conclusion can be reached in deliberative bodies.

The President called a number of us into conference, and I listened to his remarks. He criticized and found fault with every title in this bill, and when he got through with his criticism there was not a thing left in the bill that met with his approval. Who was the man who was not in step? [Laughter.] Every Member of the House and Senate conferees had agreed on this report. There have been few, if any, dissenting views in this House, until the President entered the scene and furnished the discordant note. It was not the Speaker of the House of Representatives, it was not the Democratic conferees, and it was not the Republican conferees; for not one of them filed minority views, but everyone accepted and signed the report on both sides of the Chamber. Under these circumstances who is the stubborn man, who is the man who is not in step? [Laughter and applause.] It is the President of the United States. [Applause.]

THE VETO POWER OF THE PRESIDENT

The President is within his rights. He exercises, under the Constitution, his veto power. We modified two of the three titles so as to meet his views, but, before he knew what was in this report to-day, the report of the conferees, he issued his veto in advance and handed it out to the press.

The Constitution contemplates that messages from the President shall be delivered either in person or presented in writing before the Congress of the United States. The Constitution gives him that right, and I search in vain for any provision of the Constitution which gives the President the right and authority and permission to veto a bill when he does not know what is in it and when he could not have known—to veto it in advance—by issuing a statement bristling with errors, to the people of this country, and having it broadcast through the press in all sections of the United States. [Applause.]

We are accustomed to strong leadership from the White House. We were accustomed to that during the Wilson administration. We have not yet succeeded in getting over the impressions created in this country at that time. During the Wilson administration there were no vetoes in advance, and during the Wilson administration every statement uttered by the President of the United States could be verified by the facts, and the people during that administration accustomed themselves to correct statements from the White House, and they believe that the successors of Wilson have followed in his footsteps in that particular.

I regret to say that the present occupant of the White House has not followed President Wilson in his program of making always correct statements.

Mr. SNELL. What about President Wilson's statement that he kept us out of war? [Applause.]

Mr. RAINEY. He did. He made no such statement any where at any time. But he did keep us out of the war, we stayed out of that war——

Mr. SNELL. Oh, that is not a correct statement.

Mr. RAINEY. We stayed out of the war for two years.

Mr. BRUMM. Too long.

Mr. RAINEY. Too long, one gentleman on the Republican side says, and he is right. We stayed out of that war until they were sinking our ships without warning, with the American flag painted on their sides. We stayed out of that war until the greatest leader the Republican Party ever had in this country, Theodore Roosevelt, from every stump in the country, traversing the entire country, denounced President Wilson for not advising that we go into the war; and when we did go into it you gentlemen on the Republican side, those of you who are left here, voted for it, every one of you——

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Who was a Member during the war period, who is a Member now, will any of you rise in your place on this floor and say that you voted against that war?

Mr. BRITTEN. I did, and am proud of it. The World War has been fought in vain.

Mr. STAFFORD. I did, and I stand back of that vote which I gave then.

Mr. RAINEY. I am glad to hear it. Your records are worse than I thought they were. Are there any others?

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. BRITTEN. Will the gentleman not admit that he would not be standing on his feet on the rostrum of the House to-day pleading for money if it was not for that dastardly war?

Mr. RAINEY. I do not know what war the gentleman is talking about.

Mr. BRITTEN. The World War. The World War is responsible for all of the trouble that we are in to-day.

Mr. RAINEY. Oh, I decline to yield to such absurd misstatements as that. Two having been found, the rest of you voted for it, every one of you, as we did on the Democratic side. We are in a war now—a war against unemployment, poverty, and want—a war made necessary by the failures of the Republican administration, and I am standing here pleading for a measure needed in order to fight that war.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Not for such absurd silly statements as the gentleman has made.

Mr. BRITTEN. But the Democratic majority leader, Mr. Kitchen, did not vote for it.

Mr. RAINEY. I yield.

Mr. BRITTEN. The then Democratic leader of the House voted against the war. He was a real statesman, a Democrat, and a good man.

THE WAR WE ARE FIGHTING NOW

Mr. RAINEY. But we are not going to fight that war over; we have enough to do when we fight the present war against conditions for which President Hoover and his immediate Republican predecessors are responsible.

Mr. STAFFORD. After I voted against the war I stood back of the Government.

Mr. CRISP. Mr. Speaker, I yield 10 additional minutes to the gentleman from Illinois.

THE ERRONEOUS STATEMENTS OF THE PRESIDENT

Mr. RAINEY. Now may I read from this statement, if I have time during the 10 minutes, and I shall not ask for any more time. If these gentlemen are through fighting the World War, I shall continue with my remarks. The President in his press release which appeared this morning, in which he vetoes this bill in advance, states:

> The fatal difficulty is the Speaker's insistence upon provision that loans should also be made to individuals, private corporations, partnerships, States, and municipalities on every conceivable security and for every purpose. Such an undertaking by the United States Government makes the Reconstruction Corporation the most gigantic banking and pawnbroking business in all history.

A gigantic pawnbroking business! Can you find any bank in the United States, even with a capital as low as $15,000, which engages in a pawnbroking business? There is not one in the United States, and there is not any in con-

templation, and it is impossible to assume that this, the greatest bank in history, will engage in a pawnbroking business. It is an error in statement on the part of the President unparalleled in the history of press releases from the White House. To continue:

There are 48 States and 16,000 municipalities who could under its terms dump their responsibility upon the Federal Government.

Mr. Speaker, the provisions of this bill are plain. Loans can be made under this Title II, to which he objects, only for the purpose of aiding and financing agriculture, commerce, industry, or housing, including the facilitating of the exportation of agricultural and other products, and to assist in the relief of agriculture.

Is there anything in the part of the bill that I have just read which would warrant the President of the United States, least of all, in saying that this would enable 48 States and 16,000 municipalities to unload on the Government their worthless securities? Then the bill provides that no loans shall be made except upon adequate security. How can a municipality or an individual or a State with this provision requiring adequate security dump on the Federal Government worthless paper?

Mr. Speaker, I must be guarded always in my remarks about the President of the United States. I have always a high opinion and a great respect for the dignity of that great office, but I am wondering if the present occupant of the White House is maintaining the dignity of his office when he indulges in such erroneous statements as these? I should expect statements of this kind, and I do expect them, from cheap demagogues in the approaching campaign. The President does not belong to that class, but the President is not maintaining in his advance veto of this bill the high traditions of the great office he fills. Again I read from his statement:

Any attempt to carry out such a law under these circumstances must mean the squandering of hundreds of millions of dollars of public funds.

How? They can not loan, except upon adequate security. That is mandatory in this bill. That is not subject to any modification by any rules or resolutions the Reconstruction Finance Corporation may provide. The provisions of this bill are to be carried out by a board appointed by the President, and he can remove any one of them at any time. Has he so little confidence in his own board?

If the loan is upon adequate security how can the money be squandered in the way the President attempts to describe in this press release?

Again he calls attention to the fact that loans will be made upon any kind of worthless security. I will put the exact language in the RECORD. I do not find it just now.

How can that be done under the terms of this bill?

LOANS TO RAILROADS AND BANKS

He is in favor of the legislation which has already passed. It was passed under his direction and under his advice, and it was approved by him. It provides for loans to railroads. It provides for a loan to the Baltimore & Ohio Railroad system. A loan will be soon made to one unit of that great system in order to meet an early maturing issue of bonds. The president of the Baltimore & Ohio Railroad receives a salary of over $120,000 a year. It has been $125,000 a year until the present year, and on account of the depression, on account of the fact that they are not able to pay their mortgage bondholders, he has kindly consented to take $5,000 off his salary, and still continues to collect nearly twice as much compensation as the President of the United States receives.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

Mr. CRISP. I yield the gentleman five additional minutes.

Mr. RAINEY. I am reading from an official document, Railroad Salaries, Document 129, first session of this Congress. The Pennsylvania Railroad is here with its hat in its hand asking for loans. Attention has been called by the gentleman from Massachusetts who has just taken his seat to the fact that the Pennsylvania Railroad is owned by two or three hundred thousand stockholders. It may be, but I would like to know if those two or three hundred thousand stockholders who are not now receiving dividends, and bondholders who are not now receiving interest on their bonds—and that will be true soon if it is not true now—I wonder if they agree to the fact that the president of the Pennsylvania Railroad should receive this year a salary of $121,500? Those are the facts and those are the kind of men and those are the interests that the President stands for helping.

SALARIES OF RAILROAD PRESIDENTS

The president of the Chesapeake & Ohio Railway Co. receives an annual compensation of $90,000 a year, which includes also his services as president of the Pere Marquette Railway Co.

The president of the Chicago & Northwestern Railway system receives now an annual salary of $61,000.

The president of the Delaware, Lackawanna & Western Railroad Co. receives a salary of $67,500 a year.

The president of the Denver & Rio Grande Western Railroad Co. receives a salary of $54,000 a year.

The president of the Erie Railroad system receives a salary of $67,500 a year.

The president of the Great Northern Railway Co. receives $60,000 a year.

The president of the Missouri Pacific system receives over $68,000 a year.

The president of the New York Central receives $80,000 a year.

I am giving now the 1932 salaries. They are slightly reduced, but only slightly reduced from the salaries paid last year.

The vice presidents of all these railroads receive unconscionable salaries, ranging from $20,000 to $40,000, and sometimes there are many vice presidents. There are 21 vice presidents of the Pennsylvania Railroad. None of them receive a salary of less than $16,000 a year and they run as high as $40,000 a year.

I am quoting salaries as they appear in a recent Senate document issued in June of this year, Document No. 129, Seventy-second Congress, first session. I am quoting at random from the document and I have called attention to only a few of these salaries, but these high salaries run all the way through the 51 pages of this document.

I am wondering what the salaries are of the bank presidents and the bank officials whose banks are to be relieved under the plan of President Hoover. We will probably find that their salaries are equally unconscionable and equally high.

In my judgment, none of these railroads should receive aid from the Reconstruction Finance Corporation until they have agreed to reduce their salaries within reasonable limits. Mr. Hoover and his Reconstruction Finance Corporation can require this under the law. When loans are made to railroads by the President's Reconstruction Finance Corporation Board they are made the vehicle by which banks are paid off the amounts the railroads owe them.

HOW BANKS ARE TAKEN CARE OF

Recently in the case of the St. Louis Southwestern Railway Co. there was an early-maturing bond issue of $20,000,000. It matured on the 1st day of June of this year. A receivership was imminent. The Reconstruction Finance Corporation came to the aid of the railroad and loaned it approximately $20,000,000. The New York banks had the unsecured notes of the railroad amounting to approximately $9,000,000 with interest. The secured bondholders were required to accept 50 per cent in cash for their holdings in order that the unsecured notes of the New York banks might be paid in full and the bondholders under this issue were required to take certificates of indebtedness for the remaining half of the amount due them, payable in 40 or 50 years.

This was a bond yielding a low rate of interest, recommended by the courts throughout the land as a legal invest-

ment for funds controlled by guardians and trustees for insane persons and minors, but all these guardians and trustees holding these bonds are compelled by Mr. Hoover's board to stand aside with their claims and permit the unsecured promissory notes of the New York banks to take precedence over these secured bonds.

This has happened with reference to other railroads and will happen again in the future. Mr. Hoover and his corporation take good care of the railroads and banks, especially the New York banks, and he threatens a veto of this bill if we extend the powers of his corporation so that other interests than the banks and the railroads and the great insurance companies can share in its benefits.

OTHER ERRONEOUS STATEMENTS OF THE PRESIDENT

In his press release this morning the President states that the bill we are considering provides that loans—

be made to individuals, private corporations, partnerships, States, and municipalities on any conceivable security and for every purpose.

I challenge any man to call attention to any statement which ever issued from the White House from Washington down to the present day which is so full of errors as this statement is. There is nothing of this kind in this bill. Loans can be made only for the purposes specified in the bill. Whether they are made to municipalities or to States or to individuals or to corporations, they can not be made "for every purpose," and they can not be made on "any conceivable security." The security must be adequate, and the purposes are clearly stated.

The President in his press release states that his bill—

Would require the extension of branch offices in every town and county in the United States and set up a huge bureaucracy able to dictate the welfare of millions of people and at the will of its agents deal favor and disaster amongst them.

The statement is as erroneous as nearly every other statement he makes.

In this connection, I might call attention to the fact that in both conferences we had with the President he suggested that there be created in every community in the land where loans may be required a financial organization for the purpose of making these loans, and that loans to individuals and municipalities and corporations be made through these financial institutions. In other words, he suggested the creation of the very thing he condemns in his statement. His suggestion would mean exactly what he says this bill means, and, of course, the conferees could not accept a suggestion as bad as that.

The President continues by saying—

The board of the Reconstruction Finance Corporation, except one absent member, informs me unanimously that the making of loans to individuals is totally unworkable.

It may be that the President has received such information from members of this corporation, both Democrats and Republicans. My observation here, extending now over a long period of time, is that whenever the President appoints a Democrat to one of these boards, that Democrat becomes his strongest supporter, willing to accept his dictation and anxious in all matters to please the President. The remedy for this situation is a new board, eliminating completely the present membership, including Democrats, and that is what we will get in the next Congress if we elect a Democratic President, and if the President does what I think he ought to do. If this board is as incompetent as the President states every one of them ought to be quickly returned to private life.

The President continues by saying—

If these funds are to be squandered by the making of loans for every conceivable purpose, with inadequate safeguards, it will at once become evident that the credit of the Government is being misused.

I have already answered this charge of the President. Loans for every conceivable purpose are not contemplated in this bill. Loans with inadequate security are not contemplated in this bill. On the contrary, the very reverse is the case.

I might continue this analysis of the President's statement at much greater length, but the result would be the same.

DEMAGOGIC STATEMENTS

We will probably hear on the floor during this debate and hereafter a reiteration of these statements. I am not charging that any Members of this House who make such statements on this floor are demagogues. I know the rules of this House, and I am not making that statement. The respect I have for the office of the President keeps me from characterizing in this way the statements made by the President. The President does not belong to this class. Neither do Members of this House. But I will say this, that I expect to hear these statements repeated in speeches made throughout the land by men in high and low positions who will follow the President in his erroneous statements, and I do not hesitate now and here to charge that these utterances outside of this Chamber and outside of the White House are demagogic and are the utterances of demagogues.

This bill is carefully prepared. It will pass this House by an enormous vote. There are many Republicans who have courage to vote for it and who believe in broadening the powers of this corporation. There are 49 Democrats who are absent. If they were here, every one of them would vote for this bill; and they will be here, all of them, if the President vetoes it. The vote by which this report will be adopted to-day, while it may not be by two-thirds of the membership of this House, will be such a rebuke as has never been administered to a President of the United States, and it will be a deserved rebuke. This House will accept his challenge, and will adopt this report by a majority that will be humiliating indeed to the President of the United States.

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Speaker, it would be a sad day in the history of America should the great masses of the people of our country be led to believe that the high office of President of the United States or the American Congress could be made to serve the interests of a special class. Under Democratic administration that has not been done, and it has not been done under Republican administration.

It is unworthy the membership of this House that base motives should be ascribed in the heat of an approaching election to responsible public officials of opposing political parties.

The greatest asset a free people can have is faith in their government and government that can justify that faith. We differ upon problems that confront our country, but the people of this Nation are sound, and for the most part their public officials are sound.

Mr. McSWAIN. Will the gentleman yield for a question?

Mr. FRENCH. Not just now.

Mr. Speaker, in the very brief time at my disposal I can refer to only a few factors. The administration and the Congress recognize the unprecedented situation under which the United States as well as the other great nations of the world are laboring. Properties of all kinds have different apparent values to-day from what they had five years ago. Apparent values and real values are not the same; but as adjustments may be made, the wheels of industry started to move in normal fashion, normal values and apparent values will come in time to mean the same thing. To assist in bringing about that condition of making it possible for institutions that are in the habit of affording credit to carry on, for institutions that are in the habit of employing labor to function and maintain pay rolls, an emergency relief bill is being considered by the Congress and by the administration.

In my judgment, the course followed by the President in inviting those charged with this legislation and those charged with management on the part of both the Senate and House, regardless of party, was a course that should receive the earnest commendation of thoughtful people. The President did the big, generous thing in his action.

There are elements involved in the bill as worked out by the conference committee to which I am opposed. When

the so-called Garner bill was pending in the House, I was opposed to certain features that it seemed to me meant for profligacy and waste in the handling of public money. I refer particularly to the public-works programs that did not have regard for real needs, that did not have regard for proposed expenditures in lieu of expenditures that for years have been adequate to communities for public buildings and other projects.

A very casual examination of the bill as it passed the House was sufficient to disclose, for instance, the many public buildings, each one of which to erect would cause such an expenditure upon the part of the Government that the interest alone upon the money expended would be several times the cost of maintaining present establishments and paying rentals and for all additional care. More than this, upon the completion of Federal buildings in such communities, there would at once be involved the additional cost for care and upkeep of property that would not be tolerated for one moment if the communities where the buildings were to be located were to meet the expenses through bond issue or through the direct levying of taxes. Members seemed to forget that when we expend money by the Federal Government the people must pay.

To the extent that this principle is carried into the present conference report, it is unsound.

The chief point of difference, however, between the President and Speaker GARNER and those who stand with him in support of the conference report arises out of the provision of the bill which authorizes the Reconstruction Finance Corporation to make loans to private individuals, corporations, partnerships, States, or muncipalities, on any conceivable kind of security and for any conceivable purpose.

Yesterday, when the Speaker of the House [Mr. GARNER], discussed this question, he urged particularly the policy of providing for the Government through the Reconstruction Finance Corporation making loans to individual citizens throughout the United States. The Speaker urged this program upon the plea of fair play and equity and justice for all. Those are fine words and we all subscribe to them. But the proposition of putting the Government into the business of loaning money indiscriminately is unthinkable and unworkable. It would not mean fair play and justice for all.

Has it occurred to you that upon the basis of a loan of $100 to every man and woman in the United States, the Government would be required to advance a total of $4,500,000,000? If the Government were to make a loan of $1,000 to every adult citizen, it would mean not less than $45,000,000,000, to be advanced from the Treasury of the United States. Or if we do not propose to throw the Treasury open to all who may apply, then what is the merit of the arguments made upon this floor, of urging in specious terms the loaning of money to people generally? We either mean it or we do not mean it.

If loans are to be made to any considerable number of people, it would require an army of employees; agents would have to be located in every county and sizable community throughout the land. Some one says that under the proposed bill, adequate security would be required. If so, additional employees would need to examine and check the question of security. Assets would need to be investigated. Responsibility would need to be ascertained. The Government indeed would be placed in the business of loaning money to citizens of the Republic in such fashion that the expenditures alone of setting up and maintaining an institution for this purpose would entail the expenditure of millions upon millions of dollars to be paid for ultimately by the people of the country.

And from where would come the money to loan? It, too, would come from the people. Favoritism would be bound to exist. Loans that would be made in one community would be denied in another.

The whole proposition is so fantastic that it would seem it could not have been proposed with seriousness and I am amazed at the statements that have been made by Mr. CRISP, of Georgia, in urging the conference report, and by the Speaker of the House.

On yesterday the Speaker of the House said:

> During war time we created, under a Democratic administration, what was known as the War Finance Corporation. Some of you will remember it. What did this War Finance Corporation do? We gave them a large part of the taxpayers' money. What for? To lend to any human being on earth that the War Finance Corporation thought ought to have it.
>
> That was under a Democratic administration, legislating for all the people of the United States.
>
> What happened under the Republican administration in 1921? The War Finance Corporation was revived and its life was extended, but, just like the Republican organization has always done, it cut out the people and held to the special interests. There is your contrast, as clear as the noonday sun—a Democratic administration legislating for the whole Republic; a Republican administration legislating for certain special classes.
>
> Now, you Republicans propose to do that in this bill. You propose to increase the capital of this corporation to $3,500,000,000 from $2,000,000,000. Now, in doing so I plead with you to let all the people have some drippings from this wonderful banking institution. Do not keep it just for a few. Let the whole people have just a little consideration with respect to their own money.

From the standpoint of the Speaker's arraignment of the Republican administration and the Republican Members of the House, I wonder if his mind did not play a trick upon him when it suggested that he use the War Finance Corporation as a symbol of what he would follow under the Reconstruction Finance Corporation to-day.

In the first place, the Speaker was inaccurate when he said that the War Finance Corporation was given the power "to lend to any human being on earth that the War Finance Corporation thought ought to have it." The War Finance Corporation act, which became a law on April 5, 1918, did not provide for any such generous distribution of its funds. The law specifically said, among other things, that such advances might be made to persons, firms, associations, and so forth, who were at the time—

> Conducting an established and going business in the United States, whose operations shall be necessary or contributory to the prosecution of the war, etc., and subject to such rules and regulations as may be prescribed by the board of directors of the corporation.

In other sections of the statute, the spirit of the law appeared that adequate security was to be provided. How, then, can the Speaker urge that even the program that he proposes is one of the wide application that his language implies?

Again, the Speaker upon yesterday, when he declared that the War Finance Corporation was given the power "to lend to any human being on earth," and later when he referred to the passage of the War Finance Corporation as "a Democratic administration legislating for the whole Republic," in contrast with "a Republican administration legislating for certain special classes," I am afraid that his memory played another trick upon him.

The War Finance Corporation was given authority to loan $500,000,000. I hold in my hand a report that was made by the chairman and directors of the War Finance Corporation to the Speaker of the House of Representatives upon November 30, 1920, in which is set forth the groups of persons, bankers, trust companies, and citizens, who borrowed money from the War Finance Corporation under this law that the Speaker has indicated was for all the people and not for any special groups.

I shall insert at this point the table contained in the report of the corporation to the Speaker of the House, giving the classification of the borrowers and the total moneys advanced:

Classification:	Total advances
To banks, bankers, and trust companies	$5,268,377.61
To railroads	204,794,520.00
To public utilities	39,797,400.00
To industrial corporations	23,814,674.24
Warehouse receipts	25,211,500.00
Cattle loans	7,827,278.36
Export loans	46,347,654.27
Total	353,061,404.43

I beg of you to notice these figures. A grand total of more than $353,000,000 was loaned. Of this amount, the banks, bankers, and trust companies received more than $5,000,000;

the railroads received more than $204,000,000; the public-utilities concerns received more than $39,000,000; industrial corporations received more than $23,000,000. There was loaned upon warehouse receipts more than $25,000,000. And by way of information may I say only two loans were made to two concerns, namely, the Food Administration, Grain Corporation, New York City, $25,000,000; and the New York Canners Warehouse Co., Rochester, N. Y., $211,500. Cattle loans were made to the extent of $7,827,278.36, and export loans were made to the extent of more than $46,000,000.

Now, let us notice these loans a little more closely by the War Finance Corporation of the Democratic administration. In the back of the same report that I referred to are the lists of the individuals, railroad companies, banks, trust companies, and so forth, that received these loans. Of the entire amount of $353,000,000, of a fund that the Speaker has indicated was administered for the people of the United States, more than 98 per cent, or more than $345,000,000, was loaned direct to trust companies, banks, railroads, and other great concerns.

Let us turn again to the report and see how much was loaned to individuals. An itemization is made of these loans. The entire loans to individuals are grouped under the one heading "cattle loans," but all the cattle loans were not made to individuals. Some of them were made to great cattle loaning companies, stock yards, loan and investment companies for the purpose of financing the cattle business. Loans to such concerns and loans to great livestock companies aggregated more than $2,410,000, while loans to individual citizens of the Republic aggregate not more than $5,116,960.42.

In other words, in the administration of the War Finance Corporation funds and the loaning of $353,000,000 which the Speaker upon yesterday indicated was for the people, little more than $5,000,000 was all that went direct to individuals, while the balance of this vast sum, aggregating more than $349,000,000, was loaned to the great railroads, banks, trust companies, and corporations that the Speaker yesterday seemed determined to denominate as special interests in condemning the Reconstruction Finance Corporation.

There is one other interesting feature in connection with the report of the War Finance Corporation touching the loans to individuals. The Members of the House will be surprised when I say that loans by the War Finance Corporation were made to individuals of but two States—the State of Texas, where money was loaned to 172 individual citizens, and the State of New Mexico, where money was loaned to 58 citizens. No money was loaned to any citizens in any other States of the American Union.

So, then, when we closely examine this much-praised organization—the War Finance Corporation—much praised by the Speaker upon yesterday, it will come as a matter of extreme surprise to the American people, in the light of the Speaker's statements, that of the $353,000,000 loaned, less than 2 per cent went to individual citizens and more than 98 per cent was loaned to the established banks, railroads, and other institutions of similar character. It will come as a still further surprise that approximately three-fourths of the total loans that were made to individuals or $3,735,226.09 were made to citizens of the State of the Speaker of the House [Mr. GARNER].

Mr. Speaker and gentlemen of the House, in citing the operations touching the War Finance Corporation, I cite them to praise and not to condemn. The loans that were made at that time to banks, railroads, and other great institutions were made that the people of the United States most generally might be served, that war purposes might be carried on, that greatest efficiency might result; that at a time when capital was frozen, when loans were difficult to obtain, business would not need to stop, employees in railroads, in mills, upon farms would not need to be laid off or go without their pay, but at the time of the crisis of the World War the credit of the United States could be made to serve the people of our country.

So then, touching the pending program, men can not be serious who saw the wisdom of making loans 14 years ago in war time under Democratic administration to banking institutions and railroads and corporations in the interest of the common good, and who to-day, at a time of great financial crisis arising out of the World War itself, can find only words to condemn loans made to those same banking institutions that millions of depositors may not suffer, loans made to the same railroad companies that hundreds of thousands of employees may not be thrown out of work, loans made to insurance companies that more than 60,000,000 life and fire insurance policies may not be jeopardized.

The SPEAKER pro tempore. The time of the gentleman from Idaho has expired.

Mr. TREADWAY. I yield to the gentleman one additional minute.

Mr. FRENCH. Loans were made under the War Finance Corporation to a grand total of 230 individual citizens of the United States, 172 of whom were citizens of Texas, and all the others of New Mexico. What a puny citation this is upon the part of those who urge a program in the name of loans to the citizens of the Republic when millions doubtless could be found to apply, when the sound and the worthwhile applicants would need to be sorted out from those who might make application in bad faith, and when contrast is made with the vast good that has already been accomplished and that will be accomplished in maintaining the credit of financial institutions whose assets are in part frozen, of transportation lines with their huge pay rolls, of insurance companies and other groups whose assets can be readily ascertained, where loans can be made with the minimum of expense upon the part of the Federal Government, and where the benefits will flow directly and primarily not into any coffers of a favored few, but into the well-being of every man, woman, and child in our glorious Republic.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Speaker, instead of this body being engaged in trying to engender a feeling of dissatisfaction and bitterness we should be trying to cultivate a feeling of good will among the citizens of this country.

I regret exceedingly to see our brothers upon the Democratic side resorting to the rôle, practice, and tactics of trying to array the masses against the classes.

Soak the rich, seems to be the slogan of the Democratic Party in this campaign. It is most unfortunate. If we are to destroy the rich, how are the poor to survive? If we are to destroy the aggregation of wealth, how is employment to be found for the unemployed and the laborer?

Instead of being engaged in this character of business we should be trying to cement a feeling of good will among those who have the money and those who seek employment, each going as the handmaid of the other, trying to help each other. Without wealth there can be no employment. Without employment there can be but little wealth.

Now, adverting to the section of the bill that pertains to banking, if there is anything in this world that will cause more trouble and more dissatisfaction than another it is the portion of the bill that would, if it became a law, permit the individual to obtain a loan, for it expressly provides that loans may be made to any person who is unable to obtain funds upon reasonable terms through banking channels.

Everybody would like to see those who are in distress and desirous of obtaining money obtain a loan, but what would be the operation in the event this provision became a law?

Every Member of Congress would be beseeched by constituents in his district who are in distress to get them loans. The constituent would offer his horse, he would offer his wagon, he would offer his plow, he would offer everything he has as security, and what would be the result? When the Representative of that constituent went to the Reconstruction Finance Corporation and presented the application of this man together with his security it would be turned down nine times out of ten, and you know what the result

would be—bitterness not only against the party, against the Congressman, but against the Government that you put into the banking business.

To my mind there is nothing that would stir up more dissatisfaction and more dissension than this.

Then, again, we thought when we were passing bills here for the purpose of aiding the banking industry of this country we were doing something to restore confidence. With want of confidence in the banking institutions of the land, there is but little attempt toward progress or rehabilitation of business.

Pass this law and you will not only destroy the confidence that is left in the banks of this country, but you are making it absolutely impossible for the banking institutions to regain that confidence. You are putting the Government of the United States into a business that the private bankers and the national bankers ought to be in. It is a direct move toward Government ownership, to superstate, and, if you please, to sovietism in the United States.

Is it possible our Democratic friends who have so long adhered to the doctrine of State rights and of State independence and of institutional and national independence are to be the first to turn their backs upon the fundamental principle of true democracy in this country and upon the founder of their party and say, "We are going to discard it all and we are going to adopt the soviet policy; we are going to proclaim the superstate"?

Gentlemen, this is going to mark a turning point in the conduct of the Government of the United States and to my mind will lead to financial ruin.

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the gentleman from Idaho [Mr. FRENCH] called attention to the loans made by the War Finance Corporation. I may say to him that during the Democratic administration people did not seek loans. They were satisfactorily employed at high wages. Work was plentiful, money was plentiful, and we had prosperity. Loans were made to some corporations and individuals to enable them to enlarge their plants so as to be able to manufacture in larger quantities and as speedily as possible much-needed war supplies.

Mr. TABER. Will the gentleman yield?

Mr. SABATH. No; I very much regret that I can not yield. I have but five minutes.

Conditions to-day are different. We have 12,000,000 people out of employment. Banks refuse to make loans, and so far the Reconstruction Finance Corporation, instead of aiding those whom we contemplated would be aided, has refused them aid. It had helped only the immensely and favored large banks and railroads and has ignored the demands and the needs of the small banks. I realize that it is contended that many loans have been made to small banks in the Western States. That may be so, but the amounts were small and the total does not amount to the sum loaned to one New York bank. In my city alone within the last two weeks 32 banks have been closed. This could have been prevented by a $10,000,000 advance. Unfortunately, due to the red tape or willful delay, they could not get any action in time. But one bank alone, controlled by the special favored interests, of which Mr. Charles Dawes was the former vice president and the chairman, obtained $80,000,000. But the people's banks—the outlying banks—could get no relief. Instead of helping the small banks, they are being crucified by the Reconstruction Finance Corporation, which is, in fact, aiding the large banks to destroy the small banks.

Mr. Speaker, had I known how this Reconstruction Finance Corporation was to be conducted I never would have wasted two years' time appealing for its creation. I thought we would have men running it who would really and competently look after the interest of the country in the interest of the people, and relieve conditions instead of relieving the railroads and the large predatory institutions only, which latter are responsible for wrecking the smaller banks.

I hope the President will no longer listen to the special interests, to the Wall Street overlords, but that he will listen to the appeal of the American people and sign this bill. Let me tell you relief is needed, imperatively required, and must be forthcoming. I have called your attention to conditions in my own city. You have read the press dispatches as to what the situation is, and the conditions are just as alarming in every other city.

By Title II we can relieve the people and the municipalities; we can create employment for untold thousands, and we can provide bread for the starving. If the President had acted in time these conditions would not exist to-day. His delay and indifference to the needs of the people brought about these intolerable conditions, unheard of in any nation.

Mr. Speaker, why should there be the amount of suffering in a country that possesses greater wealth, grain, fruit, meat, in fact, every kind of food, than any nation in the world?

Mr. Speaker, I feel this bill should pass. I appeal to you Republicans, if you are interested in the people who elected you, to vote for this bill and, if necessary, vote for it over the President's veto. Only then will you have performed your duty to the people you claim to represent.

The gentleman from Massachusetts called attention to the headlines in the newspapers. Of course, we expect to read nothing but headlines criticizing and attacking, finding fault with the great governor of the great State of New York, the Hon. Franklin D. Roosevelt, and the Speaker of this House, our candidates for President and Vice President, and all Democrats who have the interests of the people at heart and who are desirous of aiding the suffering millions of this Nation. [Applause.]

I assure you that all of these attacks, it matters not how cleverly and ingeniously written, to prejudice the minds of the people will not avail. As I have said on this floor many times long before this, people have lost confidence in President Hoover and will rally around and rely upon Roosevelt to bring order out of the Republican chaos and misrule.

The people of this country no longer rely upon President Hoover's declarations that prosperity is just around the corner. They well know that if he had had the interests of the people at heart he would have acted two years ago, or at least a year ago, and would have submitted plans to arrest the approaching crisis, which was visible to the thoughtful; but, unfortunately for the country, he listened to the advice of the very financiers, the very stock-exchange manipulators and Wall Street racketeers, who deliberately and maliciously brought about this wanton destruction so that they could more easily control the wealth of this Nation.

These very gentlemen, who during 1929 used eight and a half billion dollars of the people's money for gambling purposes, are the very men that are opposed to and are influencing the President against this measure, that calls for only two billions to be used for feeding the hungry, affording employment for those in dire distress, and in aiding in reestablishing the legitimate business of the Nation.

The opponents of this measure use the argument that these loans would be made to individuals also. Do not these opponents and does not the President know that the President's own appointees, the directors of the Reconstruction Finance Corporation, will have the final say and the sole power to make these loans? I as a Democrat and an original advocate of this legislation am obliged to concede that I have lost confidence in the Reconstruction Finance Corporation, because I do not believe it is functioning as we thought it would; nevertheless, I am perfectly willing to intrust to this corporation the duty of making these loans, and I say this because under the provisions of the pending bill the corporation will be obliged to make full reports covering its operations—tell us to whom and under what conditions it made loans. So if we Democrats are willing to trust the members of the Reconstruction Finance Corporation, why should not the Republicans, including the President of the United States, have some confidence in them?

I appreciate that the big banking combination is opposed to this legislation, because this legislation would enable the

municipalities and legitimate business and small banks to obtain loans that are now denied them by this banking trust, which has the municipalities as well as private, legitimate business at its mercy.

Mr. Speaker, in conclusion let me say that the 12,000,000 who are unemployed, the 20,000,000 that have been financially ruined, the 2,000,000 of depositors who have lost their life savings in the closed banks, the thousands upon thousands of manufacturers and business men who have been forced to close their factories and shops and were forced into bankruptcy, the upward of 2,000,000 farmers and home owners who lost their farms and their homes, the hundreds of thousands of widows and orphans whose estates were wiped out, and the widows and orphans of those 30,000 who were forced to suicide on account of having lost their all, will not be misled by flashy headlines, no matter how ingeniously worded, and suave promises of President Hoover, who if not directly is indirectly responsible for this, the greatest destruction; yes, the greatest crime in the history of any civilized nation; therefore they look to Roosevelt and the Democratic Party for real relief.

Some of my Republican colleagues have of late used much space in the public press telling how they would aid the city of Chicago and its school-teachers; but they now state that they will vote against the pending bill on the grounds that it provides for the making of private loans and that it will be vetoed by the President. To them I will say, and I now serve notice on them, that they can not fool the people of Chicago, it matters not how adroit their excuses may seem. Those good people have an accurate estimation of the situation.

Mr. Speaker, I have just received the following telegram:

NEW YORK, N. Y., *July 7, 1932.*

Hon. ADOLPH J. SABATH, M. C.,
Washington, D. C.:

Distressing conditions unemployment make imperative early approval of public works measure as means of relief. Therefore strongly urge your support for conference report on H. R. 12445, the Wagner bill, as amended.

National Committee for Trade Recovery, consisting of representatives of following associations:

American Institute of Architects.
American Institute of Steel Construction (Inc.).
American Society of Civil Engineers.
American Road Builders' Association.
Associated General Contractors (Inc.).
Common Brick Manufacturers' Association of America.
Contracting Plasterers' International Association.
Electrical Guild of North America.
International Cut Stone Contractors and Quarrymen's Association.
International Society Master Painters and Decorators (Inc.).
National Association Marble Dealers.
National Association of Master Plumbers of the United States (Inc.).
National Committee of Building Congresses.
Producers' Council (Inc.).
Roofing and Sheet Metal Industries.

Again, I wish to read one of the hundreds of such letters I have received from plain, everyday citizens. This letter is so representative and has struck me so forcefully that I feel I should embody it in my remarks. It says:

CHICAGO, ILL., *July 3, 1932.*

Hon. A. J. SABATH, M. C.,
Representing Fifth Congressional District of Illinois,
Washington, D. C.

DEAR SIR: The hour has struck! A great financial calamity has fallen upon our poor people. They are fast sinking into the quicksands of this depression. Unemployment, total bankruptcy, and utter poverty is finally overwhelming them.

Their financial institutions, controlled by the State and the Federal Reserve Board, have crumbled!

To these they have intrusted their life-long hard-earned gains. Through the toil and blisters of their hands and the sweat of their brows, so that in their old age they would not become a burden to society nor become dependent on State institutions and charitable organizations. They now face certain poverty and starvation. But they do not ask for charity! All they ask is the restoration of what rightfully belongs to them.

With the coming of winter their hardships will be multiplied.

Heads of large families are unemployed. They depend upon the few dollars which they have saved and which now are tied up in our closed banks. They now have nothing but the clothing upon their backs.

Many will be forced to accept charity and help from State institutions which are now filled to capacity and short of funds.

How can any honest and clear-thinking citizen idly sit back and calmly look upon this shameful state of conditions?

Isn't just losing one's means of livelihood bad enough without having a squandering banker deprive one of all his or her worldly possessions?

What safeguard have these poor victims against such a great loss?

Is there no honesty in the Government to-day?

Where are the banking laws upon which the depositor can depend upon for protection?

On Friday, June 24, 1932, the strongest financial institution in the fifth congressional district closed its doors.

I'm referring to the Kaspar American State Bank, 1900 Blue Island Avenue.

According to newspaper reports, efforts were made repeatedly to obtain help from the Reconstruction Corporation by the president of the above-named bank, but all efforts were futile. A sum of $300,000 was offered on securities of $1,500,000, which sum was inadequate to pay the depositors.

The majority of these depositors are those of the poor class who have intrusted this bank with their life savings, and are on the verge of poverty in the extreme.

Grave results may ensue should these people be neglected in this time of crisis; and so, in the interests of the people of the fifth congressional district, I urgently request that, through the power invested in you by these people of the fifth congressional district, to take the proper steps and action in an honest and just cause so that these needy people shall have returned to them that, which, according to the laws of God and man, rightfully belong to them.

With full confidence that you will extend your kind efforts in a true and just cause for the sake of the people of the fifth congressional district, I am

Respectfully yours,

HENRY LEBEDA,
1117 West Nineteenth Place, Chicago, Ill.

If after hearing what I have said and the telegram and the letter I have read you Republicans are still inclined to vote against the pending measure, let me make clear just what the measure provides, so that you may not later plead that you did not realize the benefits that would accrue to Chicago, yes, to the country generally if it becomes law.

Title I authorizes the corporation to make available the sum of $300,000,000 for the several States to be used in furnishing financial relief and work relief to needy and distressed persons and relieving hardship resulting from unemployment. However, only 15 per cent of the amount named may go to any one State.

Title II provides for the making of loans to financial and commercial concerns, industry, agriculture, for housing, and to any person or corporation when, in the opinion of the directors of the Reconstruction Finance Corporation, the person or corporation is unable to obtain funds on reasonable terms at the banks. It also authorizes the receivers of national banks to obtain loans against assets of closed national banks.

Further, it provides that the corporation is authorized to make loans to States, municipalities, and political subdivisions of States, public agencies of municipalities, and to aid in financing projects authorized under State or municipal laws which are self-liquidating, and the Reconstruction Finance Corporation is authorized to purchase the securities of States, municipalities, or subdivisions thereof, and also to make loans to private corporations or persons for construction of private or public works and for such other improvements as provide employment.

The bill also provides for Government projects recommended and approved by the several departments, and most of them are already authorized. It provides for shorter hours of labor and restricts labor to 30 hours a week, so as to give employment to as large a number as possible. The loans and work to be authorized under this bill are restricted to about $2,300,000,000. Though this is not so much as I originally advocated, yet it is a sufficient sum to provide employment for hundreds of thousands and to afford relief to municipalities and legitimate business and enterprises, whether owned by individuals or corporations.

The only objection that has been raised by the President, as we are informed by the public press, is that the bill would permit making of loans to private individuals. But it must be borne in mind that such persons before obtaining loans must give satisfactory security and assurance of ability to repay; therefore the objections registered are manifestly

unjustified and stronger reasons will have to be given to the people before the present President, in the face of conditions, can justifiably veto this meritorious bill, which has been agreed upon unanimously by the Democratic conferees and all but one of the Republican conferees.

But, Mr. Speaker, judging the future by the past, and knowing that Wall Street is all-powerful in the White House, I hesitate to try to foretell the outcome. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. PURNELL]. [Applause.]

Mr. PURNELL. Mr. Speaker, in these days of stress and deep concern we ought not hold out any false hope to any group or class for the purpose of playing petty partisan politics. To my mind that is the principal thing involved here. We ought not play politics with human misery. How many times have we heard that course denounced on this floor, and yet many who have railed against such action in the past are here to-day seeking to capitalize misfortune in the interest of party advantage.

I can think of nothing that would add more to the existing unrest in the country than to hold out the hope to the great masses of our people that we are about to set up, through congressional action, a great superbank, connected by pipe line with the Federal Treasury, to which all, large and small, may come and find relief. Such a bank would, of course, have millions of prospective clients; but where, I ask you, is the Federal Treasury to find the funds with which to supply the pipe line? Of course there is but one answer. We know, or at least those who stop to think know, that practically all of the objects sought to be accomplished by Title II are impossible of accomplishment. I ask you to visualize the thousands of applications for loans that would immediately pour in for loans from each congressional district. Think of the additional machinery that would be required to consider and pass upon these applications. In the end we would have 50 dissatisfied and disappointed applicants for every successful one. I need merely suggest that such a course would create further discontent throughout the country at a time when the country needs harmony and cooperation.

We have been sweating blood in this House for months trying to balance the Budget, reduce the number of employees, curtail expenses, and otherwise retrench. We have all but succeeded in that effort. We are now asked by our Democratic friends to throw our work to the four winds and approve an unsound and impracticable proposal, offered very largely for political reasons, which would increase the personnel of the Government by hundreds if not thousands.

Let me suggest further that if it were practical and possible to set up this new machinery and establish the superbank sought to be accomplished by Title II, the so-called little fellow, for whom the Speaker—and the Democratic vice presidential nominee—shows such deep concern, would never be able to profit thereby. No man who is unemployed, none of the World War veterans who are here in camp, few, if any, of our farmers or small business men would ever receive one cent because they could not furnish the adequate security required. In the end our Democratic friends who are sponsoring this proposal would seek to capitalize it politically by taking credit for passing the act and placing upon the administration the blame for every failure to receive a loan. For these and many other reasons which, obviously, I can not discuss in the brief time allotted me, I can not support Title II. Unfortunately, we can not have a separate vote upon the other titles in the conference report. I shall do what I can to assist in the passage of a relief bill that does not contain the objectionable features of Title II. I shall oppose any effort to adjourn the Congress until some such relief bill is passed.

Let me add further that any man who stands on the floor of this House, or elsewhere, and states or insinuates that the President of the United States or we on this side of the aisle are not just as anxious as any other individual or group to help the smallest individual in this country states that which is not the fact.

Before I conclude I want to refer to the suggestion which was just thrown into the debate by my friend from Illinois [Mr. SABATH]. He suggests that up to date all of the loans which have been made by the Reconstruction Finance Corporation have been made to the big banks and that the smaller banks have been forgotten like the oft-mentioned "forgotten man." The majority leader [Mr. RAINEY] also sought to leave the impression, if I correctly interpreted his remarks, that the Reconstruction Finance Corporation has catered to the railroads, insurance companies, and large banks to the detriment, if not exclusion, of smaller institutions. I hold in my hand report No. 1252, which contains the adverse report filed by Mr. RAINEY to accompany H. R. 7726 to provide for the payment of adjusted-compensation certificates. In that adverse report filed by the majority leader I find, among other statements, the following:

> The Reconstruction Finance Corporation is not making any donations. It is loaning money for the purpose of saving from destruction solvent banks and solvent railroads.
>
> During the 71 days of its operation from February 2 to April 19 of this year, the Reconstruction Finance Corporation authorized loans to 1,757 institutions, such as banks, railroads, etc. The total loans aggregated approximately $370,500,000, and on these loans the Reconstruction Finance Corporation has disbursed up to April 19 approximately $285,500,000 and of that amount over $11,384,000 has been repaid.
>
> Loans have been made to 1,520 banks and trust companies; 69.2 per cent of the loans granted to banks were granted in cities of less than 5,000 population; 23.9 per cent of the loans granted to banks was granted in cities of less than 10,000 population and more than 5,000 population, and only 5.3 per cent of these bank loans was granted to banks in cities having a population of 1,000,000 or more. These loans are all interest bearing and are all amply secured. They will be repaid. There may be some losses, but they are all drawing interest and General Dawes in his testimony before the committee stated that his expectation is that there will be no loss whatever to the Government.
>
> Patriotic citizens throughout the country and newspapers ought to correct the erroneous impressions which are going out with reference to the operation of the Reconstruction Finance Corporation. A very small percentage of these loans was made to banks which could be called big banks and practically all of these loans have gone to banks throughout the country in cities having less than 10,000 population, and 69.2 per cent of it has gone to the very small cities and towns in the United States which have a population of less than 5,000.

While the Reconstruction Finance Corporation has not accomplished all we hoped it would accomplish, nevertheless no one came forward at the time or has come forward since to suggest a better plan than that which was suggested by President Hoover at the time the Reconstruction Finance Corporation act was passed. When the people know all of the facts I am sure they will applaud the President and approve the course taken by those of us who to-day oppose this political gesture and who join with the President in every effort he makes to maintain sound government. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, I can not qualify as a protagonist in any of the political discussion that has taken place up to this time. I am not concerned with the relative size of public officials. I am tremendously concerned with the present economic condition of our country and the necessity of immediate relief. There is only one way to provide relief and that is to actually provide it immediately and not talk about it. [Applause.]

Let us see about all these objections. What does Title II provide? There has been sufficient political talk. Let us talk about the bill. This is the order of preference for loans:

First. Loans to States, municipalities and political subdivisions thereof. There can be no objection to that. If there is objection to any of these provisions, now is the time to express it. Oh, no; there will be no definite objection to any specific provision of the loan features of the bill.

Second. Public agencies of States, municipalities and political subdivisions thereof. Any objection to that?

Third. Public corporations, boards, or commissions.

Fourth. Public instrumentalities of one or more States. Surely there is no objection here.

Fifth. Loans for housing to corporations operating under strict supervision in renting of low-cost dwellings. Who would dare publicly or openly object to that?

Sixth. Private corporations engaged in public works, such as bridges, tunnels, docks, warehouses, and so on.

Seventh. Limited-dividend corporations engaged in development of forests or other natural resources.

Eighth. Railroads for bridges and highways for tolls are charged for their operation so as to make them revenue producing and self-liquidating. None of the hard-hearted servile spokesmen for the financial gang and the worthless-securities mongers will object to this provision.

Ninth. Loans to move surplus agricultural commodities in export trade if, in the opinion of the board, it does not disturb world prices. Is there any objection to this?

Tenth. A regional agricultural-credit corporation may be created in any of the 12 land-bank districts for the purpose of loaning for agriculture or stock raising or stock feeding. I hear no one raising his voice in protest.

This is Title II, gentlemen. What is the objection to this?

Mr. COLTON. Will the gentleman yield?

Mr. LAGUARDIA. Wait a minute.

Mr. COLTON. The gentleman is wrong.

Mr. LAGUARDIA. Never. I am coming to what the gentleman has in mind. Do not worry; I will come to it.

This is Title II except the humane part of it, which reads:

> To aid in financing agriculture, commerce, industry, and housing, including facilitating the exportation of agricultural and other products, and to assist in the relief of unemployment, the corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this act as it may determine.

Now, here it is—"to any person," when in the opinion of the board of directors of the corporation such person is unable to obtain funds upon reasonable terms through banking channels. My, what a chorus of "me too" parroting the objections of the President and his advisers!

It is the most humane, effective part of the whole bill. Surely, there can not be any objection to the 12 matters I have enumerated, and here is the one point of controversy. A chance to give the little business man the means to save himself. Have not the big interests had every consideration to date?

It has been stated that it will be extremely difficult to pass upon the security or the collateral because of the language here, "upon such terms and conditions not inconsistent with the act." There is no difficulty about that. Such an objection is not only unsound, it is of doubtful sincerity.

I will tell you what we will do, and if this is not a fair business proposition I will withdraw my opposition to the bill.

What is to constitute a fair security or safe collateral for a loan to an individual? Shall we establish a new criterion now? No. Shall we establish any different terms and conditions for the private individuals than that heretofore established for the powerful corporations? No. I will tell you what we will do. We will take as a criterion and standard of what constitutes safe, sound, proper collateral for a loan or security within the provisions of the Reconstruction Finance Corporation law, the same standard and criterion and with the same relative value accorded to the securities as it bears to the present market value, as was given to the securities taken from Charlie Dawes's bank when they loaned him $80,000,000. [Applause.]

What can be wrong with this? Surely his securities must be listed. Surely they have a present market value. Surely they were taken at an agreed value by the Reconstruction Finance Corporation in making the loan. We will accept that as the criterion and the standard, and there can be no difficulty in the administration of the provisions with respect to making loans to private individuals. I challenge an objection to this suggestion.

There has been a great deal of misrepresentation from high sources on this bill. I submit that the 12 categories where loans may be made in the preferences quoted by me have been accepted by all, but there is tremendous opposition to the provisions to small business men and individuals. Doubt has been expressed about the machinery necessary. Have we not created an enormous institution in the Reconstruction Finance Corporation to enforce the original act? But if additional machinery is required, I will call the attention of the administration and the Reconstruction Finance Corporation for their information and guidance to H. R. 12885, a bill which I introduced on July 1, 1932, which takes care of just small loans based upon labor, the only source of production. Some of you gentlemen may snicker at this to-day, some alleged big financier who has brought ruin to many may get some big official of the Government to say that this is impracticable, but the time is not distant when this House will vote for just such a measure as I and the distinguished statesman from Colorado, Senator COSTIGAN, have introduced. It has become customary within the last few months to loan hundreds of millions of dollars based on security of property and production created by labor. Yes, exploited labor. It will not be long before we will be able to loan direct to the producer and to the creator of wealth, labor itself.

The gentleman from Massachusetts [Mr. TREADWAY] stated to-day that one of the directors of the Reconstruction Finance Corporation frankly informed him and the President that the provisions of Title II could not be worked out, that it would require so much work and that he did not see how it could be done. If any director of the corporation made a statement like that, all I have to say is that he is not big enough for the job. He might have impressed the gentleman from Massachusetts. This indeed is a big job, and we need big men for the job.

The selection of these men is not within our province. We can only legislate and authorize and appropriate the money. Gentlemen, frankly, all this talk that it would be impossible to administer the law because the base is broadened is not only foolish but it can not be seriously urged. There can be no difficulty about passing upon a loan because it happens to be small. It requires no greater effort, and surely less acumen and less judgment, to pass upon the collateral and security of a $10,000 loan than an $80,000,000 loan.

If the opposition to this conference report were based upon the fact that the relief bill does not provide sufficiently for direct relief and does not sufficiently provide for public works to stimulate industry and create employment, I would join in the opposition. But the opposition to this conference report does not originate in this House. It is inspired. Yes; it is inspired from certain quarters who have already benefited by the original Reconstruction Finance Corporation act, and that opposition passed on to high quarters and high sources, and from these lofty peaks handed down to this House. The opposition would prevent the same consideration under the same conditions and under the same terms to all citizens. It is in keeping with a stubborn determination to impoverish the great mass of American people and to continue to concentrate all of the wealth, all of the property, and the control of all of the finances into the hands of a small, privileged class. The opposition to this bill even begrudges the amount provided for loans to States to partially appease hunger and perhaps save human lives. That is why I can not join in the opposition. That is why I shall support the bill, although I do not believe it goes far enough.

My colleagues, I do not want to bore you by my constant and repeated warning. I do not want to impose upon you by continually warning of the great, great danger immediately ahead of us. How often have I said that Congress is not going to the root of existing conditions. If we were to add another billion dollars to this bill it would still be only a palliative. We can not afford to hesitate any longer. We must not heed the counsel, the advice, or follow the suggestions of that coterie of financiers who have ruined hundreds and hundreds of thousands of families of this country, who have wrecked our industries, and who are responsible for the complete collapse of our economic system. Therefore we must face the situation. Our duty is plain.

First, we must provide adequate and sufficient direct relief to alleviate all existing suffering. We can not calmly readjust our entire economic system while we have 10,000,000 of our fellow citizens unemployed and American citizens in hunger and starving. When we provide for immediate relief sufficient to meet the situation then we must provide for an economic readjustment, for a better and more equitable distribution of wealth, for a new industrial system in keeping with the machine age in which we are living, even though to do so it will be necessary to rewrite some of the provisions of our Constitution.

Many requests have been made of me to give a brief explanation of the Costigan-LaGuardia bill providing for loans to workers and producers. My bill is H. R. 12885 and the Senate bill is S. 4947. Naturally, or rather unfortunately, it is not a part of the conference report now before us. I venture that we will be considering such a bill before very long and so it is well that Members of the House should acquaint themselves with the general plan. Rather than take further time of the House I will add hereto a résumé of the statement made yesterday by my friend Mr. Donald R. Richberg, of Chicago, before the Committee on Manufactures of the Senate. This bill is the result of a study made by the Railway Labor Executives' Association. The need of substantial and direct relief was the result of this study and the plan was evolved and prepared by Mr. Richberg, who is not only one of the best legal minds of this country but a sound economist and a man of vision. I am sure my colleagues will find this brief summary of Mr. Richberg's not only instructive but interesting.

Now, gentlemen, just for a brief moment let us return to the relief bill before us. I agree with what has been said on the floor to-day in reference to presidential veto delivered to the press in advance of legislation. Under our Constitution the President is entirely within his rights to express his disapproval to any legislation by exercising the veto power given to him by the Constitution. The custom of advanced vetoes to the press is a matter of taste and judgment which contemporary and future history will pass upon and classify. But such left-handed vetoes must not deter the legislative branch of the Government under our Constitution from performing its duty. The threatened veto certainly can not warp the judgment of any thinking legislator and it should not intimidate any timid one. Too much has been surrendered on this relief bill already. So much has been surrendered that we will be required to provide additional relief in December if not before then in a special session by reason of conditions which will exist. Let it be known that a majority in this House stand ready to legislate to meet the critical situation.

In closing let me say that every argument that has been urged to-day in opposition to Title II might have well been urged and would have been sound against the original Reconstruction Finance Corporation act. But every gentleman who is opposing Title II to-day and attempting to urge these objections, voted and supported the original Reconstruction Finance Corporation. In other words, there was no objection on their part, either to the plan, the purpose, the administration of the original act as long as it provided loans to powerful corporations, in amounts as high as a hundred million dollars. Their objections to-day can, therefore, be explained in no other way than their refusal to help the smaller business man or the individual. I knew this would happen and the record will bear me out, for I predicted it when I opposed the original Reconstruction Finance Corporation act. Personally, I am sick and tired of hearing this patronizing, smug expression of help given in millions of dollars to powerful corporations "percolating" or "dripping" down to the individual. This idea or any such system is not only unsound, but un-American. The old feudal days, where the tenants took the crumbs from the lord of the manor and awaited something to percolate down, are gone and gone forever.

I sincerely hope the House will approve this conference report and thereby signify our realization of the critical condition of the country. This is only the first step. [Applause.]

[Here the gavel fell.]

(Mr. LAGUARDIA had leave to revise and extend his remarks and to include therein a brief summary of H. R. 12885, with testimony before the Senate committee.)

Before a subcommittee of the Committee on Manufactures of the United States Senate (Senators COSTIGAN, chairman, LA FOLLETTE, HATFIELD, CUTTING, and SHEPPARD).

Hearings upon "A bill to provide emergency financing facilities for unemployed workers, to relieve their distress, to increase their purchasing power and employment, and for other purposes" (S. 4947).

STATEMENT OF DONALD R. RICHBERG, COUNSEL FOR THE RAILWAY LABOR EXECUTIVES' ASSOCIATION, AND OTHER ORGANIZATIONS SUPPORTING THE BILL

This bill (S. 4947) which has been introduced by Senator COSTIGAN (and simultaneously by Representative LAGUARDIA (H. R. 12885)) undertakes to give immediately a purchasing power of from $300 to $500 to some 7,000,000 unemployed heads of families whereby they will be able to buy the necessities of life for themselves and their dependents during the next six months. It follows the lines of a bill which was recently indorsed by the Railway Labor Executives' Association. Since I had much to do with the drafting of that bill I should like to make it clear that the program for relief of unemployment and unemployment distress embodied in the bill before this committee is not the product of any one individual or any one organization. It is the product of the thought and labor of many economists, lawyers, bankers, and civic and industrial organizations which was finally translated into this bill by its official sponsors, Senator COSTIGAN and Representative LAGUARDIA.

Without committing anyone to the support of this measure, except those who formally have approved it, let me state that in my own work upon this bill I have consulted with and utilized the aid of not only the railway labor organizations and representatives of the American Federation of Labor, but also representatives of farm organizations, of the American Legion, of civic and charitable relief agencies, of the unpaid Chicago teachers, and individual leaders in finance and business, including the heads of some of the largest banks and business enterprises in this country. Therefore before discussing the details of this bill let me summarize the ideas which underlie this legislative proposal.

There is to-day general agreement upon two essential principles which are the foundation of this bill.

First, credit which is normally used to increase production should be used to increase purchasing power in this period of unprecedented business stagnation.

Second, the only remedy for unemployment is to put men to work.

In all the relief measures which have been given the serious consideration of Congress up to date are certain unhappy limitations:

1. Direct charitable relief only partly alleviates misery. It does not stop the continuing production of misery. A comprehensive national "dole," providing mere subsistence indefinitely for the unemployed would not lift us out of the depression. A partial "dole" will only serve to dull our consciences and to detour our good impulses.

2. Loans to banks, railroads, and business enterprises may delay bankruptcies and receiverships but will not increase employment or purchasing power. The values of stocks and bonds are not enhanced when a corporation goes further into debt. A bank is not made solvent by borrowing money with which to pay depositors. The loans of the Reconstruction Finance Corporation may postpone but will not prevent disaster. Other more constructive forces must be invoked to reverse the downward trend.

3. Loans for new public or private construction should stimulate employment and increase purchasing power. But the merit of such a program depends largely on its volume and its speed, which are both uncertain. A little new work, a trickle of added purchasing power, will not bring about a general business revival. And without the stimulus of a rapid, widespread improvement it will become more and more difficult to induce either public or private borrowing for new production. There can be little encouragement to launch new self-sustaining, income-producing projects when billions of capital now invested in existing enterprises are idle and profitless because of the lost purchasing power of the masses.

The statements just made summarize the difficulty of financing new employment in order to create new purchasing power. The bill before you aims at eliminating this difficulty by reversing that economic process. This bill proposes to finance a new purchasing power and thereby to create new employment. It has one supreme merit in that its primary objectives will be attained and its primary benefits will reach the masses of the people. It will positively relieve the distress of a vast majority of the unemployed. It will furnish a nation-wide insurance against privation in the coming winter. It will increase employment rapidly and provide work in the near future for a large percentage of the unemployed. We may debate over its ultimate effects, but we can not argue long over the immediate results of its enactment.

Let us summarize the bill by sections:

Sections 1, 2, 3, and 4 create a corporation known as the United States Exchange Corporation, similar in organization and method of functioning to the Reconstruction Finance Corporation but having for its purpose putting credit behind purchasing power instead of behind productive power.

The corporation will have a board of directors consisting of the Secretaries of the Treasury, Commerce, and Labor and six presidential appointees. Also there will be an advisory council representative of all interests in the principal economic activities of the Nation. We may call this corporation USEC, which initials stand not only for its official name but also for its object—United States emergency credit.

Section 5 provides that the first duty of USEC will be to make an emergency survey (within 30 days) of the existing demands upon essential industries for the necessities of life which are not being satisfied because of lack of purchasing power, in order to determine the character and volume of purchases which would result from establishing a credit of $500 each for unemployed heads of households, and the maximum increases of employment which could be produced in response to such purchasing power.

Section 6 provides that on the basis of this survey USEC will arrange through local agencies to extend credits to cover six months' necessary purchases for unemployed heads of households in amounts not exceeding $300 for an individual, plus $100 for each dependent, but not exceeding a total of $500 for each household head.

Section 7 provides that USEC will license producers, distributors, and transporters who will agree to accept its credit certificates at face value and conform to regulations concerning the terms and conditions under which purchases shall be made and goods or services produced. All purchases on credits must be made through such licensed producers, distributors, and transporters.

Section 8 provides that such licensees must agree (1) not to reduce wage scales below those effective June 1, 1932, and (2) to conform to other regulations to insure the furnishing of goods and services at reasonable prices under proper conditions.

Section 9 provides that credit will be extended to applicants signing notes for repayment on or before 10 years after date, with a low but increasing rate of interest—1 per cent first year, 2 per cent second year, 3 per cent third year, and 4 per cent thereafter.

Payments will be made for goods by such notes accompanied by corresponding credit certificates signed by local agents of USEC. Credits shall be allotted to States either in accordance with their populations or the need for relief. If the total requests for credit exceed $3,000,000,000, reductions in amounts allotted to the States will be made proportionately.

Section 10 provides that borrowers employed during the life of USEC will agree, and their employers will be required, to deduct 10 per cent of wages, to be paid to USEC until any notes of such borrowers have been paid.

Section 11 provides that USEC will be authorized to extend credits to licensed producers for the employment of additional workers to fill orders received. Credit certificates after orders have been filled, accompanied by purchasers' notes, will be honored by USEC and paid either in cash or by transfer of USEC bonds equal in value to the face value of such credit certificates.

Section 12 provides that USEC will be authorized to make loans to railroads and other essential enterprises to finance deferred maintenance of existing properties essential to supply a future demand for necessary goods or services; the amount of such loans not to exceed an aggregate of $250,000,000. This will stimulate the immediate employment of several hundred thousand men.

Section 13 provides that where State or municipal relief agencies apply for credits to meet charitable relief needs for those incapable of self-support, after the exhaustion of other sources of relief, credits may be extended upon the notes of such State or municipal bodies, if the credit facilities of USEC have not been exhausted, to the extent of not more than $250,000,000. This will provide additional funds for direct charitable relief for those incapable of self-support.

Section 14 provides that USEC will be authorized to issue notes, debentures, and bonds to the amount of not more than five times its initial capital of $500,000,000, thus providing a total revolving fund of approximately $3,000,000,000.

Section 15 provides for winding up the affairs of USEC after a period of two years.

Section 16 provides that all business of USEC shall be public business and its actions shall be public.

Section 17 authorizes USEC to employ volunteer aids, without authority to obligate the corporation.

Section 18 makes provisions similar to those in the Reconstruction Finance Corporation act for the protection of the operations of USEC from fraud or forgery and for enforcement of its regulations.

Permit me to repeat my conviction that the passage of such a bill as this will furnish a nation-wide insurance against privation in the coming winter, will increase employment rapidly, and will turn the tide of depression, restoring confidence and security to millions of American homes.

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, the debate so far on this conference report has placed the emphasis largely upon Title II of the report. I am opposed to Title II, but I do not want any one to get the idea that my opposition to the report is based entirely upon Title II. I think the other two titles in the report of the conferees are also objectionable.

Title I provides for loans or advances to the States under certain conditions.

The constitution of Michigan, for example, provides that the State can not incur any indebtedness that is not specifically authorized by the constitution. I have not had an opportunity to study the report as carefully as I would like to do, but I do not see how the governor or other officials of the State can accept from the Reconstruction Finance Corporation, as provided in Title I of this conference report, any loans or advances to be repaid with interest at the rate of 3 per cent per annum. To do so, it seems to me, would be in express contravention of the constitution of the State. I do not believe that I, as a Representative, ought to vote for a proposition which encourages the officers of my State to violate the express provisions of our State constitution. The language of our State constitution is clear and unequivocal. Article X, section 11, provides: "No scrip, certificate, or other evidence of State indebtedness shall be issued, except for such debts as are expressly authorized in this constitution."

I understand, Mr. Speaker, that there are many other States which have constitutions with somewhat similar provisions. If we are going to furnish relief to the people in this country, I am in favor of our making an outright appropriation for that purpose, to be distributed by the President or some agency set up by the President, as the necessities of the people require. I do not believe that we should force loans upon the States or encourage the States to incur indebtedness in express violation of the provisions of their constitutions.

Mr. Speaker, Title III of the bill contains the same objectionable provisions that a great many Members of the House have voted against at different times. It is the pork-barrel title. It is less objectionable than the original bill because the amount involved is less. Otherwise it is just as objectionable. It contains, among other things, an appropriation of $120,000,000 for a road-construction program which passed the House by a very narrow majority.

It would immediately unbalance the Budget that we have been trying for seven months to balance.

The limitations on the debate are such that no one can adequately express himself on this report, but the relief which the passage of it would furnish, if it accomplished everything which its most optimistic friends claim for it, would be almost infinitesimal. The passage of it, if it did anything, would only hold out false hope. It would not provide any substantial relief and would only put the Government further in debt. We can not spend ourselves into prosperity. The Government, as well as individuals, must conserve its resources in order to get out of this depression. In my judgment, there is altogether too much of a tendency to encourage the people to rely upon the Government to get them out of this depression. Our Democratic friends might well take heed of the advice of one of their distinguished leaders, the former Senator from Missouri, Mr. Reed, when he declares:

> You can not cure these ills by trying to squander public money in public buildings. You can not make the Federal Government the guardian of the people.
>
> The return of prosperity will come from the people themselves, the common people—the mass of the people.

This bill will not affect the economic conditions of the country to any great extent one way or the other. The people must depend upon themselves to a very large extent to pull themselves out of this depression. [Applause.]

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and in doing so to include a provision of the constitution of the State of Michigan, and also a very brief reference to a speech by a former Senator from Missouri, Senator Reed.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I yield four minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Speaker, a little while ago my very good friend and colleague from Illinois [Mr. RAINEY] criticized quite severely the statement of the President that the undertaking of the task imposed by Title II by the United States Government makes the Reconstruction Finance Corporation the most gigantic banking and pawnbroking business in all history. If anyone doubts the truth and propriety of that statement by the President, I suggest that he read the speech in yesterday's RECORD by our distinguished Speaker [Mr. GARNER], and read in to-day's RECORD, to-morrow, the address delivered a moment ago by the gentleman from New York [Mr. LAGUARDIA]. Their whole argument is for the proposition that this legislation opens wide the doors for loans to be made to individuals who can not get loans anywhere else, where the channels of the banks are closed. Where there is no way in the world for an individual or a corporation to get a loan, then he shall have the privilege of coming to this corporation to get it. Mr. Speaker, we are dealing here with a financial proposition; we are not dealing with sentiment or political philosophy. We are establishing an institution which will be the largest banking concern in all history, as I took occasion to say in my remarks on the original Garner bill on June 7 last. What does it mean? What is the amount of credit required for the business of the United States? On December 31 last the loans and discounts of all banks in the United States amounted to $31,600,000,000. That was a reduction of $10,500,000,000 below the same bank loans and discounts in 1929. To that amount should be added all of the enormous holdings of insurance companies, savings banks, mortgage banks, building and loan associations, and also all of the funded debts of corporations. The total deposits in banks in the United States to-day, notwithstanding our very great depression, is $46,000,000,000. We can hardly conceive the tremendous amount of business in the United States, even during these times of despair, and now we create a corporation which shall be privileged to loan funds to anybody and everybody in or out of business, to every kind of corporation, to every individual, no matter what his occupation, to every kind of industry. All of them, we say, should come to this one source in order to get credit out of the Treasury of the United States eventually. What would be the result? It would be a breaking down of the credit not only of the Reconstruction Finance Corporation but of the Government of the United States itself. Once this thing is started, where will it end?

How can a corporation created by law by the Congress of the United States discriminate against applicants for loans? A private banker can say to a man when he comes to him, "No; I can not make you the loan," because he does not like the color of his hair or because he has heard some kind of rumor about his personal habits; but when a man goes to the Reconstruction Finance Corporation he need merely point to the law and claim that the law says that the corporation must make him the loan if he can not get the loan elsewhere and that, if he can give the corporation what some people believe to be adequate security, the loan must be made. What protection is there in such a system for the Reconstruction Finance Corporation? What protection is there for the bonds which are sold by the Reconstruction Finance Corporation and which, by the way, at the present time are purchased by the Government itself?

Mr. Speaker, the unsoundness and danger of this proposition are so self-evident that well may the President, or anyone else concerned with the legislation, take every step possible to prevent its enactment into law. Talk about "government in business"! This is the largest venture into business ever contemplated by any government. It is paternalism run riot. It is subversive, not only of our political but of our economic and industrial structure as well. It is unnecessary and fraught with peril.

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from New Jersey [Mr. BACHARACH].

Mr. BACHARACH. Mr. Speaker, I propose to support this particular measure, because I find no way by which private corporations which are doing a successful business in the State of New Jersey, or anywhere else, can borrow money from the Reconstruction Finance Corporation under the present law.

We have to-day in the northern part of New Jersey, in the district represented by my colleague, Mr. SEGER, a textile concern, one of the largest of its kind in the world, now employing approximately 4,000 people, running practically on a 24-hour schedule. They want to increase their output, for which there is plenty of demand, by putting on 1,500 additional hands. It takes money to do that. The president of that concern has come to Washington and has talked with the officials of the Reconstruction Finance Corporation and to Treasury officials to find some way to keep these 5,500 people in employment.

Banks are reluctant to give the credit necessary for the expansion of this industry. This company is doing business in the "black" rather than in the "red." They have modernized their plant and equipped it with the most efficient and up-to-date machinery on the market, but there is no way by which they, or other industries and corporations, can expand and put on additional help unless we pass this bill or a similar measure which will permit the Reconstruction Finance Corporation to make loans to private corporations.

The proposition in this bill about which much confusion has arisen is the question of adequate security for loans, and yet throughout the whole measure there is the requirement that there must be adequate security for all loans made.

Members here in the House talk about the Government making loans on automobiles and watches; whether or not such loans would be made would be entirely up to the officials of the Reconstruction Corporation; and does anyone think for a moment that they would loan to any individual a small sum of money simply because one applied for it? It would take so long to get such a loan approved that the applicant would either be dead or would have gotten disgusted and arranged for a loan of that kind from some other source.

What I tried to have the conferees do yesterday at our last meeting was to provide that loans could be made to corporations, and so forth, for the purpose of extending and continuing employment in industry. The question of security for such loans was raised, and, of course, we who were in favor of such loans agreed that there should be adequate security required.

I realize, and I think everyone realizes, that the unemployment situation requires immediate relief. Yet a corporation like the one to which I have previously referred, a responsible concern, of which one of our former colleagues, a responsible business man and the president of a bank in New Jersey, is a director, can not get a 5-cent piece from the Reconstruction Finance Corporation unless you vote the relief carried in this bill.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BACHARACH. I yield.

Mr. STRONG of Kansas. The very statement the gentleman has made, that these loans must be made on adequate security, denies the statement that they will loan money to everybody?

Mr. BACHARACH. Of course it does. Now, let me read what is in dispute. Section 5 is the only matter with reference to which the executive department, the conferees, and the Speaker of the House are not in agreement. Section 5 provides—

> To aid in financing agriculture, commerce, industry, and housing, including facilitating the exporation of agricultural and other products, and to assist in the relief of unemployment. The corporation is authorized and empowered to make loans upon such terms and conditions, not inconsistent with this act, as it may determine, to any person when, in the opinion of the board of directors of the corporation, such person is unable to obtain funds upon reasonable terms through banking channels—

And so forth.

The point I want to make is that a loan can only be made upon adequate security, and applicants must first exhaust their resources at home.

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, practically every speaker who has taken the floor for or against this relief bill has emphasized the fact that it throws the doors of the Federal Treasury wide open to everybody who has collateral of any kind for a loan or a raid on our already overtaxed financial institutions; but notwithstanding the repeated assertions of the Democratic leader of the House and his conferees that Chicago's distressed condition would be cared for with all other corporations and individuals, we find the bill utterly inadequate of caring for our most pressing needs and giving our school-teachers and other city employees not the slightest relief.

The bill provides for $300,000,000 to be expended or loaned for general relief throughout the United States, of which amount the State of Illinois may obtain a maximum of $45,000,000. There is not a dollar carried in the bill for the unpaid salaries of school-teachers nor is there a dollar carried in the bill for future salaries excepting such amounts as may be taken from the $45,000,000 for this purpose, and even that is questionable.

Chicago could borrow unlimited funds for the construction of self-liquidating projects, such as toll bridges, tunnels, and so forth. It might also borrow on new building construction which is regularly authorized by the city council. Both of those directions are away off in the distance and of no immediate value to our grief-stricken city. I doubt if any city in the world could go through with the distress, hunger, and unusual tax problems that Chicago has without being overrun by communism and anarchy, and yet Chicago stands proud and courageous through all of its trials, feeling that sooner or later the Federal Government will come to its rescue.

Chicago is the only city in the world that is legally restrained from collecting $250,000,000 in back taxes. Just think of it—a city being restrained legally from collecting $250,000,000 of its outstanding taxes. They will be collected in March of 1933 and not before. Just imagine if you can, my good friend, a situation where 14,000 school-teachers are actually carrying the city of Chicago for more than $19,000,000 of back salaries. Stretch your imagination a little further and visualize city employees in any world's metropolis carrying their city for back salaries amounting to practically $53,000,000.

Mr. Speaker, this unusual condition is not due to political mismanagement, corruption, or incapacity to govern. It is due to a legal tax tangle over which those most concerned are not to blame, and until our supreme court renders its decision in August of this year we can not proceed with the levying of our back taxes, which, as I have already indicated, will be collectible next year.

Mr. Speaker, I am sorry that the House leaders have seen fit to bring in this report with the motion that it be either voted up or down without amendment. This bill carrying billions in money, as well as untold happiness or distress, is much too serious a piece of legislation to pass under limited debate and with no opportunity for amendment, and I predict that unless it is amended in the Senate to care for Chicago's just needs it will be immediately vetoed by President Hoover and returned to the House for further action. The stubbornness displayed by Vice Presidential Candidate GARNER in his persistence to write article No. 2 of the bill in its present form is a sad commentary not only upon his statesmanship but upon his refusal to understand Chicago's needs, as well as Chicago's ability to pay back any loan to which it attaches its signature.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. GOLDSBOROUGH. The gentleman was before the Committee on Banking and Currency. The evidence showed that the city of Chicago had sold more tax warrants than the tax would amount to if it was collected.

Mr. BRITTEN. The gentleman is 100 per cent wrong.

Mr. GOLDSBOROUGH. That was the evidence.

Mr. BRITTEN. Well, the gentleman does not know what he is talking about. I do not have time to yield further.

Mr. Speaker, the presence of Chicago's officials, legislators, bankers, and business men in Washington a few days ago came as a thunderbolt to the ears of Capitol Hill, and if there was any thought in the minds of Members of Congress that an adjournment might be had prior to the enactment of relief legislation it must have been accompanied with another thought that no adjournment could be taken before Chicago's distress had been given real serious consideration. Chicago's case is unique among the distressed cities of the United States in that it has its general relief and unemployment problem with six or seven hundred thousand hungry souls within its borders who can not be left by a great rich Government like ours to actually starve in the streets. Then Chicago has its own almost impossible tax-collecting legal barriers which make it impossible for the city to pay its thousands of employees who, according to all rules of definition, are actually employed, but who, in fact, are worse off than the unemployed because they are working without pay.

Washington was impressed with the fact that Chicago was rich in good collateral upon which, under ordinary circumstances, millions could be borrowed, but which securities the banks to-day frown upon because they are not as liquid as some other collateral which the banks are holding and which may be disposed of at once, even at a sacrifice.

It sounds strange, yet Chicago truly is one of the largest and richest cities in the world and at the same time, because of circumstances over which neither the mayor nor the Chicago City Council had the slightest control, this great world metropolis is unable to pay its school-teachers and other regular employees. The Committee on Banking and Currency of the House was intensely interested in the sincere, impassioned appeal made by Mayor Cermak who repeatedly exchanged rapid-fire debate with various members of the committee who did their best to pick a flaw or a weakness in Chicago's position, but without avail because Cermak not only held his own but convinced the committee and the packed committee room that Chicago is suffering as is no other city in the world to-day. For God's sake help Chicago care for itself. It is not a matter of poor political administration. It is a matter of law. Chicago can not live under existing conditions unless it gets some help from this bill. I shall vote against this bill because it does nothing for the big cities like Chicago.

Mr. SABATH. Does the gentleman say that under Title II of this bill the city of Chicago is not aided?

Mr. BRITTEN. Yes, I do, excepting as I have already indicated. The gentleman does not know what is in the bill.

Mr. SABATH. Then the gentleman is wrong, in his ignorance of what the bill provides.

Mr. BRITTEN. Mr. Speaker, under ordinary circumstances, the city of Chicago should have no trouble whatever in borrowing $75,000,000 with which to pay the overdue salaries of public-school teachers and other city employees, but these are not ordinary times and the largest bankers are themselves quite seriously concerned regarding the stability of their own banks to go through this world crisis without serious trouble and they are accordingly making only such loans as are commensurate with sound banking practice under these circumstances. Mayor Cermak has telegraphed me that his city has tax warrants and other municipal securities available with a borrowing power up to $300,000,000 without impairing the city's financial stability under ordinary circumstances. I personally believe the municipal water works alone are worth a billion dollars.

Mr. Speaker, in the world's history of education there is no parallel to the heroic, self-sacrificing attitude of the Chicago school-teachers in their patriotic devotion to their duty at a time when strong men and women are falling by

the wayside for want of food and shelter that will barely keep the body and soul alive.

I regard the education of the youth as a national problem and in no sense local. Youngsters being educated to-day in Chicago will ultimately find their way into the walks of life of most States of the Union and their proper education now assures a great future national asset.

No one realizes this better than the school-teachers themselves who in many instances have lost their homes, their small savings accounts, their purchasing credit in their home community, and whose very clothing is in sad need of repair. They have tenaciously persisted in carrying on so that the school boy and girl who is entirely unconscious of the terrible fight that is now going on between actual poverty and a bare living might still receive their education as in normal times.

Mr. Speaker, it is true that Chicago has her problems of distress just as Detroit, Pittsburgh, New York, and other great manufacturing centers have, but in addition to that more or less universal condition, Chicago has the Insull failures, the bank failures, and is the only city in the world which is legally restrained from collecting its back taxes. If it were not for the impossible tax tangle, Chicago's financial budget would be balanced, our school-teachers and other county employees would have been paid in full, and the added horrors of the world depression would not have been known in Chicago.

If our fair city could overnight collect the $250,000,000 back taxes due and payable at this moment, we certainly would be sitting on top of the world in comparison with the other great metropolitan centers.

A Federal loan of $75,000,000, secured by as good Chicago collateral as is in the possession of any bank in the United States, has been my aim, and I shall leave nothing undone to bring this about. It has repeatedly been said under the big dome on Capitol Hill that Chicago is the heart of the Nation. The work of this session of Congress can not be concluded without a cash tonic from the Federal Treasury which will keep that heart throbbing and invigorating to the Nation until its normalcy has been attained through the natural collection of its taxes and other corporate funds now long past due.

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Speaker, once in every generation a completely fake political issue is presented to the voters of the United States, and this, the so-called Garner, popular money-loaning plan, which will not loan money, is one of those times. This is purely and simply an attempt to get votes for the Democratic Party by subterfuge and demagoguery, and it can not be anything else. Translating it concretely, in my own State of South Dakota there will be some speakers tearing around that State and the entire Northwest next October telling the people out there who have mortgages on their farms and telling each man who owns a few head of cattle or sheep and has a mortgage on them, that he could have received a loan on his farm, his cattle, or his sheep, or his hogs, chickens, or wheat from the Reconstruction Finance Corporation if it had not been for President Hoover and the Republican Party. These speakers, loud speakers, will vociferate that if the Speaker of the House and the Democrats had had their way, each citizen could secure a loan. Everybody knows that is just bunk and demagoguery. I have enough confidence in the people of the United States to believe that you can not fool them with this kind of talk or this type of fake legislative bait. Every time any group, party, or class has tried to bunko the people of the United States with smart demagoguery or appeal to class, it has found that it could not be done. I know that right on the floor of this House now there are some members of the Democratic Party who know that this legislative faking should not be tolerated just as well as I know it. I know they are handicapped in expressing themselves, because a party political issue has been made of this law by their leaders. I can not think there are many of them who are responsible citizens who will go out and tell these poor stock raisers, farmers who could not have been helped under this law in any event, that the Garner plan would allow them to borrow any money.

The only people it could possibly help would be those who happen to have land clear of mortgages. It can not help the man already in debt. If a man happened to have a few shares of some stock clear of incumbrance that had some value, he might have borrowed money under this provision; but the man who does not have it clear could not have been helped in any way.

I am stating the facts right at this time of the passage of the law so that the people of this United States will know that this alleged relief proposed by the Garner plan is pure bunk and that it is demagoguery; that it would not have helped anyone, and that it was not intended to help anyone, except Democratic political candidates next November. As one great Senator expressed it, "The difference between Hoover and Garner is that Hoover knows that if the Garner plan is adopted there will be 10,000 voters sitting on the White House steps trying to borrow money, but who, under the law, can not do it; while GARNER hopes there will be a million of them sitting there in that fix."

When November rolls around I am confident it will be shown that you can not fool the common, every-day, ordinary citizen of these United States by this sort of tricky political procedure. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. TREADWAY. Mr. Speaker, I yield seven minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, shades of Andrew Jackson are falling unnoticed and neglected to-day on the Democratic side. His heroic fight against the Second United States Bank, with its train of ill consequences to the people of the country if a national bank should be all controlling in the Nation's finances, is apparently forgotten by the latter-day saints of the Democratic Party.

Yea, more! The policy of Woodrow Wilson is forgotten by the Democratic side to-day, for under the War Finance Corporation that was created during war times no such latitude for discounting the paper or for making loans to banks and individuals was contemplated or effected as is now proposed. Only in the emergency that the banks would not extend credit to the individual upon reasonable terms, and then only when it was to be used for war purposes, was money to be loaned to individuals under the War Finance Corporation act. Here is the language. I have it before me as I speak. The War Finance Corporation was for the purpose of coming to the relief of banks, bankers, and trust companies on furnishing adequate security. Only in the exception where the bank could not come to the relief of an individual was any loan recognized, and then only for war purposes.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. STAFFORD. Please excuse me. I have been granted three minutes less time than I asked for.

Further, under the law creating the War Finance Corporation it could not make a loan except at 1 per cent higher than the prevailing discount rates. Under the Reconstruction Finance Corporation there is no such limit, and to-day even under its operation we find building and loan associations and insurance companies who have obtained credit from national banks seeking loans from the Reconstruction Finance Corporation for the sole purpose of getting the money for 5½ per cent, when they were paying 6 per cent and more to the local banks for the same line of credit.

Yea, more! The fundamental question in this debate is whether the banks are functioning. Are banks merely for the purpose of taking capital and holding it in their vaults, or is the money placed in their hands for the purpose of being loaned out? No bank can make money by hoarding its capital and refusing to perform its legitimate function of loaning to customers and extending credit.

Establish this multiple-headed monster of a national superbank and you immediately come in competition with the 20,000 banks scattered over the country.

The bill as originally drawn, and as supported by the distinguished leader of the majority, the gentleman from Illi-

nois [Mr. RAINEY], in his adverse report on the payment of the balance owing on the adjusted-compensation certificates was based upon the idea of extending loans to certain banks and established institutions for certain special purposes. Why, the act was for emergency relief, and expressly bans in section 5 any loan for any activity not theretofore set on foot.

Did he claim in that report that there was any discrimination in its operation? No. The first report of the finance corporation, on April 1, shows that more money was loaned to small banks in the Western States than to the big banks. In Iowa 91 banks received aid. In Missouri 41 banks received aid, whereas in New York State only 27 received aid, and in Wisconsin only one.

Now, the National Government is going to set up this bank to run counter and in competition to the established banking institutions of the country.

Do you by this vote mean to say the banks are not properly functioning?

Are you going to allow favoritism to run wild in the distribution of these loan favors to individuals?

The distribution of bureaucratic favors during the Government operation of the railroads during the war almost became a national scandal.

Can you imagine such a huge bureaucracy as would be necessitated by a provision authorizing loans to individuals the country over?

The supporters of the bill say the loans would have to be made upon adequate security. Adequate security, not assuredly safeguarded as in the Wilson War Finance Corporation act which I supported and defended on the floor of the House. That act prescribed the percentage of the value of the security. No such protecting clause is in this act. The loans under the War Finance Corporation were to banks and trust companies and the like, not to individuals except in rare emergencies.

Oh, it is popular talk to say you want to establish a superbank to grant loans to everybody, but it is impossible unless you are going to desert the fundamental precepts of Andrew Jackson, in opposition to a centralized bank, and against bureaucratic government. That is all that this means.

Why, as shown by the report of the majority leader, the gentleman from Illinois [Mr. RAINEY], on the bonus bill up to the date of April 12, 1,520 banks had received aid from the Reconstruction Finance Corporation, 69 per cent of which were in cities of less than 5,000 population. Twenty-three per cent of the loans granted to banks were to banks in cities of less than 10,000 population; and 68 per cent, over two-thirds of the amount loaned, was in towns and cities of less than 200,000 population, and yet they ring the changes on the fact that you loan money to railroads, which up to April 19 aggregated $77,500,000 to 20 companies, but in every instance those loans to railroads have been only one-half of what the banks have advanced, and all supervised and supported by the approval of the Interstate Commerce Commission. And 98 building and loan associations throughout the country have received $17,326,000, and 28 insurance companies have received $11,952,000.

Mr. SABATH. Will the gentleman yield?

Mr. STAFFORD. Yes; I yield to the gentleman from Illinois.

Mr. SABATH. Will the gentleman tell us the amount of money these 1,650 banks received?

Mr. STAFFORD. The corporation's report shows that on March 31, 858 banks and trust companies had received $119,167,000, and that there had been authorized $32,590,000 additional to banks throughout the country. That on April 19, 1,757 institutions, in all, had received loans totaling $285,456,000, of which $11,384,000 had been repaid by the borrowing institutions. And I wish to emphasize the fact that there has been no discrimination against the small banks, and no one can say there has been. Does the gentleman say there has been? I say no. Every small bank in the country which has had proper security got relief. Every building and loan association which has had property security has got relief, and everyone admits that the Reconstruction Finance Corporation has been a life-saver.

Now, the Senate bill backed by Senator WAGNER and the Democratic Senators was acceptable to the President, so far as the provisions of Title II were concerned. It provided that loans should be made to self-liquidating corporations. That spelled industrial revival, loans to going businesses giving employment to the people. The President is in harmony with your Democratic Senators on this proposition. He is not in harmony with the socialistic principle—popular, I will grant you—that every person who has any kind of security can go to the National Treasury and get a loan. This is socialistic in the extreme, populistic, approaching sovietism. [Applause.]

[Here the gavel fell.]

Mr. DICKINSON. Mr. Speaker, I yield one minute to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in support of the conference report, and also upon House Joint Resolution 460, introduced by myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I am supporting this conference report, signed by eight out of nine conferees, regardless of party affiliation. Now comes the President, smashing constitutional precedent, gets a copy of the report before it is filed, and exerts all the powerful influence of his office to change the report. Shades of Andrew Jackson, Grover Cleveland, and Woodrow Wilson! They often wielded the veto ax, but always let Congress act on its responsibility, and then they, as Presidents, did not fear to act on their own responsibility. Such power as President Hoover seeks to exert, if exercised by a powerful dominating personality in the White House, might prove dangerous, if not disastrous, to our constitutional liberty. Let the White House keep hands off until Congress sends the bill to the President, and then let him act according to his conscience.

The issue now presented between the President and Congress over the Garner-Wagner relief bill has more than academic interest to my constituents in South Carolina. It has a vital, matter-of-fact, bread-and-butter interest to them. Three hundred thousand people in South Carolina are directly and indirectly dependent upon the cotton textile industry for a living. For two years the mills have been compelled gradually to reduce production, to discharge laborers, to reduce wages. The mill managements have made a noble effort to keep them running. Many mills have consumed large cash surpluses in running at a loss to give employment to faithful, loyal, dependent employees. Doubtless many mills have gone deeply in debt for the same purpose. But now many mills have been forced to close down entirely, at least for the summer.

Nobody in South Carolina is asking the Federal Government, or any government, to dish out a dole. All we ask is a chance to work and earn a bare living until this blight of Republican two-chickens-in-the-pot variety of prosperity shall pass away. The only hope "around the corner" is to keep the Republicans in the "corner," which they have backed themselves into, till we pass the "corner" of the November election, and then we will meet Roosevelt and GARNER turning the "corner" of March 4, 1933, and then Democratic fair play and equal opportunity will once more prevail in America.

No, Mr. Speaker, we are not asking for a dole, but we are demanding a chance to work. Your bill, the Garner-Wagner bill, proposes that the Reconstruction Finance Corporation shall have power to finance all industries, such as cotton mills, that keep people employed. What if it does seem a bad loan from a strict banking viewpoint? Better a bad loan than a bad dole. These people, our people, in all industries, all over America, must eat to live. Surely the President, who led the merciful hearts of America to feed the starving women and children of Belgium, and later of

Germany and Russia, and other European countries, would not do less for the men and women and children of America. I know he would not. But there is a serious conflict of judgment as to how to relieve America's unemployed.

The President wants to confine direct Federal aid to the big corporations, railroads, banks, and insurance companies, in the hope and belief that they will let a few crumbs drop to the unfortunate fellow below the table. On the other hand, we who favor the Garner-Wagner bill, as agreed to in conference by Democrats and Republicans, insist that all persons and corporations employing laborers shall have the right to borrow money to operate on, if they can satisfy the Reconstruction Finance Corporation of the adequacy of the security offered. Is there anything unfair, unsound, or unwise in that proposition? This talk of setting up a big "pawnbroker's shop" to lend money on Ford cars and household goods and chattels is begging the question. I do not believe that Herbert Hoover himself chose that language. I believe another formulated those unfair phrases for him. It is the last resort of a desperate, defeated, but defiant group. We invoke the calm judgment of the American people upon this clear-cut issue.

Yes, our people must have food and fuel. They shall have it. They will have it. Now, how can they get it? The Garner-Wagner bill would give them a chance to earn their bread. Better run the risk of making some bad loans than face a hungry, outraged, enraged people. All admit the issue is a chance to work, or riots next winter. That means it is bread or blood. When the French queen rode in luxury through the streets of Paris, and the poor people screamed into her ears, "Give us bread," she said to her ladies in waiting, "If they have no bread, why do not they eat cake?" Desperate, hungry people will take cake. Whose cake will they take? All who love America and her orderly constitutional system of free government, should quickly ally themselves with the Garner-Wagner bill. This way is bread. This way is safety. This way will preserve our competitive capitalistic system. This way will protect civilization. It is no mere man-of-straw issue between political parties. It is a desperate struggle, perhaps even a death grapple, between selfish, greedy monopoly of our economic forces and resources, on President Hoover's side, and the fair, impartial, humane exercise of the powers and money of the people, on the side of those who support the Garner-Wagner conference report. Let no man mistake this issue. It is not a temporary controversy. It is an age-old conflict. It comes down to us from all history. We will transmit it to our children, and they, too, must carry on this fight for humanity.

Freedom's battle, once begun,
Bequeathed from bleeding sire to son,
Though baffled oft, is ever won.

The heart throbs of all humanity are felt in this conflict. I want to preserve the institutions our fathers set up, after winning freedom at Bunker Hill, Valley Forge, Kings Mountain, Yorktown, and a hundred other blood-bought victories. We must not grow weary in this never-ending fight with selfish privilege, lest we prove disloyal to the spirits of Jefferson and Jackson, of Cleveland and Wilson, and millions of men and women, living and dead, who fixed their faith upon those champions of free and fair government. Though the contest at times seems unequal, and though the people are oft and easily deceived against their own interests by costly and cunning propaganda, yet we must continue to carry on. The eternal forces of progress are pulling with us. God and his truth are on the side of men. For 12 long years selfish, predatory groups have played upon the passions and prejudices of the people, while they preyed upon the rich resources of the whole Nation. It certainly has been discouraging. But the light of a better day is dawning.

Truth forever on the scaffold, wrong forever on the throne,
Yet that scaffold sways the future, and, behind the dim unknown,
Standeth God within the shadow, keeping watch above His own.

The heart of humanity, out of its weltering strife with hunger and despair, cries up to us to carry on their fight with confidence and courage. They shall not cry to us in vain. But for added strength we cry up to the Power that rules men and nations, paraphrasing an old English poem:

When wilt thou save the people,
O God of mercy, when?
Not gold and bonds, but people,
Not corporate things, but men.
Precious in thy sight are they;
Let them not pass like grass away;
Let them live, who work and fight and pay.
God save the people!

This, then, Mr. Speaker, shall be our battle cry. Let all the people see these sharp-drawn battle lines. To our side we summon all forward-looking men. We call for volunteers in a mighty missionary movement to save our fellow Americans, and thus to save America herself. God helping us, under true and tried leadership we will not fail the people who put their trust in us.

When ultraconservatives, apostles of the oxcart age, prate about lack of precedent and fear to meet an unusual situation with an unusual remedy, timidly comforting their souls by repeating, "It was never thus before," we answer:

New occasions teach new duties;
Time makes ancient good uncouth.

When these reactionaries claim that these periodic panics result from inexorable economic laws, and that thus Providence and nature both have combined to decree that the people shall be periodically skinned coming and going, both in prosperity and in adversity, and when they assert that man by no forethought can escape from the clutches of such destiny and doom, then we proclaim as our faith and prayer:

Wherever man oppresses man,
Beneath Thy liberal sun,
O God be there, Thine arm made bare,
Thy righteous will be done.

RESCUE AMERICA BY ADEQUATE RELIEF MEASURES—TIME TO COOPERATE AND STOP "BUCK PASSING"

Mr. Speaker, there are some people in Washington that do not realize the widespread heart-rending emergency now facing our country. They sit in their seeming safety and smug complacency and let affairs take their own course, piously hoping all will end well. Some of these folks are horseracking in Rock Creek Park when millions are walking the highways in search of bread. They think they are wise and strong and secure. But the truly wise man carries his umbrella when he sees a cloud rising. I greatly fear, but hope I am overanxious, that before another winter is past some of these grandees will be scuttling down to a storm cellar or cyclone pit. Some of them are officers of our Government, with lifetime jobs at good pay, with old-age and disability retirement priviliges, including hospitals, doctors, nurses, dentists, and medicines.

Mr. Speaker, in view of this nation-wide panic, I lay upon my sick bed last summer thinking and planning some way for all our agencies of Government to cooperate in a volunteer spirit to avert suffering and starving of men, women, and children. Greater than any bodily suffering for a father and husband, greater than the pangs of gnawing hunger itself, is the mental worry, distress, and anxiety of such father and husband as he realizes his helplessness to succor and save his wife and children. No wonder there is a red stain of suicide all over this once happy land. While sick I worked out the plan which I later drafted into a joint resolution (H. J. Res. 60) and introduced it on December 8, 1931. This joint resolution sought to set up a national emergency board to do some of the things later vested in the Reconstruction Finance Corporation. But more. It proposed some of the chief features of the pending Garner-Wagner relief bill. We have waited seven months for the President to get interested in genuine relief legislation. If Speaker GARNER, God bless him, had not gotten busy and pushed his relief bill through the House and cooperated with Senator WAGNER to get those two bills into conference, the President seemingly would have been glad to see Congress adjourn, so he could pull off the congressional "hair shirt" and fish once more in contentment. But these great Democrats, GARNER and WAGNER, are more than partisans; they are patriots, and they are trying to save our people from

starving, and thus trying to save our Government and preserve its blessings of freedom for posterity.

Now that the President has had to confront the situation that the Garner-Wagner bill is about to pass, he suddenly becomes intensely interested in relief legislation, and says Congress shall not adjourn until relief legislation is passed. Some person, I forget who, pretending to speak for the President, says if Congress adjourns without enacting relief laws he will immediately call Congress into extraordinary session in order to compel it to pass such relief measures. I do not believe the President need worry. I hope and believe Congress will not adjourn until it gives the President a chance to veto proper relief bills, including the Goldsborough bill, providing for expansion of currency and credit, so as to raise commodity prices and thus give the farmer, laborer, and business man a chance to live and get out of debt, which will stop banks from failing, will stop bankruptcy for merchants, will mean a better day for doctors, dentists, lawyers, teachers, preachers, and every class of people in our land. Why will not the Republican Senate pass the Goldsborough bill? Why would not the President sign it, even if the Republican Senate passed it? I think I know, but you know also, Mr. Speaker, and every Member of Congress knows, so it is useless to explain it here and now.

Mr. Speaker, I was sorely disappointed in the anticipated benefits of the Reconstruction Finance Corporation. Of course, it has done some good in saving banks and insurance companies from failing. But I thought it would check unemployment. Most of the money seems to have gone to railroads, and then into big banks. Even if a railroad had to go into the hands of a receiver, its trains would still run, and its employees receive their wages. But I wanted our industries of all sorts, and especially our cotton mills, to be helped, so they could continue to operate and thus give employment to our people. About 300,000 people in South Carolina are directly and indirectly dependent on the full-time operation of our cotton factories. But under the terms of the Reconstruction Finance Corporation act, cotton mills and other industries could not borrow, but some big bank, or mortgage company, would have to borrow for the cotton mill. Our banks are doing their best, but can not now extend their lines of credit. Our South Carolina bankers have made and are making a brave fight.

So, in order to try to relieve our cotton textile industry, I introduced, on May 17, 1932, a bill (H. R. 12125) to amend Reconstruction Finance Corporation law and direct it to lend aid to any industry where by so doing it would prevent further unemployment and stabilize business conditions. That is now substantially in the Garner-Wagner bill. And the very next day, on May 18, I introduced H. R. 12143, to further amend the Reconstruction Finance Corporation law by conferring upon its board the ample powers proposed in my House Joint Resolution 60, introduced on December 8, 1931, so the Reconstruction Finance Corporation would be, in effect, a national emergency board, with power to save our people from suffering, starving, and dying. I appeared before the Reconstruction Finance Corporation board in behalf of a large group of mills, employing hundreds of persons, and begged that the spirit and purpose of the law rather than its mere letter be fulfilled.

I am supporting the conference report on the Garner-Wagner bill as the only hope of our people for relief. It would stop further unemployment and we hope would reduce existing unemployment. By making possible the extension of our suburban sewer system it would give employment to hundreds of laborers. By making possible the building of a new post office and courthouse it would set free nearly one-half million dollars to carpenters, masons, and material men. By allocating to South Carolina about $5,000,000 for road construction it would give employment to thousands of people, because 86 per cent of road construction is ultimately labor.

Finally, in my efforts to give relief to our distressed people, and especially looking forward to the greater distress of next winter, I introduced House Joint Resolution 460, and I here insert a copy of same:

[House Joint Resolution 460, Seventy-second Congress, first session]

Joint resolution to authorize the use of the supplies and equipment of the Army of the United States in furnishing relief and in assisting to administer relief to former soldiers, sailors, and marines, and to citizens of the United States, and for other purposes

Resolved, etc., That the President of the United States is hereby authorized and directed to employ the Army of the United States, or any part thereof, to administer relief to suffering citizens of the United States, or to cooperate with the American Red Cross Society, or with any other relief organization, or with the officers and agents of any State or political subdivision thereof, to employ any Army stores of food, and clothing, and fuel, and any Army trucks, kitchens, tents, ambulances, medical personnel, medicines, and other equipment or supplies of any and all description, to relieve suffering and disease during the existence of the present economic emergency, and that appropriations for the reimbursement of any and all supplies so consumed are hereby authorized.

SEC. 2. The President of the United States is hereby authorized and empowered to create a national emergency board, to consist of the Secretary of War, the Secretary of Labor, and three non-office-holding citizens of the United States, and shall appoint one of such citizens as chairman of said board, and such chairman shall exercise, after consultation with the board, all such powers and prerogatives as the President shall by proclamation delegate to the said board. No salaries shall be paid to any member or members of said board, but only actual expenses of travel and subsistence, and all necessary clerical and administrative personnel shall be supplied from the War Department.

SEC. 3. That martial law shall not be declared at any time or at any place without the previous specific authority of Congress, and in no event shall military force be employed except to enforce the statutory laws of the United States and to prevent insurrection or suppress rebellion against such law and to repel invasion by any foreign foe.

SEC. 4. That the President of the United States shall have the power, on account of the existing economic emergency growing out of the fact that millions of men are unemployed and that tens of millions of persons are in economic distress, to commandeer and to take immediate possession of any food or fuel, or the source of any food or fuel, to be used to prevent suffering among the citizens of the United States; and the President shall have power to take and commandeer any agency or instrumentality of interstate commerce for the purpose of transporting all such food and fuel to places where they are most needed in order that suffering may be minimized and unnecessary death prevented.

SEC. 5. That all such food and fuel so commandeered, and all other supplies taken over, such as medicines, clothing, building materials, etc., and the use of all such transportation facilities so taken over or employed, shall be subsequently paid for out of appropriations hereafter to be made by Congress and hereby authorized, and such payment shall be at the fair and reasonable market value thereof at the time and place of such taking or of such use.

SEC. 6. That said national emergency board, by and through its chairman, shall have power to control priorities of shipments over any of the agents and instrumentalities of interstate commerce in order more quickly to relieve suffering and disease and to prevent profiteering and to bring about at the earliest possible date the normal and usual activity in the channels of trade and commerce throughout the Nation.

SEC. 7. Any honorably discharged soldier, sailor, or marine may, upon complying with the reasonable rules and regulations promulgated by the Secretary of War regarding same, apply at any Army post, fort, or camp where troops are garrisoned and receive subsistence and shelter and medical attention, and for shelter all available space in the barracks and hallways thereof shall be used and, when necessary, vacant space in warehouses, in unoccupied barns and stables, and in all other unused or partially unused houses; and appropriations to reimburse the War Department for all expense of carrying out the provisions of this act are hereby authorized in any deficiency appropriation act.

SEC. 8. That all legal force and effect of this act shall expire at the end of one year from the date of the enactment thereof.

At the hearing on same, before the Committee on Military Affairs, the following proceedings were had:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Thursday, July 7, 1932.

The committee met at 10 o'clock a. m., Hon. JOHN J. MCSWAIN (chairman) presiding.

The CHAIRMAN. This hearing was set for 10 o'clock to-day, July 7, 1932, on House Joint Resolution 460.

Is there a representative of the War Department present?

[There was no response.]

Is there anybody here representing any other department or organization who wishes to be heard?

[There was no response.]

Is there anybody who wants to be heard this morning, or anybody who wishes to make a statement to the committee?

[There was no response.]

On yesterday morning, July 6, at about 11 o'clock, I sent by special delivery to the Secretary of War, a letter, of which the following is a copy:

JULY 6, 1932.

Hon. PATRICK J. HURLEY,
Secretary of War, War Department, Washington, D. C.

MY DEAR MR. SECRETARY: I have set a hearing for to-morrow on House Joint Resolution 460, introduced by myself, of which copy is inclosed, beginning at 10 o'clock a. m. in the committee room, and in executive session.

I sincerely hope that you will be present and that you bring Chief of Staff, Quartermaster General, and any other officer you see fit. If you can not come in person, would respectfully suggest that you send one of the Assistant Secretaries of War.

I think it is very important that we provide against a possible extreme emergency, and now is the time to do it.

With great respect I am, yours very truly,

J. J. MCSWAIN.

I am this morning in receipt of a letter in reply to the above letter, dated July 6, 1932, which I am informed was delivered at my office by special messenger about 6 o'clock yesterday afternoon. That letter will be inserted in the RECORD at this point.

The letter referred to is as follows:

WAR DEPARTMENT,
Washington, D. C., July 6, 1932.

Hon. JOHN J. MCSWAIN,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I have your letter of July 6, with reference to House Joint Resolution 460. This resolution is similar in general purport to those dealt with in the letter of June 25 of the Acting Secretary of War. There is, moreover, the added objection to House Joint Resolution 460 that it is violative, in certain particulars, of the Constitution of the United States. The War Department, therefore, reiterates the opinions and conclusions of the letter of June 25.

Very truly yours,

PATRICK J. HURLEY,
Secretary of War.

As the author of this House joint resolution I desire to make a statement:

Our Nation is in the midst of a great emergency. The War Department has, in the event of local emergencies, rendered valuable service throughout our history. In the event of floods, storms, earthquakes, and fires the War Department has gone promptly to the relief of humanity with tentage, supplies, medical personnel, medicines, and attendants. The condition now confronting the country is analagous in many respects to the local emergencies above referred to. It seems to me that, as a matter of common sense, since we have a great organization that is costing us over $300,000,000 a year while engaged in its peace-time training activities, its mission can not be seriously interrupted by diverting the use of the agencies of the War Department from its ordinary training activities to the bringing of relief to the tens of millions of people now in distress and sure to be in much greater distress for the lack of food, fuel, clothing, and shelter during the next winter. It seems but common sense that this great organization, with its enormous equipment, should be employed in this nation-wide emergency to assist the States, municipalities, the American Red Cross Society, the Salvation Army, the Volunteers of America, and every other organization having as its mission and object the relief of distress among human beings. Therefore, under the general head of assisting the people of the Nation generally, I have considered the use of War Department personnel, instrumentalities, agencies, and supplies for the relief of suffering people generally.

Under section 7 a different kind of relief is contemplated, to wit, that any dishonorably discharged sailor, soldier, or marine may apply at any Army post, and by submitting to reasonable rules and regulations, to be promulgated by the Secretary of War himself, have food and shelter; and if there be no space available in the barracks or hallways of the barracks or attics of the barracks, that space in warehouses, barns, or stables be employed to protect the honorably discharged soldiers, sailors, and marines of the United States from sleet, snow, and rain during the cold weather. It seems to me that any honorably discharged soldier, sailor, or marine able to work and anxious to work but unable to find employment, and suffering hunger, would not feel right toward his Government to see peace-time soldiers who have enlisted since the war having an abundance of beef, bacon, beans, bread, and every other good thing to eat, while he, a veteran of actual warfare, is standing on the outside, looking on with longing and hunger.

I understand that it is costing the Government to feed her peace-time soldiers about 31 cents per day, and it will cost no more than that to feed these hungry honorably discharged soldiers per day. The President should have at least $100,000,000 at his disposal when the relief bill shall have been passed for the administration of relief. He can employ that in any way he sees fit; but if he does not feel that he should employ it in buying additional subsistence, rations, etc., for the honorably discharged soldiers of the United States, there is authority here that in the next deficiency appropriation bill the War Department can have its expenditures on that account recouped; and I was told by Chairman BYRNS, of the Appropriations Committee, that, so far as he was personally concerned, he would gladly sponsor an appropriation for that purpose.

Now, these Army posts are distributed all over the United States, and those hungry and sick soldiers near by each post can go to that station and have their bread and shelter provided, which would take that much load off the States, off the local communities, and off the Red Cross. In that way the personnel would be so distributed that the danger from mob psychology would be largely eliminated, and certainly the regulations to be promulgated by the Secretary of War can prescribe that no larger number of those honorably discharged soldiers, sailors, or marines shall be received at any post for subsistence and care than the garrison itself amounts to, and therefore surely the garrison would be able to police and control an equal number of unarmed and defenseless soldiers. The regulations would be entirely in the hands of the Secretary of War, and he can prescribe that they shall take a turnabout every day in the performance of police duty, cutting wood, washing dishes, hauling coal, and doing anything else that may seem fit and proper for them to do.

Now, these soldiers—or many of them—when they were serving our flag in France in the great emergency not only slept in barns and warehouses, but I have seen them sleeping in chicken houses, in pig pens, and in anything that afforded them shelter from the inclement weather. To say that Army housing shall not be made available in this great emergency for these honorably discharged soldiers and sailors seems to me to be missing the comprehension of the great emergency facing this Nation at this time.

Another general subdivision of this bill is that the President is authorized to appoint a national emergency board, to consist of the Secretary of War, the Secretary of Labor, and three nonoffice-holding citizens of the United States, and under the terms of the resolution those three citizens do not have to be confirmed by the Senate. It provides that the President shall appoint the chairman of the board, and that the chairman of the board shall exercise all the powers that shall be conferred upon the board by order of the President publicly promulgated, just as in the case of the chairman of the War Industries Board, who exercised all of the powers of that board in the name of the President of the United States. The board is simply for advice and consultation and it does not have to vote. After the chairman has talked with them and gotten their views he acts himself, in his own name. There is no primary election, majority vote, or anything of that kind. He acts in the manner I have indicated, because that is the only way to get prompt action. It is proposed that during this great economic emergency through which the Nation is passing, the President, in his own name or through the agency of the chairman of the national emergency board, shall have power to commandeer food, fuel, clothing, and building material; and when, in order to relieve suffering, food, fuel, clothing, etc., are commandeered, they may then commandeer trains, trucks, busses, pipe lines, or whatever is required, to transmit those things from where they are in abundance to where they are needed by suffering humanity. Then the President would pay for them, either out of the $100,000,000 at his disposal for that purpose or by an appropriation to be made later by Congress.

Now, there is also another section, or section 3, which provides that martial law shall not be declared at any time or any place without the previous specific authority of Congress, and that the military forces of the United States shall not be employed except to enforce the statutory laws of the United States, and to prevent insurrection or suppress rebellion against the statutory law and to repel invasion by any foreign foe.

Here is a measure which, in my humble judgment, represents an opportunity as well as a duty. As a friend of the Army, I am jealous of the Army, and it now has a grand opportunity to render a valuable service to this Nation. If the Army, instead of just sitting back and saying, "It is none of our business"—if the Army, instead of doing that, would step forward with the spirit of a missionary and say, "Here are our equipments; here are our supplies; here are our doctors; here are our medicines and stores; we are not going to see our fellow Americans suffer, starve, freeze, and die because of any views as to the constitutionality, unconstitutionality, or propriety, or ethics, or any other consideration, because all of those things should fade and disappear in the presence of a great emergency such as we now face," a great service would be done. All of those considerations should disappear in the presence of a great emergency such as we now face, and in the face of a greater emergency which I apprehend will be facing us in a few months, but as to which, of course, I hope I may prove a false prophet.

That is the reason why I have called this meeting, gentlemen, and that is the reason why I have proposed this resolution. I set this day for a hearing on the resolution, and I had hoped, fondly hoped, that we would be able to obtain the views of the present Secretary of War, the Assistant Secretary of War, the Chief of Staff, the Surgeon General, the Quartermaster General, or any other officer of the Army that might be able to give us some light upon this matter. However, they are not present. If any of you gentlemen think this is worth while going forward with, I will call a meeting of the full committee to see if the committee will vote to report the resolution out. I have no pride of authorship in it. I have simply done my duty, and I want this record here to show that if things do go terribly and disastrously wrong, and starving men, women, and children are found in this country next winter, they will not be able to shake their skinny fingers at me and say I did not do my duty.

Mr. JAMES. There will be another meeting of the committee to consider it.

The CHAIRMAN. It is understood that there will be another meeting of the committee called to consider this resolution.

(Thereupon the committee adjourned.)

Mr. DICKINSON. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Speaker, this is a most important occasion, and I think the most important occasion that has confronted the present House of Representatives. If we really believe that this country is facing a crisis, if we really believe that this is the hour of the country's greatest need, there will be some evidence upon this floor to-day of Members of this House rising above partisanship and voting their honest convictions for aid for the unemployed, for the relief of business, and for the restoration of the country to normalcy as far as it is within our power to do so.

There are Republicans as well as Democrats who are walking the streets hungry, without the necessities of life. There are Republican farmers who are losing their farms, Republican home owners who are losing their homes, and Republican business men who are going bankrupt because of conditions in this country.

We have legislated heretofore according to a pretty well defined program. It is not criticizing what we have already done to say that we have heretofore legislated relief primarily "from the top down." We were hopeful that by making credit available to big business and industry that would stimulate action and give work to the unemployed. It has not done so. Conditions have gotten worse instead of better, and now before we adjourn we have an opportunity to round out the legislative program of this Congress and to give promise of relief "from the bottom up," giving work to the unemployed by increasing the public-building program and stimulating private industry by making credit available to public and private institutions which need it and can use it and can offer promise of giving work to the unemployed.

No one can look into the future. No one knows how near we are to-day to the precipice; and if 25,000,000 people out of work, or partly out of work, with those dependent upon them, go over the precipice, they are going to carry some of the rest of us over the precipice with them. Then it will be too late to say we wish we had done something to relieve the situation. The responsibility is ours, and we must meet it.

We have a bill before us to-day which makes available the credit of the country to start the wheels of industry. It is surrounded by reasonable and sound limitations. It places the discretion in the hands of the men who have been picked by the President of the United States because of his confidence in them and we, too, have confidence in them. And yet action is delayed because of a quibble over words. I say there is little or no difference, in the practical working out of this bill, between that desired by the Speaker and that desired by the President. In the first place, most of the money available will be taken up by the five preferred classes specified in the bill and approved by the President. In the second place, there is no reason for discriminating in favor of a corporation. A natural person can become an artificial person by incorporating. We have already made loans to individual persons through the Secretary of Agriculture, so what is there in that proposal to frighten us if it is suggested that we make loans to natural persons, provided they have ample security and offer to give men employment? In the end the bill leaves the whole matter of loans in the hands of the directors of the Reconstruction Finance Corporation, and we ought to be willing to trust their sound judgment. [Applause.]

[Here the gavel fell.]

Mr. DICKINSON. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, several months ago I stated on this floor that this Congress would never adjourn until it passed a proper relief bill, and it is evident that statement was correct. The country demands a relief bill. What kind of a bill will be enacted, in view of the disagreement between the Chief Executive and Congress, no one can now predict; but one thing is certain, we are going to finally get some legislation. I am not entirely satisfied with the report that is before the House, but it appears that it is the best that could be agreed to. I am pleased that the committee added paragraph (d) in Title I, which I hope will enable my State and my city to participate in this legislation. The constitution of my State and the charter of my city would have prevented participation had not that paragraph been added.

I am not so well pleased in the failure of the conferees to accept the provisions of the House bill which prevented the Reconstruction Finance Corporation from advancing any funds to the Farm Board. That board has already squandered enough of the people's money.

To a certain extent the trouble we are experiencing to-day is that committees of the House in this session, due to the nature of the bills, have been required to handle legislation affecting activities of the Government which properly should have gone to other committees of this House where the members had studied and thoroughly understood the question. The Committee on Ways and Means has never handled public-works projects, but still that committee is called upon in this bill to take under consideration the public-works section of the measure. Section 302 of the Garner bill is not in the conference report. If a committee that understood this section had considered it, the section would have been in the report. It did not require the appropriation of a single dollar. It takes care of about a dozen projects, and its sole purpose was to increase the limit of cost. The Treasury has approved of the section, and failure to enact it delays construction. The plans are ready in the Supervising Architect's Office, and if section 302 of the Garner bill had been included in this measure within 24 hours after the bill had become a law, the department could, if it desired, have asked for proposals for the construction of those large Government buildings, the money to construct now being in the Treasury of the United States, appropriated by the Congress. That section is left out of this bill. There is no way we can get it in unless the President carries out his purpose to veto the measure and it is sent back to conference and the conferees will pay some attention to that section of the bill. It is real relief legislation, because it means the starting of public work at once, and that spells employment for many of those now in distress.

Mr. Speaker, no one can predict what the ultimate result of this legislation will be. All we can do is to express the hope that it will be of some benefit to the millions of people in this country who are now out of employment.

The honest people of this country do not want a dole. They do not want charity. What they want is work. If I had had my way, there would have been a proviso in respect to the public-works program in this bill requiring six days of work and specifically stating that no individual should work longer than three or four days a week. In this way we would have given some earning power to about twice the number of people that would ordinarily be employed on the projects. [Applause.]

Provide work for our citizens and the depression will disappear. When there is not sufficient work for all, common sense tells us what work there is must be parceled out. The day is not far distant when the Government as well as private industry must adopt a shorter work week. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield four minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, from the time the Speaker [Mr. GARNER] presented his relief bill to the Democratic caucus and before it was introduced in the House, this legislation has passed through the various stages of committee, House and Senate, but apparently the environment has ever been political. The country is not interested in a political relief bill. The Garner bill, as it passed the House, was supplanted in the Senate by the Wagner bill, and be it remembered that the bill which is embodied in this conference report is not the original Garner "pork-barrel" bill, because in the first place considerable of the pork was eliminated before the House passed the bill, and then the Senate, following the suggestions of Senator WAGNER, rather than the suggestions of the Speaker, has again eliminated many of the useless expenditures provided in the original bill, yet there is surely cause enough still left for complaint. Begin-

ning with the debate on yesterday, we have devoted entirely too much time to the political situation. I think that we are all familiar with the fact that the House and the Senate conferees, with the exception of the gentleman from Massachusetts [Mr. TREADWAY], agreed to this conference report—in other words, agreed to a compromise bill.

This was made known to the country and the President. The President believes in and is insisting upon proper relief legislation before Congress adjourns. Time is of the essence of this matter, and appreciating this the President invited the conferees and the designated leaders of both political parties in the House and Senate to come to the White House and confer in reference to the legislation. Of course these gentlemen responded. We are told by the Speaker and others that the President frankly stated his objections to the proposed bill; that after considerable discussion the President in a spirit of helpfulness consented to agree to waive certain objections to Titles I and III of the bill. The conferees on the other hand agreed to make some concessions to the President in reference to these titles. The real contention arose over Title II, and Senator Robinson, the minority leader in the Senate, suggested a compromise in Title II, which compromise was tacitly consented to by all of the 18 or 20 conferees and the President, with the sole exception of the Speaker [Mr. GARNER], and now the bill comes back to the House in the form of this conference report, with the President and conferees in harmony on Titles I and III, with the Speaker insisting on Title II without any changes whatever. Possibly it is not good etiquette, possibly we are unable to turn to precedents where a President of the United States in the hour of distress has seen fit to communicate to Congress his views on legislation which was in dispute between the two Houses. It seems to me that surely a search would reveal abundant precedents for such action. However, assuming that there is no such precedent, the country will applaud the President for his frankness and willingness to cooperate, in his effort to be helpful rather than to delay until after the law was enacted by both Houses of Congress and then speak up for the first time in the form of a veto. If it is a political sin for the President of the United States to confer and advise in a nonpartisan way with members of both parties, in conference assembled, in reference to important legislation, then so let it be. President Hoover has asserted some leadership in this emergency legislation and he is to be praised and not condemned.

Each title in the bill is to me objectionable. Congress has been spending months in an effort to balance the Budget and Titles I and III place a direct charge upon the Treasury of more than $600,000,000. Understand, there is no provision in this bill for raising this amount of money. We authorize the expenditure and leave the Treasury Department to supply the money.

Of course, this means additional taxation in the next Congress if the money is spent. The economy bill, over which we have prated so much, saves a paltry $150,000,000. Columns of publicity have gone to the country in reference to this accomplishment, yet at one stroke we authorize an expenditure of $600,000,000 additional, and with no means provided for meeting the additional deficit.

The country can not get back to prosperity by lending and spending. We can not squander ourselves into prosperity. Unlimited printing-press money or the issuing of bonds will not make us prosperous. The individual in debt must save and not spend. We must conserve and not borrow. Every dollar spent must come from the taxpayers' pockets—if not to-day, then to-morrow—and what profiteth our people if we prosper for the moment and are saddled with the debt for generations. If it is necessary to prevent starvation, then Titles I and III must be accepted, but I do want this body to realize just what we are doing in this particular.

The public buildings and improvements provided for in Title III have, to a large extent, been approved by the departments of the Government as improvements worth while, if and when the Government was prepared to expend the money. Most of these items were considered in the prosperous days before 1930, and because a public building or improvement could be justified in 1929, when we were at the peak of our prosperity, is not justification for the same improvements in these, the days of our distress, and the country, I am sure, recognizes this distinction.

The Speaker, in his speech on yesterday, was generous enough to concede that the $2,000,000,000 provided for use by the Reconstruction Finance Corporation was a proper move and has been of untold benefit to the country. I am sure he had in mind that a large part of the money advanced has been advanced to the banks in small towns, to insurance companies, to life-insurance companies, and to railroads. It seems hardly fair, therefore, for him to assert that none of this money had gone to the benefit of the individual or the "common man." The bank depositors in closed banks and the bank depositors in banks, the closing of which was prevented, were direct beneficiaries. Every business man in the town where the bank is located was benefited. In fact, the bank is the credit reservoir of its local community, and anything that kept that bank going or saved the depositors money was a direct benefit to every individual in the community.

Practically all of our people carry fire insurance, and without assistance to these fire-insurance companies, the policies of the individual holders would have been of no value. The thousands of persons—and I might say this means more than one-half of our entire population—who hold life-insurance policies, were benefited by the loans to the life-insurance companies through the Reconstruction Finance Corporation. We need only to remember that in many a home throughout the land about all there is left to-day for the protection of the family and the future is the life-insurance policy on the bread earner. The mother and the children guard carefully that sacred document, and then the Speaker would leave the impression that these loans to the insurance companies were made for the benefit of "big business." More than a million men are ordinarily employed by the railroads and the railroads were in such a condition, due to lack of business in the country, that something had to be done if they were to continue operating, and surely the Speaker would not say that the assistance rendered to the railroads was for the sole benefit of "Wall Street." In all this I have said nothing about the hundreds of thousands of investors and stockholders in these various banks and companies, all of whom have been benefited.

In short, the financial structure of the Nation has been preserved, and it seems hardly appropriate for any public man to say or to do anything that would lead the unfortunate, the unemployed, and those troubled in mind, to feel that their Government was only interested in a "selected clientele."

Much has been said on the floor about Title II permitting loans directly to individuals. This section is artfully drawn. It asserts in bold type that the "corporation is authorized and empowered to make loans * * * to any person," and so forth. In the very next sentence, however, it is expressly provided that "the corporation shall, so far as practicable, give preference" to designated groups, and every one of these groups is a corporation. In other words, the "forgotten man," of whom some of our friends speak, is led to believe that if this title, which can not become a law, should become a law, he would be permitted to go to the Treasury of the United States and borrow such money as he may desire, provided only that he can give security acceptable to the administrative board. This title carries approximately $1,500,000,000, and any study of the subject and familiarity with the situation must be convincing that this money would be exhausted long before the "person" or individual mentioned in the title would be reached. This is a joker in the bill, and inasmuch as this title will not become a law there will still be left the opportunity to cite throughout the campaign the statute, but the people must not be misled.

Title II is not possible of administration without vast expense, without the employment of thousands of additional

agents, inspectors, and so forth, more bureaucrats running about the country at public expense, the Federal Government in the banking business. It seems to me that the country is demanding that the Government get out of business rather than into more business.

I have said on the floor of this House on numerous occasions that I am opposed to the dole, yet I have always said that if the time ever came when it was necessary for the Congress to appropriate Federal funds to prevent starvation and suffering among our people that I should vote for such relief. If such relief is necessary to-day, then let us vote squarely on the issue. Let us give the relief necessary; but let us not build useless buildings, develop useless creeks, construct trails and highways in national parks, all of which will require additional maintenance in the future.

This might be a good bill if the employment given would be commensurate with the amount to be expended; and if we could be shown that this would loosen the wheels of prosperity and bring happiness to the country, then we would be justified; but I contend that previous experiences do not bear out any such theory; and I am just as sure that the country does not want to pay additional bond issues, additional indebtedness, at this time.

The provisions of this bill, as has been stated by the President, "have the triple vice of being a charge on the taxpayer, of unbalancing the Budget, and providing only a small amount of employment"; and while this conference report will pass this body to-day, it will not become a law, and we know that it will not become a law, and therefore there can be but one purpose in giving this timely consideration, and that purpose must be political.

We are going to have some honest, sound relief legislation before Congress adjourns, and let us hope that the President's veto will not be delayed, and that this gesture may be put to an end and something substantial enacted at the earliest possible moment.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield four minutes to the gentleman from New York [Mr. PARKER].

Mr. PARKER of New York. Mr. Speaker, this whole controversy revolves around the question of whether we are going to do anything for the common man or not.

Yesterday in the debate three different agencies were mentioned—banks, insurance companies, and railroads. I am going to dismiss the subject of banks because, according to the theory of some of the gentlemen who spoke yesterday, if you have a cent in the bank you should not have any protection. I want to devote myself to the railroad situation.

I have taken as an illustration six railroads of the United States which are a fair cross section of the railroads of the country: The Atchison, Topeka & Santa Fe; the New York Central; the Northern Pacific; the Pennsylvania; the Southern; and the Union Pacific.

Name	Total number of shareholders	Average number of shares owned by each stockholder	Voting control	Number of employees
Atchison, Topeka & Santa Fe.	59,042	61.9	30 largest stockholders have 7.58 per cent.	34,593
New York Central	54,122	92.2	Owners of 5,000 and more have 12.15 per cent.	65,836
Northern Pacific	38,339	64.6	30 largest stockholders have 7.63 per cent.	17,981
Pennsylvania	206,470	60.3	30 largest stockholders have 3.67 per cent.	119,954
Southern	28,262	93.6	30 largest stockholders have 5.1 per cent.	31,231
Union Pacific	49,387	65.2	Owners of 5,000 shares or more have 3.85 per cent.	16,537
	435,622			286,132

These figures are taken from the report of your Committee on Interstate and Foreign Commerce who investigated the holding companies of the railroads in the last Congress (Doc. No. 1189, 71st Cong.). The number of employees was furnished by the Interstate Commerce Commission of current date.

These six railroads are typical of the railroads of the United States. The total number of men employed by all of the railroads is approximately one and a half million. The number of stockholders exceeds the number of employees. The average stockholder owns not more than 50 shares. At present prices of railroad securities these stockholders can not be classed as belonging to the interests. I want to lay emphasis upon the fact that the railroads are owned and controlled by the small investor, by the modest saver, by the common man. When the charge is made that the Republican Party only wants the Reconstruction Finance Corporation loan to big business for the benefit of the few it falls before the indisputable figures I have quoted. At the least calculation there are between 3,000,000 and 4,000,000 people who depend upon the railroads for all or a part of their income. This is proof that some of the loans made by the Reconstruction Finance Corporation not only trickle down but are applied directly to a large number of people of moderate means.

In my limited time I want to refer to another phase of this question. The insurance companies and savings banks are of supreme importance to the man of moderate means. It is incredible to me that criticism should be made of help to these institutions, for their stability is the chief safeguard of the loss of the hard-earned savings of the poor. There is a close connection between the railroads on one hand and the insurance companies, savings banks, and educational institutions on the other. Institutions of this character are the largest investors in railroad bonds. The following table shows the investment of such fiduciary interests of such institutions in the bonds of the railroads:

Railroad bond holdings, 1930

	Amount	Per cent of total
Life-insurance companies and mutual savings banks [1]	$4,700,000,000	39.6
National banks [2]	660,628,000	5.6
Other banks [3]	290,000,000	2.4
Institutional holders [1] [4]	1,700,000,000	14.3
Total	7,350,628,000	61.9
Other	4,529,499,000	38.1
Total funded debt actually outstanding in hands of public	11,880,127,000	100.0

[1] Estimated by witnesses in hearings before Interstate Commerce Commission in Fifteen Per Cent Case, 1931 (178 I. C. C. 558).
[2] As reported by Comptroller of the Currency for year ended June 30, 1930.
[3] Estimated from report of Comptroller of the Currency for year ended June 30, 1930.
[4] Includes holdings of banks and trust companies acting in fiduciary capacity, hospitals, universities, fire-insurance companies, charitable organizations, etc.

Nearly every family, it matters not how humble the abode, in case of fire looks to the insurance company to replace the loss. Every widow and orphaned child turns with confidence to the insurance policy to pay funeral expenses and to sustain them during sorrowful days of readjustment. Who would weaken these companies which hold in trust the mercy funds of our people? Refuse to succor the railroads, force savings banks and insurance companies to become insolvent, and you will bring woe and most bitter suffering to millions of our best citizens who, though poor, have sought to provide against loss from fire or death by patiently saving a little from week to week through the years. Yet, when we present these irrefutable facts, when the Republican Party offers a constructive measure to protect the masses of the people, the President of the United States is accused of thinking only of the privileged few.

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Speaker, last week the Treasury Department reported a national deficit of $2,885,000,000. The largest in the history of the Nation; in fact, so far as I know, in the history of the world.

We do not as yet know what the new tax bill will produce.

Is it not worse than solemn mockery to attempt to pass a relief measure of an additional $2,100,000,000 so long as this deficit continues to exist?

The annual interest charges on $2,000,000,000 is equivalent to $80,000,000 a year at 4 per cent. We already have a charge of one billion a year for our debt service.

Our object should be to reduce this debt service, not to increase it, and to reduce our terrific burden of taxation.

We all desire to help the needy, the homeless, the unemployed. But the important question is, how to do it without increasing taxation and causing further business unsettlement, for remember if business and confidence is further destroyed it means more unemployment.

The States, the cities, the municipalities, the public as well as the unemployed themselves are all glad to help and it is well that they should, because it is easier to solve the problem if all do something toward it than by large appropriations.

The State of Pennsylvania has just called an extra session of the legislature at a cost of some $300,000. The governor has recommended an appropriation of some forty million for unemployment relief. I am in favor of this relief work by our State, because Pennsylvania can afford it. We have $65,000,000 of cash in banks. We receive about $30,000,000 a year for motor licenses. We have borrowed no money for 10 or 12 years.

In Pennsylvania, many of the industrial companies are running at a loss, endeavoring to make both ends meet until better times come; but if we tax them any more they will close entirely, thus throwing more men out of work.

England is reducing her debt service, not increasing it. She is arranging to convert her 5 per cent loan into a 3½ per cent loan at an annual saving of £30,000,000 sterling and the mere announcement has caused an advance of high-grade bonds and shares, thus creating a feeling of returning confidence.

I wish to quote a letter from the President of the Drovers National Bank of Chicago, in which he comments on the 57 per cent advance in the price of hogs during the last 30 days.

He writes as follows:

> I think these rising prices mark a wonderful step out of the depression. The new prices mean a difference of $200 to $300 a carload of hogs to the farmer. I don't think that there is any question but the advance will be held, at least until the next crop is marketed in November. It will have an encouraging effect on all farm prices. Corn will advance. It always has, and other grains, too.

Now, gentlemen, here is the opinion of the president of one of the large Chicago banks; he is basing his opinion, not on rumor, but on actual facts. He thinks the worst is over.

The temper of the people will not stand for any increase in taxation.

Chief Justice Marshall told us "The power to tax is the power to destroy."

The people at last have realized the truth of this statement and any man or party who dares to vote for measures which call for high taxes must stand the consequences. [Applause.]

Mr. DICKINSON. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Speaker, it can not be too often stated in this debate, so that the public may understand, that the parliamentary situation is such that this conference report must be voted up or voted down.

With that conceded, the question at issue and as to which differences have been expressed resolves itself into one single question only. It appears that the Senate and House conferees are in full agreement as to all matters appearing in their report and that the President has expressed full approval of the report except in one particular, and that is whether the Finance Corporation, now organized and authorized to make loans to certain designated classes, shall have its authority so extended as to be able to consider loans other than those heretofore specifically authorized. In other words, there is nothing in the issue in dispute that seeks to confer any mandatory direction whatever on the Finance Corporation to make loans, but it simply confers authority on the Finance Corporation to consider applications for loans from other classes, under such rules and regulations as the corporation may impose. And who are included in the additional classes? All kinds of business. There is not a congressional district in the United States where solvent individuals and companies engaged in a worthwhile business may not before January, 1933, find themselves without working capital, and without ability to borrow on good security through the usual credit channels, and the conference report, as agreed on, seeks only to confer on the Finance Corporation authority to make such loans, if in their judgment the public good requires and the security offered is adequate. What sound reason can be assigned why such character of loans should not be considered? Who can defend in times of stress, like the present, confining the loan authority of the Finance Corporation to a narrow, restricted, and selected group.

I have in mind a solvent company in North Carolina, in which no on in my State has any interest whatever. This company owns 10,000 spindles, has a modern, efficient plant, but owing to certain bank failures finds itself in need of $50,000 as operating capital, and with good security to offer, yet no bank to borrow from. They are prepared to give employment to more than 450 people. The mill, I am informed, is ably managed, but because of unusual conditions finds no channel from which to borrow the required operating capital and has temporarily shut down, though they have adequate security to offer for the needed loan. All this bill seeks to do is to amend the organic act, creating the Finance Corporation, so that it may have authority to consider loan applications of that character. There is hardly a Representative here who could not suggest some absolutely solvent company or individual in his district who may find it necessary during the present summer to apply to the Finance Corporation for a loan to carry on a useful and gainful employment. Assuming that such an individual or company can show that it is unable to secure credit through ordinary business channels, and that adequate security can be offered, why, I ask, should Congress refuse to clothe the Finance Corporation, a public emergency agency, with authority to consider application for loans from such sources?

Who will object to at least conferring for a limited time, as this bill only seeks to do, broader loan authority on the Finance Corporation, the members of which can all be dismissed at the will of the President? The one provision of the bill, about which there is a difference confers only a discretionary authority to make loans, leaving to the Finance Corporation the absolute power of determining what action shall be taken on all applications for loans which this bill enlarges their authority to consider. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. DICKINSON. Mr. Speaker, I yield five minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, the income of the American people during the past three years has fallen from about $94,000,000,000 to $45,000,000,000. The cost of government in America, considering all, local, State and National, has risen to the appalling figure of $14,000,000,000 annually. Of course the greater part of this cost is for local and State government. About $6,000,000,000 a year is paid for interest in the United States. When you add $6,000,000,000 and $14,000,000,000 you have $20,000,000,000 a year for cost of all government and interest, as against an annual income of $45,000,000,000, almost 45 per cent of the annual national income. This Congress has already reduced Budget estimates by about $162,400,000. We have trimmed appropriations for the next year by $627,422,100. We have cut from 12 to 35 per cent; and, frankly, we should have cut everything except national defense, health, and education appropriations by 50 per cent. This must be done at the next session. We must reduce further the cost of government. States, counties, and cities must do the same. The American people must pay less taxes. Yet the Congress, instead of further retrenching its expenditures, now in its desperation would authorize larger and additional appropriations. In spite of the reduction in national income and the increase in

Government savings, deposits in America are about $29,000,000,000; there are 52,000,000 savings accounts in America; the currency in circulation is still very large, about $5,450,000,000—even more than in boom times. We find greater amounts of insurance have been purchased by the American people during the past year. Last year $16,500,000,000 worth of new life insurance was written, bringing the total to $109,000,000,000. Our total national wealth is still approximately $330,000,000,000. Therefore, it is apparent that wealth, including the necessities of life, still abounds in America. The wealth of the country must be redistributed by revising the tariffs on manufactured articles and thus reestablishing the purchasing power of the farmers of our country. It is all essential that tariff rates on manufactured articles be revised downward.

The Congress in its desperation this spring created the Reconstruction Finance Corporation, trying to save the remaining banks in our country. This to a large extent was accomplished. During the past 10 years about 7,800 banks had failed, with deposits of two and one-half billion dollars. Out of the half billion appropriated initially for this Reconstruction Finance Corporation to administer to the people of our country through the banks of our country, one Chicago bank obtained a loan of $80,000,000, which amount was between 15 and 20 per cent of the initial appropriation.

It happens that the chairman of the board of this Chicago bank was a former Republican Vice President, and was also, until a few days ago, chairman of the Reconstruction Finance Corporation. He was appointed to his last-named capacity by a Republican President, Mr. Hoover. Suppose the other four members of the Reconstruction Finance Corporation should have been private bank directors and loaned to their banks an equal amount, how much would the other banks of our country have received? This loan of $80,000,000 to the bank of which its retiring chairman was chief director was a most reprehensible transaction. Why should the Reconstruction Finance Corporation have loaned this fabulous amount of $80,000,000 of the taxpayers' money to the bank of its retiring chairman? My colleagues, what do you think of such performance? Now, are we going to give this Reconstruction Finance Corporation the right to loan this additional billion and a half dollars to only a few favored banks, or are we going to leave the door open and let other banks and industries and individuals that will give employment to the American people come in and be permitted to borrow? If we are to permit any further loans they should be made to any and all; but, of course, upon good and proper security—not to the favored few alone.

This whole matter is departing from Government practices and is not in keeping with our established theory of Government in the strictest sense; but under existing conditions in our country it probably is justifiable. I can subscribe to it only to relieve human hunger and suffering. To feed, clothe, and shelter the hungry and destitute is my only reason for supporting this departure from established practices of best government.

I regret very much that our House conferees have given in to the President in the matter of allocation of Federal construction. It is the prerogative of the Congress to allocate Federal building funds instead of leaving it to Cabinet officials and bureaucrats. This I deplore; but the hungry must be fed, and we have no altenative in voting for the conference report. It is to either vote for it as a whole or vote against it as such. No chance to vote for the individual items or sections of the proposed legislation.

It is to vote it up or vote it down. Even though many items in the report meet with my disapproval, I can not vote against the relief of the destitute, even though such relief may be for only a few weeks or months. As an emergency measure and as a dire necessity it should be adopted. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the real friend of the ordinary man will not vote for this bill. Every time a lot of capital is frozen in projects that are not going to turn themselves over, just so much capital is taken out of circulation, and the prices of commodities, labor, and securities are depressed, and men are thrown out of employment. That is the trouble with the country to-day. The big corporations and governmental institutions all the way down the line have been going along and they have come to the point that there is no money with which to do business. That is due to the fact that because we are spending more money than we ought to there is not confidence so that people can go ahead and the banks can loan money. Why should we do something that will further destroy confidence and throw people out of work? Had we not better start with stopping spending money on foolish projects?

Let me read a few of the foolish projects. I begin on page 123:

Gymnasium, recreation, and social hall, $150,000.
Garage, $15,000.
Gymnasium, $45,000.
Laundry, $60,000.
Enlisted men's service club, $50,000.
Theater, $40,000.
Riding hall, $45,000.
Service men's club, $50,000.
Theater, $40,000.
Fence, $30,000.

Those are just samples. In addition to the general appropriation bill for the War Department, this bill carries $60,000,000, making it the largest appropriation, including the one that has already passed, that has ever passed the Congress in peace times.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. TABER. Not now.

This is just a sample of the ridiculous way this thing works out, and it would not provide employment because these vast appropriations do not provide substantial employment. It requires $3,600 to provide one man with work on Federal-aid highways for one year. It requires $3,300 to provide one man with work on such a job as I have just been reading to you. It requires $4,700 on rivers and harbors; it requires $5,600 on Treasury and post-office buildings.

Is it not time that we used a little sense and kept away from such things and kept the Government out of a general banking business, which the Reconstruction Finance Corporation can not handle? [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. TREADWAY. Mr. Speaker, I yield two minutes to the gentleman from Colorado [Mr. EATON].

Mr. EATON of Colorado. Mr. Speaker, what is the issue here? The Speaker of this House [Mr. GARNER] in his speech yesterday, stated it in these words:

I will not surrender the principle that we ought to legislate for all people rather than for a preferential class.

That is his golden text. That is his creed. But he does not follow his own rule. What is the bill that he is asking you to support? In its paragraph (f) we find the answer. Let me read it. It reads:

All loans made under this section * * * shall be fully and adequately secured.

Now, look back at paragraph (a), which is the first paragraph of the same section, where we find that loans may be made to—

any person when in the opinion of the board of directors of the corporation such person is unable to obtain funds upon reasonable terms through banking channels.

Upon this section his appeal is made to the great masses of the people who have not any security, saying, "Here, we Democrats are trying to write a bill so that you can come in and borrow money."

And when you read the law as it is written in this bill you find that only those who are able to "fully and adequately secure" a loan can borrow money.

Now, I leave it to every man here whether this is creating a preferred or preferential class. If it is not a "preferen-

tial class," what is it? What is the difference between one group of preferential people and any other group of preferential people? It is the bunk, and everybody knows it.

By the bill the Speaker's preferential class is comprised of those who can "fully and adequately secure" the repayment of the loans. But his appeal is not to them. They still have some assurance of their financial situation. They can fully and adequately secure the repayment of whatever they borrow, and if the terms and conditions of the Reconstruction Finance Corporation are more satisfactory than those desired by others, then they will take the Federal loan instead of another.

Apparently the Speaker does not desire to accentuate the preferential class which his bill proposes because his statement which I first quoted is—

I will not surrender the principle that we ought to legislate for all the people rather than for a preferential class.

I charge that the principle which he so eloquently asserts has not been respected in the bill he supports. On the contrary, if he drafted Title II, he forgot his principle and left out of the bill any right to "all the people rather than for a preferential class." Only his preferential class may get any benefit under this bill.

What good does it do to appeal to those who have no security and lead them to believe that under the Garner plan this bill will be of some benefit to them and under it they could borrow some money? He knows they can not get one cent. Anyone who reads the bill will find it out.

Mr. TREADWAY. Mr. Speaker, I yield one minute to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, I am opposed to the Government's furnishing its credit or money for the purpose of preserving the financial integrity of any person, any class, or any line of business, not because I should not like to see it done but because I believe the Government can not do it and because the Government has no credit nor money except as it taxes the people. We can not tax ourselves into solvency.

If the Government helps one financially, it should help all. It can not help all. This bill is proof of this statement. It provides for $1,800,000,000 for the purpose of loaning money to any citizen. No one will suggest that the Government could possibly provide a greater sum of money for this purpose. The total debt of the people of the Nation is something over $200,000,000,000. Every debtor needs help. This bill, providing for $1,800,000,000 for credit relief, furnishes only nine-tenths of 1 penny to support each dollar of debt in America. The words in this bill that this money shall furnish relief for any citizen in need of credit are black deceit and falsehood. No man is so idiotic as to be able to excuse himself when he suggests that 9 mills will aid a dollar of indebtedness. Such is the situation when anyone says that $1,800,000,000 will furnish needed credit for every citizen when our present indebtedness, the most of which is facing default, is $200,000,000,000.

In the long run any such measure as this one is only a raid on the credit or Treasury of the United States, which is a raid on the taxpayers. I voted against the first Reconstruction Finance Corporation bill. I am voting against this bill. I am voting against any bill to furnish more money or credit for the Reconstruction Finance Corporation, be it a Garner plan, an administration plan, or any other plan.

I will vote for Government aid for the needy to furnish food, clothing, and shelter. That is the end. Not one dollar will I vote as financial assistance for any person or class anywhere or any place. I will not vote for inequality by furnishing assistance for any one class. I will not vote for the impossible by trying to furnish Government aid for all in financial need. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield six minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, a few weeks ago every Member of the House was delighted to hear from the State of California that its delegation would support for the nomination for the Presidency our Speaker. The other day every Member of the House, as far as personal considerations went, was delighted to learn that he had been honored with the nomination of a great political party for the Vice Presidency. He has our best wishes from every personal point of view, but, sir, "We come here to-day to bury GARNER, not to praise him."

It is our duty to point out the fatal blunder that he made yesterday when, after a speech that was for some part the speech of a statesman, in the concluding sentence he descended to the level of the politician who is more desirous of securing votes than he is to advance the welfare of his Republic.

This speech teemed from one end to the other with the declaration of the policy he presumably intends to impose upon his fellow partisans in the coming campaign, and we should have it clearly understood what that policy is.

I take up the gauntlet. I will meet him on his own ground on any platform in the country and will meet him with his own words before the people whom you can not fool all the time. You know what he offered in spirit and largely in language.

I will quote five of his phrases.

First, he asked:

Why should you go out and gather from all the taxpayers $3,500,000,000, then say we have to take care of certain interests and let them have the benefit of this wholesome policy—

that of the Reconstruction Finance Corporation—

and leave out all the balance?

Incidentally, all but $500,000,000 of the funds of this corporation are not gathered from the taxpayers, but are secured by the issue of the corporation's securities. However, the words I would stress are, "all the balance."

Secondly, he said:

Do not keep it for just a few. Let the whole people have just a little consideration with respect to their own money.

Again, incidentally and once more to emphasize, most of the money lent by the Reconstruction Finance Corporation is not that of "the whole people," but is lent by investors who buy the Reconstruction Finance Corporation bonds. But the words to be noted particularly are, "Let the whole people have just a little consideration."

Thirdly, holding out alone against a compromise, he told the President, in the sentence he repeated in his speech:

I will not surrender the principle that we ought to legislate for all the people rather than for a preferential class.

Observe "all the people."

Fourthly, speaking of the Reconstruction Finance Corporation Board in case his proposal should be adopted:

You can trust them to lend to all.

Do not overlook that "to all."

Lastly, note:

I would like to give the assurance that Congress desires to serve the whole people of the United States.

After that phrase, "the whole people of the United States," came his unjustifiable contrast between his own position and that of the President, in whose mouth as you have been told he wrongfully and without warrant put the words, "I will take my select clientele or you will get nothing in the way of relief."

There was not a word in connection with any one of these five sentences to indicate that the Speaker, the candidate for Vice President, would leave out a single man, woman, or child within the borders of the United States from the opportunity to borrow public money. Elsewhere in the speech he mentioned "adequate security," but only the careful hearer or reader would notice this proviso. All through he put the soft pedal on the fact that security must be given for every loan. Most men would carry away the impression that the official head of this House, speaking for the Democratic Party of the Nation, now that he has been given the second place on its presidential ticket, would lend public money to every man in need.

Of course, he did not mean that. He is far too sensible, too well informed. Surely he realizes that thousands on thousands of our people are in distress because they can not give security for loans.

Does he not know that thousands and thousands of mortgages on farms are being foreclosed because the owners have no security to put up so as to prevent foreclosure?

Does he not know that no bank would foreclose if security could be given? At this juncture, the banks want no more land or houses on their hands and they do not foreclose if it can be escaped.

Does he not know there are millions of men out of work in this country who could not give a dollar of security beyond the little furniture that is in their flats and their cottages in our industrial centers?

Does he not know that at this moment there are 20,000 ex-soldiers here in Washington at our doors trying to terrify us into legislation, not a man of whom could give security?

Does he not know that nine-tenths of the people of the United States could not give security for a loan?

Yet he plays on this chord as one might play who hopes to confuse masses of the people by playing to their dire needs, to their anxious hopes, giving them to believe we are about to lend to all if only the President will consent.

He says there shall be for him no "preferential class," no class preferred over the rest, but that the money shall be lent to "all the people." Yet what he really proposes is that the limits of the "preferential class," which he, himself, helped in creating when he shared in passing the bill for the Reconstruction Finance Corporation, shall be somewhat extended, while leaving outside the circle millions of our distressed citizens who would borrow if they could, but have not the security on which to base a loan. And yet he says: "Let the whole people have just a little consideration."

And so, sending these words over the wires, perhaps later repeating them on the platform, he will have run the risk of deceiving masses of the voters, fomenting class prejudice, fanning the flames of jealousy and hate. Some part of the 10,000,000 and more who are out of work and with resources gone, awakened from their dream, will be more disheartened than before, will be more tempted by the remedies that spring from despair. In no direction will there have been renewal of the confidence that alone can bring the country out of distress.

I trust for the fortunes of his party—because I would have the minority party strong, I would have it influential, I would have it a help in this grave emergency—I trust, for the sake of the integrity, the honor, and the conscience of his party, he can not persuade its leaders to follow him in thus trying to delude the electorate with the preposterous idea of helping "all the people" to borrow.

[Here the gavel fell.]

Mr. DICKINSON. Mr. Speaker, I yield three minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Speaker, much has been said about this being a superbanking bill and the Reconstruction Finance Corporation being a superbanking institution. To my mind there is no doubt about this question. The only problem is whether or not this superbanking institution shall be operated for the benefit of the big corporations of the country or shall be operated for the benefit of the whole people.

My friend, the gentleman from Massachusetts [Mr. LUCE], who has just taken his seat, said that the proposition of making loans to individuals would fall down because they were required to give adequate security. They will be required to give the same kind of security that Mr. Dawes's bank was required to give. Yet with this security Mr. Dawes's bank was not able to get the money elsewhere. If his security was ample, why did he not get the money from some other source?

The same regulations will apply to the farmer and to the small business man who wants to borrow money that applies to the larger institutions of the country.

I am sure I can see no reason why this conference report should not be agreed to so as to finance the individual citizen.

Many of those who discussed this bill took occasion to mention the large list of stockholders of the various railroads. Why? Because they wanted to show that this money goes down to the individual man and the individual woman through the corporations.

Why not make these loans directly to the individual citizen rather than lending it to the large corporations on the theory that part of the money will eventually inure to the benefit of the ordinary private citizen?

Then, again, the directors of this corporation will pass on the security. Why is not the President willing to let the directors of the corporation set up at his request, directors who were appointed by him, pass on this proposition and determine what loans shall be made to individuals the same as they now determine what loans shall be made to the large corporations of the country?

I favor the conference report, and yet I shudder at the provisions which give more power and money to the Reconstruction Finance Corporation without the strictest, the very strictest, provisions and regulations as to the use of the money and the exercise of the authority.

Mr. Speaker, the gall and bitterness of this conference report is that it provides more power and money for the Reconstruction Finance Corporation plan, every warp and woof of which is viciously and criminally wrong.

I bitterly opposed the Reconstruction Finance Corporation bill when it was up for passage. I did my best to amend it. I did help amend it, but not enough. I always will hate that kind of legislation. It is the most typical big-interest legislation ever enacted. The present proposal to authorize this corporation to make loans direct to individuals is the very best provision in the conference report, and would help some, but very little. It does not at all go far enough. It is merely a puny gesture in the right direction.

You can not bring back to life a dead, decaying body by the engrafting of a little live skin. You can not take the Reconstruction Finance Corporation, set up by the monopolistic interests of the country, owned by Wall Street international bankers, operated for the immensely rich, and officered by those who look at everything from the standpoint of the capitalist, and make that corporation an agency of service for the common people by feebly and gently suggesting that its officers may, if entirely satisfactory to them, make an occasional loan to some wealthy individual who is able to hire lawyers and comply with all the red tape that would be required of him by those who do not want to loan any amount to any individual.

We had an illustration of what I mean in the vicious, outrageous criminal third degree that the Secretary of Agriculture subjected the applicants for farm seed and feed loans to before a mere pittance was loaned to them.

Big-corporation men, like Dawes, are able to get $80,000,000 at a clip, probably in the midst of a bacchanalian feast of mirth and hilarious glee. It is so easy for those that have millions upon top of millions to get more.

Let it be remembered that when the bill to create this corporation was up for consideration, I pointed out that the original bill provided for loans as large as $200,000,000 to one corporation, and offered an amendment to cut the amount to be loaned to one corporation to only $50,000. I was voted down. Dawes's bank borrowed sixteen hundred times as much as the limit I worked for.

I offered another amendment cutting the amount to be loaned to one corporation to $2,000,000. Again I was voted down. Dawes borrowed forty times this amount. Many of those who laughed at me, ridiculed me, and politically wanted to kick me out of the Capitol for offering these amendments and who bitterly fought my amendments now are abusing Dawes for getting this large sum of money. I can not understand why a group of men who make every arrangement for the greatest orgy of robberies of all time have any right to criticize the robbers who complete the job.

Mr. Speaker, I favor this provision to make loans to individuals even though very little good would come of it. I am not a new convert to this idea. I did my best to write it into the original bill, but I was blocked on every hand by those who now are shouting loudest for this provision.

While the lamp holds out to burn,
The vilest sinner may return.

This amendment which I offered to the original bill is as follows:

The aggregate of advances made to any bank, or trust company, under this act shall not exceed the amount remaining unpaid of the advances made by such financial institution (a) for agricultural purposes, including the breeding, raising, fattening, and marketing of livestock, or may have discounted or rediscounted notes, drafts, bills of exchange or other negotiable instruments issued for such purposes; (b) to any person, firm, corporation, or association conducting an established and going business in the United States whose operations shall be necessary or contributory to the employment of labor or the operation of either farming, fruit growing, dairying, mining, or other operations furnishing an opportunity for gainful employment to people within the United States; (c) to any person, firm, or corporation or association engaged in the business in the United States of exporting therefrom domestic products to foreign countries if such person, firm, corporation, or association is, in the opinion of the board of directors of the corporation, unable to obtain funds upon reasonable terms through banking channels; and (d) loans of $50,000 or less to individuals, firms, and corporations engaged in any legitimate business operating within the United States of America and when such loan is necessary for the successful operation of said business.

My amendment followed to a large extent the War Finance Corporation act, which was a wonderful piece of legislation, and very different from the Reconstruction Finance Corporation act.

I was very anxious for the Reconstruction Finance Corporation act to be very specific as to the kind of loans that could be made, much along the plan followed in the War Finance Corporation act. The War Finance Corporation act was carefully worded so as to provide that loans could be made to banks only to amount of balance due on loans made to farmers for agricultural purposes or other equally meritorious purposes.

I drew myself and secured the adoption of an amendment to the War Finance Corporation act providing that the limitation preventing loans beyond the balance due because of loans made by the bank for agricultural purposes should be extended so as to include all notes or other negotiable instruments taken by any person, firm, or corporation for advances, either in cash or supplies to farmers for agricultural purposes, where these notes or other negotiable instruments were "discounted or rediscounted" by any such banking institutions. This amendment offered by me and adopted by the House became law, making available for loans untold millions of the farmers' paper held by country banks and kept thousands of them from closing their doors. I am confident we would not have seen the recent orgy of bank failures and awful loss of funds by depositors if this law had been kept in force and sufficient money been appropriated to keep it in full force and effect, as sought by many of us.

Under the War Finance Corporation act as perfected by the Lankford amendment a farmer who wanted to borrow only $50 or less could get it from his bank; the supply merchant or man who sells anything to the farmer for farm purposes could do so on a credit, take the farmer's note, and get the bank to take it; the bank could group any amount of these together and get the total amount handled by the War Finance Corporation. This protected the small farmer, the small business man, and the bank.

Of course, this can be done now by the Reconstruction Finance Corporation, but it deliberately will not do it. It was set up to function for the big bankers and not for the small bankers and the common people. This corporation is doing exactly what its sponsors intended it should do: It is draining more and more money out of the common people and placing this money in the vaults of the international and other great bankers of the Nation.

The War Finance Corporation was set up to get money down through the banks to the small farmer and business man. It was purposely so drawn as to do this and nothing else. Read the act. Read the amendment just read by me, by which I sought to make the Reconstruction Finance Corporation act become the same helpful act as the War Finance Corporation act, and you will see they are as far apart as north and south—one is for the big interests at the expense of the poor; the other is for the common people, and yet helpful to all.

I have said that little or no good would come from amending the Reconstruction Finance Corporation act so as to authorize loans to small entrprises and individuals.

Let us see if I am right. To begin, the Reconstruction Finance Corporation officers will want no good to come of this provision. This alone means its doom. Then, again, only a man of considerable wealth could hire lawyers, stand the expense, and go through the red tape of approaching the throne of financial grace to humbly seek a loan. The great mass of "forgotten men," who want only small loans—but who have as good security as the big bankers who are getting enormous loans—would be left out.

These millions of forgotten men and women could not pay the expense incident to applying for the small loans they desire. These small farmers and business men are being ignored. They were able to get help under the War Finance Corporation act; they could have got it if my amendment to the present act had been adopted; they could get it if there was only some way to get those now in authority to stop, look, listen, hear, and heed their plea.

I did all I could to amend the present act so as to stop loan foreclosures and also provide that indorsements be required of the great corporations before the people's money was turned over to them. The stampede was on. The corporate interests were getting all they called for, and those who opposed the mad rush were brushed aside like the leaves of the forest in a tornado.

The bill became law and the manipulations under this authority for the corporations and against the common people and especially the farmer constitute the darkest page in the financial history of the world.

Mr. TREADWAY. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. SNELL]. [Applause.]

Mr. SNELL. Mr. Speaker, in discussing this proposition yesterday I admit I wandered a little into the realm of partisan politics. Of course, the Speaker has not furnished me with any incentive to-day, so I am going to confine my remarks to the bill.

I did simply want to say this, however: I regret the Speaker, in closing his remarks yesterday, made a direct quotation from the President. I am quite sure if he thinks that over carefully and goes over the full proceedings of the meeting, he will decide himself that that was not a correct direct quotation from the President, and he will decide to take it out of the permanent RECORD.

In connection with the discussion here to-day, the gentleman from Georgia [Mr. CRISP] made the statement that the conferees had yielded to the President on Titles I and III of the bill. I do not understand it in that way.

Here is the situation as I understand it: The Members of this House well know that the President of the United States was not in favor of the $322,000,000 that is appropriated directly out of the Treasury under Title III of this bill, because that destroys the balancing of the Budget, the one thing we have worked on during the entire session, but he said he was willing to go ahead and try to meet that in the hope of getting an agreement on the other provisions of the bill so as to have a unanimous agreement coming out of that meeting. That was a compromise on the part of the President, not that he originally favored it.

As far as Title I is concerned, he was not in favor of it, but it came as a result of the suggestion that was made by Senator ROBINSON of Arkansas. He offered the basis of the compromise, and the President said he was willing to proceed

on that basis. We would have reached a complete agreement at that time and would have brought something here that would have been fairly satisfactory to the House and satisfactory to the whole country, but the Speaker insisted on going the full length as to Title II. We were willing to go part way but not the entire way, and that was the reason the conference failed.

I want to state the Republican position in regard to this relief measure and make it so plain that every Member of this House and every person in the United States will fully understand it. In the first place, we stand for all necessary relief based on actual need, but we are opposed to the provisions of this bill, which distribute this relief on the basis of population. By doing that you destroy the object of relief in two ways. You put money where it is not needed and you are unable to do what you ought to do for the people in the greatest need.

We are opposed to destroying the work of the entire session by unbalancing the Budget.

We oppose another superstructure or a banking organization to lend to everyone everywhere, because it is impracticable and absolutely impossible for the Federal Government to take over the obligation of financing every person, business, municipality, or State in the Union. Every man knows that to be a fact.

We propose to lend and not give. We propose to finance self-liquidating construction projects for the purpose of furnishing work for the unemployed and doing away with the attending suffering that comes from unemployment.

The question has been raised as to what the President will stand for and whether he will keep us here until we do something in the way of relief. I want to read to the House and put in the RECORD the last two sections of his statement which was published in the press to-day.

It was, however, possible to reach a fair adjustment of the proposal as to $300,000,000 loans to the States which may be unable to relieve distress and to protect the Treasury in large measure in the matter of the $322,000,000 of nonproductive public works. We are in agreement in the provision of temporary loans by the Reconstruction Corporation to finance $1,500,000,000 of productive construction work for the unemployed.

There is unquestioned need for the passage of legislation to take care of unemployment and such cases of destitution as the resources of the States are unable to meet. I have recommended such legislation. While I am determined that there shall be relief legislation at this session of Congress, I can not accept the proposal up to now insisted upon by Speaker GARNER as a condition to securing his support, for I do not propose to further increase unemployment by such disastrous action as is now proposed through jeopardizing the whole credit of the Government and laying our people open to every kind of injustice and loss.

That is our position. We stand for a clean-cut, straightforward, economic, sound relief measure based on need, as opposed to an unsound, uneconomic, wasteful "pork-barrel" measure. And we propose to stay here until we get it.

The SPEAKER. All time has expired.

Mr. CRISP. Mr. Speaker, I ask unanimous consent that all Members of the House may have five legislative days in which to extend their own remarks in the RECORD on this bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker, the previous question is ordered and I request the yeas and nays on the adoption of the conference report.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 157, answered "present" 1, not voting 70, as follows:

[Roll No. 111]

YEAS—202

Adkins	Bland	Byrns	Christgau
Allgood	Bloom	Campbell, Iowa	Clark, N. C.
Almon	Boehne	Campbell, Pa.	Cochran, Mo.
Arnold	Boileau	Cannon	Cole, Md.
Auf der Heide	Boland	Carden	Collier
Ayres	Briggs	Carley	Collins
Bacharach	Browning	Carter, Wyo.	Condon
Barbour	Brunner	Cartwright	Cooper, Tenn.
Barton	Bulwinkle	Celler	Crisp
Beam	Burch	Chapman	Cross
Black	Butler	Chavez	Crosser
Crowe	Hart	McDuffie	Schafer
Crump	Hartley	McMillan	Schneider
Cullen	Hill, Ala.	McSwain	Schuetz
Delaney	Hill, Wash.	Maas	Seger
DeRouen	Hornor	Major	Selvig
Dickinson	Horr	Maloney	Shallenberger
Dickstein	Howard	Martin, Oreg.	Shannon
Dies	Huddleston	May	Sinclair
Dieterich	Jacobsen	Mead	Smith, Va.
Dominick	James	Miller	Somers, N. Y.
Doughton	Jeffers	Milligan	Spence
Douglass, Mass.	Johnson, Mo.	Mobley	Steagall
Dowell	Johnson, Okla.	Montague	Stevenson
Doxey	Johnson, Tex.	Montet	Stewart
Drewry	Jones	Nelson, Mo.	Sullivan, N. Y.
Erk	Kading	Norton, Nebr.	Sullivan, Pa.
Estep	Karch	O'Connor	Sumners, Tex.
Fiesinger	Keller	Oliver, Ala.	Sutphin
Fishburne	Kelly, Ill.	Oliver, N. Y.	Sweeney
Fitzpatrick	Kelly, Pa.	Overton	Swing
Flannagan	Kemp	Owen	Tarver
Gambrill	Kennedy	Palmisano	Taylor, Colo.
Garrett	Kleberg	Parker, Ga	Taylor, Tenn.
Gasque	Kniffin	Parsons	Tierney
Gavagan	Knutson	Patterson	Underwood
Gilbert	Kunz	Perkins	Vinson, Ky.
Gilchrist	Kvale	Person	Warren
Gillen	LaGuardia	Pettengill	Weaver
Glover	Lambeth	Pittenger	Welch
Goldsborough	Lamneck	Polk	West
Granfield	Lankford, Ga.	Pou	Whittington
Green	Larrabee	Prall	Williams, Mo.
Greenwood	Lea	Rainey	Wilson
Gregory	Lewis	Ramspeck	Wingo
Griswold	Lichtenwalner	Rankin	Withrow
Haines	Lindsay	Rogers, N. H.	Wolverton
Hall, Miss.	Lonergan	Rudd	Woodrum
Hancock, N. C.	Lozier	Sabath	Yon
Hare	Ludlow	Sanders, Tex.	
Harlan	McCormack	Sandlin	

NAYS—157

Aldrich	Doutrich	Kendall	Sanders, N. Y.
Allen	Dyer	Kinzer	Seiberling
Andresen	Eaton, Colo.	Kopp	Shott
Andrew, Mass.	Eaton, N. J.	Kurtz	Shreve
Andrews, N. Y.	Englebright	Lambertson	Simmons
Arentz	Evans, Calif.	Lankford, Va.	Smith, Idaho
Bachmann	Fish	Leavitt	Snell
Bacon	Foss	Lehlbach	Snow
Baldrige	Free	Loofbourow	Sparks
Beedy	French	Lovette	Stafford
Bolton	Garber	Luce	Stokes
Bowman	Gibson	McClintock, Ohio	Strong, Kans.
Britten	Gifford	McFadden	Strong, Pa.
Brumm	Goodwin	McGugin	Stull
Buckbee	Goss	McLaughlin	Summers, Wash.
Burdick	Guyer	McLeod	Swanson
Burtness	Hadley	Magrady	Swick
Cable	Hall, Ill.	Manlove	Taber
Carter, Calif.	Hall, N. Dak.	Mapes	Temple
Cavicchia	Hancock, N. Y.	Martin, Mass.	Thatcher
Chindblom	Hardy	Michener	Thurston
Chiperfield	Haugen	Millard	Timberlake
Christopherson	Hawley	Moore, Ohio	Tinkham
Clague	Hess	Morehead	Treadway
Clancy	Hoch	Murphy	Turpin
Clarke, N. Y.	Hogg, Ind.	Nelson, Me.	Wason
Cole, Iowa	Hogg, W. Va.	Niedringhaus	Watson
Colton	Holaday	Nolan	Weeks
Connolly	Hollister	Parker, N. Y.	White
Cooke	Holmes	Partridge	Whitley
Cooper, Ohio	Hooper	Pratt, Harcourt J.	Wigglesworth
Coyle	Hope	Pratt, Ruth	Williamson
Crail	Hopkins	Purnell	Wolcott
Crowther	Houston, Del.	Ramseyer	Wolfenden
Culkin	Hull, Morton D.	Ransley	Wood, Ind.
Curry	Hull, William E.	Reed, N. Y.	Woodruff
Dallinger	Jenkins	Reilly	Yates
Darrow	Johnson, S. Dak.	Rich	
Davenport	Johnson, Wash.	Robinson	
De Priest	Kahn	Rogers, Mass.	

ANSWERED "PRESENT"—1

Griffin

NOT VOTING—70

Abernethy	Davis	Kerr	Rayburn
Amlie	Disney	Ketcham	Reid, Ill.
Bankhead	Douglas, Ariz.	Lanham	Romjue
Beck	Drane	Larsen	Sirovich
Blanton	Driver	Linthicum	Smith, W. Va.
Bohn	Elzey	McClintic, Okla.	Stalker
Boylan	Evans, Mont.	McKeown	Swank
Brand, Ga.	Fernandez	McReynolds	Thomason
Brand, Ohio	Finley	Mansfield	Tilson
Buchanan	Frear	Mitchell	Tucker
Busby	Freeman	Moore, Ky.	Underhill
Canfield	Fulbright	Mouser	Vinson, Ga.
Cary	Fuller	Nelson, Wis.	Williams, Tex.
Chase	Fulmer	Norton, N. J.	Wood, Ga.
Cochran, Pa.	Golder	Parks	Wright
Connery	Hastings	Patman	Wyant
Corning	Igoe	Peavey	
Cox	Johnson, Ill.	Ragon	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Bankhead (for) with Mr. Tilson (against).
Mrs. Norton (for) with Mr. Cochran of Pennsylvania (against).
Mr. Connery (for) with Mr. Underhill (against).
Mr. Evans of Montana (for) with Mr. Finley (against).
Mr. Frear (for) with Mr. Brand of Ohio (against).
Mr. Thomason (for) with Mr. Mouser (against).
Mr. Boylan (for) with Mr. Freeman (against).
Mr. Blanton (for) with Mr. Ketcham (against).
Mr. Lanham (for) with Mr. Beck (against).
Mr. Vinson of Georgia (for) with Mr. Chase (against).
Mr. Linthicum (for) with Mr. Golder (against).
Mr. Swank (for) with Mr. Stalker (against).
Mr. Kerr (for) with Mr. Bohn (against).
Mr. Parks (for) with Mr. Johnson of Illinois (against).

Until further notice:

Mr. McReynolds with Mr. Reid of Illinois.
Mr. Davis with Mr. Nelson of Wisconsin.
Mr. Ragon with Mr. Wyant.
Mr. Driver with Mr. Amlie.
Mr. Rayburn with Mr. Peavey.

Mr. GOSS. Mr. Speaker, my colleague the gentleman from Connecticut, Mr. FREEMAN, is unavoidably absent. Were he present, he would vote "no."

Mr. BROWNING. Mr. Speaker, my colleagues, Messrs. DAVIS, MCREYNOLDS, and MITCHELL, are unavoidably absent on account of important business. If they were here, they would vote "aye."

Mr. CULLEN. Mr. Speaker, my colleagues, Mr. BOYLAN and Mr. SIROVICH, are both ill in a hospital in New York. If present, they would vote "aye."

Mr. LANKFORD of Georgia. Mr. Speaker, my colleague, Mr. LARSEN, is unavoidably absent. If present, he would vote "aye."

Mr. JOHNSON of Oklahoma. Mr. Speaker, my colleagues, Messrs. MCCLINTIC, HASTINGS, SWANK, and MCKEOWN, are absent. If they were present, they would vote "aye."

The result of the vote was announced as above recorded.

On motion of Mr. CRISP, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

WORLD WAR VETERANS TEMPORARILY QUARTERED IN THE DISTRICT OF COLUMBIA

Mr. BYRNS. Mr. Speaker, I call up the joint resolution (H. J. Res. 462) making an appropriation to provide transportation to their homes for veterans of the World War temporarily quartered in the District of Columbia, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Tennessee calls up the joint resolution (H. J. Res. 462) and asks unanimous consent that it may be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Joint Resolution 462

Resolved, etc., That to enable the Administrator of Veterans' Affairs, upon the request of any honorably discharged veteran of the World War, temporarily quartered in the District of Columbia, who is desirous of returning to his home, to provide such veteran with railroad transportation thereto prior to July 15, 1932, together with travel subsistence at the rate of 75 cents per day, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000: *Provided*, That all amounts expended under this appropriation in behalf of any veteran shall constitute a loan without interest which, if not repaid to the United States, shall be deducted from any amounts payable to such veteran on his adjusted-service certificate.

The resolution was ordered to be engrossed and read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

CONSTRUCTION OF THE TARIFF ACT OF 1930

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 336, entitled "Joint resolution construing section 503 (b) of the tariff act of 1930," and agree to the Senate amendments.

The Clerk read the title of the bill, as follows:

House Joint Resolution 336

Joint resolution construing section 503 of the tariff act of 1930.

The Clerk read the Senate amendments, as follows:

Page 1, after line 7, insert "and of the concluding provision of section 489 of the act entitled 'An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes,' approved September 21, 1922."

Page 1, line 9, after "(b)," insert "and the concluding provision of said section 489."

Page 2, line 4, after "(b)," insert "and the concluding provision of said section 489."

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, will the gentleman make a brief explanation of the effect of the amendment?

Mr. RAINEY. The amendment merely makes the provision amending the act of 1930 apply to the act of 1922.

Mr. STAFFORD. What is the provision as to section 305 (b)?

Mr. RAINEY. It affects what is known as the duress importations. The importer declares a value which binds him but does not bind the Government. The Government can contest that value and the importer has a right to appeal to the courts. Heretofore, during the period of appeal, which may last for years, the articles have been released and taken out of the Government warehouse. Recently the court has rendered an opinion holding that under the language of the act of 1930 the articles may not be released until the appeal was finally decided. Under the law the importer can bring in other or similar articles and have them released, depending upon the result of the appeal. The courts held that under the wording of the 1930 act the articles could not be released but must remain in public warehouses, and there are not warehouses enough to hold them.

The court recommended that the law be corrected. We find in the act of 1922 exactly the same language.

There are numerous cases pending under the act of 1922, and sometimes the cases drag out for years. The only amendment made by the Senate is to make this resolution apply to the act of 1922 as well as the act of 1930.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to.

TO EXEMPT FROM QUOTA HUSBANDS OF AMERICAN CITIZENS

Mr. DICKSTEIN. Mr. Speaker, I call up the conference report on H. R. 10600, to exempt from the quota husbands of American citizens, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement as follows:

(For conference report and statement, see proceedings of the House for July 6, 1932.)

Mr. SNELL. Mr. Speaker, will the gentleman yield? We would like to have 30 minutes on this side.

Mr. DICKSTEIN. I told the gentleman from Ohio [Mr. JENKINS] that I would yield 15 minutes to him. I am only going to use five minutes myself.

Mr. SNELL. But I think we are entitled to at least half of the hour.

Mr. DICKSTEIN. I am only going to use five minutes myself.

Mr. SNELL. But the gentleman wants more. He is opposed to the bill, and he is entitled to discuss it.

Mr. DICKSTEIN. I think we are taking up a lot of time. We discussed that yesterday. I think 15 minutes ought to be enough.

The SPEAKER. Does the gentleman from New York desire time on this within the hour for the purpose of general debate?

Mr. SNELL. Oh, no; for a discussion of the report. The gentleman from Ohio desires that time. I do not want any extraneous matters brought in so far as I am concerned.

Mr. DICKSTEIN. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. SNELL. And he can yield to other parties a part of that time.

Mr. JENKINS. Mr. Speaker, while this is in a way a small matter, it is yet in a way a very important matter. We are seeking here to-day to let down the bars as I have had occasion to say many times in defense of the immigration laws of this country. If this report is accepted, we will again lay down the bars when it is absolutely unnecessary. You will remember that about two weeks ago myself and others, believing as we do about the restriction of immigrants, waged a fight against and completely changed a bill and sent it on to the Senate, where it now rests. That bill sought to bring in the fathers and mothers outside the quota. This bill seeks to do the same thing with reference to husbands and deals with the same paragraph of the law. The bill seeks to let in the husbands of wives who married with their eyes open, knowing the law would not permit them to bring their husbands into this country. Under the present law if a husband marries a foreign-born woman, in a foreign country, he is entitled to bring her in outside of the quota, but subject to the law as to criminals and insane and kindred classes. That has been the law for a long time. When the law was changed a few years ago it was provided that a wife who marries a foreign-born husband can not bring him in outside of the quota, but she may bring him in within the quota and within the preferences within the quota. The quota permits all the husbands who are qualified everywhere in the world who have made application to come in—all but four, and why do you want to let down the quota laws, the whole fabric of the law, for four foreign-born husbands, living somewhere across the ocean, about whom we know nothing. It has been my contention all along and here is my proposition which the House accepted overwhelmingly two weeks ago.

If there is any restriction at all or any hardship, and if the law does not alleviate that hardship, then if you want to make any modification of the law to alleviate the hardship, let us make it within the quota by giving greater preferences to those whom you want to favor. The preferences within the quotas can be modified so as to take care of all the fathers and mothers and husbands without all this continual agitation for reuniting families. The bill of which I was the author took care of this proposition of reuniting families. All this agitation about the cruelty of the governmental departments in keeping families apart is absolute misrepresentation. How long we must be troubled with it I do not know.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. Yes.

Mr. DIES. The gentleman knows that according to the figures submitted to us by the State Department, or rather by the immigration officials, this bill could not possibly affect more than 100 individuals.

Mr. JENKINS. That is all.

Mr. DIES. Does the gentleman believe, in view of the few that it affects, that the bill ought to be killed after a great majority in the House passed it?

Mr. JENKINS. Oh, no; I beg the gentleman's pardon. The State Department did not bring us the information that it affected only that many, but that it affected that many who made application. You do not know how many will make application. Here are the figures that I got from the State Department to-day. There are 1,087 husbands in all the world who made application to enter. Those figures are directly from the State Department—1,087 husbands of all kinds—epileptic, insane, paupers, criminals. That is how many there are all over the world that have made application and nearly all have been rejected; 63 have not been examined. A total of 1,024 have been examined and only 41 have been accepted. In only two countries are there any husbands who have qualified that are waiting. There are 26 in Rumania and 5 in Turkey. Of the 41 above referred to who have been accepted but have not started yet, 22 of them are from Rumania, and that will reduce the Rumanians waiting to 4. There are 5 from Turkey, so that cleans up that list. That leaves only 4 from Rumania not cleared up, and it might be that when the 63 above referred to who have not been examined are examined that these 4 will be reached.

Here is what the Secretary of State gives me: That in Rumania 26 are waiting and 22 have been examined and accepted. There are 5 in Turkey waiting and these 5 have been examined and accepted. That is all there are. Take the 22 from the 26 and that is 4 of them that have not been reached in Rumania. Here is the proposition you are about to pass: You are about to take a step that will let down the bars once more, ostensibly to let in four people, but practically to open the doors and let them in outside the quota from every place. How many there will be nobody knows.

English men or women who have become American citizens do not need this protection because they can all be reached within the quota, for preference takes care of them. The same with Germany, the same with Scandinavia, the same with Italy, and the same with all the countries in the world except two. So it is laying down the bars. It is an entering wedge by the same people who always come here. You know who they are. You know what the influence is. It is always the same people with an entering wedge to tear down the structure of the immigration law.

It makes little difference to me whether this bill is passed or not. Scarcely any immigration comes into my district. I am not personally interested in this in any way at all, nor is my party, as far as I know; but I am a member of the Committee on Immigration and I represent what I think is a fair cross section of the country. Many of the Members of this House have made the statement on the stump and elsewhere that they are opposed to letting down the bars. Now is the time to show if you mean it. I just bring that to you. Now is the time you are going to let down the bars again for more people who will be reached in due course in a short time. It is an absolutely absurd proposition; useless, senseless, and unnecessary.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. OLIVER of Alabama. If the bars are let down in this instance, it furnishes a precedent that will rise to trouble us in the future.

Mr. JENKINS. Absolutely. The distinguished gentleman from Alabama is exactly right.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. JOHNSON of Washington. Inasmuch as this allows an alien husband married to an American woman to enter up to July 1 of this year, and if this thousand which the gentleman says exist are in that physical condition that they can not come in and meet the requirements, how are the bars let down? What we do is to give an opportunity for these alien husbands who married American citizens, if they can otherwise qualify, to come in until July 1, and thereafter you have the advantage of keeping them within the quota.

Mr. JENKINS. Is the gentleman asking me a question?

Mr. JOHNSON of Washington. Yes.

Mr. JENKINS. The gentleman has answered his own question.

Mr. GREEN. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. GREEN. Is it not a fact that of the witnesses who appeared before our committee, those representing the patriotic organizations of our country, those representing the restriction thought of our country, to a man and to a woman, were opposed to this unemployed husbands' bill?

Mr. JENKINS. The gentleman is correct.

Mr. GREEN. And is it not a fact that the restrictionists on that committee are opposed to it?

Mr. JENKINS. They are.

Mr. SCHAFER. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. SCHAFER. When the gentleman talks about establishing a precedent, many of those who talk against this bill on the ground of establishing a precedent stood up and voted for the Ulrich bill to establish a precedent for one single case because a man was a multimillionaire. They voted for the precedent to allow him to bring in his wife, although she had been convicted of larceny three times and was barred from admission.

Mr. JENKINS. That is correct. The gentleman makes the same inquiry as he made the last time we had this section under consideration and I answer him as I answered him then, that he and I stood together but the House did not think we were right. That is one time the House made a great mistake, and the gentleman from Wisconsin did valuable service in calling the attention of the House to it, but the House did not vote with him or me on that occasion.

Mr. SCHAFER. The gentleman from Florida, who spoke about all these patriotic organizations——

Mr. JENKINS. Well, I do not yield for that. The gentleman can argue with the gentleman from Florida in his own time.

Mr. SCHAFER. Will the gentleman answer this question: Among the patriotic organizations appearing before the gentleman's committee in opposition to this meritorious bill was there listed the representatives of the alleged American patriotic society, the Invisible Empire, commonly called the Ku-Klux Klan?

Mr. JENKINS. That is an organization that I do not know anything about. I do not now and never did belong to it and do not know who belong to it. I do not speak for it and I do not know who does speak for it, and if the gentleman does I will give him time. [Applause and laughter.]

Mr. SCHAFER. That organization, in my opinion, is not American and not patriotic.

Mr. McFADDEN. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. McFADDEN. Take the case of an Austrian man who is married to an American woman prior to July 1, 1932; can he be admitted if this bill passes?

Mr. JENKINS. He can be admitted if he can qualify as to character and meet the general qualifications.

Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. CABLE].

Mr. CABLE. Mr. Speaker, the President of the American Federation of Labor, Mr. William Green, that able and sincere representative of American wage earners, appeared at Chicago before the committees charged with making the 1932 Republican and Democratic platforms. He urged broad labor planks to assure justice for those for whom he spoke. He specifically asked both parties for the protection of the workers by a clear and unequivocal declaration for the continuation of our present immigration-restriction policy.

Mr. Green said in part:

> The federation urges the adoption of a declaration for the continuation of our present immigration policy and the progressive application of these principles as developing conditions may indicate the need.

How successful was the leader of the wage earners of America at Chicago? Let us first examine the Republican platform.

> The restriction of immigration is a Republican policy. We favor the continuance and strict enforcement of our present laws upon this subject.

Such is the Republican pledge relative to immigration.

> Our party—

Continues the Republican platform—

> formulated and enacted into law the quota system, which for the first time has made possible an adequate control of foreign immigration. Rigid examination of applicants in foreign countries has prevented the coming of criminals and other undesirable classes, while other provisions of the law have enabled the President to suspend immigration of foreign wage earners who otherwise, directly or indirectly, would have increased unemployment among the native-born and legally resident foreign-born wage earners in this country. As a result immigration is now less than at any time during the past 100 years.

What protection do the Democratic leaders offer to American workmen against unfair and destructive competition of immigrants seeking to come to this country? Apparently the alien influence which holds the balance of political power in certain centers of population prevailed over the prayer of Mr. Green for a promise of continued protection through immigration restriction. Perhaps the influence of the Democatic chairman of the House Committee on Immigration and Naturalization, the gentleman from New York, Mr. SAMUEL DICKSTEIN, exceeded that of William Green and the American Federation of Labor before the Democratic resolutions committee at Chicago. In any event, the 1932 Democratic platform is entirely silent as to its intentions relative to any immigration policy. The plea of the federation for a promise to continue our restrictive immigration policy was not answered; there is a conspicuous absence of any promise or pledge on that great issue in the Democratic platform. That platform entirely ignores the subject of immigration.

The leaders of the Democratic Party thus rejected William Green's plea for protection of the workers and repudiated and "forgot" American labor in their 1932 party platform.

The Republican Party has always stood for a restrictive immigration policy. When the party returned to power in 1921 immigrants were entering from war-torn Europe on an average of close to 100,000 per month. A Republican Congress quickly passed, and a Republican President at once approved, our first quota restrictive immigration law. Next came the 1924 permanent restriction act, likewise enacted by a Republican Congress and approved by a Republican President. Weeding out the undesirables by examination of aliens abroad was made possible and the quota was further reduced.

Then came a world-wide depression, first and worst in every other land; American consular officials reported a demand for more than 1,000,000 immigration visas in the 67 quota countries. President Hoover realized that every one of these intending immigrants was a potential wage earner and that, if admitted to the quota limit, many of them would take jobs from American workmen and that the rest would probably be dependents. President Hoover realized that the admission of immigrants could and would only tend to aggravate unemployment. He foresaw the seriousness of the situation and issued the order whereby immigration has been practically suspended. To-day there is, because of the enforcement of that order, a reduction of 90.3 per cent from the number of aliens admitted three years ago, and that could and unquestionably would try to come now but for that order.

On December 8, 1931, President Hoover still further expressed his views on the subject of immigration. He then recommended in his annual message to Congress that immigration restriction now in force under his administrative order "be placed upon a more definite basis by law."

The Republican Party stands not only for restrictive immigration but also for strict enforcement of our deportation laws. In 1921, when the party returned to power, 4,517 aliens were deported. During the past fiscal year the administration has deported more than 20,000 law-breaking or undesirable aliens.

On immigration restriction the Democratic platform is mute. The debates in Congress on restrictive immigration bills considered in the past 11 years, contained in the CONGRESSIONAL RECORD, clearly show that the leaders of that party, coming from the great cities and representing foreign-born constituencies, have always opposed restrictive immigration by debate and by vote.

Because of unemployment there is now more need than ever before for a continuation of our restrictive-immigration policy. Alien competition is unfair, not only to American workmen but to every foreign-born worker in our midst. Our immigration laws and protective policy must be maintained. Nothing could be more detrimental to American wage earners than to weaken and undermine this protection.

The Republican Party alone stands pledged for the rigid examination of intending immigrants abroad, debarring criminal and other unfit aliens, the deportation of alien criminals, racketeers, and undesirables, and for a continuance of restrictive immigration.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CABLE. I yield.

Mr. JOHNSON of Washington. Not only is the platform of the Democratic Party silent on the question of immigration, but the program of the Democratic House of Representatives, under Democratic leadership, has been taken up with these small bills, and no time has been given, by rule or otherwise, to the consideration of a bill that would permanently cut immigration to the United States that we will not need for years and years and years to come. No attention has been given to alien registration, and no attention given to the alien seamen's situation and other matters which should be attended to.

Mr. CABLE. The gentleman is correct.

Mr. DYER. Will the gentleman yield?

Mr. CABLE. I yield.

Mr. DYER. The gentleman is recognized or at least I, as one Member, recognize the gentleman as an authority on immigration and restricted immigration. What is the gentleman's judgment as to this conference report?

I am in favor of the report and I believe it should be adopted.

Mr. DIES. Will the gentleman yield?

Mr. CABLE. I yield.

Mr. DIES. Is it not a fact this conference report is considerably better than the original bill passed by the House?

Mr. CABLE. No; I am in favor of the original bill as it was passed by the House.

Mr. JENKINS. Is it not a fact the gentleman was principally interested in this bill at the outset because it would tend to equalize the women with the men, but now that proposition is entirely out of it. Is not that right?

Mr. CABLE. I favor the principle of equality for both men and women, and I consider that the Republican Party has always favored that proposition.

RECOGNITION OF WOMEN BY THE REPUBLICAN PARTY

Women to-day are sharing in the administration of public affairs as never before. Their right to qualify and achieve distinction was made possible through the Republican Party. That party was most instrumental in removing suffrage and citizenship discriminations against women from our laws.

A Republican Congress proposed the nineteenth amendment to the Constitution. Of the 37 States ratifying 30 had Republican legislatures. Before that amendment was adopted 12 States (all Republican) had given women full suffrage with men.

Thereupon the Republican Party took steps to eliminate further discrimination, until to-day no Republican State bars women from high elective office.

The outstanding discrimination then remaining was citizenship inequality between men and women. A woman is as patriotic and loyal as a man. Nevertheless, antiquated laws made her citizenship dependent entirely upon her husband's will. She had no choice. All the national women's organizations petitioned Congress for woman's citizenship equality and independence. Republican Congresses and Republican Presidents have enacted three laws in compliance with that petition. Women in America to-day have absolute equality with men in both citizenship and suffrage.

Furthermore, the Republican Party has consistently appointed women to high posts and positions. President Hoover has made a large number of such appointments for official service both at home and abroad. These women carry on the work of our Government with credit and honor, filling high positions of trust and confidence in every field of public affairs.

The United States was the first country in the world to admit women to its diplomatic service. Lucille Atcherson, of Ohio, was appointed to the Diplomatic Service by President Harding in 1922. Women officials of our foreign service now are stationed in Syria, Chile, Switzerland, and Canada.

Three women were appointed as American trade commissioners under the United States Department of Commerce—one each in Norway, Italy, and China.

Mrs. Ruth B. Shipley holds the important position of Chief of the Passport Division in the Department of State.

Two women have been appointed as delegates to international conferences with full plenipotentiary powers. Mrs. Hamilton Wright, of Washington, was appointed by President Coolidge to the International Opium Conference at Geneva in 1924, and Miss Mary E. Woolley, president of Mount Holyoke College, was appointed by President Hoover to the disarmament conference at Geneva now in session.

Nearly a hundred women have been delegated, unofficially, to various international congresses and conferences by Republican Presidents since March 4, 1921.

President Hoover appointed Mrs. Ruth B. Shipley a member of and Dr. Emma Wold a technical adviser to the American delegation to the First World Conference for the Codification of International Law at The Hague in 1930. When the conference proposed citizenship discriminations against women the United States delegation, representing a Republican administration, stood alone in voting against and refusing to sign the draft convention on citizenship.

President Coolidge was the first to open the Federal judiciary to women. He appointed Genevieve Cline, of Ohio, as a judge of the United States Customs Court.

A recent appointment by President Hoover is that of Annabel Matthews to the Board of Income Tax Appeals.

Fifteen thousand women have been appointed postmasters. It is interesting to note that a postmaster is a postmaster, whether man or woman. So far as the Government is concerned, there is no "postmistress."

Among the many important positions now held by women officials of the United States Government are Chief of the Children's Bureau, Chief of the Women's Bureau, member of the United States Civil Service Commission, chairman of the United States Employees' Compensation Commission, Chief of the Bureau of Home Economics, Assistant Director of the Mint, deputy commissioner of the public debt, Assistant Chief of the Tariff Classification Division, Treasury Department, assistant chief of the section of financial and economic research, Treasury Department, collectors of customs, assistant United States attorneys, special counsel in the office of the Attorney General, member of the board of parole, assistant chief statistician, Department of Commerce, member of Board of Immigration Review, assistant commissioner of education, assistant director of Indian education, State directors of the United States employment service, Commissioner of Immigration, and register of a district land office. All of these offices are held by women under a Republican administration.

Women officials have demonstrated their efficiency and the value of their services to the Government. Republican administrations long have recognized their merit and have placed them in positions of prominence and great responsibility—governmental positions never before enjoyed by women.

Mr. JENKINS. Mr. Speaker, I yield five minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I shall not speak at length on this report, because I believe the House well understands my views on immigration. It has been my consistent record to vote against all measures that have for their purpose the breaking down of our immigration laws.

In other words, as a general principle I am for immigration restriction. We already have entirely too many foreigners in our country.

I believe if we are going to pass immigration legislation at this Congress it should be the bill known as the Moore bill, which is now before the Rules Committee, favorably reported by the Immigration Committee, which will restrict existing immigration by 90 per cent. That bill I support. I do not support these special bills to benefit a little alien group here and a little alien group there. Let all aliens

comply with our immigration laws instead of asking for exceptions.

When American women marry abroad they should comply with the immigration laws and let their husbands take their turns in the quota and come in according to law. There are only a few affected directly by this bill, but if we adopt this conference report it lifts many from the quota and automatically permits added aliens to take their places.

Seniority rules were violated and disregarded in appointment of House conferees, or probably the conference report would have been different. I have contended all the time we should not pass a bill to admit these unemployed husbands when probably 10,000,000 of our people are out of employment and begging for positions.

Mr. Speaker, I yield back the balance of my time.

Mr. DICKSTEIN. Mr. Speaker, I yield myself such time as I may need.

On April 18, 1932, this House voted for this bill, and on a record roll call 209 voted to pass the bill and only 112 votes were cast against it. At that time the House adopted a bill that would exempt from the quota the husband of an American woman and put her on a par with a male citizen; in other words, equalize the right or status of male and female. This House expressed itself overwhelmingly in support of that proposition. The matter went to the Senate. A few of my colleagues from this House got busy over in the Senate. They told all kinds of bugaboo stories. They said that under this bill the gates of the United States would be thrown open to all the world.

So the Senate adopted an amendment by which and under which they have exempted from quota restrictions these husbands of American women up to and including July 1, 1932. In other words, the Senate has gone a step further in restriction by fixing the dead line at July 1 of this year. After July 1, if any marriages take place, naturally the husbands will have to go within the quota and will have to take a preference in the line.

How many does this bill affect? It affects a little over 100 foreign men who have married American women. Most of these women have borne children in the United States who never have seen their fathers. When these women were married they had a right to believe, as you and I, that the laws that you men pass would be respected. They had a right to believe that the law gave them a preference to bring in their husbands. However, the White House and the State Department, on the false philosophy of economy that they would aid labor, tell the people they were going to keep out 100 husbands in order to bring back prosperity. They applied the act of 1917, which under their interpretation means that where the consul believes a person is liable to become a public charge the consul does not have to give him a visa. Each of these wives of these one hundred and some-odd men have cash capital running into the thousands of dollars, with steady employment at fixed incomes upwards to $120 per week, and they are prepared to show that their husbands will not under any ordinary and reasonable interpretation of facts become a public charge, yet the State Department, through its consuls abroad, have arbitrarily and without any reason refused to admit them.

I just want to insert in the RECORD at this point some statistics submitted to our committee by a witness who had tabulated the facts about just 165 American citizens' wives who are trying to have their alien husbands join them in the United States.

The first table I submit indicates the savings and regular earnings of these citizen wives:

Two women are unemployed (expectant mothers). Note that one is a physician. Four have own businesses.

Salaries of women:

$18 a week	1
$20 a week	3
$22 a week	6
$24 a week	1
$25 a week	14
$26 a week	1
$27 a week	2

Salaries of women—Continued.

$28 a week	4
$29 a week	1
$30 a week	35
$31 a week	1
$32 a week	3
$33 a week	1
$34 a week	1
$35 a week	26
$36 a week	3
$37 a week	1
$38 a week	2
$40 a week	26
$42 a week	2
$43 a week	1
$45 a week	8
$46 a week	1
$47 a week	1
$50 a week	5
$70 a week	1
$120 a week	1
$25 to $40 a week	1
$30 to $35 a week	3
$35 to $40 a week	3
$35 a week plus $100 a month from investment	1
$1,400 a year	1
$55 a month	1
$85 a month	1

Two not working; 1 earns $120 a week; 1 earns $70 a week; 5 earn $50 a week; only 13 earn under $25 a week; the greater part earn $30 and over a week.

Savings of women:

$300–$400	1
$500–$600	5
$600–$700	1
$700–$800	3
$800–$900	3
$900–$1,000	2
$1,000–$1,100	33
$1,100–$1,200	6
$1,200–$1,300	6
$1,300–$1,400	4
$1,400–$1,500	3
$1,500–$1,600	12
$1,600–$1,700	3
$1,700–$1,800	6
$1,800–$1,900	2
$1,900–$2,000	5
$2,000–$2,100	19
$2,100–$2,200	5
$2,200–$2,300	1
$2,300–$2,400	1
$2,500–$2,600	5
$2,600–$2,700	1
$2,700–$2,800	3
$2,900–$3,000	1
$3,000–$3,100	8
$3,100–$3,200	1
$3,200–$3,300	4
$3,300–$3,400	1
$3,500–$3,600	1
$3,600–$3,700	2
$3,700–$3,800	2
$3,800–$3,900	1
$4,000–$4,100	1
$4,100–$4,200	1
$4,200–$4,300	1
$4,500–$4,600	1
$4,600–$4,700	1
$5,000–$5,100	2
$5,200–$5,300	1
$5,700–$5,800	1
$5,800–$5,900	1
$6,000–$6,100	1
$7,000–$7,100	1
$8,000–$8,100	1
$9,000–$9,100	1

Only 15 have under $1,000; 80 have $1,000–$2,000; 36 have $2,000–$3,000; 20 have $3,000–$4,000; 14 have over $4,000. A number of women have part of their savings invested in stock.

Women's investments in real estate, mortgages, etc.: Ninety-two shares stock; 20 shares Chrysler; 30 shares stock; $2,575 in shares of Trading Corporation; $8,200 in Morris plan; $1,535 in loan association; $7,600 in mortgages; $3,200 in notes; $7,000 in business. Bank stock, bonds, etc. A number of women have insurance policies: One has a policy for $5,000; 1 has a policy for $1,500, which matures in 1932; 6 have policies for $1,000; 2 have policies for $2,000. The woman who has the $7,000 has $6,000 of it in bank in name of her husband and has sent him a check for $1,000.

The second table I submit indicates when these women married their alien husbands, when their petitions for immigration visa were filed, and what the consuls abroad have

done with the applications by the husbands for visas to enable the uniting of these families in the United States:

When the marriage took place:

1927		1
	November	1
1928		1
	December	1
1929		28
	March	1
	May	2
	June	8
	July	1
	August	4
	September	2
	October	4
	November	4
	December	2
1930		133
	January	4
	February	6
	March	3
	April	8
	May	6
	June	6
	July	18
	August	38
	September	18
	October	10
	November	5
	December	11
1931		2
	January	1
	February	1

Thirty cases where the marriages took place before 1930 have not yet received visas.

When petition was filed:

1928, February		1
1929		13
	June	3
	July	1
	August	2
	September	2
	October	1
	November	1
	December	3
1930		141
	January	5
	February	7
	March	5
	April	4
	May	7
	June	11
	July	9
	August	20
	September	25
	October	18
	November	15
	December	15
1931		10
	January	6
	February	4

Fourteen petitions filed in 1928–29 not yet visaed.

Consul assured women visa would be granted:

Poland—	
Within 6 weeks	2
Within 3 months	9
Within 4 months	9
Within 5 months	7
Within 6 months	2
3–6 months	23
A couple of months	3
As soon as quota is reached	7
Rumania—	
3–4 months	2
4–5 months	1
Would get visa	1
Czechoslovakia, 3–6 months	1
Belgium, after marriage	1
Palestine, 2 months	1
Habana—	
9 months–1 year	1
4–5 months	1
Germany, 3–6 months	1

Thus, 72 women who visited consuls were assured of visas.

Twenty-four husbands have not yet been called.

Disposition of cases called: 135 deferred, due to economic depression in United States; 1 could not speak English; 1 could not appear (sick); 3 told would be called again; 1 told visa with another consul.

It is only fair to state that the tables just submitted were prepared from statistics submitted to show certain facts as they existed on or about January of this year as they were presented to our committee at that time. Since then I have been informed that in some instances the consuls have found a way to warrant the issuance of some isolated visas—more or less as a sort of "sop" to ward off any legislation curtailing their arbitrary power abroad, which under the present immigration law is not subject to any appeal to any higher official in either the State Department or the Labor Department. In that connection I desire to call attention of the Members of this House to another bill now on the House Calendar, namely, House bill 11552, and to suggest that each of you make an effort to read the report on this bill filed by the committee—it is known as House Report No. 1193, and was filed on May 3 of this year. I will probably call up that bill early in the next session of this Congress.

Now, to come back to the present bill we are discussing. All this bill does is to enable a woman who is a citizen of the United States and who married an alien prior to July 1, 1932, to bring her husband into the United States, without restrictions against the husband by reason of a quota—he can come in outside of any quota and join his wife for the establishment of an American home in the United States.

Mr. DYER. Will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. DYER. This only gives to American women, up to July 1 of this year, the same right that American men have had all the time?

Mr. DICKSTEIN. That is all it does. What is the trouble?

My colleague the gentleman from Florida [Mr. GREEN] has complained that he was not one of the conferees. He is sore about it, and he is pretty bitter about it, as you will see if you will read the RECORD, on page 14695. He repeated it several times. The same may be true of Mr. JENKINS, who has done exceedingly little in our committee deliberations toward genuine effort to actually unite near relatives abroad with their families in the United States.

Mr. GREEN and Mr. JENKINS rose.

Mr. DICKSTEIN. I will not yield to anybody.

Mr. GREEN. The gentleman should yield to me, because he has mentioned my name. Will the gentleman tell the House why I was not on the conference committee?

Mr. DICKSTEIN. Perhaps the gentleman was not in good company.

Mr. GREEN. Was I not next in line?

Mr. DICKSTEIN. No.

Mr. GREEN. I was; and I should have been a conferee.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. JOHNSON of Washington. The distinguished gentleman from New York, the chairman of the committee, has learned by this time, has he not, that to be the chairman of the House Committee on Immigration is not an absolute sinecure?

Mr. DICKSTEIN. I agree with the gentleman.

Mr. JOHNSON of Washington. There is no harder place in this House.

Mr. DICKSTEIN. I agree with the gentleman. I want the gentleman to know that I have tried my best to do everything humanly possible both for the restrictionists and others, and I have voted out of committee more restrictive measures than have come out in previous Congresses, as well as a few minor relief bills.

Mr. JOHNSON of Washington. While the chairman, Mr. DICKSTEIN, has not helped to bring out any big restrictive legislation, he has been very fair. He has brought to this floor bills wanted by the State Department and he has brought out bills wanted by the Labor Department. [Applause.] These have been signed by the President.

Mr. JENKINS. Will the gentleman yield and permit me to ask a question of the gentleman from Washington?

Mr. DICKSTEIN. Yes.

Mr. JENKINS. May I ask the gentleman from Washington if it is not a fact that the principal restriction measure

before the House for two sessions is one that he and I have championed and if it is not a fact that he has repeatedly denounced the chairman because of his failure to cooperate and bring to this House a real restriction bill?

Mr. JOHNSON of Washington. Oh, yes; and on this committee one may expect to be denounced by one side or the other, and frequently by both sides at the same time. [Laughter.]

Mr. DICKSTEIN. I do not yield further for this argument between the gentlemen.

Mr. CABLE. Will the gentleman yield?

Mr. DICKSTEIN. For a brief question.

Mr. CABLE. The chairman of the committee referred to the gentleman from Ohio [Mr. JENKINS]. As I recall, it was the bill of the gentleman from Ohio [Mr. JENKINS] that provided for the reuniting of families in 1929.

Mr. DICKSTEIN. I know, but that was intended as propaganda for the American people when you adopted the Republican platform in 1928, and you have obtained millions of votes from these foreign-born people who reside in the United States on the promise that you would reunite the families. Instead of that, you separated the families so far that they are almost dying by inches without any hope of ever getting together in the United States.

Mr. CABLE. But the bill of the gentleman from Ohio [Mr. JENKINS] is the only bill that has had that purpose so far.

Mr. DICKSTEIN. No; it is not. But let me say, in conclusion, there are eight aliens leaving the United States for each one that is coming in under the quotas. There is practically no quota. The quota has been cut 98 to 99 per cent.

The final figures given out by the Department of State under date of September 26, 1931, show that for the fiscal year ending June 30, 1931, when there should have been available, under the national-origins provision of the immigration act of 1924, as amended, 153,714 quota immigration visas, there were only issued during that year 48,528, of which number 26,833 were issued to immigrants who had no preference of any kind under the law, while only 21,695 were issued to immigrants who were entitled to either first preference or second preference under existing law.

The latest figures given out by the Department of State, under date of July 1, 1932, show the incomplete returns from the quota-control officers for the fiscal year ending June 30, 1932, during which year there have been only 11,524 quota immigration visas issued, with 153,831 available under the law and regulations. Only 7,245 immigration visas had been issued to immigrants entitled to first and second preference within the quotas, whereas more than 76,915 immigration visas should have been made available to immigrants entitled to first preference alone. Our quota provisions are of no effect now under the operations of the consuls based upon an administrative order which leaves each individual consular officer abroad free to place his own interpretation as to when the circumstances of an alien and such alien's family in the United States are such that the alien may be considered by the consul to be a person likely to become a public charge, and on that presumption withhold an immigration visa and arbitrarily keep separated a family amply able to be self-supporting in the United States.

Current figures now available from the Department of Labor show that for the first 11 months of the fiscal year ending June 30, 1932, there were about eight emigrant aliens who left the United States for every alien who was admitted to the United States as a quota immigrant for permanent residence. It is not anticipated the final figures for the entire 12 months will change this ratio of eight to one.

These figures tend to support a statement made by a representative of the State Department before our committee when this question of granting nonquota status to husbands of American citizens and nonquota status to aged parents of American citizens. I insert extracts from those hearings which are now printed:

Mr. HOGGDON. As you know, about 97 per cent of all quota applicants in December were refused visas.

The CHAIRMAN. I am asking you. I don't know.

Mr. HOGGDON. The issue of visas to the preference classes of husbands is reported to us, together with the preference classes of aged parents, and we have no means of differentiating between those two. I told you I would be glad to get the information desired.

Yes, sir; I might give you a combined figure. There is at the present time a combined demand in the whole world of 6,630 first-preference cases that includes the active and inactive, and includes also husbands of American citizens and aged parents. That is the outside figure for preference relatives.

As I explained to the committee, it is practically impossible to tell you how many. We could tell you how many have been filed, but not how many have been acted upon or how many have not been acted upon; how many had been filed, but not how many were dead, but this gives you the result of culling all the lists. The difference between the number admitted and the number of petitions outstanding would show a very large number. For instance, one country I was in year before last, they had 800 on the list—they had been inviting and reinviting—they would not come in to apply for visas.

Some interesting conclusions may be deducted from a part of one paragraph in the last printed annual report of the Commissioner General of Immigration for the year ending June 30, 1931.

On page 11 is found this interesting statement:

As has been noted before, the striking feature in the past year as to immigrants admitted is the fact that the number is less than 100,000, the first time since the early part of the Civil War. In actual figures, 97,139 aliens were lawfully admitted and recorded for permanent residence. This great falling off is due to two causes primarily, the poor economic conditions prevailing with us in the past year, but particularly to the strictness with which American consuls are applying the provisions of the law in the light of the reduced opportunities for self-supporting employment in the United States.

On page 16 this statement regarding quota immigrants is enlightening:

So far as countries under the numerical quotas system are concerned, the annual quotas available are 153,714; and under this number but 48,528 immigration visas were issued by consuls, which is an underissue of 68 per cent. This decrease would have been even greater if the added restrictive policy had been in force in the first three months of the fiscal year. The immigrant aliens admitted at the various ports of the country chargeable to the quotas numbered 54,118. It should be recalled that visas are valid in applying for admission for four months after the date of issuance, so that the number issued in a given period can never correspond with the number of aliens arriving with these documents at ports of entry. The number of immigrants admitted as chargeable to the quotas in the fiscal year 1930 was 141,497, so that the decrease in the past year represented about 62 per cent. As noted before, the number of admissions in the last eight months of the fiscal year fell off proportionally and greatly from the total of the first four months.

However, on page 18 is found an exceedingly important item:

Of the 97,139 immigrant aliens admitted, 31,413 males and 46,063 females over 16 years of age were able to read and write, a qualification required by the immigration act of 1917. The money brought in by the immigrants totaled $10,771,013. Of course, the greater number of alien immigrants are always induced and assisted financially by their relatives in this country to come to the United States.

I wish particularly to call your attention to this last quotation, for it shows, to my mind, one of the fundamental fallacies of the present policy of the administration and the consuls abroad in the drastic manner of their individual interpretation of who is likely to become a public charge.

Ninety-seven thousand one hundred and thirty-nine immigrant aliens admitted for permanent residence in the United States brought into the United States $10,771,013, as new money for circulation in this country—an average of about $111 only, but in the aggregate over 10,000,000 of new dollars in this country for purchase of necessities made, grown, and distributed in the United States. How much more benefit to the United States it is for these aliens to be admitted here bringing this new money here and spending it here than to go on with a further restriction policy keeping out this new money, while at the same time in many instances sanctioning the continuance of a policy whereby citizens and relatives in this country send out money from the United States for the support and comfort of their alien near relatives prevented from coming here by the rigid interpretation of the "likely to become a public charge" presumption by the consuls abroad under instruction from the State Department.

Now, coming back specifically to this conference report on H. R. 10600, the alien husbands of citizens of the United States likely to be benefited by this bill will have to establish before the consul complete admissibility to the United States in every particular other than as to his preference under the quota or as to his nonquota status. If they are admissible under our laws, they will eventually be admitted; I say that under that viewpoint, the imposition of quota restrictions to the delay, the uniting of an American citizen wife in this country with her alien husband, whom she has chosen as her wanted life partner, I say such a delay simply to keep intact the fanatic idea of the ultrarestrictionists is an un-American and an inhuman theory which tends to break down the basic idea that the home is the central pivot of our civilization.

There are 100 men who would be exempt from the quota in countries where it is impossible to obtain a quota number, and in some of the countries it would take some husbands 100 years before they could come in to join their wives and their American children.

I submit, gentlemen, this report ought to be adopted. The nine conferees have unanimously adopted the report after careful consideration.

Mr. SCHAFER. Will the gentleman yield?

Mr. DICKSTEIN. For a question; yes.

Mr. SCHAFER. Both the Democratic candidate and the Republican candidate for the Presidency in the last campaign went on record against the national-origin scheme for determining immigration quotas. Why have we not had a chance to vote on that?

Mr. DICKSTEIN. I am not interested in the last campaign. But the gentleman knows our committee held extensive hearings on all bills referred to the committee dealing with general restrictive measures, and among these bills about four proposed the repeal of the national-origin provisions, and the gentleman testified very vehemently in support of his own bill on this subject. However, the committee did not find any active desire to report any bill relating to that subject, and those bills are tentatively still pending before the committee for executive action.

I wish to add just one more word, as a suggestion to those in favor of immigration restrictions, for whom I have the highest regard, since I respect everybody's opinion, and that is that the obstruction in these minor matters should not be the policy of the restrictionists. On the other hand, they should make every effort to cooperate with the American people to bring about a complete union of these families; and I am sure if it is then found that further restriction is necessary in view of the restrictive policy of the President of the United States and his administration, the matter could be so adjusted as will bring about a more equitable solution of this vexing problem.

The gentleman from Washington, Mr. JOHNSON, spoke of the job of the chairman of the Immigration Committee as not being a sinecure, and I agreed with him. For several months now I had the honor of being chairman of the Immigration Committee, and I wish to thank every member thereof for such cooperation as I have received from them in connection with some of the legislation which our committee was called upon to consider and to report on the floor of the House.

As Congress is about to adjourn for the present session, I can not restrain myself from uttering as my parting words to those of the members of the committee who did not feel with me on the question of uniting of families, "God forgive them, for they know not what they do," and to those who have valiantly and stanchly added their support and encouragement to my work in behalf of the union of families, may I express my sincerest thanks and wish them godspeed.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. JENKINS) there were—ayes 183, noes 22.

So the conference report was agreed to.

On motion of Mr. DICKSTEIN, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. DAVIS, on account of important business.

Mr. MONTAGUE, for three days, on account of the marriage of his only son.

CHARLES G. KEISER

By unanimous consent, Mr. LUDLOW was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of the bill (H. R. 6560) for the relief of Charles G. Keiser, Seventy-second Congress, first session, no adverse report having been made thereon.

ORDER OF BUSINESS

Mr. LOZIER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Let the Chair say to the gentleman from Missouri that a great many gentlemen have asked him to recognize them for that purpose. The Chair wants to make a statement about the program, as he understands it, arranged by the gentleman from Illinois and the gentleman from New York. Having made it in the Chair's presence, the Chair thinks he knows what it is. The program for to-morrow is to take up one or two conference reports, and other matters that may be privileged, and the balance of the day will be spent in the Committee of the Whole House on the state of the Union, where everybody will have a chance to talk as long as they want and also to get unanimous consent to extend their remarks.

Mr. BLACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLACK. Does the Chair think we will have another opportunity to consider bills on the Private Calendar? I have been asked about this by a number of Members.

The SPEAKER. The gentleman will have to ask the gentleman from Illinois and the gentleman from New York, who control that matter.

GEORGE WASHINGTON—MASON

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS. Mr. Speaker, ladies and gentlemen of the House, under leave to extend my remarks, I hereby incorporate as part of my own remarks an address delivered by Mr. John H. Newvahner, of Jackson, Ohio, which address was made in line with the national program of the George Washington bicentennial, and portrays the character and activities of General Washington in his public and semipublic service.

The address is as follows:

George Washington is not only "first in war, first in peace, and first in the hearts of his countrymen" but he is first among Masons.

You are familiar with the Masonic life of George Washington, and nothing I can say will be new. But I can not refrain from mentioning one circumstance—that the star of Masonry arose in America almost at the very time that the first President was born. It seems natural, too, that Washington should have become a Freemason, for the ideals of Freemasonry were his own.

And to-night I shall try to picture to you Washington as a Mason, surrounded by Masons, with a Masonic background. I shall picture him as a living man, a good man, and a great man. Let us get the picture.

St. John's Lodge, of Philadelphia, founded in 1731, just the year before Washington was born, was the first lodge in the New World. Benjamin Franklin was its first master. In 1749, Pennsylvania formed the first grand lodge, and Franklin became its first grand master. To Benjamin Franklin belongs the credit of building the first Masonic Temple in America, at Philadelphia, in 1754.

Franklin, through his Masonic connections, had long urged a union of the Colonies. But the Puritans of New England were suspicious of the Established Church of the other colonies. They had the town meeting for their government, and could not or would not meet those of the parish system of the southern colonies. Therefore, Masonry was the only common ground on which the leaders of the Colonies could meet.

When, in 1774, the First Continental Congress met at Philadelphia, Delegates came from all the colonies. Nearly all were

Masons. Over that body presided Peyton Randolph, at that time grand master of Virginia.

In 1775 the Second Continental Congress met at Philadelphia and was presided over by John Hancock, also a Mason. Just at this time Boston was besieged by the British Army and Navy and was helpless. The Congress, looking over the country for help, saw in the South a brilliant Virginia colonel, who had attracted the attention not only of the American Colonies but of the statesmen of Europe in his masterly conduct of the American and British forces in the battle known as Braddock's defeat. And the Congress then elected George Washington, a Mason, commander in chief of the American Army. He was just at this time only 43 years of age. Washington at once journeyed to Boston, where he took command of the American armies. What happens? He compels the British to evacuate Boston and sail away to Canada. His name now appears in the far-away capitals of Europe. The world is watching him. Our country is looking to him and depending upon him as upon no other man or set of men. Only last week I read that the best military critics of Europe to-day rank General Washington as the equal of Napoleon Bonaparte in military genius. He commanded the only army in all history that overcame the armies of Great Britain and compelled their surrender. Had he failed he would have been hanged as a traitor, as would all of his associates. There is more truth than humor in Franklin's jest that if they did not all hang together they would all hang separately.

NOW AS TO HIS MASONRY

George Washington was the first candidate to be initiated in Fredericksburg Lodge, Virginia. He received the entered-apprentice degree November 4, 1752, just two months after the founding of the lodge. And please note this fact, that Washington was made a Mason before he was 21 years old.

He received the fellow-craft degree March 3, 1753, and he was raised to the sublime degree of master Mason August 4, 1753, which was exactly nine months from the time he took the entered apprentice.

The French and Indian War broke out shortly after this. And there is a well-founded tradition that Washington and his Masonic brethren held military lodges in that war. And there is a cave near Charles Town, W. Va., near Winchester, that to this day is called Washington's Masonic Cave. In 1844 the Masons of that vicinity held a celebration there to commemorate the event.

Then came the American Revolution. And it may surprise you to learn that the American Revolution itself was a Masonic enterprise. The Boston Tea Party was organized in St. Andrews Lodge, of Boston, whose minutes record these words: "Consignments of tea took the brethren's time at this regular meeting." In other words, the Boston tea party was an adjourned lodge of Freemasons. Paul Revere was junior warden of that lodge when he made his famous ride and every man who assisted him was his Masonic brother.

At least 50 of the 56 signers of the Declaration of Independence were Masons. And every man of the committee who drew the declaration was a Mason. The declaration itself was written by Thomas Jefferson, a Mason, who wrote into it the fact that all men are created equal, which is pure Masonic teaching. But Washington was not at the meeting. While the declaration was being signed Washington was already far away on the field of battle.

The American flag was designed by Washington himself. And under his direction it was made by Elizabeth Ross, widow of John Ross, a Mason.

The colors would appeal to every Mason in all the Colonies. The red denotes fervency and zeal, the white purity of heart, the blue friendship, and is the distinguishing color of a master Mason.

Thus was born that flag which flies over the greatest Nation on earth. That flag has never met defeat. It is the living symbol of the sacrifices, the courage, the blood, and the tears of those brave men and women of a bygone age who went gloriously to their graves that this Nation might live. And it is the living symbol of the spirit of America to-day.

All of Washington's trusted generals were Masons. Gen. Joseph Warren, who fell at Bunker Hill, was grand master of Massachusetts; Gen. John Sullivan, grand master of New Hampshire; Gen. James Jackson, grand master of Georgia; Gen Aaron Odgen, grand master of New Jersey; Gen. Mordecai Gist, grand master of South Carolina. Gen. Israel Putnam, Gen. Rufus Putnam, General Montgomery, who fell in the storming of Quebec, Gen. Nathanael Greene—who, Washington said, must succeed him in case he fell in battle—Gen. Ethan Allen, Gen. "Mad Anthony" Wayne, Gen. Richard Henry Lee, Gen. John Stark, Gen. Francis Marion, Col. William Moultrie, Baron von Steuben, drill master of the American Army, Baron de Kalb, and Marquis de Lafayette are only a few of the more important. It is claimed that every general of the American Army of the Revolution except Benedict Arnold was a Mason.

The statesmen of the Revolutionary period—Benjamin Franklin, Peyton Randolph, John Hancock, James Otis, Roger Sherman, John Jay, Robert Morris, Edmund Randolph, Thomas Jefferson, Alexander Hamilton, John Adams, Robert R. Livingston—all these stand high in Masonic history. Where in all the world's history can you find such a brilliant galaxy of statesmen? Yet here they were in the American Colonies. All were Masons, and Washington the foremost of them all. Thus you see that Masonry is built in the very foundations of our Government.

The most celebrated officer in the history of the Navy, the man who set such a high standard for the American Navy for all time, was John Paul Jones, who was made a master Mason in Royal White Hart Lodge, of Halifax, N. C. Royal White Hart Lodge still meets and is active. It meets in a temple built in 1769. And this is the oldest Masonic temple in the world now in active use.

In the Revolution many Army lodges were formed. These moved about with the various armies, and officers and men alike took part in their ceremonies. There was one Army lodge called the American Union Lodge whose records show that it was very often attended by Washington and his generals. And we are pleased to relate one particular instance of Washington's love for Freemasonry which should strongly impress each of us.

In a regiment of the British Army there was a traveling lodge with a charter from the Grand Lodge of Ireland. After an engagement in which the British were defeated, the private chest of the lodge containing its jewels, furniture, and implements fell into the hands of Washington's troops.

When Washington learned of this, he ordered the chest to be returned to the lodge and to the regiment under a guard of honor composed of American and British soldiers. The surprise and delight of the officers and men may well be imagined when this tribute was paid to them. Accompanied by the guard of honor, with bands playing a sacred march, the chest containing the constitution and implements of the craft was borne aloft like another Ark of the Covenant by the Englishmen and Americans to the lodge of the regiment, who presented arms and colors and hailed the gracious act with grateful cheering.

During six long years after the surrender of Cornwallis the Colonies drifted farther and farther apart. All saw the need of a more perfect union. And in 1787 a great convention met in Philadelphia to frame and submit to the Colonies a new Constitution. The ablest men of the Colonies were there. Washington was president of the convention. After four months of careful deliberation the Constitution of the United States was drawn up and signed.

Of the 39 men who signed that immortal document, 34 were Masons.

And under its provisions a new Government was to be formed, a President to be elected. Only one name was considered, and Washington became the unanimous choice of the electors.

In April, 1789, Washington journeyed to New York for his inauguration. Upon his arrival, he was met by Jacob Morton, master of St. John's Lodge, New York, who was marshal of the day. Morton took from the altar of his lodge the Bible with its cushion of velvet. And upon that sacred volume Robert R. Livingston, chancellor of New York and most worshipful grand master of the Grand Lodge of New York, administered to Washington the oath of office as first President of the United States. This Bible is still in the possession of St. John's Lodge No. 1 and is treasured as a sacred relic. Right here I may mention that Warren G. Harding took the oath of office as President upon the same Bible.

The governors of each and every one of the original thirteen States, at the time Washington was elected President, were Masons in good standing.

Those of us who have wondered how the Nation was kept alive, may now appreciate the wonderful work of our Masonic brethren. The Masons supported their brother in the President's chair, and without such loyal support, our Nation would have perished in its earliest years. Gone are those patriots of long ago. But they left us a wonderful heritage, a Nation built by Masons with Washington the master overseer.

When Washington laid the corner stone of the Capitol Building, on September 18, 1793, he wore the apron and other insignia of a Mason. And there were present, the representatives of the Grand Lodge of Maryland and of his own lodge of Alexandria, serving him on that occasion. Throughout his life, he wrote many letters to various lodges, telling them of his high opinion of Masonry.

In 1777 the Grand Lodge of Virginia offered him the position of grand master. But as he was in the hardest kind of warfare, he could not think of it.

On June 24, 1874 (St. John's Day), Brother Washington became a member of Alexandria Lodge, much nearer to his home, and he became its worshipful master. The records show that he attended its meetings many, many times during the succeeding years.

From the day when he stood as an entered apprentice in the northeast corner of the lodge to the day of his death, George Washington was the ideal Freemason. During all those long and burdened years, when this great man labored to establish this Republic, he never deviated from Masonic principles.

When we consider his life in its fullness, can we think of any deficiency, any weakness, anything lacking in his character? Can we suggest anything that would have made him more perfect? The point of my entire talk is that Masonry impressed Washington; he absorbed and practiced its principles and impressed these principles upon our Republic in its formative period. This is the picture I am trying to paint for you of Washington, the Mason.

And I have no patience with mediocre authors trying to get a few paltry dollars in their pockets by writing books detracting from the character of the founder of this Republic.

Strange as it may seem, do you know that President Washington, in his Farewell Address, predicted the downfall of the United States Government?

Brother Washington's funeral services were conducted by Alexandria Lodge, to which lodge he had given so many years of faith-

ful service. Three of the four ministers who officiated at his funeral were members of his own lodge at Alexandria. Six Masons served as his pall bearers.

You and I should be proud that we are Freemasons. We should be proud that we are members of the same fraternity that the great founder of this Republic and all his brilliant associates were members of.

As you know, the Masons of the United States are building to Brother Washington's memory a wonderful memorial, which will be the pride of all Masons everywhere. It will symbolize the love, the respect, the gratitude, that Freemasons through the world feel for this man, who, to my mind, is the greatest of all Americans. By it we commemorate the genius of man and the genius of a people.

"But this memorial is not all we shall have built to his memory. There is a greater Washington memorial still unfinished but appropriate in all its parts. It extends from the Lakes to the Gulf, and from the Atlantic to the Pacific and on to the islands of the sea. Its final completion may be delayed for centuries, but it will be, we hope, a monument after Washington's own plans—the United States of America."

One hundred years ago to-day the people all over this country celebrated the centennial of Washington's birth. The thirteen original States had become twenty-eight. The population had increased from 3,000,000 to 13,000,000. Daniel Webster in a great speech predicted that in 100 years the people would again celebrate Washington's birthday, and that our Nation in the hundred years to follow would become the greatest Nation on earth. Webster's prophecy has become true. Let us hope that even 1,000 years from to-day our Nation will still be living and that all men everywhere will be celebrating the birthday of George Washington.

IN CONCLUSION

"As I speak these words our people are in the midst of material difficulties. We are plagued with personal worries. Discontent and suffering are abroad in the land. It is a time that tides rise to violent differences among our people. Our entire system of living is under fire of criticism.

"But we only repeat the experience of our fathers. They also knew what it means to be torn with divided counsels and violent clashes of interest. But in the midst of their perplexities they turned to the calm, serene, steadfast courage and judgment of George Washington. And in 1932 let us turn and rally about him again. Let us hope that in 1932 the spirit of George Washington will rise from its tomb and bring us together again as the great living Washington stilled the storms that swept over the days when he lived in the flesh. And he will repeat in spirit the great work that a century and a half ago he performed in fact. He will summon Americans away from their bickerings and discontent. He will bid them forget themselves and remember their country. He will ask them to rededicate themselves to the giving of self for the good of all. Then, in confidence, we may look forward to a united America, strong and mighty among the nations, the real memorial to George Washington, the Freemason."—(Quotation from Hon. SOL BLOOM, of New York.)

Mr. GILCHRIST. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Iowa rise?

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the question of the bonus bill.

The SPEAKER. The gentleman will be recognized for that purpose to-morrow, and not to-day.

Mr. GILCHRIST. Mr. Speaker, it is to extend my remarks on another question.

The SPEAKER. It makes no difference what the question is, to-morrow is the time to make the request.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 96. An act to punish the sending through the mails of certain threatening communications;

H. R. 437. An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon for the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes;

H. R. 461. An act to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921;

H. R. 1228. An act to adjudicate the claims of Knud O. Flakne and Alfred Sollom, homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 1230. An act for the relief of Chase E. Mulinex;

H. R. 2161. An act for the relief of Nelson E. Frissell;

H. R. 2841. An act for the relief of the owners of the steamship *Exmoor;*

H. R. 3414. An act for the relief of Ellen N. Nolan;

H. R. 3604. An act for the relief of Same Giacalone and Same Ingrande;

H. R. 4230. An act for the relief of Genevieve M. Heberle;

H. R. 5242. An act for the relief of D. Emmett Hamilton;

H. R. 5651. An act to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use;

H. R. 5820. An act for the relief of J. H. Wallace;

H. R. 5922. An act for the relief of W. A. Peters;

H. R. 6337. An act for the relief of Capt. Chester G. Mayo;

H. R. 6797. An act for the relief of Samuel Weinstein;

H. R. 6855. An act for the relief of Sam Echols;

H. R. 7449. An act for the relief of the estate of Jacob D. Hanson;

H. R. 7656. An act for the relief of William R. Nolan;

H. R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum,* for damage to said vessel;

H. R. 7912. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 8754. An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes;

H. R. 8817. An act to provide for fees for entry of a publication as second-class matter, and for other purposes; and

H. J. Res. 455. Joint resolution making an appropriation for the payment of pages for the Senate and House of Representatives from July 1, to July 15, 1932.

EXTENSION OF REMARKS—RELIEF LEGISLATION

Mr. HAWLEY. Mr. Speaker, not having time in the general debate, I desire the RECORD to show that on June 7 of this year there was presented to the House on a motion to recommit a relief program that had and has the approval of the President. It received 183 votes in the House on roll call. Had this program been passed by Congress it would have been promptly signed by the President and relief would have become immediately available wherever needed, and industry, trade, production, and commerce could now be obtaining funds for their operations.

The employment of labor by public and private operations would be gradually reducing the numbers seeking work. This program approved by the President is effective and workable, based upon experience and tested by practical operations. It was presented to the House at the earliest time opportunity afforded. The President has therefore been diligent in the matter of relief.

I will comment briefly upon Title II of the pending conference report. Its chief proponent alleges that it will afford to all our people who desire to borrow the opportunity so to do. Yet the report requires that each loan "shall be fully and adequately secured." This requirement, as well as others contained in the report, will prevent the great majority of those desiring and needing loans from obtaining them. It has the possible intent of creating discontent with the administration, which, under the terms of the report, is forbidden to make loans, but which loans the people are led to believe they can obtain.

At the White House conference on Tuesday four members of the Reconstruction Finance Corporation, two of each political party, were present, and they agreed that Title II can not be administered.

Title II creates a nation-wide banking system with headquarters in Washington, D. C. Branches by the thousands would be required, located in all parts of the United States. This system would necessarily become the active competitor of banking systems now existing, and its very existence would imply criticism if not distrust of existing banks. Title II, by creating a bank of gigantic and unheard of pro-

portions, imposes upon the Reconstruction Finance Corporation a task that can not be administered. Moreover, the proposed act, if it could be administered, provides only a minor proportion of the funds needed to carry out its provisions and meet the demands for qualified loans, if its facilities were generally availed of, where sufficient funds could be obtained. We have reached already, if not exceeded, the limits of taxation.

Shall the Government of the United States, whose revenues are taxes of various kinds and duties on imports, become the general banker and so dominate, even temporarily, the financial, industrial, commercial, and productive activities of our people?

I favor proper measures of relief in this crisis and believe the measure referred to in the beginning of these remarks the advisable solution of the problem.

Before Congress finally adjourns this session a relief bill will be passed.

Mr. EATON of New Jersey. Mr. Speaker, it is with profound regret that I find myself unable to vote for the conference report on the emergency relief bill, H. R. 12445. My objection to the bill centers on Title II, which proposes to have the United States Government loan money to anyone who asks for it, on collateral which may or may not be good.

The principle underlying all our relief legislation is to avoid so far as possible the dole while first safeguarding the savings and investments of all our people, and, second, making it possible for our industries to start up again and give employment to the millions of our citizens now out of work and who want to work.

We have in this country about 1,000 great industries listed on the stock exchange. For the most part these industries, which are widely owned by the people, can take care of themselves. There are in addition more than 200,000 small industries scattered over the Nation employing from 5 to 500 workers each. These are the typically American institutions. There is no doubt that the stock of goods and commodities is the lowest now that it has been for many years. It will soon be absolutely necessary for somebody to go to work to produce the necessities demanded by our people.

We have safeguarded the financial interests of a majority of our people through the Reconstruction Finance Corporation by saving the banks of the country, by strengthening the insurance organizations and the railroads. In my judgment we will not strike the center of the problem until some means is found for financing our idle industries. The local banks which have become liquid through the aid of our Finance Corporation are still held in the clutch of fear, so that thousands of industries that would be glad to put men to work are unable to do so because they can not secure credit from their local banks.

I raise the question whether it is not possible for Congress to pass legislation that will enable the Finance Corporation to act through local banks so that local industries that are conservatively financed and managed can secure necessary credit. Such a program would begin at least the solution of our unemployment problem in a thoroughly American fashion. The people of this country are self-respecting; they do not want charity—they want a chance to earn their living—and in the interest of thousands of industries scattered throughout the country, they can find this opportunity if we can devise a method for furnishing financial backing so that the industries can start up.

The Garner proposal expressed in Title II of this bill is a mathematical and economic absurdity. There are at least 10,000,000 individuals and institutions in the country that would immediately try to make a loan if Title II became law. If the machinery set up for making these loans were to run 8 hours a day, 300 days a year, the officials would have to decide an average of one case a second for 14 continuous months before they could dispose of the first batch of applications. This certainly constitutes a mere mockery of human distress. This is the kind of thing described in Sacred Writ, when the people asked for bread and were given a stone.

Mr. REILLY. Mr. Speaker, President Hoover, by virtue of his office, is the economic doctor in charge of our industrially sick country, and he is charged by the Constitution with the duty of recommending to the Congress of the United States such legislation as in his judgment will meet the demands of our industrial crisis.

This constitutional duty imposed on the President of the United States does not preclude the Congress of the United States from proposing such additional legislation as in its judgment will be beneficial to the country at this time. However, such legislative initiative on the part of Congress is subject to the veto power of the President of the United States.

In his message to Congress last December, President Hoover laid down certain legislative requirements that in his judgment were necessary to bring about a revival of industry in our country.

The President asked Congress to appropriate $125,000,000 to the Federal land banks; to amend the Federal reserve act by the passing of the Glass-Steagall bill; to pass the Reconstruction Finance Corporation bill; and to pass a Federal home loan bank bill. The President also asked Congress to balance the Budget.

All of these demands made by President Hoover on Congress have been fulfilled by this House by appropriate legislation.

The pending relief bill and conference report are before this House as a result of proposed relief legislation originating in the House through the Rainey bill, and in the Senate through the Wagner bill. Both of these bills went to conference, and the pending bill and conference report represent the judgment of both Houses as to the character of the additional relief legislation demanded at this time.

President Hoover appears to particularly object to the provision contained in the pending bill which empowers the Reconstruction Finance Corporation to loan money to States, cities, semipublic corporations, private corporations, and individuals for any undertaking that will provide employment or afford relief.

The President has announced, both through the press and through his representatives on this floor, that he will veto this emergency relief bill if it is passed as agreed to by the conferees, and it is not at all probable that the friends of this measure can muster the two-thirds vote required in both Houses to override a presidential veto.

In considering this conference report in connection with the stand taken by the President this House is up against a condition and not a theory. There is no use of this body approving the pending conference report if the President is going to veto the legislation that it approves; and that a veto awaits this relief bill, if passed as reported by the conferees, can not be doubted, with the result that there may be no other relief legislation passed at this session of Congress.

There can be no doubt but that this Congress, before it adjourns, should pass some additional legislation for the further relief of industry and for the relief of the States and larger cities of the country in handling their unemployment problem.

I am going to vote against this conference report now pending before this House, not because I am opposed to the pending relief bill or to the conference report, both of which I favor, but because it is my judgment that the best and surest way for securing additional relief legislation at the present session of Congress is for the House to vote down this report and send the bill back to conference, where it can be amended so as to avoid a presidential veto.

Mr. SHALLENBERGER. Mr. Speaker, I voted against the Reconstruction Finance Corporation bill when it passed the House for the reason that I considered it an unconstitutional use of governmental power and Government funds for the benefit of special interests. The funds to be advanced from the Federal Treasury were to be raised by bond issues. Federal bonds are Government debts, and the mountain of debts that the Treasury and the people struggle under is the basic cause of the bankruptcy and panic that

afflicts the Nation. I could not see where our financial troubles were to be cured by increasing the burdens of the Treasury by bigger bond issues.

There can be no help for agriculture or industry or restoration of national credit in such a policy. Special interests have been favored by this policy, but not the basic needs of the people. Twenty-five millions of the one hundred and twenty-five millions given to the Federal farm banks was earmarked to be used to help farmers threatened with loss of their farms. One bank in Chicago has been advanced eighty millions by the Reconstruction Corporation to help it in an hour of need to meet its debts to depositors.

Three times as much was advanced by the Finance Corporation to save one bank as was allotted to save the millions of farmers of the Nation from foreclosure and loss of their farms and homes.

But, Mr. Speaker, to-day I voted for the relief bill as reported by the conferees of the House and Senate, because for the first time in this Congress a bill is before us which proposes to give to every solvent citizen and business interest of the Nation the same rights and privileges for financial help and credit from the Federal Government that have been given to the banks, railroads, and insurance companies under existing law. I do not approve of using Federal funds as aid for private uses or credit except as a last resort in time of war. But the business emergency that confronts us to-day is equal to war itself in its stress and danger to our national existence.

At the request of the President, we are using the taxing power of the Nation to the limit to make up the deficit in the National Treasury. We must extend the credit of the Republic to its utmost to save the business structure of the Nation and save the people from the disaster which extravagance and lack of wise leadership has brought upon us.

The so-called "financial leaders" and "best minds" of the Government and the Nation have brought us to this desperate condition. The plain people of the country fight the Nation's battles in time of war and maintain her honor and her credit in time of peace. They only can lift us out of the awful difficulty in which we are involved. Special privilege has failed us. Republican prosperity has proven an iridescent dream.

In this bill for the first time we show our faith in the doctrine of equal rights to all and equal opportunity for every citizen of the Republic. For that reason I give the conference report my favorable vote.

I have received a great many letters from the people of Nebraska expressing their vital interest in national and commercial credit, taxation costs, and the constant fall in prices. Among the many letters I have received is one from Mr. S. E. Solomon, president of a taxpayers' league in Nebraska.

Three thousand farmers in six counties in southwestern Nebraska make up this organization. The president of this league points out that taxes are to-day higher than in times of war and that farm prices are the lowest in a generation. He understands and states that the greater part of their taxes come from costs of State and local governments, but asks what we are doing in Washington as our part in the battle for tax reduction and real relief for agriculture, commerce, labor, and industry.

I am including in my remarks my answer to Mr. Solomon as a brief summary of the work of this Congress in its first session, and my own votes and views upon pressing public questions of the hour.

Mr. S. E. SOLOMON,
President Taxpayers League, Culbertson, Nebr.

DEAR MR. SOLOMON: I have your letter of July 4 telling me of the organization of your Taxpayers League and some of its hopes and purposes. At the outset I want to say you took July 4, our greatest patriotic anniversary, to write me a most patriotic and interesting letter upon the great questions that confront us all—that is, the salvation of our homes and institutions and farms from confiscation by taxation.

The cost of government is intolerable and indefensible. Agriculture, commerce, and industry are crushed by its burdens. Labor and business are staggering under a load of taxes. Some of our largest cities are threatened with bankruptcy and millions of taxpayers are on a strike. We must recognize the fact that governments as well as people should live within their means and not to try to live upon continual bond issues and floating debts.

There are two roads to travel in order to balance a growing Budget. One is to increase taxes, the other to reduce Government expense. I am against increases in taxation when incomes fail. In such a time every sane business man reduces his overhead and outgo. Taxes are destructive of national and private wealth. No nation ever made its people prosperous through taxation.

As you well state, the greatest item of our tax bill comes from the cost of local and State governments. Nebraska's share from the National Government as Federal aid to roads and other projects is almost as much as we pay into the Federal Treasury. For every dollar we pay in Federal taxes, we receive 80 cents in Federal aid. The Federal income tax is not a heavy burden upon our citizens, because at present few have an income sufficient to require the tax. But, nevertheless, I feel that it is important in this trying hour for the taxpayer and business man that the National Government should set an outstanding example of economy and sound financial legislation.

As might be expected, the two Houses of Congress have had a great deal of difficulty in getting together upon the problems of economy in appropriations and relief for unemployment. This has been the most nonpartisan Congress I have ever sat in. The dire distress that afflicts the Nation has caused the Democratic House to pass all emergency legislation asked for by the Republican President in the hope that it might bolster the badly shattered economic condition of the country.

The House of Representatives, in an effort to stimulate and restore business prosperity, relieve unemployment, and put Government finances on a sound basis, has enacted more fundamental legislation for that purpose than any Congress in a generation. Among them are the Reconstruction Finance Corporation, the Glass-Steagall bill to expand Federal reserve notes and bank credit, the Agricultural Credit Corporation to extend further aid to farmers, the bank guaranty law for protection of depositors, the economy bill dealing with Government expenditures, and the general relief bill giving aid to States and work to the unemployed. The depression into which the Nation has been plunged because of extravagances of former years is so tremendous that the efforts of this Congress to overcome it are only beginning to be felt at this hour.

I introduced the first Democratic bill at the beginning of this Congress reducing Federal salaries and expenses. It provided for reductions as high as 25 per cent in the higher brackets. The congressional committee to which it was referred refused to report it for action in the House, but the public demand for economy which my bill voiced could not be stifled by its opponents in Congress. An Economy Committee was created, and reductions of $250,000,000 in salaries and $600,000,000 in Federal appropriations has resulted. I have introduced similar bills to abolish other expensive and useless bureaus and commissions, and I believe that the next Congress, after it has heard from the people in November, will cut even deeper into Government expenses than has the present session.

I have introduced a bill in Congress to abolish the Federal Farm Board, the Shipping Board, and the Tariff Commission. All three have failed to show works that warrant their continuance or cost to taxpayers. There are a number of other expensive bureaus and commissions operating under Federal law and at great cost to the taxpayer that should be discontinued as unnecessary drains upon the Federal Treasury. The bill which I have just introduced is a move in the direction of real economy in government. It is the belief of all students of governmental reform that useless and expensive bureaus which have grown up here in Washington should be abolished. Everyone talks about doing it, but the necessary legislative action is not taken.

It may interest you to know that this Congress cut its own salaries $1,000 a year, reduced mileage 25 per cent, cut its stationery allowance and clerk hire, and increased its income-tax charges, so that the total reduction is over $1,700 per annum. Personally I proposed and voted to cut congressional salaries 25 per cent, which would have put them where they were before the war.

I note what you say concerning Government postal salaries. There has been a persistent effort upon the part of myself and many other Congressmen to reduce all Government expenses as much as possible, but the big cities and industrial centers have put up a very strong resistance against all salary reductions because of the influence of labor organizations and the contention of many that unemployment and wage reduction is at the bottom of our business trouble. The Representatives from the agricultural States generally worked along the lines of retrenchment and reform in this direction, but the big centers of population offered continual resistance, and they hold the majority of the votes. But the efforts of those of us who have fought and voted for economy in government have resulted in great savings to the Federal Treasury.

The reduction in appropriations and salaries will reach a total of almost $900,000,000. I voted against the new tax bill, which is supposed to balance the Budget, because I did not approve of the increased burden of taxation upon the people, until the utmost economies had been put into effect. I especially was opposed to the increased cost in postage and the stamp tax on bank checks and the tariff tax on lumber, coal, and oil which the bill carries and which are directly against the best interests of the people of Nebraska.

I voted against the Reconstruction Finance Corporation bill as it was originally introduced because I felt that it would benefit

only the big special interests, and would be no direct aid to agriculture, and was a dangerous drain upon an already empty Treasury. I voted against the big public building bill because I felt this was a time when the people needed meat and bread rather than monumental structures of brick and marble. While the people of Nebraska feel the weight of the present depression in company with the other States of the Nation, Nebraskans can take satisfaction in the fact that our State is one of the two States in the Nation that is free from bonded debt and holds a great many millions of the obligations of less-fortunate Commonwealths as an interest-bearing fund for the support of our public schools. Nebraska's policy of paying as we go in our State-government activities is a shining light for the rest of the Nation to look at as an instance of sound financial policy in governments.

It is my opinion that the agricultural Middle West will also be the first to lead the Nation on the road to recovery in business prosperity. The advance in the price of hogs and cattle is the first sign of encouragement to the hard-pressed farmers of Nebraska.

If the Farm Board wheat and cotton holdings can be gotten rid of and the old reliable law of supply and demand gets busy once more, agriculture may see the dawn of better days. Give the farmer a "new deal," as Governor Roosevelt defines it, and he can take care of himself.

Like Atlas of old, the farmer bears the business prosperity of the Nation upon his back; and when he is again made strong by better prices and stands once more erect, he will lift the entire commerce and industry of the country to prosperity beside him. The return of profitable prices of agriculture and industry is difficult to achieve by legislation, but useless burdens of taxation, being creatures of law, can be removed by the same governmental power that created them.

Speaker GARNER has lately stated that Government expenses can be cut one-third. Useless bureaus and commissions must be discontinued and curtailed if such a saving as the Speaker advocates is accomplished. One-third of the activities of the Federal Government are useless to the people who are taxed to pay for them. Governments do not produce wealth. They consume it. The Federal Government should not be considered as a national Santa Claus. It is something to live under, not to live upon.

Sincerely yours,

A. C. SHALLENBERGER.

Mr. SWING. Mr. Speaker, under leave granted to extend my remarks, I desire to state some of the reasons that prompted me to vote for the so-called Garner-Wagner bill.

Before this Congress convened I spoke many times in my own State on the question of economic relief and pledged myself to vote at every opportunity in favor of any and all measures which offered the hope of putting men to work. In season and out of season through this session, I have urged Members of the House to take action to relieve the dire distress of the unemployed, to do something to stimulate business and to restore confidence and to get the wheels of industry moving again.

I voted for each and every one of the President's proposals, although I doubted at the time that they would produce the results claimed for them. Without doubt those measures have done some good, but they have failed to end the depression or to prevent the country from sinking deeper into it. The effort to revive business "from the top down," by making credit easily available to big business and industry, has not worked and will not work because industry is not going to borrow from banks to increase production when there is a constantly contracting market for what they now produce. The beginning must be made at the bottom. We must create a buyers' market, we must increase the consuming power of the public. When the people are able to buy the things they need, existing stocks and supplies in retail stores will be consumed and industry automatically will begin new or increased activities to replace what has been thus consumed. It is for this reason that the economists of the country with striking unanimity have declared in favor of a greatly enlarged public-building program to put the unemployed to work, to increase the amount of money in circulation, to increase the consuming power of the public, thereby stimulating business and industry, reversing the present vicious circle and converting it into a beneficial circle.

I have strongly favored largely expanding the public-building program to include work which the Federal Government is planning to do in the next 5 or 10 years, and also through loans to cities, counties, and States to similarly advance their building programs.

A policy of expanding the public-building program has heretofore received the hearty indorsement of the President himself. He declared to the American Bankers Association in unequivocal terms that—

> During a period of depression the soundest and most available method of relieving the unemployment is expansion of public works.

It was he who called upon the governors of the 48 States to start building programs, declaring that—

> The Federal Government will exert itself to the utmost within its own province and I should like to feel that I have the cooperation of yourself and the municipal, county, and other local officials in the same direction. It would be helpful if road, street, public building, and other construction of this type could be speeded up and adjusted in such a fashion as to further employment.

Addressing Congress, December 2, 1930, President Hoover declared:

> As a contribution to the situation, the Federal Government is engaged upon the greatest program of waterway, harbor, flood control, public building, highway, and airway improvement in all our history. * * * I favor still further temporary expansion of these activities in aid of unemployment during this winter.

With such unqualified indorsement of a Federal building program as the "soundest and most available method of relieving unemployment," I am unable to understand the President's denouncing a bill which undertakes to carry out his explicit recommendation as a "pork barrel" bill.

Unemployment is nation-wide. Unemployment relief must be equally extensive. The proposal to start work on ultimately needed projects in every part of the United States is to be commended instead of criticized.

In the face of the great threat which exists in having 25,000,000 of our people facing want in a land of plenty we can not quibble over a "balanced Budget." The President has approved the idea of cities, counties, and States unbalancing their budgets to find relief, either in the form of charity or "made work" for the unemployed. He is even willing to give his approval to a law which would make it compulsory upon cities, counties, and States to vote bonds in order to get money from the Reconstruction Finance Corporation to take care of the destitute and the unemployed. These same needy persons are citizens of the United States as well as citizens of the respective States. The Federal Government owes them an obligation as well as the local communities. Unemployment is a national problem and must be attacked nationally as well as locally.

From every part of my State I have had appeals to help get through a relief bill which would afford some hope for the unemployment situation in California. The California Conference of Social Workers went on record as approving action by Congress to appropriate $3,000,000,000 as a means of relieving unemployment. The governor of the State wired me as follows:

> DEAR CONGRESSMAN SWING: Reference your telegram 9th instant. Because the situation is constantly and rapidly changing it is possible to give only estimates. As a result of unemployment about 65,000 families in the State of California are now depending partially or entirely upon relief from governmental and private charities. The total number of persons thus affected is approximately 250,000. About 20,000 persons are now employed on emergency relief work, mostly part time. Replying to your second inquiry, the California State Unemployment Commission is of the opinion that in view of the situation the Federal Government should, if possible, authorize emergency work at this time, and as Governor of California I concur in the opinion of the California Unemployment Commission.
>
> Very sincerely yours,
>
> JAMES ROLPH, Jr.,
> *Governor of California.*

In view of the foregoing, I voted for the conference report, although I must confess it was disappointing in its too limited scope. Title I is a confession that we have allowed three years to go by during which time millions of Americans have suffered more greatly than ever before in the history of our country. It is a confession that we have waited until men have lost their jobs, have lost their homes, have had their families sent to the poorhouse, and have been turned from revenue-producing citizens into beggars; and then it is proposed to act merely to keep them in that status. Title III, public works, which ought to hold out the hope of organized society to perform its solemn obliga-

tions to its members, contains the mere pittance of a proposed expenditure of $322,000,000 as the Federal Government's contribution to the solution of the present unemployment situation. I voted for the bill solely because it was all there was before Congress that had a chance of being enacted into law, and not because I thought it adequately met the situation.

Mr. WOLVERTON. Mr. Speaker, the economic condition that confronts our Nation to-day, with its attendant paralysis of business, finance, industry, and agriculture, creating widespread unemployment, destitution, and need, brings us face to face with an emergency as serious as that presented by the World War.

Demand for relief comes from every conceivable source. It is not confined to any particular class. Bankers, railroads, industrial corporations, agriculturalists, business men, sovereign States, local municipal governments, capital and labor, rich and poor, each with divergent views and often conflicting interests, but all with an insistent demand that each shall receive the particular kind of relief their individual need requires.

To answer the demand and provide relief in the variety of ways made necessary by the different needs to be served requires the entrance by our Government into new fields of activity that can only be justified by the existence of an emergency seriously affecting our national welfare.

In times such as these, if we are to best serve our people, we can not hold to the same course of action that has prevailed in other times. This is a time of distress and need—a time that calls for the application of new principles or a rearrangement of the old. Policies and principles of government set up and agreed upon in times of prosperity can not be accepted as standards in times of economic distress, when the financial and industrial organizations of the country are prostrate and our people in want.

We must have the vision that will enable us to recognize that new conditions create new obligations and the necessity for the application of new and different policies of government if we are to fulfill our entire responsibility. We must have not only the vision as to the necessity, but also the courage to do things which a few years ago would have been unthought of because contrary to accepted theories of what is a proper field of governmental activity and unjustified under the prosperous conditions then prevailing.

There are few, if any, who will deny the necessity or the propriety of the Government, in times such as these, assuming a responsibility to promote the general welfare and seeking to fulfill that obligation by entering into enterprises or assuming functions that otherwise would be unjustified.

The difficulty, however, arises not in obtaining general acceptance of the principle just stated, but in making the application thereof, as to who or what class shall have the benefits to be derived therefrom. Financiers can easily see the necessity and readily justify the Government in extending financial aid to banks, railroads, insurance companies, and similar institutions, as being properly within the province of the Government in times such as these, and such has undoubtedly served a very worth-while purpose. Yet to extend aid to relieve want and starvation among our people is claimed by some to be a recognition of a principle that is dangerous to our institutions of government. I can not agree with this limitation on Federal responsibility to promote the general welfare; and consequently I am strongly of the opinion that if it is proper for the Government to give strength and vitality, by means of financial assistance, to keep alive and functioning corporate life in our Nation, then it is infinitely more important to utilize our national resources and credit to the fullest extent necessary to save destitute and starving people.

To-day we are facing a serious issue. It is an issue that arises through a realization that destitution and need exist to such an extent throughout the Nation that it is impossible to provide relief through the ordinary channels or by the usual means and, by reason thereof, arises the question, How and by whom shall such relief be extended?

The people of our Nation have ever been generous. The desire to help the unfortunate has found expression not only in the care we have always extended to the needy within our own borders but likewise with equal generosity to all who have raised the cry of distress in the farthermost parts of the world. It is hard to realize that the people of this great charitable Nation, heretofore able and willing to sustain and support the needy by voluntary contributions, can no longer do so. Not because the spirit of charity has departed but because the financial ability to respond does not exist.

It is particularly distressing to realize that present conditions not only prevent many of our formerly charitably inclined people from extending aid but in many instances even such are now required to seek help where once they gave help.

The conditions that have affected private or voluntary contributions have likewise curtailed, and often eliminated, all possibility of local governmental agencies fulfilling their usual function of assisting the needy. Extended unemployment has made it hard and often impossible to make payment of taxes. With an ever-increasing delinquency in tax returns, banks have found it necessary to refuse the advancement of funds for local governmental purposes. The result has been not only inability to provide relief, but even inability in some places to make payment of such necessary services as school-teachers, police, and firemen. With this breakdown in the ability of local municipal governments to care for the destitute has come the necessity in many instances of State governments assuming the entire program of relief in their respective States.

The fulfillment of this responsibility by the several States is continually becoming more difficult, due to a shrinkage of revenues from the same causes that affect local governments. This condition, unpleasant though it is, must be acknowledged and faced with resolute courage, even though it means the assumption of a new function by the Federal Government, namely, providing financial assistance to the several States to enable them to properly and adequately care for the distressed within their borders.

There may be some differences of opinion as to whether relief afforded by the Federal Government should be dispensed by it, through agencies of its own creation, directly to the individual, or loaned to State or responsible municipal governments, and such assume the administration thereof; but there can be no difference of opinion as to the obligation of the Federal Government to provide the necessary funds when other agencies, governmental or otherwise, are unable to do so.

It is unnecessary to emphasize the fact that the need existing to-day arises directly through unemployment. If employment were to be had, our problem would cease to exist. Therefore, recognizing that the only substantial and worth-while solution is that which provides employment, and that any other form of relief is only temporary in character, there arises an additional obligation upon our Government to inaugurate and carry forward an extensive public-works program on a proper financial basis. Furthermore, if unemployment is to be adequately dealt with, the Federal Government must also provide means by which States and local governments and other sound enterprises of a public or quasi-public character can procure funds, at low rates of interest, to enable them to proceed with construction work on a scale that will afford an appreciable amount of employment.

In this time of crisis, when we are seeking to relieve human misery, there is no place for partisan politics. This is no time for demagogic utterances. This is a time for calm and deliberate consideration. It is imperative that relief be afforded without regard to Republican or Democratic authorship of the plan to be offered.

The bill now before Congress, known as the emergency relief and construction act of 1932, is an honest endeavor to provide not only relief from the ravages of destitution but also to make possible an increased opportunity for employment through governmental construction and other public

works. It is entitled to receive the support of every Member of this House.

It recognizes the important fundamental principles that must be taken into consideration if adequate relief, both temporary and permanent, is to be afforded to our people.

In the first place, it authorizes and empowers the Reconstruction Finance Corporation—

To make available out of the funds of the corporation the sum of $300,000,000, * * * to the several States and Territories, to be used in furnishing relief and work relief to needy and distressed people and in relieving the hardship resulting from unemployment—

and so forth; and, in order that such funds may be advanced to local municipalities for like purposes, it provides:

Any portion of the amount approved by the corporation for payment to the governor of a State or Territory shall, at his request, and with the approval of the corporation, be paid to any municipality or political subdivision of such State or Territory.

Not only does the present bill provide relief for destitution, as just mentioned, but in addition thereto provides a public-works program of $322,224,000 to create and expedite employment. It furthermore broadens the lending powers of the Reconstruction Finance Corporation in such a manner as to authorize and empower it—

(1) To make loans to or contracts with States, municipalities, and political subdivisions of States, public agencies of States, of municipalities, and of political subdivisions of States, public corporations, boards, and commissions, and public municipal instrumentalities of one or more States, to aid in financing projects authorized under Federal, State, or municipal law which are self-liquidating in character, such loans or contracts to be made through the purchase of their securities, or otherwise, and for such purpose the Reconstruction Finance Corporation is authorized to bid for such securities.

(2) To make loans to corporations formed wholly for the purpose of providing housing for families of low income, or for reconstruction of slum areas, which are regulated by State or municipal law as to rents, charges, capital structure, rate of return, and areas and methods of operation, to aid in financing projects undertaken by such corporations which are self-liquidating in character.

(3) To make loans to private corporations to aid in carrying out the construction, replacement, or improvement of bridges, tunnels, docks, viaducts, waterworks, canals, including industrial water supply systems, and markets, devoted to public use and which are self-liquidating in character;

(4) To make loans to private limited dividend corporations to aid in financing projects for the protection and development of forests and other renewable natural resources, which are regulated by a State or political subdivision of a State and are self-liquidating in character; and

(5) To make loans to aid in financing the construction of any publicly owned bridge to be used for railroad, railway, and highway uses, the construction cost of which will be returned in part by means of tolls, fees, rents, or other charges, and the remainder by means of taxes imposed pursuant to State law enacted before the date of enactment of the emergency relief and construction act of 1932, and the Reconstruction Finance Corporation is further authorized and empowered to purchase bonds of any State, municipality, or other public body or agency issued for the purpose of financing the construction of any such bridge irrespective of the dates of maturity of such bonds.

The enactment of this additional legislation can not help but supplement in a most beneficial way the powers already conferred upon the Reconstruction Finance Corporation earlier in the session. Federal funds and credit were thereby brought to the assistance of a trembling financial structure. Confidence was restored. Thousands of banks and other financial institutions were saved from collapse. Bank depositors and holders of life and fire insurance policies and other similar security throughout the country were benefited and saved from ruin.

Worth while though such previous legislation has proven to be, yet it has not brought relief to the destitute nor work to the unemployed. Consequently, there is a continuing duty upon Congress, now and hereafter, to extend the provisions of the act in such manner and to such extent as will provide as far as it is within its power adequate relief for the destitute and needy unemployed.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Friday, July 8, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

629. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting a report dated July 5, 1932, from the Chief of Engineers, United States Army, on preliminary examination of Deep Creek, Warwick County, Va., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BYRNS: Committee on Appropriations. House Joint Resolution 462. A joint resolution making an appropriation to provide transportation to their homes for veterans of the World War temporarily quartered in the District of Columbia; without amendment (Rept. No. 1761). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRAIL: A bill (H. R. 12917) to prohibit discrimination and intimidation on account of race or color in employment under contracts for public buildings or public works in the United States, and fixing penalties therefor; to the Committee on Labor.

By Mr. HOPE: A bill (H. R. 12918) to amend the agricultural marketing act so as to make the tariff effective on that part of the production of specified farm commodities which is consumed within the United States, and to provide a means of balancing production and consumption; to the Committee on Agriculture.

Also, a bill (H. R. 12919) to amend the agricultural marketing act so as to make the tariff effective on farm commodities domestically consumed, and to provide a means of preventing undesirable surpluses and balancing production and consumption; to the Committee on Agriculture.

By Mr. EATON of New Jersey: A bill (H. R. 12920) to provide for the establishment at the seat of the government of the United States of a bank to be known as the Government farm-loan bank of the United States, with an authorized capital stock of $150,000,000, or as much more as may from time to time be authorized, and for other purposes; to the Committee on Banking and Currency.

By Mr. BLACK: Resolution (H. Res. 281) to investigate automobile financing; to the Committee on Rules.

By Mr. CANNON: Joint resolution (H. J. Res. 463) to amend the revenue act of 1932 by repealing section 751, imposing a tax on checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. LINTHICUM: Joint resolution (H. J. Res. 464) granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONNOLLY: A bill (H. R. 12921) for the relief of Andrew William McFadden; to the Committee on Naval Affairs.

Also, a bill (H. R. 12922) granting an increase of pension to Emma C. Bragg; to the Committee on Pensions.

Also, a bill (H. R. 12923) granting an increase of pension to Catherine Sweeney; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 12924) granting a pension to Victor Brock; to the Committee on Pensions.

By Mr. HOPKINS: A bill (H. R. 12925) for the relief of C. A. Hursh; to the Committee on Claims.

By Mr. JENKINS: A bill (H. R. 12926) for the relief of Fanny Reuter Shafer; to the Committee on Claims.

By Mr. LEAVITT: A bill (H. R. 12927) granting an increase of pension to Robert Hackett; to the Committee on Pensions.

By Mr. LINTHICUM: A bill (H. R. 12928) for the relief of the Baltimore Butterine Co.; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 12929) granting a pension to Charles H. Mattingly; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H. R. 12930) granting an increase of pension to Mary H. Aldrich; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H. R. 12931) for the relief of John Buyarski; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8510. By Mr. CRAIL: Petition of Mina C. Ahrens, urging a respite or moratorium on debts, bonds, taxes, and interests, public and private, until the depression is over and times are better; to the Committee on Ways and Means.

8511. By Mr. GILCHRIST: Petition of 26 citizens of Wesley, Iowa, asking the President and the Congress to enact legislation that will enable small farmers to retain ownership of their homes; and asking immediate passage of legislation which will place farm mortgages upon an equality with other assets in the reconstruction program of the Reconstruction Finance Corporation; to the Committee on Agriculture.

8512. By Mr. LINDSAY: Petition of National Association of Flat Rolled Steel Manufacturers, Cleveland, Ohio, protesting against the dumping of foreign steel in the United States; to the Committee on Ways and Means.

8513. Also, petition of E. Goldberger, manufacturer, Brooklyn, N. Y., protesting against increased Federal expenditures; to the Committee on Economy.

8514. By Mr. RUDD: Petition of National Association of Flat Rolled Steel Manufacturers, Cleveland, Ohio, opposing the dumping of foreign steel in the United States and crippling the American steel industry; to the Committee on Ways and Means.

8515. By Mr. WATSON: Resolution adopted by Bucks County Council of Republican Women, indorsing the eighteenth amendment and its enforcement; to the Committee on the Judiciary.